



# STOCKHOME INDIA LTD.

Regd.Off: 302, Vardhman Plaza, Plot No.14, Road No.44, Community Centre Pitampura, Delhi – 110034, Phones: 011-27033901, 27033902, Fax:27033903  
Member National Stock Exchange of India Ltd., SEBI Regn.No.:INB231168031  
Self Clearing Membership SEBI Regn.No.:INF231168031

## Reg: Latest Information sought for updation in KYC

Dear Sir,

You are requested to kindly send us, the below mentioned **Client Updation Form** duly filled and signed by you so that your latest personal information is updated to serve you better and on real time basis.

Your immediate submission of same would be highly appreciated and in your own best interests.

With due regards

(Compliance Officer)  
Stockhome India Limited

-----Tear From here-----

### CLIENT UPDATION FORM

Stockhome India Limited  
302, Vardhman Plaza, Plot No.14,  
Road No.44, Community Centre  
Pitampura, Delhi – 110034

Dear Sir

### Reg.: Updation and Confirmation of personal information : Trading Code \_\_\_\_\_

This has reference to Member Client Agreement entered with you earlier for trading and client Code \_\_\_\_\_ with you, I hereby provide you my latest personal information for updation in your records:

S.No.	Particulars		
1	Tel. Contact Nos. (Self/Spouse: Pls. Specify)		
2	Email Id for receiving Statement of account, contract notes, circulars, notices research reports etc.		
3.	Address (Proof to be attached in case of change)		
4.	Change in Bank Details (Copy of self attested bank statement and cancelled cheque enclosed)		
5	Annual Income (Last 2 years) in Rs. Lakhs (Please attach self attested photocopy of Income Tax Return /Balance Sheet for last two years)		
6	Net Worth, as certified by CA (Certificate also attached)		
7.	Others		

I Confirm my risk appetite to be High/Medium /Low while dealing in securities

I Confirm that electronic mails or correspondences done on email Id as per your records shall be deemed to have delivered to me and I shall also correspond with you through the same Email Id.

Kindly do the needful.

Yours truly,

Client Signature \_\_\_\_\_  
Client Code \_\_\_\_\_  
Client Name \_\_\_\_\_  
Date \_\_\_\_\_  
Place \_\_\_\_\_



# STOCKHOME INDIA LTD.

Mandatory

Regd.Off: 302, Vardhman Plaza, Plot No.14, Road No.44, Community Centre  
Pitampura, Delhi – 110034, Phones: 011-27033901, 27033902, Fax:27033903  
Member National Stock Exchange of India Ltd., SEBI Regn.No.:INB231168031  
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## Annexure – II

1. Trading Preference : National Stock Exchange of India Ltd.

Market Segment : Capital Market  Yes  No  
(Pleas Tick the segment)

Derivative Market  Yes  No

Signature of the Client)

2. Contact No. : Phone No. \_\_\_\_\_

Mobile No. \_\_\_\_\_

3. Details of actions taken by :  Yes  No  
SEBI/or other authorities during  
.the last three years.

(If yes give details )  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of the Client)



