



CHURIWALA SECURITIES PRIVATE LIMITED

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PRUDENT RISK MANAGEMENT SYSTEM

The operations of the company are on small scale and the company has a very strict system of analyzing the clients and only if the client meets the various parameters, then only an account is opened. The risk management systems considering the current operations of the company are:

1. The clients are given application forms for being appointed as a client only after they have met the director / sub-broker / Authorized Person through whom the client has approached us for opening an account.
2. The client registration team of the company personally meets the clients and assesses the financial position, risk appetite, investment objectives, past credentials, qualification, current working position, etc. The feedback of the same is made and given to the management Committee for clearance. After the same is found to be proper by the management Committee, the permission for forwarding the Know Your Client form along with the agreements and various requirements is given to the client.
3. Every client is designated a proper dealer, and the dealer before accepting the order for the client is given the background of the client so that the dealer is in a proper position to analyse the capability, the risk appetite and the investment pattern of the client so that proper risk assessment can be made considering the client.
4. The completed form is then received and only after proper verification of the documents and checking the genuineness of the person, the account is opened.
5. The clients are personally known to the director / sub-broker/ Authorized Person and the overall exposure is determined for the person on the basis of the financial capability and on the money lying with us in the client ledger account.
6. In case of large value transactions, the clients are at times insisted on giving advance money / securities as may be required.

Churiwala Securities Private Ltd

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7. The risk with respect to the trades done by the client is regularly assessed by the dealer. The dealer being regularly interacting with the client is aware of the trading pattern and thus in a position to determine the risk vis a vis every trade done by the client.
8. The client shares are tracked to have been received only from the designated DP account only so as to nullify the risk due to receipt of shares from other persons DP account.
9. The exposure with respect to every sub-broker & dealers terminal is controlled through the office risk management team at client level. In case of sub-brokers having direct terminals the exposure limit is defined through Admin terminal Situated in Head Office to control the maximum risk exposure of the client.
10. The risk management team regularly assesses the trades being executed by the clients / sub-brokers to check the trades in illiquid / risky stocks. The past operations are also tracked, to assess the risk level of the company in dealing with such clients.

Sharma Securities Private Ltd.

Anil Kumar

Director

NON-MANDATORY CLAUSES - ADDENDUM TO AGREEMENT

Additional terms and conditions for the purpose of mutual convenience and smooth conduct of business-relations

(As permitted under para # 3 of the SEBI Circular Ref. No. SEBI/MIRSD/DPS-1/Cir-31/2004 dated August 26, 2004)

This document outlines various clauses framed and followed by M/s _____

_____ (Stock Broker) with respect to its dealing with its clients and as a stock broker on Bombay Stock Exchange Ltd. ("BSE") National Stock Exchange of India Ltd. ("NSE").

