

## **Internal Policy for NISM VII – SORM**

### **Reference**

**BSE Notice No 20140902-8 dated 02.09.2014**

### **Brief:**

SEBI issued notification No LAD-NRO/GN/2010-11/21/29390 dated 10.12.2010 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. Asset or funds of investor or clients
- b. Redressal of investor grievances
- c. Internal control or risk management
- d. Activities having a bearing or operational risk

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

### **Need for Policy:**

S.A.DESHPANDE & CO (SADCO) being a stock broker of BSE provision of aforesaid requirement is applicable to all employees involved in the activities as mentioned above

**Definition of Associated Person:**

“Associate 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

**Internal Policy w.r.t. NISM Series VII – SORM:**

As required in the aforesaid notification of SEBI, All existing person associated with SADCO as on date of publication and engaged in deal with

- a. Asset or funds of investor or clients
- b. Redressal of investor grievances
- c. Internal control or risk management
- d. Activities having a bearing or operational risk

Shall obtain a valid certification of NISM VII- Securities Operation & Risk Management (SORM) from National Institute of Securities Market (NISM) within two years from the date of such notification. Simultaneously, whenever SADCO employs any associated person specified as mentioned above, the said associated person specified as mentioned above, the said associated person shall obtain valid certification of NISM VII- Securities Operation & Risk Management (SORM) from National Institute of Securities Market (NISM) within one year from the date of his/her employment.

**Exemption:**

Associated person handling basic clerical / elementary function in the aforesaid specified areas shall be exempted from obtaining the certification of NISM Series VII. For this purpose following activities shall be treated as basic elementary level / clerical level.

- **Internal Control or Risk Management**

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

- **Redressal of Investor Grievances**

1. Person doing Inward of complaints
2. Person doing Seeking documents from clients
3. Person performing maker entries
4. Person doing entry in the database
5. Person doing Photocopying, printouts, scanning of documents
6. Person Preparing of MIS
7. Person Sending of letters / reports to clients, Exchanges, SEBI Updation, data entry, uploading on SCORES
8. Person 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. Person doing entry in the database
  3. Person Preparing of MIS
  4. Person generating of reports, Files
  5. Person Photocopying, printouts, scanning of documents
  6. Person dispatching documents to clients
  7. Person Sending of letters / reports to clients, Exchanges, SEBI
  8. Person 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 the Compliance Officer of the Company.

Note: This policy has been considered as adopted by the partners of the Company as per their meeting held on 29<sup>th</sup> November, 2014.