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**Annexure – III**

1.	Refusal of orders for penny stocks	a. No continuous buying/selling orders to be executed																		
2.	Client's Exposure Limit	As per Risk Management Group decision. The exposure limit will be as per the procedure/directions of the NSE/ NSCCL/ SEBI.																		
3.	Applicable brokerage rate (Subject to revision at our sole discretion & as informed by a circular sent by ordinary post / courier service.	<p><b>Cash Segment</b> (Exclusive of Stamp Duty, Service Tax, STT and any other Statutory Levies)</p> <table border="1"> <thead> <tr> <th>Brokerage Slab</th> <th>Slab %</th> <th>Minimum Paise</th> </tr> </thead> <tbody> <tr> <td>Delivery Based</td> <td></td> <td></td> </tr> <tr> <td>Squaring up</td> <td></td> <td></td> </tr> </tbody> </table> <p><b>Derivatives Segment</b> (Exclusive of Stamp Duty, Service Tax, STT and any other Statutory Levies)</p> <table border="1"> <thead> <tr> <th>Brokerage Slab</th> <th>Slab %</th> <th>Minimum Paise</th> </tr> </thead> <tbody> <tr> <td>Normal</td> <td></td> <td></td> </tr> <tr> <td>Squaring up</td> <td></td> <td></td> </tr> </tbody> </table>	Brokerage Slab	Slab %	Minimum Paise	Delivery Based			Squaring up			Brokerage Slab	Slab %	Minimum Paise	Normal			Squaring up		
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4.	Imposition of penalty	For delayed payment 0.25% of the amount for a weak or part by either party.																		
5.	Selling of securities/closeout client's position	Up to the extent of settlement/Margin obligation without giving notice to the client.																		
6.	Shortages in obligations arising out of internal netting of the trades	The seller must bear all the financial losses and any other penalty/dues etc. imposed by the exchange to the buyer because of shortage.																		
7.	Disallow to take further position/ close out the exiting position	Non payment of margin/shortage of funds in spite of reminders i.e. email/telephonic information.																		
8.	Suspension/closing of client account on temporary basis	From the day of the receipt of written request made by the client.																		
9.	Deregistration of the client	No trading activities done in last two financial years																		



(Signature of the client)



## RUNNING ACCOUNT AUTHORIZATION

[ Note : To be signed by person himself/herself not to be signed by his/her attorney/ authorized person etc. ]

To,

**VOLUNTARY**

**Stockhome India Ltd.**

302, Vardhman Plaza, Plot No.14  
Road No.44, Community Centre,  
Pitampura, Delhi – 110034.

Dear Sir.

I/We have been / shall be dealing through you as my/our broker on the Capital Market and/ or Futures & Options Segments, I / we further authorize you to follow these instruction across exchanges & across segments in which I / we have already opened accounts with you or I may open account in future. As my/our broker i.e. agent I/ we direct and authorize you to carry out trading/ dealings on my/our behalf as per instructions given below.

I/am/We are aware that you and I/we have the option to deliver securities/ make payments of funds to each other for settlement of dealings as per the schedule in force at the relevant time pursuant to directives / regulations/ circulars, issued by exchange/ regulatory authorities. However, I/we find it difficult to carry out repeated pay-in of funds and securities. Further, I/we also desire to use my/our securities and monies as margin / collateral without which we cannot deal/trade.

Therefore I /we hereby direct and authorize you to maintain running account(s) for me/us and from time to time debit these securities and funds from running accounts and make pay-in of securities and funds to exchanges/clearing corporations/other receiving party(ies) to settle my/our trades/ dealings. Similarly, where I/we have to receive securities/ funds in settlement of trades/ dealings please keep the securities and monies with you and make credit entries for the same in running accounts of securities and funds maintained by you. Further, the funds & securities can be transferred from one segment to other and from one exchange to another as per the requirements. Further, subject to your discretion and valuation please treat my/our securities and funds lying to my/our credit in running accounts as margin/collateral for my/our dealings/ trading. You are authorized to do these acts across all exchanges & segments in which I / we have been / shall be dealing with you.

In the event I/we have outstanding obligations on the settlement date, you may retain the requisite securities/funds towards such obligations and may also retain the funds expected to be required to meet margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. While settling the account please send a 'statement of accounts' containing an extract from ledger for funds and an extract from the client demat ledger (register of securities) displaying all receipts/deliveries of funds/securities. Please explain in the statement(s) being sent the retention of funds/securities and the details of the pledge, if any. I agree that if I/we fail to bring any dispute arising from the statement of accounts or settlement so made to your notice within 7 working days from the date of receipt of funds/securities or statement, as the case may be in writing by delivery at your corporate office then in that event the statement of accounts or settlement so made shall attain finality and I/we shall have no right to dispute any/either of these ever. Further, do not carry out settlement of running account referred to above for funds given by me/us towards collaterals/margin in the form of bank guarantee (BG)/Fixed Deposit receipts (FDR).

I/We authorizes the Stock Broker to offset dues owned by me/us from the amounts standing to the credit of my/our account with the stock Broker.

