

We follow the following Procedure for Client Registration, Documents maintenance

1. Persons are added as clients only after they have had a meeting with the director / sub-broker / employee of the company.
2. The Application forms for opening an account are issued only when the management is satisfied with the clients financial capacity to trade in stock market and after the prospective client provides the valid reference for his account.
3. The accounts are opened only after proper verification is done of the existence of the client and accordingly the employees of the organization (including the head office employees or branch employees are authorised to carryout In-person verification of clients). The person carrying out the inperson verification is required to maintenance a proof of in-person verification by affixing his signature alongwith the inperson verified stamp on the proof of identity or on the Client Registration form. In respect of outstation clients or sub-broker clients the branch employee or head office employee will carry out the in person verification and only then the account will be opened in the back office and only after allotment of the UCC any trading can be started by the client.
4. The Client Registration Documents (CRD) are sent to the new clients alongwith the welcome letter and with respect to existing clients the same will be provided to them on demand. The welcome letter will include the details of the UCC & email ID communicated by the client to the broker at the time of opening of the account.
5. Know your client form duly complying with the mandatory requirements specified by the SEBI & Exchange are processed further along with pre-franked Agreement / Stamp paper of requisite amount, Supporting documents, proof of bank account, etc are collected from all the clients.
6. The company has the policy of approval of all application forms by the Director of the company before allowing trading to applicant
7. The details are entered in the back office software by the maker of the document. Further a senior person acts like a checker to see that the details have been properly entered in the back office software to avoid any issue in future.
8. Walk clients are not entertained and only clients through reference are enrolled.
9. The clients only through reference are entertained. The financial capability of the client is assessed on the basis of the balance sheet, profit and loss, income tax return, wealth details, etc which shows the financial position. 2 years balance sheet is taken from corporate clients. The individual clients are not comfortable providing the financial document, and hence a declaration is considered on the basis of the comfort of the organisation vis a vis the client.
10. The client registration modalities are carried out inhouse and not outsourced.
11. The documents are stored at the office and filed properly for easy retrieval whenever required.
12. With reference to updation of clients financial information, the client are requested in the register of funds statement sent on quarterly basis to provide the details. Client have also been sent draft letter for providing the feedback. The client information has been received from some of the clients.

We follow the following Procedure for Sales Practices followed by us

1. The company does not have any separate sales / marketing department. The company is very particular about the client being registered and hence clients coming through reference or financial standing are only registered.
2. The company does not have any marketing division and has not launched any promotional schemes for registration / enrollment of clients.
3. The clients are appraised about the risk disclosure document and make them aware of the contents regarding the risk associated with the securities market.
4. The company does not offer any freebies to the clients. All the services provided are charged as per the agreed terms.

We follow the following Procedure for Closure of Client accounts/ Dormant accounts

All dormant accounts (inactive for six months and more) are made inactive in our system. Hence it is not possible to execute a transaction in dormant accounts. However, a client can re-activate his/her/its dormant account by giving us in writing in prescribed format to activate the account and also stating the reason for keeping the account dormant.

1. As a company policy, clients account once opened are not closed, although the client may not trade at all over a long period of time. If client gives Closer Letter it is closed.
2. With reference to accounts which have been not traded for more than Six Months, wish to trade at any future date then, the time they want input an order, an enquiry is made about their non trading in the share market. Only on receipt of a satisfactory reply, then further actions for execution of transaction are carried out.
3. The organization does not allow trading by members in the old code in case their accounts are transferred from one branch / sub-broker to another branch / sub-broker. In such a case, the old account is blocked and the client is registered under a new account code for further transactions.
4. In case of clients who have not traded for more than two years, the time they call up execution of any trade then enquiry is made about their non activeness in the share market. Additionally, their updated financial information is also enquired & called for. Only after they have given the updated financials and after the directors feel comfortable for their trading, only then further actions for execution of transaction are carried out.

