

RULES: FRANCHISEES/BRANCH OFFICES/SUB BROKERS

1. Only written communication from the Client/Franchisee/Sub Broker/Branch Office to the Head Office will be considered valid and acceptable.

I. ACCOUNT OPENING

1. KYC forms must be duly filled and all the legal formalities (Stamp paper, Bank, PAN Card etc.) must be completed. The following is the checklist of supporting documents that need to be attached to the KYC form:
 - a. Proof of identity (any one photocopy)
Voter ID, Passport, PAN Card, MAPIN UID Card, Driving license, Photo ID issued by the Employer under MAPIN
 - b. Copy of Ration Card
 - c. Copy of PAN Card
 - d. Address Proof (any one)
Passport, Driving License, Bank Passbook, Telephone bill, Flat maintenance bill Insurance policy, Voter ID, Ration Card, Rent agreement, Electricity Bill, Certified issued by Employer under MAPIN
2. Each page of KYC form must be signed by the client & countersigned by the sub-broker.
3. The account will be opened within two hours of receiving the front page of the KYC form and supporting documents by the head office (By mail/Fax)
4. All KYC forms need to reach the Head Office within 48 hours of account opening, failing which the client account will be liable to suspension and the Sub broker will be penalized @ Rs 100 per day.
5. In case of misleading/false information provided in the KYC forms or supporting documents; the sub broker will be liable to a penalty of Rs 1000.
6. All KYC forms of RK Stockholding (P) Ltd. Must be supported with a Rs 50 stamp paper per exchange (NSE, BSE)
7. All DP account forms must be supported by a Rs 50 stamp paper for the agreement and Rs 100 stamp paper for the Power of Attorney.

II. EQUITY SEGMENT

1. Exposure in the equity segment will be given five times of the deposit/credit in the client account in case of A/B1/B2/S group.
2. In T/Z group, only one time exposure will be given.
3. Limit will be given only after deposition of cheque/fund. In case of deposition in the bank, the Franchisee/Sub broker/Branch office needs to intimate the head office the complete cheque details to obtain the limit.
4. In case the M to M loss exceeds 80%, client position will be automatically squared off at any given time.

III. F&O SEGMENT

1. The limit in F&O segment will be given on a margin basis as prescribed by the exchange from time to time. Sub brokers are advised to view these margins regularly.
2. The limit in F&O segment will be based on the fund deposit as well as security given in margin account in the ration of 50:50.

	FUND	SECURITY		LIMIT
		Before Haircut	After Haircut	
OPTION 1	1 lakhs	5 lakhs	3.5 lakhs	2 lakhs
OPTION 2	0	5 lakhs	3.5 lakhs	0
OPTION 3	3.5 lakhs	5 lakhs	3.5 lakhs	7 lakhs

This is just a sample case representation

3. A warning call will be given if the margin shortfalls by 25% and the client position will be automatically squared off in case this shortfall touches the 50% level.

IV. COMMODITY SEGMENT

1. The limit in Commodity segment will be given on a margin basis as prescribed by the exchange from time to time. Sub brokers are advised to view these margins regularly.
2. The limit in Commodity segment will be based on the fund deposit as well as security/warehouse receipt given in margin account in the ration of 50:50.

	FUND	SECURITY/WAREHOUSE RECEIPT		LIMIT
		Before Haircut	After Haircut	
OPTION 1	1 lakhs	5 lakhs	3.5 lakhs	2 lakhs
OPTION 2	0	5 lakhs	3.5 lakhs	0
OPTION 3	3.5 lakhs	5 lakhs	3.5 lakhs	7 lakhs

This is just a sample case representation

3. A warning call will be given if the margin shortfalls by 25% and the client position will be automatically squared off in case this shortfall touches the 50% level.

V. BROKERAGE REIMBURSEMENT

1. Brokerage for the month shall be payable on 5th of the following month in case of debit balance in the client account not exceeding 7 days (on the last day of the month),
2. In case Debit Balance in the client account is more than 7 days, the franchisee will need to clear the Debit balance by 5th of the following month and the brokerage will be paid on 15th of the following month failing which, the brokerage will be paid on the 5th of next month only.
3. The TDS or any other Tax/Taxes shall be deducted as per the Rules applicable from time to time.

VI. SHORTAGES

1. In case of purchase of securities by the client, at times the RK Stockholding may be unable to deliver the securities to the said purchaser on the payout day due to non receipt of the securities from the stock exchange(s) or in case of non receipt of the securities from another client of RK Stockholding who has sold the securities against the said purchase transaction.
2. In cases of short delivery from the exchange, the securities shall be delivered to the purchaser on the deliveries received from the exchange and in cases of short delivery due to non receipt of the said securities from another client of RK Stockholding, the securities shall be delivered to the purchaser as per the policy of RK Stockholding or may be closed

out as worked out in **clause no. VIII** of this circular or such other terms or rate as amended from time to time.

VII. AUCTION OR CLOSE OUT IN CASE OF MARKET SHORTAGE

1. If the securities are not received on or before settlement date or the securities received are not in deliverable state or due to any reason whatsoever client is not able to deliver securities and position is deliverable in market, the securities will be auctioned or closed out as per the rules of the concerned exchange. Consequently, client will be responsible for any resulting losses and all associated cost including penalty levied by the exchange.

VIII. CLOSE OUT IN CASE OF INTERNAL SHORTAGES

1. If the buy position of another client could not be auctioned in the market then close out price will be 7% above the closing price on auction day or such other % will be revised by RK Stockholding depending on the case.

IX. INTERCOMPANY LEDGER ACCOUNT BALANCE TRANSFER

1. The client's credit balance in RK Commodities Services Pvt. Ltd. and RK Stockholding Pvt. Ltd. will remain mutually exclusive. No transfer of funds between the two companies will be done without the clients written express.

X. OTHERS

1. Payment will be released on/ after the payout date.
2. A copy (scan/Xerox etc.) of all the cheques deposited in the bank by the franchisees/sub brokers/branch offices needs to reach the head office within two working days to obtain the credit.
3. Wrong intimation regarding entry or deposition of cheque by the sub broker/ franchisee/ branch office will be liable to a penalty of Rs 100 per day.
4. Security/Shares will not be transferred in the client DP account if there is any debit balance and in case of clearing the debit balance, the Sub broker/ Franchisee/ Branch

office needs to intimate the Head office following which the shares/ security will be transferred to the client DP account within one working day.

5. In any segment, if the debit position of any client is more than 30 days, the position will be automatically squared off & the client account shall stand suspended.

