



## **MATA SECURITIES INDIA PVT. LTD.**

### **PROCEDURES & POLICIES - PART 1**

#### **A. CLIENT REGISTRATION, DOCUMENTS MAINTENANCE**

##### ***Client Registration:***

This is the first stage of contact with the client. It is very important to take adequate details from the clients to maintain a record of the details of the clients.

Company 1st register client by obtaining the Client Registration Form (KYC Form) which is the foremost requirement of exchange. In this KYC Form company will taken all the details of the clients i.e.

- a. Name of the client : which is used to identify the client to the Communication.
- b. Residential Address is taken with the address proof which is the Document specified by exchange i.e. electricity bill, Ration Card, Telephone Bill, Passport etc.
- c. Also taking photo identity proof of Passport, Voter Ids, Driving License Copy, PAN Card etc.
- d. Photograph of client in case of Individual.
- e. For Corporate Client Board Resolution, Memorandum of Association & Article of Association of Company, Share Holding pattern, List of Directors etc.
- f. Copy of PAN Card of the company.

All these documents form part of KYC Norms which will be taken.

- g. Bank Details of the client along with the proof of the same i.e. Xerox of the bank pass book Or CancelledCheque so that company can keep track of the third party payment i.e. amount paid through other persons account.
- h. DP accounts details for pay in and pay out of securities of the trades to be done by the client. Proof of the DP Account holder name will be taken. This is also for not third party delivery of the security i.e. security of client given to other persons or taking delivery of other persons.

1. Financial details of the clients in the case of Derivative Segments. E.g. copy of last income tax return, latest salary slip, copy of audited balance sheet in case of corporate clients etc.

As per uniform document requirement prescribed by SEBI, we have executed Client Broker Agreement and Risk Disclosure Documents and acknowledge the copy of document of investors' right.

***Documents Maintenance:***

1. Documents relating to Client Account Opening are kept in safe custody under the custody of Compliance Head or Legal Head of the Company.
2. The Company shall maintain separate books of accounts and records for trades executed on each recognised stock exchange (in case of membership in different exchanges)
3. The Company Maintain records and registers relating to business for a period of five years either in hard form or non tamperable soft form, including the following:
  - Statements of funds and securities obligations received from NSCCL
  - Client ledger, Margin register, Register of complaints
  - Records in respect of brokerage collected separately from constituents
  - Register of transactions
  - Register or Ledger Account of Securities, client wise and security wise

**B. SALES PRACTICES FOLLOWED BY THE TRADING MEMBER**

The Company should have a relationship and sales manager for liaising with clients of the Company.

The company should have a Research Department for Equity, Debt & F&O product Research. Research Department should provide the research report to the sales and relationship managers. Sales & Relationship team advice to the clients, about the various financial products, on the basis of research reports, for their investment.

### **C. CLOSURE OF CLIENT ACCOUNTS/ DORMANT ACCOUNTS**

The Company shall close the client account after getting a written request from the client for the same. Further, the Company may close client accounts with prior intimation to the client at their own discretion or as per the order given by any regulatory body.

A client account shall be treated as a dormant account if it is not in operation for more than 6 months.

Dormant accounts shall be re-operated / re-opened after getting a written letter from the client and latest financial or other documents required for the same.

### **D. ORDER RECEIPT AND EXECUTION:**

Orders shall be received on phones or hotlines by the Equity or Debt or Derivative market dealers. The company shall install the call recording system on phones or hotlines so that the company can take the record of the same.

The dealers shall punch the sauda on NEAT or other trading terminals at rate and quantity as asked by the clients.

After executing the sauda the dealer shall confirm the same to the respective clients on phone and make a deal slip for the same.

Deal slip shall be forwarded to back office for processing of the sauda and contract note in back office.

### **E. SENDING CONTRACT NOTES, DAILY MARGIN STATEMENT, QUARTERLY STATEMENT OF ACCOUNTS TO CLIENTS**

The Company shall issue contract notes in the prescribed format by the exchanges or SEBI within 24 hours of execution of trades on the Exchange.

The Company shall issue daily margin statements in the prescribed format by the exchanges or SEBI within prescribed time to their clients.

The Company shall send a statement of accounts for funds and securities to all the clients in such periodicity not exceeding three months (calendar quarter) within a month of the expiry of the said period.

The statements should have an account of all receipts and deliveries / payments during the relevant period and not simply, the details of holdings as at the end of the period.

The statements should incorporate an error reporting clause giving 30 days time.

The company should maintain proof of dispatch / delivery for the all contract notes, daily margin statement and statement of accounts for funds and securities.

#### **F. COLLECTION OF PAY IN, MARGIN, LIMITS SETTING FOR EXPOSURES & TURNOVER FOR CLIENTS, TERMINALS, BRANCHES & SUB-BROKER LEVEL**

The cheques from the clients will only be accepted from the accounts for which the client has submitted the proof to the company. In case of any receipt from the accounts for which the proof is not available the same will be demanded from the clients. Third party cheques will only be accepted from the parties related to the clients after taking due authorisation from both the client and the person making payment.