We follow the following Procedure for Order Receipt and Execution

1. The Organization setup is small and all the client are personally known to management/sub broker, their financial position is known and the dealer is aware of the risk appetite of the client which helps in better control.
2. The company has restricted the access to the dealing office only to the authorized persons who are dealers and sub brokers of the company.
3. The approved clients are informed of the dealers / sub-broker who would be responsible for receiving, validating and entering the orders on behalf of them.
4. The orders are received over phone, through sub-brokers, personal instructions when they are in the office. The organisation does not have a telephone recording system as the orders are duly confirmed at the time of entry itself when the orders are inputted in the system.
5. To give better & personal service to the clients they are divided group wise among the dealers so that particular dealer can serve a particular group of clients which helps dealer to understand client investment strategy in a better way & serve them accordingly. The concerned dealers have access of back office system in which the clients balance positions are updated daily and on the basis of the same the exposure is determined by the dealer. In cases exceeding the normal trading pattern, the dealer contacts the front office head to decide on the trade. The order are entered instantly as given by the client without any delay. The orders are inputted as informed by the clients and no discretionary power is used if the order meets the requirement of margin and other risk management parameters.
6. The orders are received from the clients only or through an authorised person as may be informed to the organisation.
7. On execution of valid order into exchange system, dealers confirm the trade with the client so as to avoid any future dispute.
8. At the end of the trading hours, the dealer informs the clients about the execution of the orders placed by the clients.
9. After market hours, back office team informs the client about their executed trades for the day and also about their obligation towards Pay-in & Pay-out of funds & securities for the particular day.
10. We have telephone recording System for Clients and records are maintained for 6 months.

We follow the following Procedure for Sending Contract Notes, Daily Margin statement, Quarterly Statement of Accounts to clients,

1. The organisation sends contract notes and daily margin statements within 24 hours of execution of the trade (ie. Within 1 day) by digitally signed emails to the email id of all the clients, including branch clients, who have an email id. Clients who don't have an email id are send the contract note and daily margin statements by courier or are hand delivered. The quarterly statements are also sent electronically to the email id of the client.
2. The activity of sending contract notes, daily margin statement and quarterly statement of accounts to clients has not been outsourced to any person.
3. The log reports are maintained for the documents sent electronically and in case of documents sent by courier the proof of dispatch (POD) is maintained and in case of hand delivery, acknowledged copies of the documents sent are maintained.
4. Duplicate copies are not required as log reports are maintained for the electronically sent documents.
5. In case of clients sent by electronic contract notes, the maintenance of log, client consent and copy of contract notes is maintained in non-tamperable form.

We follow the following Procedure for Collection, maintenance & reporting of margins:

1. In the cash segment, the company does not collect margin as the same is not mandatory. Thus, in the cash segment the trade done on behalf of clients are monitored properly and in case of clients who are new, the director may take a call of collecting margin / early pay in of the shares if risk is felt by the director, as may be required.
2. The company is not providing a margin trading facility.
3. In the Derivatives Segment,
 - 3.1. No transactions are executed for clients until the initial margin has been collected from them. Funds or shares are received from the clients as margin.
 - 3.2. The client shares received as margin are kept in the separate client margin demat account or with the clearing member as may be required.
 - 3.3. The cheques received from clients as margin, are deposited in the clients bank account.
 - 3.4. The exposure of the client is accessed on the basis of the margin received from them. The director at times is required to take decision on the orders of the clients on the basis of their assessment of the risk appetite of the client and the trades being done by them.
 - 3.5. The margin given and the balance lying to the credit of the client is assessed before entering any orders on behalf of the clients.
 - 3.6. The margin report downloaded from the exchange is uploaded after checking the amount as lying with the organisation. In case of clients having excess margin the amount as required under SPAN is reported as collected. The uploading of the margin report is done by the back office staff and the status of the uploaded file is checked on the next day regarding the success or failure.

