



CFS Financial Services Pvt. Ltd.

SECURITIES OPERATION & RISK MANAGEMENT POLICY (SORM)

ADOPTED BY

CFS FINANCIAL SERVICES PRIVATE LIMITED

Regd. Office – F-12, Green Park Main, New Delhi – 110016,
Dealing Office – Plot No DSS – 13 & 14, HUDA Market, Sector – 30, Faridabad, Haryana- 121001
CIN – U74899DL1994PTC062182
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In case of any grievances please write to complaints@cfstradecity.in

SEBI Regn. No.: INZ000224536
Depository Participant – NSDL-IN-DP-138-2015



BACKGROUND

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/Trading Member/Clearing Member in any recognized stock exchanges, who are involved in, or deal with any of the following:

- (a) Assets or funds of investor 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.

REQUIREMENT OF POLICY:

CFS Financial Services Pvt. Ltd (the 'Company') being a stock broker of National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE), provisions of the aforesaid requirement is applicable to all its employees involved in the activities as mentioned above.

DEFINITION:

"**Associated Person**" means a principal or employee of an intermediary or an agent or distributor or other natural person engaged in the securities business and includes an employee of a foreign institutional investor or a foreign venture capital investor working in India.

REGULATOR REFERENCE CIRCULARS:

SEBI Notification No: LAD-NRO /GN /2010- 11/21/29390

NSE Circular No: NSE/INSP/16536 & NSE/INSP/ 27495

BSE Circular No: 20101215-19 & 20140902-8

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 the Company. considers following activities as basic elementary level clerical level:

- i. In awarding of collateral's / Cheques /Complaints



- ii. Person performing Market entries
- iii. Maker entry in database
- iv. Photocopying/Scanning /Print outs of documents
- v. Preparing MIS
- vi. Sending Letters/Reports to clients/Exchange/Regulators
- vii. Generating Reports, Files.

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.