

POLICY ON CONTROL MECHANISMS **FOR INVESTOR CAUTION**

IN RELATION TO DABBA TRADING, ASSURED RETURNS AND PORTFOLIO MANAGEMENT SERVICES (PMS)

1. OBJECTIVE

The objective of this Policy is to establish adequate control mechanisms to caution and protect investors/clients from activities and practices relating to:

1. Dabba Trading / illegal trading platforms;
2. Assured, guaranteed or fixed returns in the securities market;
3. Unauthorised Portfolio Management Services (PMS) or persons/entities falsely representing themselves as providing PMS;
4. Unauthorised account handling, sharing of trading credentials and similar fraudulent practices; and
5. Misleading or unauthorised investment-related communications.

The Company shall take reasonable measures to create investor awareness, monitor its employees, Authorised Persons ("APs") and business associates, and promptly escalate any suspected activity to the Compliance Officer and, where appropriate, to the Stock Exchange/SEBI or other competent authority.

2. SCOPE

This Policy shall apply to:

- Directors and Key Managerial Personnel;
- Compliance and Operations teams;
- Dealers and Trading Desk personnel;
- Sales and Relationship Managers;
- Authorised Persons and their employees;
- Business Associates/Channel Partners, wherever applicable;
- Marketing and Digital Marketing teams; and
- Any other person acting on behalf of or representing the Company.

The Policy shall cover communications made through:

- Telephone calls;
 - Emails;
 - SMS;
 - WhatsApp and other messaging platforms;
 - Social media;
 - Websites and digital platforms;
 - Advertisements and marketing material;
 - Webinars/seminars; and
 - Any other communication channel used for client acquisition or servicing.
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3. DEFINITIONS

3.1 Dabba Trading

"Dabba Trading" refers to trading activities conducted outside the recognised stock exchange mechanism by unregistered persons/entities, where the transactions are not executed through the regulated exchange infrastructure.

The Company shall not facilitate, promote, encourage or participate in any such activity.

3.2 Assured/Guaranteed Returns

Any representation, whether oral, written, digital or otherwise, that a client will receive:

- Guaranteed returns;
- Fixed returns;
- Assured profits;
- Fixed percentage returns;
- Guaranteed monthly/daily income;
- Guaranteed recovery of losses; or
- Any similar assurance of returns from securities-market investments,

shall be prohibited.

3.3 Portfolio Management Services (PMS)

PMS means portfolio management services provided by a person/entity registered with SEBI as a Portfolio Manager and in accordance with applicable regulatory requirements.

The Company, in its capacity as a Stock Broker, shall not represent itself as a Portfolio Manager unless separately registered and authorised to provide such services.

4. POLICY STATEMENT

The Company follows a zero-tolerance approach towards:

- Dabba/illegal trading;
- Assured or guaranteed return schemes;
- Unauthorised PMS/portfolio management activities;
- Misrepresentation of the Company's regulatory status;
- Unauthorised handling of client trading accounts;
- Sharing or obtaining client login credentials/passwords;
- Misleading investment communications; and
- Any employee/AP/representative making commitments regarding returns or profits.

All employees, APs and representatives shall strictly comply with applicable SEBI, NSE, other exchange and regulatory requirements.

5. INVESTOR AWARENESS AND CAUTION MECHANISM

The Company shall periodically communicate appropriate investor-awareness messages through suitable channels.

Investor communications shall caution clients that:

1. Dabba Trading is illegal and clients should deal only through SEBI-registered intermediaries and recognised exchanges.
2. No person associated with the Company is authorised to guarantee or assure returns on investments.
3. Investors should not transfer money to personal bank accounts of employees, APs, dealers or other unauthorised persons.
4. Investors should transfer funds only to the Company's designated/registered client bank accounts.
5. Investors should not share their trading login ID, password, OTP, TPIN or other confidential credentials with any person.
6. Clients should independently verify any communication claiming to be from the Company.
7. Clients should be cautious of social-media groups, Telegram/WhatsApp groups and other online platforms promising guaranteed profits or unusually high returns.
8. The Company does not authorise any employee/AP to operate a client's trading account based on verbal instructions or by obtaining the client's password/OTP.
9. Clients should verify the registration status of any person/entity claiming to provide investment advisory or portfolio management services.
10. Clients should immediately report suspicious communications or activities to the Company's Compliance/Grievance Officer.

