

1.Exposure

In order to place orders, any client should have exposure limits set for them, which are taken care of by the system considering his margin deposit and balances of both funds and securities.

Calculating Exposure

For Intraday

Exposure shall be as given below for Intraday trades (Squaring). To be more specific squaring means, buying and selling the same scrip in the same quantity on the same day.

Terminal : Trading limits of the clients shall be Seven times on their Cash balance and Seven times on the 50% market value of their Security balance. The % and times changes depending on the market conditions.

Internet : Trading limits of the clients shall be Seven times on their Cash balance and Seven times on the one seventh (1/7th) market value of their Security balance. The % and times changes depending upon market conditions.

For Delivery

Exposure shall be as below for Delivery trades. To be more specific, Customer takes delivery of the shares purchased and not sold by him in a day (Net Purchases) or Customer gives delivery of the shares sold and not bought back by him in a day (Net Sales).

Terminal : Trading limits of the clients shall be One time on their Cash balance and 50% market value of their Security balance. The % and times changes depending upon market conditions.

Internet : Trading limits of the clients shall be One time on their Cash balance and One time on the one seventh (1/7th) market value of their Security balance. The % and times changes depending upon market conditions.

Exposure can be increased during trading hours, on a case-to-case basis, provided:

- ❖ The client brings in additional fund during the day, and/or
- ❖ The client has transferred additional shares to our demat account and the same has got credited in our account or
- ❖ % of sale value of holding(sales in delivery product).

The exposure of a client will stand reduced accordingly, if the client withdraws cash/shares deposited as margin with us.

Auto Square Off

All pending intraday/margin orders shall be cancelled & all intraday positions shall be squared at around 3.20pm. Please don't place margin orders after auto square off time, if placed the same will be cancelled from ADMIN.

If any of the above said automated activity fails due to any reason like price freeze caused by upper or downward ceiling, system failure, etc., the same shall be squared off on subsequent trading session without any further intimation.

Conversion of Positions after Market Closure

If any client wishes to take delivery of any un-squared intraday long position, sufficient payment is to be made before 5pm on the same day under specific advice/intimation to AO. If any client wishes to give delivery of any un-squared intraday short position, the required shares are to be transferred to their demat account held with us before 3pm on the next day under specific advice/intimation to AO.

Margin

Margin shall be paid in the form of Cheque/Demat Securities. [Transfer details in the case of security margin attached as Annexure B] Branch has to ensure that the cheques or delivery slips remitted by the clients are from their own account.

2.Settlement

The system of settling the trades, executed through terminals and Internet, on a pre stipulated date is known as settlement. The period of trades, date of actual transfers ie payin/payout, auction etc will be given in advance as a schedule. Branches shall contact AO, in the case of non receipt of settlement schedule, at least two days in advance, on a monthly basis.

Eg : For Settlement No.2010/001, trades takes place on 04th January, 2010 (Single Day) and settling of trades takes place on 06th January, 2010.

2.1 Funds Payin

Payin/Payout amount and date will be mentioned in the Client Bill. Pay-in amount should be cleared the next working day after trade date. Exposure will be blocked, if there is any payin overdue. The print of the Critical payin overdue report should be taken and filed at branches, and it should be signed by both the dealer and the branch head daily. Proper follow ups should taken in this regard. This can be taken from the FS Site ->**NSE Back ->Reports->Pay in Overdue Report**. The clients appearing in Critical Overdue Report will be monitored during the day & will be sold off from AO if the payin is not cleared before 2.45pm. Branches will be responsible for any dispute/loss arising due to this. Branches should request for Back office access in FS site if they do not have access. General guidelines are given as **Annexure C**.

Payin Register should be maintained at branches to record the following minimum details: Date of Receipt, Client Code, Client Name, Deposit Date, Deposited Bank, Deposit Receipt

2.2 Securities Payin

Any sale of share must be preceded by a purchase or the scrip which the client sold has to be in his stock account or DP Account with UAE Exchange. If it is in the the customer's own demat account with other DP's he has to submit signed delivery slip to that DP and transfer the shares to UAE Exchange DP for selling. If it is in the customers own demat account with UAE Exchange he need not submit the delivery instruction slip provided he has given POA in favour of UAE Exchange. DP charges will be debited to the client's account at prevailing rates. Transfer details are attached as Annexure B. Branch has to ensure that the delivery slips given by the clients are from their own account.

- Please ensure that the Delivery Instruction Slip (DIS) collected for share transfer **or** the demat account to which the request for share transfer is given by the customer is updated in our back office, or else the client master of the corresponding demat account should be collected and send to AO. A copy of the duly filled & submitted DIS should be filed.
- If the shares purchased by a customer is not credited on the settlement date , the same or its cash equivalent as calculated by the exchange will be credited only on the auction payout date as specified in the settlement schedule.
- Shares purchased can be sold only after confirming its actual credit, however these can be sold at clients risk, and it is advisable to explain the details of the auction Procedure to the customer.
- If the customer is having shares in own DP the monetary corporate benefits such as Dividend warrant, fractional proceeds etc will be credited to the bank account which is updated in DP.
- Care should be taken while trading in the BE Category(Trade for Trade). It is not permissible to do intraday for these scrip's. Only Delivery buy & sell is possible. If by mistake any intraday trade takes place then that will result in Auction and the loss has to be incurred by the client.
- All corrections/overwriting in Delivery Instruction slip should be countersigned by all the account holders

2.3 Funds Payout

Pay-out of funds can be released on the second day after trading at the discretion of the client [He can either retain it for future exposure or withdraw the amount] and the same can be obtained by account payee name printed crossed cheque or as fund transfer to the client's bank account updated in Back Office.