We follow the following Procedure for Monitoring of debit balances

1. The monitoring of the debits of clients is done on daily basis.
2. We have a system of periodic reconciliation of client accounts and even try to nullify the account on periodic basis at the comfort of the client so as to make the balances Nil. The statement of accounts sent on quarterly basis are confirmed by some clients by email or by physical documents
3. For the recovery of old Debts we would go through the legal methods like arbitration or court of law and time request the Clients to Pay in parts.
4. We are not in the funding activity and hence we don't charge any penal interest for long outstanding debts, and regular followup are made to recover the money on time from due clients.
5. In respect of clients having outstanding debit balances, the past history of trading and the financial standing is considered and depending on the risk perception additional trading would be allowed or the trading for the client may be stopped if required.

We follow the following Procedure for Allotment, Surrender of trading terminals

1. The Limit setting of the terminals is decided on the basis of the funds margin and securities value given to the member
2. In case any terminal gets surrendered then the client would be mapped to the head office for further trading and in case if the client specifies any particular location from where he want to trade then the client is mapped to that terminal.
3. The terminals are installed / activated only after complying with the regulatory requirement of informing Exchange and uploading of the details of the authorized user.
4. The members controls and the auditors during their visit check that only authorized trading software is used by the branch offices and sub-broker offices.
5. The visits are made by the company staff or the auditors during their visit the branches check that only authorized persons are operating the terminal. Additionally the company carries out proper due diligence before opening of the branch or sub-broker is carried out. The directors / senior management spend regular time to access the working of the branches and sub-brokers and various concerns including the volume vis a vis clients vis a vis clients profile and activity pattern are considered.

We follow the following Procedure for Payment, Receipt of funds from / to clients

1. Some of the clients have given consent to the company to maintain running accounts on their behalf to avoid trouble of receiving / paying funds on daily basis.
2. The company collects and releases funds through banking channels i.e. Account Payee Cheques & Demand Drafts only.
3. The accounts department keeps proper co-ordination with DP team regarding Pay-in of shares by clients and then releases the Pay-out cheques to the client. In case of shortage of shares, the amount is released as per the decision of director to give part money or not.
4. Company releases payments of the clients either by hand delivery to the authorized persons intimated by the clients or by courier to the client's address. In some cases cheques are directly deposited into client's account.
5. The collections of funds from clients are also transacted in above manner, cheques are sometimes directly deposited by the clients.
6. The organization has clear policy of not using the client funds for unauthorized purposes and even not to misutilise the client funds in any manner.
7. The company will use its own funds towards the various positions that they would take in the proprietor account and accordingly the required funds for pay in will be inputted from the own account. Additionally the pay out of funds towards the own trade would be transferred to the own account after adjusting for the requirement of client funds that may be required to be given for the clients from whom the money is yet to be collected.
8. The commission / sub-brokerage payable to the sub brokers / remisiers would be paid from the expenses account of the company. The credit towards the daily commission / sub-brokerage payable to the sub-broker is credited by the system automatically.
9. The company has a policy of not accepting or issuing cheques towards the fund from the client's bank account only. However, in case due to any reason in case of exceptional circumstances if any funds are to be accepted from a third party then a letter signed by the remitter and by the client is taken in support of the payment being received by the member.

We follow the following Procedure for Receipt, Delivery of Securities from / to clients