I/We authorizes the Stock Broker to set off a part or whole of the Margin i.e. by the way of appropriation of the relevant amount of cash or by sale or transfer of all or some of the securities which from part of the margin, against any dues in the event of the failure to meet any of their respective obligations under these terms.

I/We agree and authorize you to debit charges for depository services and any other incidental charges, penalties imposed by Exchange etc., to my/our running account.

I/We agree that you may refuse to execute any particular transactions without assigning any reason thereof. It is understood that I am/we are entitled to received following documents with regard to our dealings with

- a) Contract Notes within 24 hours.
- b) Quarterly statement of accounts (Funds & Securities)

It may not always be possible for me/us to issue a signed receipt as a token of acknowledgment of above document. As and when a contract note is not received, I/We shall bring the same your notice in writing. Similarly, as and when a statement of account is not received, I/we shall bring the same to your notice in writing within thirty days from the last date of the quarterly 30<sup>th</sup> June, 30<sup>th</sup> Sept, 31<sup>st</sup> Dec. & 31<sup>st</sup> March) for which the statement is not received

I/We agree to abide by client level position limit presented by Stock Exchange and other relevant, and if inadvertently exceeded, to actually reduce and bring it within acceptable limits. I/We further authorize you to debit us for any penalty imposed on you for our violation towards position limit.

I/We will be extending all co-operation to SIL in their endeavor towards Anti-Money Laundering. SIL may initiate any enquiry against me/us and/or my/our transactions any time without any legal implication whatsoever against them. I/We understand that information about me/us and my/our transaction may be reported by SIL to FIU/ concerned authorities without any intimation to us and have no objection to the same.

SIL can/may pass on me/us any penalty imposed/loss suffered together with incidental expenses due to my /our violating any of the requirements/stipulations of NSE/SEBI or any other regulatory authority.

I/We have read the Risk disclosure Documents as prescribed by SEBI/NSE for Capital Market as well as for Future & Options Segment and have clearly understood the contents. I/We have also noted our rights & obligations as an investor and we undertake to timely and appropriately exercise out right and fulfill our obligations

I/We have visited the internet sites of NSE ([www.nseindia.com](http://www.nseindia.com)) and SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) have gone through various investor education contents (practices procedures and usage on the India Capital Market) as well as Risk Disclosure Contents provided thereon. I/We have understood the risks as well as our rights and obligations as an investor with regard to our dealing with you. I/We shall continue to update ourselves in these matters by visiting these sites regularly.

- You are requested to follow the above-mentioned standing instructions until further written notice.
- I confirm that there instructions and requests have been given voluntarily by me

Please further note that while I/We am/are entitled to revoke this authorization at any time, however, such termination shall be subject to notice period of fifteen days from the date of physical delivery of revocation letter at your registered office to allow you to make necessary changes to handle my account without running account authorization. I/We shall be liable for all losses, damages and actions which may arise as a consequence of your adhering to and carrying out my/our directions given above and further agree that you shall not be liable for any claim for loss or profit, or for any consequential, incidental, special or exemplary damages caused by retention of securities/ monies under this agreement.

My/our preference for actual settlement of funds and securities is at least :

- Once in a Calendar Quarter       Once in a Calendar Month

Thanking you,

Yours faithfully,

Signature 

Client Name

Date

AUTHORISATION FOR ELECTRONIC CONTRACT NOTES/SMS ALERTS

[Note : To be signed by person himself/herself not to be signed by his/her attorney/ authorized person etc.]

To,

Stockhome India Ltd.  
302, Vardhman Plaza,  
Plot No.14, Road No.44,  
Community Centre, Pitampura,  
Delhi – 110034.

Dear Sir,

I/We have been / shall be dealing through you as my / our broker on the Capital Market and/ or Futures & Options Segments. As my / our broker i.e. agent I / We direct and authorize you to carry out trading / dealings on my / our behalf as per instructions given below.