Investor-awareness messages may be displayed on the Company's website, trading platform, email communications, SMS, client communications and other appropriate channels.

6. CONTROLS RELATING TO DABBA TRADING

The following controls shall be implemented:

6.1 Employee and AP Awareness

Employees and APs shall be informed that:

- Dabba Trading is illegal;
- They must not refer clients to any unauthorised trading platform;
- They must not facilitate trading outside recognised exchanges;
- They must not maintain or operate any parallel trading arrangement for clients; and
- Any suspected dabba-trading activity shall be immediately reported to Compliance.

6.2 Monitoring of Client Complaints

The Compliance/Grievance team shall review complaints and client communications for indicators such as:

- Client claiming that a trade was executed but no exchange contract note exists;
- Client claiming that a person is handling trades outside the broker's system;
- Client complaints regarding payment of profits/losses directly to an individual;
- References to an external trading platform/app;
- Requests for settlement of trades outside the Company's normal process; or
- Any complaint suggesting that an employee/AP is facilitating off-market trading activity.

6.3 Monitoring of Employees/APs

The Company shall monitor, to the extent reasonably possible, employee/AP conduct and communications for indications of:

- Unauthorised trading platforms;
- Unauthorised client account handling;
- Personal collection of client funds;
- External trading arrangements; or
- Misrepresentation of the Company's services.

Any material concern shall be escalated to the Compliance Officer.

7. CONTROLS RELATING TO ASSURED / GUARANTEED RETURNS

7.1 Prohibition

No employee, dealer, sales personnel, AP or representative shall:

- Promise guaranteed returns;
- Promise fixed profits;
- Give assurances regarding a minimum return;
- Promise recovery of losses;
- Represent that a particular strategy will generate a fixed return;
- Offer guaranteed monthly/daily income; or
- Use words or statements that may create an impression of assured returns.

7.2 Marketing Material

All investment-related advertisements, promotional material, brochures, presentations, social-media content and client communication prepared by or on behalf of the Company shall be subject to appropriate internal review/approval.

Marketing material shall not contain:

- "Guaranteed Profit";
- "Assured Return";
- "Fixed Return";
- "Risk-Free Return";
- "Guaranteed Monthly Income";
- "Loss Recovery Guarantee"; or
- Any similar representation.

7.3 Sales and Relationship Team

The Sales/Relationship team shall be specifically instructed that actual or potential market returns cannot be guaranteed.

Any client communication involving expected returns, performance projections or investment strategies shall be appropriately qualified and shall not be presented as a guarantee.

7.4 Employee Undertaking

Employees in client-facing roles shall provide an undertaking confirming that they shall not:

- Offer assured/guaranteed returns;
- Enter into private profit-sharing arrangements with clients;
- Accept client funds in personal accounts; or
- Operate client accounts outside authorised processes.

8. CONTROLS RELATING TO PMS / UNAUTHORISED PORTFOLIO MANAGEMENT

8.1 No Unauthorised PMS

The Company shall not provide Portfolio Management Services unless separately registered and authorised under the applicable regulatory framework.

Employees/APs shall not represent that the Company provides PMS if it does not have the required registration.

8.2 No Unauthorised Account Handling

Employees/APs shall not:

- Obtain or retain client trading passwords;
- Request OTPs/TPINs except through authorised system processes;
- Operate a client's trading account for personal benefit or outside authorised mechanisms;
- Trade on behalf of a client without appropriate authority and regulatory compliance; or
- Collect client funds/securities in personal accounts.

8.3 Referral to Third Parties

No employee/AP shall refer a client to an unauthorised person/entity claiming to provide PMS or investment management services.

Where a client specifically seeks PMS/advisory services, the client shall be advised to independently verify the registration status of the service provider with SEBI.

8.4 Group/Associate Entities

Where the Company has any group/associate entity engaged in investment advisory, portfolio management or other financial services, appropriate segregation of activities, branding, client communication and regulatory registrations shall be maintained to avoid any misrepresentation or confusion regarding the services provided by the Stock Broker.

9. CONTROL OVER DIGITAL AND SOCIAL MEDIA COMMUNICATION

The Company shall maintain appropriate controls over official digital and social-media communications.