1. The company has received authority from clients to maintain shares on their behalf to avoid trouble of receiving / giving shares on daily basis. Proper record for securities received / given to the clients is maintained.
2. The company receives the deliveries of securities from the clients in the pool accounts intimated to the clients.
3. For delivery of securities company has activated auto payout facility in clients demat account, for which daily report is been sent to the Clearing House / Clearing Corporation.
4. The company also reconciles its pool, principle, CISA and client beneficiary account on a daily basis.
5. The company has subscribed for easi facility to monitor online the activities of pool and other accounts.
6. The information of the pool account from the NSDL and CDSL are imported directly in the system. Additionally the direct payout details by the exchange are also imported in the back office software. The person incharge of securities transaction and who tracks the pay-in and pay-out of the securities goes on running the updated statements taken from the depository. The system has features, where the securities received from an account which is different than the account as specified in the master, then a report gets generated. Followup is made with the client to incorporate the new account in their master if proper proof for the same is provided. In case if the shares are received from a different account then the letter for the same is called for and in case if the client is not able to provide such a letter than the shares are marked as not delivered and auctioned.
7. The organization has a policy of maintaining all client shares in a separated Demat account exclusively held from Client beneficiary / client margin shares. The person in charge of securities has proper control and checks that the client share are used only for the client to whom it belongs. Additionally daily reconciliation of the shares lying in the demat account and the client wise details as per the back office report is done on regular basis.

We follow the following Procedure for Transfer of trades

1. The organization has a policy of not considering any transfer of trades in the back office and all updates are done in the post closing or during market hours.
2. Additionally the software also generates reports which are reviewed on regular basis to check any mishappening in the office.
3. The branches / sub-brokers are warned in case of transfer of trades for such transfer of trades and cautioned that severe actions would be taken if such errors continue.

We follow the following Procedure for Square off of positions / Liquidation of securities without consent of clients

1. The organization does not have a system of squaring off the position of a client or Liquidation of securities without the consent of the client. The organization tries to have extra margin so that client positions are not forced to be squared off. Clients are priorly informed about the margin requirement and as the clients normally give the margin or square off their position on their own. Clients are warned / informed that their position may be squared off incase of shortfall of margin / pay-in default for the shares bought in the cash market. The clients are contacted and informed about the margin requirement over phone by the company staff or by the sub-brokers.
2. The organization has CMS facility for collecting cheques at all parts of the country. In case of shortfall, the clients are informed to deposit the cheques in the bank account or securities are told to be transferred to the client margin account. The client is given sufficient time to act on the margin shortfall.
3. Margin calls being made on phone, no record are maintained for the same.

We follow the following Procedure for Policy for internal shortages

1. The internal shortage if any existing within the organization is informed to the exchange so that proper auction of the same can be done by the exchange and the journals / bills / debit notes for the same are debited to the client in whose account the shortfall has occurred.
2. In case if an auction is not made by the exchange then both the clients are appraised of the situation and in case of the client in whose account the internal shortage has occurred, the buying transaction is done in the exchange and when after 2 days the shares are received from the exchange, the shares are delivered to the old buying clients who could not receive the shares due to internal shortage.

We follow the following Procedure for Investor Redressal Mechanism

1. The register of complaints is centrally maintained under the observation and control of the director.
2. The e-mail id for redressal of investor grievances is informed to the clients by the quarterly statements sent and even on the website of the organization.
3. Whenever we receive the Complaint we record in Complaint Register.
4. The director / senior employee is responsible to see that there are no investors Complaint pending.
5. There is an escalation mechanism in case if any investor complaint does not get redressed by the director incharge or by the senior staff.
6. As no complaints are received, requirement of analysis is not required, however the same will be analysed as and when complaints are received.
7. The director personally looks into the regular operations and monitors and controls the operations to ensure that cheque and demand drafts received from clients at branches are properly accounted in the respective client ledger only.
8. Incase the TM is maintaining more than one back office software for maintaining client level information, check for the reasons or benefits. Compare the client master of all back office software to ensure that no different records with an intention to defraud investors are – maintained – Not applicable as only one back office software is maintained.
9. In case if any transactions carried out in dormant accounts (not being operated in last six months), then before entering the transaction the dealers enquires about the same from the head dealer / director before entering the trade and thus enters a trade only after verifying the authenticity of client entering the order.
10. No employee of the organization at the HO or branches are exercising POA to operate client's bank and demat accounts?

