

RRS SHARES & STOCK BROKERS PVT. LTD.

Member : National Stock Exchange of India Limited

Regd. & Dealing Office : 24/B, Rajabhadur Mansion - 2, 114, Rajabhadur Compound, Ambalal Doshi Marg, Fort, MUMBAI - 400 023.

Tel. : 226 79055 / 30674 / 72678 / 563 30456 / 563 11194

Fax : 563 11193 E-mail : rrsshares@satyam.net.in

Branch Office : 406, Paradise Complex, Sayaji Gunj, BARODA - 390005

Tel.: 236 1002 / 1637 / 1987 Telefax : 236 2985

Customer Acceptance Policy (CAP)

- A. Accept only those clients whose identity is established by conducting due diligence appropriate to the risk profile of the client.
- B. Where the investor is a new investor, account must be opened only after ensuring that pre account opening KYC documentation and procedures are conducted.
- documents as per standard norms to be collected
 - identity verification of the client to be made through support desk
- RRS will follow the industry standard in implementing the procedure for KYC.
- C. Any transaction from a client may be accepted only after Customer acceptance procedure is completed. However, Customer acceptance procedure and Transaction acceptance procedure may be initiated simultaneously in case of low risk customers. If Customer acceptance procedure rejects a customer and customer does not respond to requests for additional information, the account opening will be rejected. A suitable condition may be incorporated in the account opening/transaction request form to this effect.
- D. The Clients are introduced in the system through Directors, recognized Sub Brokers, existing Privilege Customers.

Know your client standards – identification of customer:

- A Identity generally means a set of attributes which together uniquely identify a natural or legal person. An individual's identity comprises his/her name recent photograph, signature, date of birth, and the residential address at which he/she can be located. In case of non-individuals, identification is established with the help of registration number, copies of incorporation documents, location, address of head office / registered office and identity of authorized signatories.


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DIRECTOR / AUTHORISED SIGNATORY

B Identification evidence should be verified for:

- The named account holder(s)/the person in whose name an investment is registered;
- Any principal beneficial owner of funds being invested who is not the account holder or named investor;
- Power of Attorney Holders.
- The failure or refusal by an applicant/customer falling under high-risk category to provide satisfactory identification evidence within 30 days of seeking information and/or without adequate explanation may lead to a suspicion that the investor is engaged in money laundering. In such circumstances, The Principal Officer may consider making a suspicious activity report.

C. A risk-based approach will be adopted towards certification of documents. For low risk clients, reliance will be placed on a self-certified copy of the documents required to prove identity and address. For high-risk clients, the copies of identification documents have to be attested by government gazette officers or notarized by a public notary or by any other person who has opened an account with RRS after adhering to KYC norms stipulated under this policy. Where the beneficial owner is a well established entity like religious trust/endowment board registered as such with any government authority, educational trust having a standing of not less than 10 years and good reputation in the locality where it is situated, recognized Nongovernment organization, companies listed on recognized stock exchanges, SEBI registered intermediary, IRDA registered insurance company or insurance intermediary, pension fund registered under appropriate authority, SEBI recognized stock exchange, scheduled commercial bank, government departments, government agencies, statutory bodies, public sector undertakings and such other entities of irrefutable reputation the documentation for establishing identification include certified true copies of Memorandum and Articles of Association and Certificate of Incorporation. However, identification of the authorized signatory shall be on the lines of low risk individual customers.

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Customer Identification Procedure

Pre-account Opening: The submission of all documents required under this policy is a prerequisite for account opening for all customers. Incomplete application (including incomplete documentation) is to be rejected. RRS will follow the industry standard for implementing customer identification procedure. However, proof of identity and address proof will be verified based on documentation provided. In case there is a deviation from the above then the approval of any senior person or management shall be taken and the process shall be completed.

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Indicative list of suspicious activities :

- A. **Cash Transactions:** RRS does not accept cash for any investment nor does it pay cash towards any redemption or refunds. Therefore, instances of suspicion on the grounds of cash transaction are not expected.
- B. **Pay orders / Demand Drafts incoming payments:** All investments through pay orders/ demand drafts of Rs. 50,000 or more will require a declaration from the customer that the source of funds is legitimate or any other proof as specified under circulars issued by SEBI / Exchanges from time to time. If the amount paid through pay order/demand draft is Rs 50,000 or more, procedure given under suspicious transactions may be followed if there is no supporting received for the same.
- C. **Third Party incoming payments issued in India:** If the cheque towards investment is issued by a payer other than the account holder or one of the account holders in case of joint account, the following procedure shall be followed:
- Discourage accepting third party cheques. However, the third party cheque is towards investment by minor or dependent member of the family viz., wife, son or daughter, father, mother, brother or sister, such third party payments may be accepted if declaration to that effect is made in the application form.
- Further, obtain a declaration from the customer confirming that the source of funds for the payment is legitimate. If no declaration is given, the transaction will be rejected.
- D. **Transactions that do not make economic sense**
- o Using multiple client codes for trading for same client
 - o Frequent churning of particular scripts to generate volume in the script
- E. **Attempts to avoid Reporting / Record Keeping requirements:**
- o Investors reluctant to provide information
 - o Investor induces the RRS not to file any report / forms