I/ We understand that, I / we have the option to receive the contract notes in physical form or electronic form. In pursuance of the same, I/ we hereby opt for receipt of contract notes in electronic form. I// We hereby also give my/our consent for providing me/ us Trade Confirmations through your SMS alert services. Accordingly, please note my current email id and Mobile Number on your record for sending the communication to me / us.

Em mail Id

Mobile No.

I/ We agree not to hold you responsible for late / non-receipt of contract notes sent in electronic form and any other communication for any reason including but not limited to failure of email servers, loss of connectivity, email in transit etc. I/ we agree that the log reports of your dispatching software shall be a conclusive proof of dispatch of contract notes to me/us and such dispatch shall be deemed to mean receipt by me/us and shall not be disputed by me / us on account of any non-receipt/ delayed receipt for any reason whatsoever.

I /We also agree that non-receipt of bounced mail notification by you shall amount to delivery at my/our email account(s) / email id(s).

I/ We understand that SMS Alert service is purely a voluntary facility provided by you to us and it shall be my/our responsibility to check the data with the actual contract notes/financial ledger given by you. The messages flashed shall be merely reminders for my/ our convenience and I/ We agree not to hold you liable for any incompleteness/ inaccuracies in the messages sent and that I/ We shall take all our actions based on the normal confirmations received by me/us.

In case , in any of the above segments / exchanges due to any reason, whatsoever, if you want to send contract notes in physical form, I/ we here by permit you to send the same in physical mode.

I/We understand that I am required to intimate any change in the email id/ mobile number mentioned herein above through a duly signed request letter in original to you, provided however that if I/we am/are an internet client then in that event the request for change in email id/ email account can be made by me/ us through a secured access using client specific user id and password. Please treat this authorization as written ratification of my / our verbal directions / authorizations given and carried out by you earlier. I/We shall be liable for all losses, damages and actions which may arise as a consequence of your adhering to and carrying out my / our directions given above.

Thanking you,

Yours faithfully,

Signature

Client Name

Date

VERBAL ORDER ACCEPTANCE AUTHORIZATION

To,  
Stockhome India Ltd.  
302, Vardhman Plaza,  
Plot No.14, Road No.44,  
Community Centre, Pitampura,  
Delhi – 110034.

Dear Sir,

I/We have been / shall be dealing through you as my / our broker on the Capital Market, Mutual Fund and/or Futures & Options Segments. This instruction is applicable for all the exchanges / segments in which I / We have opted to open the account with you. As my / our broker i.e. agent I / we direct and authorize you to carry out trading / dealings on my / our behalf as per instructions given below.

I/We agree and acknowledge that it is advised and preferred by you that I/We give instructions for order placement/ modification and cancellation in writing to avoid disputes, I/we must give instructions in writing and take signatures of your duly authorized officers at the branch along with your company stamp on the carbon/photocopy of the instructions in acknowledgement of receipt of my/our instructions.

As I/We shall be dealing by ordering over phone and even if we visit your office, the fluctuations in market are so rapid that it is not practical to give written instructions for order placement/modification and cancellation, I/We hereby authorize you to accept my / my authorized representative's verbal instructions for order placement/modification and cancellation in person or over phone (fixed line or mobile phone) and execute the same. I/We understand the risk associated with verbal orders and accept the same, and agree that I/We shall not be entitled to disown orders and consequent trades (if any) under the plea that same were not under mine/our instructions. I/We agree that I/We will not have the right to shift the burden of proof by asking you to prove the placement of orders through telephone recording or otherwise

I/We shall be liable for all losses, damages and actions which may arise as a consequence of your adhering to and carrying out my / our directions given above.