We follow the following Procedure for Suspicious Transactions:

The organisation has a proper PMLA policy and the same has been implemented within the organization. Any transaction that is done by a client specified under High risk category or done by an NRI client or trades done in scripts which are found to be illiquid or manipulative nature are tracked. If such transactions are found to be problematic then further scrutiny or enquiry is made by the principal officer and if found to be suspicious then the same is informed to the FIU.

Trading Member has maintained and preserved all such records of transactions which are prescribed under Rule 3 of PMLA and has ongoing Training program for staff members and investors. However till date we have not come across any transaction that gets covered under the requirement of PMLA transactions, but as all the records are maintained till date, the information regarding any trade can be enquired and found out as and when required.

We follow the following Procedure for BOLT Terminal:

1. The BOLT terminal are given only to person as may be authorized by the director. The trading limit for each terminal / client is determined on the basis of the deposit / value of collaterals / credit lying in the ledger accounts. The organization is using CTCL software whose risk features also help in controlling the exposure for each terminal / client.
2. The operators / dealers working in the organization are taken after due scrutiny and interview. The credentials of the dealers are also assessed and their past experience is vouched to access the creditability and reliability of the dealer. The dealers terminals are mapped to the clients and the limits are also controlled from the head office. The trend / trading pattern of the clients / dealers are reviewed by the end of the day. The dealers sitting at the head office are under the direct control of the director and at the branches under the control of the branch manager / senior employee and at the sub-broker places the sub-broker is himself the dealer or the sub-broker has total control over his employees. Such strict entry methods help in controlling and ensuring that operators / dealers are not entering any authorized trades.
3. The compliance officer along with his team has control on the various details of the dealers including their NCFM certification and their expiry details. The certificates which are due to expire are informed to the dealer's approx 3 month in advance so that they may take effective steps to see that their certificate are renewed before the date of expiry.

We follow the following Procedure for Internet Trading:

1. The organization will abide by all the rules and regulations of the exchanges for starting internet trading and accordingly as per the requirement will take Prior Approval from the exchange before starting of internet trading.
2. In case of internet trading the client will be allowed to trade only if he has taken prior approval and only then will his account get activated for internet trading. Any client willing to take internet trading will have to first enter into an ITORS agreement (for BSE) or have the internet trading points in the NSE agreement or enter into a new agreement for NSE for carrying out internet trading.

We follow the following Procedure for Power of Attorney

1. The trading member has taken restricted POA from clients for meeting there transaction related pay-in
2. The POA provides only restricted right and does not provide total control to the broker on the Depository account or Bank account of the client.
3. Only few employees of the company are authorised to operate the POA. The persons authorised are either directors or employees of the company with long standing and confidence. Thus the chance of misutilisation of the POA is very bleak.
4. The POA is taken in the name of member only and persons authorised by the board are only further registered with the depository or the bank.

We follow the following Procedure for Collection, maintenance & reporting of pay-in, margins, limits setting for exposure & Turnover for clients:

1. In the cash segment, the company does not collect margin as the same is not mandatory. Thus, in the cash segment the trade done on behalf of clients are monitored properly and in case of clients who are new, the director may take a call of collecting margin / early pay in of the shares if risk is felt by the director, as may be required.
2. The company is not providing a margin trading facility.
3. In the Derivatives Segment,
 - No transactions are executed for clients until the initial margin has been collected from them. Funds or shares are received from the clients as margin.
 - The client shares received as margins are kept in the separate client margin demat account or with the clearing member as may be required.
 - The cheques received from clients as margin, are deposited in the clients bank account.
 - The exposure of the client is accessed on the basis of the margin received from them. The director at times is required to take decision on the orders of the clients on the basis of their assessment of the risk appetite of the client and the trades being done by them.
 - The margin given and the balance lying to the credit of the client is assessed before entering any orders on behalf of the clients.
 - The margin report downloaded from the exchange is uploaded after checking the amount as lying with the organisation. In case of clients having excess margin the amount as required under SPAN is reported as collected. The uploading of the margin report is done by the back office staff and the status of the uploaded file is checked on the next day regarding the success or failure.