Payout Register should be maintained at branches to record the following minimum details: Client Code, Client Name, Amount, Date of request to AO, Date of receipt from AO, Date of Delivery to client.

2.4 Securities Payout

Pay-out of securities shall be made after the second working day of trading at the discretion of the client [He can either retain it for future exposure/sales or withdraw the same] and the same will be credited to the clients demat account with UAE Exchange if the payin amount is cleared. Otherwise the same will be kept in the client's stock account until the amount is paid by the customer. If the client wishes to transfer the shares to his Demat account with other DP either he/she can give standing instruction or upon request through email by the client in case of Xtrade Client and by the dealer in case of ODIN Client.

Notes: -As per SEBI guidelines, the shares purchased by a customer is to be transferred out from the pool account within 24 hours. Therefore if the payin amount is transferred in full, the shares purchased will be credited to the client's dp account with UAE Exchange and else the same will be credited to the stock account.

So in both cases, the shares has to be transferred back to the pool account on selling, for which a transaction cost is incurred and the same is reimbursed from/debited to the Client in his client ledger account.

Customer has the option to get the shares purchased by him transferred to his Demat account with UAE Exchange or to his demat account with other DP

Complaint Register

A complaint Register should be maintained at branches to record the following minimum details : Complaint Received Date, Client Code, Client Name, Nature of Complaint, Mode of Complaint Receipt, Action Taken, Settled on, Mode of Settlement

Exception Handling

1. If a client fails to make payment on the stipulated day:

The company shall allow a grace period of 4days and after the fourth day the shares will be sold off from AO.

When the market value of shares held by a client comes down below a certain percentage of the debit balance, the client has to pay margin. The minimum amount of margin so payable will be communicated over email to the branches on a daily basis. In the event of any client failing to pay the same, his/her holdings will be sold off, with out further notice, at an almost break-even price, so that company doesn't lose.

2. If a client fails to make delivery on the next day of trading:

Auction takes place when the clients fail to give delivery of the shares sold. The Exchange buys the shares from the open market and delivers it to the buyer. If the Exchange is not able to get the required shares from the market, they will calculate an amount and credit it to the buyer. The cost incurred for the same and penalty charges are debited from the defaulter.

3. If our client is the counter party to instance no. 2 above:

In this case, the client will not receive shares purchased by him, on the settlement date, but he will receive the shares or funds equivalent as calculated by the Exchange, only on the auction payout date, which will be shown in the settlement schedule. Therefore, it is not safe to sell the shares purchased recently before confirming its actual credit.

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Annexure B

The details which are to be filled in the **For Market Trades** column in the delivery instruction slip, for same day sales.

For Clients having demat account with NSDL DP

CMBP ID : IN 502548
DP ID : IN 300011
CM/CLIENT ID : 10004714
CLIENT NAME : UAE EXCHANGE & FINANCE LTD
DP NAME : STOCK HOLDING CORPORATION OF INDIA LTD.
MARKET TYPE : NORMAL/Trade to Trade<Refer scrip types>
SETTLEMENT NO. : <Refer Schedule>

For Clients having demat account with CDSL DP

EXCHANGE : NSE
SETTLEMENT TYPE : NORMAL/Trade to Trade<Refer scrip types>
SETTLEMENT NO. : <Refer Schedule>
CM ID : 06558
DP ID : 11000011
CLIENT ID : 00016814
CLIENT NAME : UAE EXCHANGE & FINANCE LTD

The details which are to be filled in the **For Off Market Trades** column in the delivery instruction slip for shares received for future sales / as security margin.

For Clients having demat account with NSDL DP

DP ID : IN301715
CLIENT ID : 32021365
CLIENT NAME : UAE EXCHANGE & FINANCE LTD
DP NAME : STOCK HOLDING CORPORATION OF INDIA LTD.

For Clients having demat account with CDSL DP

DP ID : 12051800
CLIENT ID : 00007739
CLIENT NAME : UAE EXCHANGE & FINANCE LTD
DP NAME : UAE EXCHANGE & FINANCE LTD

Any corrections / overwriting should be countersigned by the client/account holders.

