

NISM Series VII - Securities Operation & Risk Management (SORM) Policy

Reference:

1. SEBI Notification No. LAD-NRO /GN /2010- 11 /21/29390 published Gazette in the of India on December 10, 2010
2. NSE Circular No. NSE/INSP/16536 dated December 15, 2010
3. NSE circular No. NSE/INSP/ 274952 dated September 2, 2014
4. BSE Notice No. 20101215-19 dated December 15, 2010
5. BSE Notice No. 20140902-8 dated September 2, 2014

Brief:

SEBI issued Notification No. LAD-NRO /GN /2010- 11/21/29390 dated December 10, 2010 according to which, following categories of associated persons i.e. persons associated with a registered stock broker member / trading member/Clearing member in any recognised Stock Exchanges, who are involved in, or deal with any of the following:

- (a) Assets or funds of investors or clients
- (b) Redressal of Investor Grievances
- (c) Internal Control or Risk Management
- (d) Activities having a bearing on operational risk

Shall be required to have a valid certificate of NISM Series VII – Securities Operation & Risk Management (SORM) from National Institute of Securities Market (NISM). NSE & BSE has also issued circulars requesting the members to comply with the requirement of said SEBI notification.

PCS Securities Ltd (hereinafter referred to as “**PCS**”) being a stock broker of National Stock Exchange of India (NSE), Bombay Stock Exchange (BSE) and Metropolitan Stock Exchange of India Ltd (Formerly known as MCX Stock Exchange Ltd.) (MSEI), provisions of the aforesaid requirement is applicable to all its employees involved in the activities as mentioned above.

Internal Policy w.r.t NISM Series VII – Securities Operation & Risk Management (SORM):

As required in the aforesaid notification of SEBI, All existing persons associated with “**PCS**” as on date of publication and engaged in deal with

- (a) Assets or funds of Investors or Clients

- (b) Redressal of Investor Grievances
- (c) Internal control or risk management
- (d) Activities having a bearing on Operational Risk

Shall obtain the valid certification of NISM Series VII – Securities Operation and Risk Management (SORM) within two years from the date of such notification. Simultaneously, whenever “PCS” employees any associated person specified as mentioned above, the said associated person shall obtain valid certification of NISM Series VII – Securities Operation and Risk Management (SORM) within one year from the date of his/her employment.

Exemption:

Associated persons handling the basic clerical / elementary functions in the aforesaid specified areas shall be exempted from obtaining the certification of NISM Series VII - Securities Operation and Risk Management (SORM). For this purpose, "PCS" considers following activities as basic elementary level / clerical level.

➤ **Internal control or Risk Management**

1. Inwarding of collateral's / Cheques
2. Person performing market entries
3. Maker entry in the database
4. Photocopying, printouts, scanning of documents
5. Preparing of MIS
6. Sending of letters / reports to clients, Exchanges, SEBI
7. Attending Calls, etc.

➤ **Redressal of Investor Grievances**

1. Inwarding of complaints
2. Seeking documents from clients
3. Person performing maker entries
4. Maker entry in the database
5. Photocopying, printouts, scanning of documents
6. Preparing of MIS
7. Sending of letters / reports to clients, Exchanges, SEBI updation, data entry, uploading on SCORES
8. Attending calls, etc

➤ **Activities having a bearing on operational risk and dealing with assets of funds of investors of clients**

1. Person performing maker entries
2. Maker entry in the database

3. Preparing of MIS
4. Generating of reports, Files
5. Photocopying, printouts, scanning of documents
6. Dispatching documents to clients
7. Sending of letters / reports to clients, Exchanges, SEBI
8. Attending calls, etc

However, any of the work (as stated herein above) being performed by such persons, obtaining NISM-SORM Certification shall be optional provided that they are supervised by his / her supervisor who shall have to obtain / continue to have NISM - SORM Certification or such other prescribed certification at all times.

In case of any query, employees are requested to obtain clarification from Compliance Department of the PCS.

Note: This policy has been considered and adopted by the Board of Directors of the Company as per their meeting held on 27th Aug 2016.