1. The Client agrees that, it shall not, acting alone or in concert with others, directly or indirectly, hold and control excess number of permitted Derivatives/F&O contracts as fixed/specified by the Stock Exchange from time to time.
2. The Stock Broker may appoint from time to time any person(s)/agency(ies) at its sole and absolute discretion to undertake the verification of the Client's identity and address for conducting the Client's due diligence, outsourcing of operational activities including but not limited to various statements/reports relating to Clients and/or for carrying out the acts mentioned in or in relation to this agreement. The Client hereby give his/her/its consent to the Stock Broker to undertake the verification of the Client's identity and address, outsourcing of operational activities and or to disclose all his/her/its information to such person(s)/agency(ies) appointed by the Stock Broker.
3. The Client hereby agrees to pay such interest free security deposits as may be decided by the Stock Broker from time to time. This deposit may be refunded only one year after the Client discontinues his/her/its dealing with the Stock Broker to safeguard against future liabilities.
4. The Stock Broker and/or its employees shall not be liable for the losses, if any, caused by the Client, either directly or indirectly, by Government restriction, Stock Exchanges or market rulings, suspension of trading, war, earthquake, flood, accident, power failure, equipment or software malfunction, strikes or any such unforeseen circumstances beyond the control of Stock Broker .
5. The Client hereby undertakes to indemnify and keep the Stock Broker, indemnified and harmless from and against all claims, demands, actions, proceedings, loss, damages, liabilities, charges and/or expenses that are occasioned or may be occasioned to the Stock Broker directly or indirectly, owing to bad delivery of shares/securities and/or as a result of fake/forged/stolen/transfer documents that are introduced or that may be introduced by or through the Client during the course of his/her/its dealing/operations on the Stock Exchange through the Stock Broker.
6. All monies, securities or other property, which the Stock Broker may hold on Client account, shall be held subject to a general lien for the discharge of Client's obligations to Stock Broker under this agreement.
7. The Client shall deliver the securities or make payment of funds promptly for the transaction of sale/purchase of securities in order to honour his/her/its obligation to the Stock Broker. The Stock Broker shall not be responsible for auction of securities due to non-delivery or erroneous delivery of shares. The Client shall reimburse to the Stock Broker, the difference in the price on auction, penalty and other charges, as applicable, in case of non-delivery of securities sold by the Client through the Stock Broker. The Client shall also reimburse to the Stock Broker, the charges levied by the bank in case of dishonour of cheque due to non-availability of sufficient funds in the Client's Account.
8. In the event of any short delivery from the Stock Exchanges, the Stock Broker upon the receipt of deliveries from the stock exchange shall deliver the securities to the Client. In case the Stock Broker is unable to give delivery of the securities to its Client on account of short delivery by its another Client, the settlement of the transaction shall take place as per the policy of the Stock Broker.
9. The Client agrees that he/she/it shall be solely responsible to calculate/ascertain the margin requirement, as specified by the Stock Exchanges or the Stock Broker, from time to time on his/her/its open/outstanding positions with the Stock Broker and accordingly furnish the same without any delay.
10. The Client hereby authorizes the Stock Broker to withhold the securities bought by him/her/it and or securities delivered by him/her/it as margin for non-receipt of payment due to the Stock Broker from the Client. The Client further authorizes the Stock Broker to liquidate/close out all or any of the Client's open/outstanding

M/s

Proprietor / Partner / Director / Authorised Signatory

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Client's Sign _____

position and/or sell the securities retained by it for non-payment of dues/obligation by the Client at any time to recover its dues without giving any notice to the Client.