Annexure C

General guidelines for Funds Payin & Payout :-

Physical cash should not be collected / deposited in any of our bank accounts; the same will not be accepted under any situation. **Cheque/DD should be in favour of UAE Exchange and Finance Ltd.**

- While payin cheques are accepted, please ensure that the cheque is issued from any of the bank accounts of which the details are already updated with AO and have MICR Code. In case the customer is not able to issue the same bank account cheque, please collect proof for the new bank details and send to AO through email and get it updated. Also send the hard copy of the duly verified bank proof to AO by courier the same day.
- Ensure that the cheque is not postdated, outstation, third party or of co-operative bank.
- Update the details of client code, name, chq number, amount, deposited bank etc. to AO and deposit the cheque same day in bank. If the cheque received is from one of the bank with which we have an account, the cheque should be deposited in the same bank, which will help easy fund transfer.
- While accepting cheques receipt should be issued to client.
- It is the responsibility of the concerned trading staff to clear the cheques within four days, the violation of which may lead to actions such as selling of shares from AO, salary withholding etc.

CHEQUE ENTRY OF XTRADE CUSTOMERS

- Exposure for Xtrade customers will be given only after the cheque is cleared. For Odin/Now customers exposure can be obtained after updating the cheque details through the FS Login.
- If an Xtrade customer wish to trade immediately then take DD and send the scanned copy of the same to AO through email/fax and deposit the DD in our bank account same day. Also a declaration as given in Annexure D should be taken to ensure that the customer has taken the DD using his own funds.
- Xtrade customers can use the facility of NEFT/RTGS/Net Banking for fund transfer as the fund will be credited to our account the same day. This facility can be availed from banks at a cheaper rate. Please request the customer to contact their bank branch for details. Client Code should be mentioned as remarks for easy client identification while fund transfer.

POINTS TO BE NOTED IN GENERAL

- Dealer should have good knowledge about the brokerage slab of the customer. To get a good idea about various brokerage slabs and other charges please go through the contract note and client bill of some existing customers in the branch. Customers will be charged differently as per the brokerage slabs they are belonging to.
- While sending mails to AO please include all the relevant details related to the situation.
- If the cheque of a customer is bounced once, then next time onwards exposure will be available only after clearing the cheque.
- If you face any network error when updating cheque details of clients, you may send email to AO giving all the relevant details plus the error message as attachment. Otherwise there will be delay to get credit to customer.
- Strictly instruct the client to inform about the fund transfer in advance.. This is necessary for crediting the account of the customer without delay
- While sending courier to AO, please intimate the same through email and ensure the delivery of the same by the concerned AO Staff.
- As you all know acquiring the trust and confidence of customers in our company lies with each one of you. For that you all are expected to have good knowledge in every aspect of your working environment. You must forward your valuable suggestions, ideas to us preferably through mail instead of waiting for a problem to occur.
- Branches are expected to give first level resolution to customers. Please don't entertain providing contacting details of HO to customers. If branch staff has any doubts, it may get clarified from here.

- If customers have any doubt in the balance of their account, you have to check the following statements of the customer viz. Client Bill, Contract Note, Transaction Statement, Client Ledger, Margin Ledger etc which is available in www.uaexchange-ettrade.com >My Xtrade. Contact A.O only after verifying all these.
- If our customer has dissatisfaction in our service or if customer brings any of our mistake into your attention don't hesitate to inform A.O.

OUR BANK ACCOUNTS IN VARIOUS BANKS

BANKS	A/C	IFS CODE	BRANCH ADDRESS
HDFC CLIENT	00200340000226	HDFC0000020	HDFC BANK,MG ROAD,RAVIPURAM,ERNAKULAM,KERALA
HDFC ETRADE	00202340000023	HDFC0000020	HDFC BANK,MG ROAD,RAVIPURAM,ERNAKULAM,KERALA
IDBI	084103000002776	IBKL0000385	PANAMBALLY NAGAR, COCHIN,682036,KERALA
DLB	014505300001033	DLXB0000145	INDUSTRIAL FINANCE BRANCH,MG ROAD, ERNAKULAM,KERALA
FEDERAL BANK	12380200017541	FDRL0001238	MG ROAD,ERNAKULAM,KERALA
SBI	30537605866	SBIN0003539	SBI,MG ROAD, ERNAKULAM,JEEVAN PRAKASH,LIC BUILDING ,OPP MAHARAJAS COLLEGE GROUND,KERALA
AXIS	081010200011945	UTIB0000081	41/419 GROUND FLOOR,CHICAGO PLAZA,RAJAJI ROAD,ERNAKULAM,KOCHI 682035,KERALA
ING VYSYA	501011015229	VYSA0005010	KANDAMKULATHY TOWERS, OPP.MAHARAJA COLEGE GROUND, MG ROAD ERNAKULAM.KERALA

PAYOUT TO CUSTOMERS.

We have various options to give payout to customers.

- Payout request can be given through the FS Login. If the customer has bank account in any of the banks with which we are having account, we can do direct fund transfer to customers account.
- If the customer doesn't have account in any of the banks with which we are having account or interested to receive cheque, we will send at par cheque to the branch.
- The credited amount of a particular settlement can be released only on the Payout Date ie on T+2 day. If the customer wants fund even before the fund is due, that can be released by paying 1% of the amount as early payout charges.
- Payout request for online transfers received only upto 12 pm will be processed on the same day. The payout request received after 12 pm will be processed only on the following working day. On Saturdays the request must be received before 11am.
- Request for payout in the form of cheque should be received before 4 p.m
- Payout cheques should be given to the client or deposited in the client's bank account on the same day of receiving it from AO.