The following shall be prohibited:

- Promotion of guaranteed/assured returns;
- Promotion of unauthorised PMS;
- Promotion of dabba trading;
- Unverified stock tips presented as guaranteed opportunities;
- Misleading profit screenshots or performance claims;
- Statements suggesting that losses will be recovered by the Company;
- Personal social-media accounts being used to misrepresent themselves as authorised representatives of the Company; and
- Any communication that may mislead investors regarding the Company's regulatory status or services.

Where applicable, digital marketing material shall be reviewed/approved by the designated authorised person/compliance function before publication.

10. CLIENT FUND AND SECURITIES SAFEGUARDS

The Company shall maintain controls to ensure that:

- Client funds are transferred only through designated/authorised banking channels;
 - Employees/APs do not collect client funds in personal bank accounts;
 - Client securities are handled only through authorised mechanisms;
 - Client account statements and contract notes are generated through the Company's authorised systems;
 - Any discrepancy reported by a client is promptly investigated; and
 - Suspicious fund/security movements are escalated in accordance with applicable regulatory requirements.
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11. COMPLAINT AND INCIDENT ESCALATION

Any complaint or information relating to:

- Dabba Trading;
- Assured/guaranteed returns;
- Unauthorised PMS;
- Unauthorised account handling;
- Misuse of client credentials;
- Unauthorised collection of client funds; or
- Misrepresentation by an employee/AP,

shall be immediately forwarded to the Compliance Officer.

The Compliance Officer shall:

1. Record the complaint/incident;
2. Conduct a preliminary review;
3. Obtain relevant records and supporting documents;
4. Identify the employee/AP/person involved;
5. Escalate the matter to senior management where appropriate;
6. Take corrective/preventive action;
7. Report to NSE/SEBI/other authority wherever required under applicable regulations;
and
8. Maintain complete records of the investigation and action taken.

12. TRAINING AND EMPLOYEE AWARENESS

The Company shall conduct periodic awareness/training programmes for employees and APs covering:

- Dabba Trading and associated risks;
- Prohibition on assured/guaranteed returns;
- PMS and unauthorised portfolio management;
- Client credential security;
- Prevention of mis-selling;
- Social-media and digital communication risks;
- Client fund/security safeguards; and
- Regulatory reporting and escalation requirements.

Attendance and training records shall be maintained.

13. RECORD KEEPING

The Company shall maintain, as applicable:

- Investor-awareness communications;
- Copies of circulars/notices issued to clients;
- Employee/AP undertakings;
- Training records;
- Marketing material approval records;
- Client complaints;
- Investigation reports;
- Escalation records;
- Corrective-action records; and
- Regulatory correspondence/reporting records.

Records shall be retained for the period prescribed under applicable regulatory requirements and the Company's record-retention policy.

14. RESPONSIBILITIES

Compliance Officer

The Compliance Officer shall be responsible for:

- Implementation and monitoring of this Policy;
- Periodic review of investor-awareness measures;
- Monitoring complaints and incidents;
- Employee/AP awareness;
- Review/escalation of suspected violations;
- Regulatory reporting wherever applicable; and
- Maintaining evidence for inspection/audit purposes.

Business / Sales / Relationship Team

The team shall:

- Follow approved client communication practices;
- Not make return/profit guarantees;
- Not collect client funds personally;
- Not facilitate unauthorised trading/PMS;
- Immediately report suspicious client approaches or third-party activities.

Authorised Persons

APs shall comply with this Policy and shall ensure that their employees/representatives do not engage in prohibited activities.

Senior Management

Senior Management shall provide appropriate oversight and resources for implementation of this Policy.

15. INTERNAL REVIEW AND MONITORING

The Compliance Department shall periodically review the effectiveness of the controls prescribed under this Policy.

The review may include:

- Sample checking of client communications;
- Review of complaints;
- Review of marketing material;
- Review of AP activities;
- Employee awareness/training status;
- Review of suspicious incidents; and
- Corrective actions taken.

Material deficiencies shall be reported to Senior Management/Board/appropriate committee and corrective measures shall be implemented.

16. POLICY REVIEW

This Policy shall be reviewed at least annually and whenever there is a material change in applicable SEBI, NSE or other regulatory requirements.

Any amendment to the Policy shall be approved by the appropriate authority of the Company.

17. MANAGEMENT DECLARATION

The Company is committed to protecting investors from unauthorised trading activities, misleading investment representations and fraudulent schemes. The Company shall continuously endeavour to strengthen its investor-awareness, monitoring and preventive controls in accordance with applicable regulatory requirements.