11. The Client hereby agrees and undertakes to deliver the securities only from his/her/its own beneficiary account and not from any other beneficiary account.
12. In the event if the Client defaults in meeting its above said obligations towards Stock Broker, Stock Broker shall have absolute discretion to charge and recover from the Client's account, delayed payment charges at such rate/manner/interval as may be determined by Stock Broker from time to time for the delayed period.
The Client will not be entitled to any interest on the credit balance/surplus margin available/kept with Stock Broker.
 - Penalty and other charges levied by Exchanges pertaining to trading of the Client shall be recovered from the respective Client.
 - No interest or charges will be paid by Stock Broker to any Client in respect of retention of funds or securities towards meeting future settlement obligations and in respect of running account authorizations.
13. The Stock Broker reserves the right to refuse to execute any particular transaction, and it shall be at the discretion of the Stock Broker to amend or change from time to time, as the Stock Broker deems fit any of the terms and conditions recorded in his agreement.
14. The Client shall be required to pay brokerage on the trade executed at his behest at such rates as may be decided from time to time by the Stock Broker.
15. The Client authorizes the Stock Broker to recover any liability or expenses incurred for any transactions entered into by the Stock Broker on behalf of the Client.
16. The Client agrees that he/she/it shall pay the stamp duty required to be paid on the execution of this Agreement, Contract Notes and all instruments required to be executed by the Stock Broker and/or the Client for his/her/its transactions in pursuant of this Agreement. Further, without prejudice to the aforesaid, the Client agrees to pay any additional stamp duty, if required to be paid on any of the said instruments, by virtue of the said instrument being received in any State other than the State where the instrument is executed. Notwithstanding, the aforesaid the Stock Broker is entitled to pay the said stamp duties on behalf of the Client's and the Client hereby agrees to reimburse the same to the Stock Broker.
17. The onus of collecting the Contract Notes for the trades executed on behalf of the Client shall rest only with the Client and in case of non - collection, the Contract Notes will be dispatched through ordinary post or through courier and it shall be deemed to be effective delivery of the contract note to the Client.
18. The Client hereby authorises the Stock Broker to dispatch the Contract Notes, bills, confirmation memos and other papers by post or by courier or by hand delivery or by fax or by auto e-mail or by other mode including web access. Any discrepancy in any of the above documents shall be reported by the Client to the Stock Broker within a period of two days from the date of the documents, otherwise the Stock Broker will presume that there is no discrepancy in the rate, quantity of the share/securities/contracts bought or sold and rate of the brokerage and other levies thereon and that all the documents thus sent to the Client are in order. The Client hereby agrees that in the absence of any communication from him/her/it regarding any discrepancy as stipulated above, the same shall be treated as deemed acknowledgement of the transaction.
19. All the notices or communication issued under this agreement shall be served in any one or more or all of the following ways and such notice or communication shall be served at the ordinary business address and /or ordinary place of residence and/or last known address of the Client in any or more of the following ways:
 - by post,
 - by registered post,
 - under certificate of posting,
 - by express delivery post,
 - by telegram,
 - by affixing it on the door at last known business or residential address,
 - by oral communication to the party or on the last known telephone number,
 - by sending a message through trading system,
 - by electronic mail or fax,
 - by hand delivery
20. Any communication sent by the Stock Broker to the Client shall be deemed to have been properly delivered or served, even if such communication is returned to the Stock Broker as unclaimed/ refused/ undelivered, if same

M/s


Proprietor / Partner / Director / Authorised Signatory



Client's Sign _____

is sent to the ordinary business address and/or ordinary place of residence and/or last known address of the Client, in any one or more of the ways as mentioned above.

21. The Client hereby agrees, confirms and declares that in the event of this failing to make payment of consideration to the Stock Broker in respect of any one or more securities purchased by him before the pay-in date notified by the Stock Exchanges from time to time, the Stock Broker may, at its sole and absolute discretion, sell his securities received in pay-out, in proportion to the amount not received from him, after taking into account any amount lying to the credit of the Client with the Stock Broker, by selling equivalent securities at any time on any Stock Exchange not later than the fifth trading day reckoned from the date of pay-in. The loss or profit, if any, on account of the above transaction shall be to the account of the Client.
22. The Client hereby agrees, confirms and declares that he will deliver the securities sold by him only from his own Depository Account and not from the Depository Account(s) of others. The Client's hereby further agrees and confirms that in case the securities sold by him are delivered from the Depository Account of others then the Stock Broker shall have a right to consider this delivery as non-delivery. In such an event the Client hereby authorizes the Stock Broker to but the equivalent securities in his account at the prevailing market rate or either on the day on which it is identified by it that the securities have not been received from the Depository Account of the Client or on the following day and the resultant loss, if any, in this regard shall be to the account of the Client only.
23. The Client hereby agrees that he/she/it will not register as a Sub-Broker registered with SEBI without prior written approval of the Stock Broker. The Client further agrees and undertakes that he/she/it will not affect any third party transaction during the course of any of his/her/its dealing through the Stock Broker. The Client undertakes to indemnify the Stock Broker against any losses/damages suffered by the Stock Broker if the Client indulges in any third party transaction or sub-broking business without its prior written approval.

Client Name : _____			M/S		
 Client's Sign: _____			Proprietor / Partner / Director/Authorised Signatory		
	Name & Address of Witness	Signature		Name & Address of Witness	Signature
1.			1.		
2.			2.		

Note:

1. All references to the specific quantity/rate/fee mentioned in this agreement are subject to change from time to time, as so agreed to in writing between parties.
2. In the event if the Client does not wish to opt for the Voluntary Clauses, in part or in whole, then the Client may delete such clauses(s) before executing the same.