Thanking you,  
Yours faithfully,

Signature 

Client Name

Date  -  -





## **MEMORANDUM OF STOCKHOME INDIA LIMITED**

In compliance with the provisions of Prevention of Money Laundering Act, 2002 and subsequent circulars issued by SEBI thereto, we hereby obliged to consider it as a part of client registration document :-

### **EXTRACTS FROM POLICY ON ANTI MONEY LAUNDERING ON STOCK BROKING FOR CREATION OF CLIENT AWARENESS**

#### **1. Background**

1.1. Pursuant to the recommendations made by the Financial Action Task Force on anti-money laundering standards, SEBI had issued the Guidelines on Anti Money Laundering Standards vide their th notification No.ISD/CIR/RR/AML/1/06 dated 18 January 2006 and vide letter March 2006 had issued the obligations of the intermediaries th No.ISD/CIR/RR/AML/2/06 dated 20 registered under Section 12 of SEBI Act, 1992. As per these SEBI guidelines, all intermediaries have been advised to ensure that proper policy frameworks are put in place as per the Guidelines on Anti Money Laundering Standards notified by SEBI.

#### **2. What is Money Laundering?**

2.1 Money Laundering can be defined as engaging in financial transactions that involve income derived from criminal activity, transactions designed to conceal the true origin of criminally derived proceeds and appears to have been received through legitimate sources/origins.

2.2 This is done in three phases - Placement Phase, Layering Phase & Integration Phase.

#### **3. Prevention of Money Laundering Act, 2002**

3.1. Prevention of Money Laundering Act, 2002 (PMLA 2002) forms the core of the legal framework put in place by India to combat money laundering. PMLA 2002 and the Rules notified there under came into force with effect from July 1, 2005.

3.2. The PMLA 2002 and Rules notified there under impose an obligation on intermediaries (including stock brokers and sub-brokers) to verify identity of clients, maintain records and furnish information to the Financial Intelligence Unit (FIU) - INDIA

#### **4. Financial Intelligence Unit (FIU) – INDIA**

4.1. The Government of India set up Financial Intelligence Unit-India (FIU-IND) on November 18, 2004 as an independent body to report directly to the Economic Intelligence Council (EIC) headed by the Finance Minister.

4.2. FIU-IND has been established as the central national agency responsible for receiving, processing, analyzing and disseminating information relating to suspect financial transactions. FIU-IND is also responsible for coordinating and stretching efforts of national and international intelligence and enforcement agencies in pursuing the global efforts against money laundering and related crimes.

#### **5. Policy of Stock Broking Limited**

5.1. Stockhome India Limited has resolved that it would, as an internal policy, take adequate measures to prevent money laundering and shall put in place a frame-work to report cash and suspicious transactions to FIU as per the guidelines of PMLA Rules, 2002

#### **6. Implementation of this Policy**

6.1. Stockhome India Limited will be the Principal Officer who will be responsible for

- Compliance of the provisions of the PMLA and AML Guidelines
- act as a central reference point and play an active role in identification & assessment of potentially suspicious transactions
- Ensure that Stockhome India Limited discharges its legal obligation to report suspicious transactions to the concerned authorities.

## 6.2. The main aspect of this policy about to the client in order to identify who is the actual

- beneficial owner of the securities or on whose behalf transaction is conducted.
- Verify the customer's identity using reliable, independent source document, data or information.
- Conduct on-going due diligence and scrutiny of the account/client to ensure that the transaction conducted are consistent with the client's background/financial status, its activities and risk profile.

## 6.3. The Customer Due Diligence Process includes three specific parameters : Policy for Acceptance of Clients

- Client Identification Procedure
- Suspicious Transactions identification & reporting.

## 7. Customer Acceptance Policy

**7.1. Each client should be met in person** Accept client whom we are able to meet personally. Either the client should visit the office/branch or concerned official may visit the client at his residence / office address to get the necessary documents filled in and signed. Preferably accept clients who live within the jurisdiction of the branch. As far as possible, ensure that the new client is introduced by an existing client.