Payments for the payouts will only be made to the clients and not to any third party.

In case of Capital Market segment the margin will normally not be levied under normal circumstances but the company may collect the Margins depending on the Market Scenario and Client Profile.

In case of F&O the Company will collect the SPAN margin from the clients and if need be the company may collect additional margins for the safety depending on the Market Scenario and Client Profile.

Limits for exposures and turnover for clients, terminals and branches shall be decided by the management as per the requirement according to market scenario.

#### **G. MONITORING OF DEBIT BALANCES**

The Company has very few retail clients, most of those are relatives of directors and group companies. There is no policy and procedure adopted to monitor debit balances of the clients.

The back office staff is monitoring the balances of the clients on a routine basis.

#### **H. ALLOTMENT, SURRENDER OF TRADING TERMINALS**

The trading terminals shall be allotted to authorized and NCFM certified users, only.

The Company shall surrender the trading terminals if the terminal shall not be in use of the company.

#### **I. OPENING & CLOSING OF BRANCHES / SUB-BROKER OFFICES**

As per the discretion of the management, the branches shall open or close as per the requirement and business scenario of the company.

#### **J. PAYMENT, RECEIPT OF FUNDS FROM / TO CLIENTS**

Client Bank Account will be used only for the purpose of receiving and paying funds from the clients. For the payments of expenses the business account will be used. Fund Transfers between all the bank accounts will be allowed as per requirements.

The cheques from the clients will only be accepted from the accounts for which the client has submitted the proof to the company. In case of any receipt from the accounts for which the proof is not available the same will be demanded from the clients. Third party cheques will only be accepted from the parties related to the clients after taking due authorisation from both the client and the person making payment.

Payments for the payouts will only be made to the clients and not to any third party.

#### **K. RECEIPT, DELIVERY OF SECURITIES FROM / TO CLIENTS**

The company will maintain client's securities in a designated account called the Client Beneficiary Account. The securities of the company will be kept in a separate demat account termed as Own Beneficiary Account. The clients and own securities will not be mixed with each other.

The shares from the clients will only be accepted from the accounts for which the client has submitted the demat proof to the company. In case of any receipt from the accounts for which the proof is not available the same will be demanded from the clients. Third party delivery will only be accepted from the parties related to the clients after taking due authorization from both the client and the person making payment.

Delivery for the payouts will only be made to the clients and not to any third party.

#### **L. SQUARE OFF OF POSITIONS / LIQUIDATION OF SECURITIES WITHOUT CONSENT OF CLIENTS**

The Company /stock broker shall be entitled to repudiate / close out all or any of the Client's position for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation /close out, if any, against the Clients liabilities / obligations.

Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by clients of the company.

#### **M. POLICY OF INTERNAL SHORTAGE**

The Company has very few retail clients, most of those are relatives of directors and group companies. There is no policy adopted for internal shortage.

## **N. TRANSFER OF TRADES**

There is no formal policy adopted by the company for transfer of trades because the company has major institutional clients. The Company has very few retail clients; most of those are relatives of directors and group companies.

The company has authorized the back office persons to transfer the trades in the case of wrong punching of sauda, rejection of transaction by the client (e.g. institutions or banks etc.) due to mismatch of price of securities transacted OR mismatch of quantity asked for bought or sold by the such clients, as per the rules and regulations prescribed by the exchanges in this respect.

## **O. INVESTOR REDRESSAL MECHANISM**

1. The company has a designated investor grievances email id [investor@matasec.com](mailto:investor@matasec.com) on which the client or investor can make a complaint.
2. An Investor / client can make a written complaint through letter also.
3. The Company maintains an investor grievance register, in each branch office, in which full detail of every written complaint shall be entered.
4. Designated person shall login the designated investor grievances email id on a daily basis to look after the investor complaint whether a new complaint has been lodged or not.
5. The full detail of the written complaint must be passed to the concerned department and inform the compliance officer of the company as soon as it is received.
6. A letter or mail must be written to all the investors who have submitted written complaints by the designated person or Compliance Officer acknowledging receipt of the complaint and informing them it will be dealt with.
7. The Compliance Department will obtain all information available on the complaint which is considered necessary for a proper investigation. Look into all the necessary information and resolve it as soon as possible.
8. There is a standing policy of the company to resolve the investor complaint within seven days of the receipt of the same except the complicated case.
9. A serious complaint (where the written response does not settle the issue) must be referred to the director of the company.



10. The Compliance Officer of the Company shall review the investor complaint register on a weekly basis to find out whether a complaint has been resolved within time or not.

**P. POLICY AND PROCEDURE UNDER PREVENTION OF MONEY LAUNDERING ACT (PMLA)**

A separate policy drafted and adopted by the Board of Directors attached.

**Q. POWER OF ATTORNEY**

The Company has very few retail clients; most of those are relatives of directors and group companies. There is the concept of taking POA from their clients.