We follow the following Procedure for Allotment /Surrender Of Trading Terminals, Opening & Closing Of Branches:

1. The limit with respect to the allotment of new terminals is done on the basis of the deposit given by the clients of the branch or on the basis of the risk call taken by the management vis-à-vis the branch manager or the branch in charge.
2. The mapping of clients is done to the branch from where he has been introduced or where the client intends to trade. In case of surrender of any terminal at any of the branch location the client is provided an alternative option of trading at the head office or at a nearby branch for the same.
3. The information of the branch to the Exchange is done at the time of uploading of the TWS or the CTCL information and only then is the branch activated.
4. Only authorized software are allowed at the branch systems and the auditor during their visit check the same. Additionally the office has approved a computer service provider to visit branches to check the software being used.
5. The terminals are allowed to be operated only by the authorized persons in whose name the User id has been taken. The branch in-charge check to it that no unauthorized person is allowed to use the terminal at any time. The risk management system with the help of the CTCL systems and the Risk department regularly view the trades being done in the system to check various parameters like trading in illiquid scripts, large no. of transactions from few clients registered from a particular location, etc
6. Before opening any branch proper due diligence would be carried out for the same to avoid any future problems and clear understanding and demarcation of responsibility between the branches in-charge and the head office would be made. Further the document of responsibilities will also be made detailing the duties and rights of the branch in-charge and sub-brokers. In case of any closure of a branch, the information for the same is given to the client.

We follow the following Procedure for Branch /Sub-Broker, Audits

1. The branch / sub-broker audit are conducted by the senior officer of the company or by the compliance officer on regular intervals to check that every branch / sub-broker gets covered once in 5 years. The branch / sub-broker audit covers areas like No Cash dealings with clients, Check whether any illegal or unauthorized activity is being carried out at the said location, Operation of trading terminals, Advertisement are issued only after due permission from head office and/or Exchange, Display of Notice Board and SEBI registration certificate, etc.
2. The organization has an Internal Audit system that is commensurate with the nature, scope, size of business operations. The financial as well as compliance audit are carried out on regular basis. The internal audit reports for the depository and broking are sent to the regulators before the due date.
3. The irregularities and recommendations/ suggestions pointed out in Internal Audit reports are considered by the Board of directors in the meeting and effective steps are decided for better control. The implementation of the decisions are reviewed in the next meeting.
4. Quarterly follow ups are done for implementation of recommendations / suggestion set out in the Internal Audit reports.

We follow the following Procedure for UCC Upload

From our back-end, we generate file for the client containing data of market segment, client code, client name, PAN, address in the format prescribed by NSE /BSE. The data generated are thereafter verified with KYC. On the data being found fully correct, the client is uploaded on UCC – site of NSE / WEBX – Site of BSE. After uploading, we run a check, on the UCC-site, by entering the specific client, whether or not the client details are actually uploaded on UCC-site.

M/s. Wellworth Share & Stock Broking Ltd
**Guidelines for Unauthenticated News Circulation in the light of SEBI circular Cir/
ISD/1/2011 dated March 23, 2011**

Our employees are restricted from circulation of rumours or unverified information obtained from client, industry, any trade or other sources without verification.

The employees will have to seek prior approval from the compliance officer before forwarding any market related news received by them either in their official mail/personal mail/blog or in any other manner. If an employee fails to do so, he/she shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liable for disciplinary action.

The employees are not allowed to access to blogs/chat forums/messenger sites (called by this or any other nomenclature) etc. However, the employees may be allowed to access these blogs/chat forums/messenger sites under strict supervision of the concerned authorities.

We are in the process of setting up the system for maintaining the Logs of any usage of Blogs / Chat forums / Messenger sites (even if called by any other nomenclature) for record purpose as specified by the respective Regulations, provided these are accessed from the offices of the member.