**Accepts client on whom we are able to apply appropriate KYC procedures:** Obtain complete information from the client. It should be ensured that the initial forms taken by the client are filled in completely. All photocopies submitted by the client are checked against original documents without any exception. Ensure that the 'Know Your Client' guidelines are followed without any exception. All supporting documents as specified by Securities and Exchange Board of India (SEBI) and Exchanges are obtained and verified

**Do not accept clients with identity matching persons known to have criminal background** Check whether the client's identify matches with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement/regulatory agency worldwide

**Be careful while accepting Clients of Special category:** We should be careful while accepting clients of special category like NRIs, HNIs, Trust, Charities, NGOs, Politically Exposed Persons (PEP), persons of foreign origin, companies having closed share holding/ownership, companies dealing in foreign currency, shell companies, overseas entities, clients in high risk countries, non face to face clients, clients with dubious background. Current/Former Head of State, Current/Former senior high profile politician, Companies offering foreign exchange, etc.) or clients from high-risk countries (like Libya, Pakistan, Afghanistan, etc.) or clients belonging to countries where corruption/fraud level is high (like Nigeria, Burma,etc). Scrutinize minutely the records / documents pertaining to clients belonging to aforesaid category

**Do not accept client registration forms which are suspected to be fictitious:** Ensure that no account is being opened in a fictitious / benami name or on an anonymous basis.

**Do not compromise on submission of mandatory information/ documents:** Client's account should be opened only on receipt of mandatory information along with authentic supporting documents as per the regulatory guidelines. Do not open the accounts where the client refuses to provide information/documents and we should have sufficient reason to reject the client towards this reluctance.

## 7.2. Customer Identification Procedure (FOR NEW CLIENTS)

**Objective:** To have a mechanism in place to establish identity of the client along with firm proof of address to prevent opening of any account which is fictitious / benami / anonymous in nature

### 7.2.1. Documents which can be relied upon:

**PAN Card:** PAN card is mandatory and is most reliable document as only one card is issued to an individual and we can independently check its genuineness through IT website.

**IDENTITY Proof:** PAN Card itself can serve as proof of identity. However, in case PAN card carries an old photograph of the holder, which does not match current facial features of the client, we should take other identity proof in form of Voter's Identity card, Passport, Ration Card or any Government/PSU/Bank issued photo identity card.

**ADDRESS Proof:** For valid address proof we can rely on Voter's Identity Card, Passport, Bank Statement, Ration card and latest Electricity/telephone bill in the name of the client

**7.2.2. Documents to be obtained as part of customer identification procedure for new clients:**

a. In case of individuals, one copy of the following documents have to be obtained :  
As PAN is mandatory, verify its genuineness with IT website and cross verify the PAN card copy with the original.  
[ Please put "verified with original" stamp as proof of verification ]

Other proofs for identity are Voter's Identity card, Passport, Ration Card or any Government/PSU/Bank issued photo identity card or any other document prescribed by the regulatory authorities.

Address proof in the form of Voter's Identity Card, Passport, Bank Statement, Ration card and latest Electricity/telephone bill in the name of the client or any other document prescribed by the regulatory authorities.

b. In case of corporates, one certified copy of the following documents must be obtained:

- Copy of the Registration/Incorporation Certificate
- Copy of the Memorandum & Articles of the Association
- Copy of the PAN card and the Director Index No. (DIN)
- Copy of the latest audited Annual Statements of the corporate client
- Latest Net worth Certificate Latest Income Tax return filed.
- Board Resolution for appointment of the Authorized Person who will operate the account.
- Proof of address and identity of Authorized Person

c. In case of partnership firm one certified copy of the following must be obtained:

- Registration certificate
- Partnership Deed
- PAN card of partners
- Authorization letter for the person authorized to open and operate the account
- Proof of identity and address of the authorized person.
- Annual statement/returns of the partnership firm

d. In case of a Trust, one certified copy of the following must be obtained:

- Registration certificate
- Trust Deed
- PAN card
- Authorization letter for the entity authorized to act on their behalf
- Officially valid documents like PAN card, voters ID, passport, etc of person(s) authorized to transact on behalf of the Trust

e. In case of unincorporated association or a body of individuals, one certified copy of the following must be obtained:

Resolution of the managing body of such association or body of individuals PoA in favour of person authorized to transact Officially valid documents like PAN card, voters ID, passport, etc of the person(s) authorized to transact Any document required by to establish the legal existence of such an association or body of individuals.

f. In case of an NRI account - Repatriable/non-repatriable, the following documents are required:

- Copy of the PIS permission issued by the bank
- Copy of the passport
- Copy of PAN card

- Proof of overseas address and Indian address
- Copy of the bank statement
- Copy of the demat statement
- If the account is handled through a mandate holder, copy of the valid PoA/mandate

## **8. Risk Profiling of the Client**

8.1. We should accept the clients based on the risk they are likely to pose. The aim is to identify clients who are likely to pose a higher than average risk of money laundering or terrorist financing. For this purpose, we need to classify the clients as Low risk, medium risk and high risk clients. By classifying the clients, we will be in a better position to apply appropriate customer due diligence process. That is, for high risk client we have to apply higher degree of due diligence. The factors of risk perception depend on client's location, nature of business activity, turnover, nature of transaction, manner of payment etc.

8.2. In order to achieve this objective, all clients of the branch should be classified in the following category

Category A – Low Risk

Category B – Medium Risk

Category C – High risk

8.2.1. Category A clients are those pose low or nil risk. They are good corporates/HNIs who have a respectable social and financial standing. These are the clients who make payment on time and take delivery of shares.

8.2.2. Category B clients are those who are intra-day clients or speculative clients. These are the clients who maintain running account with Stockhome India Limited.

8.2.3. Category C clients are those who have defaulted in the past, have suspicious background, do not have any financial status, etc.

8.3. We have to be careful while monitoring the transactions of B and C category clients.

8.4. Apart from this we need to exercise extra caution while monitoring the transactions of NRI/NRE/PIO and foreign clients, especially when the payment is being made in foreign currency.

8.5. Any change in the risk profile of the client/mandate holder, has to be ascertained by the concerned branch officials, and reported to the Business Head immediately.

## **9. Suspicious Transactions**

All are requested to analyze and furnish details of suspicious transactions, whether or not made in cash. It should be ensured that there is no undue delay in analysis and arriving at a conclusion.

9.1. What is a Suspicious Transaction: Suspicious transaction means a transaction whether or not made in cash, which to a person acting in good faith –

Gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or Appears to be made in circumstance of unusual or unjustified complexity; or Appears to have no economic rationale or bona fide purpose

## **Reasons for Suspicious:**

### **Identity of client**

- False identification documents
- Identification documents which could not be verified within reasonable time
- Non-face to face client
- Clients in high-risk jurisdiction
- Doubt over the real beneficiary of the account
- Accounts opened with names very close to other established business entities
- Receipt back of well come kit undelivered at the address given by the client

### **Suspicious Background**

Suspicious background or links with criminals

### **Multiple Accounts**

- Large number of accounts having a common parameters such as common partners / directors / promoters / address/ email address / telephone numbers introducer or authorized signatory
- Unexplained transfers between such multiple accounts.

### **Activity In Accounts**

- Unusual activity compared to past transaction
- Use of different accounts by client alternatively
- Sudden activity in dormant accounts
- Activity inconsistent with what would be expected from declared business
- Account used for circular trading

### **Nature Of Transactions**

- Unusual or unjustified complexity
- No economic rationale or bonafied purpose
- Source of funds are doubtful
- Appears to be case of insider trading
- Purchases made on own account transferred to a third party through an off market transactions through DP account
- Transactions reflect likely market manipulations Suspicious off market transactions

### **Value Of Transactions**

- Value just under the reporting threshold amount in an apparent attempt to avoid reporting
- Large sums being transferred from overseas for making payments
- Inconsistent with the clients apparent financial standing
- Inconsistency in the payment pattern by client
- Block deal which is not at market price or prices appear to be artificially inflated/deflated

## **9.2. What to Report**

- The nature of the transactions
- The amount of the transaction and the currency in which it was denominated
- The date on which the transaction was conducted: and
- The parties to the transaction. The reason of suspicion.

## **10. Designated Principal Officer**

In case any further information /clarification is required in this regard, the 'Principal Officer' may be contacted.

**Whole Time Director**

Mr. Rakesh Ranjan Sinha

Stockhome India Limited

302, VARDHMAN PLAZA , PLOT NO-14, ROAD NO-44

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