

TRAINING MODULE - SALES TEAM

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MARKET OVERVIEW

What is Securities Market & what are its functions?

Securities Markets is a place where mobilization of savings from surplus savers to deficit savers is most effectively carried out by sale purchase of complex products called “securities.” Further securities market performs an important role of enabling corporate, entrepreneurs to raise resources for their companies and business ventures through public issues. Stated formally, securities markets provide channels for reallocation of savings to investments and entrepreneurship. Savings are linked to investments by a variety of intermediaries through a range of financial products, called ‘Securities’.

The definition of securities as per Securities Contract Regulation Act (SCRA) 1956 includes shares, bonds, scrips, stocks or other marketable securities of the like nature in or of any incorporated company or body corporate, government securities, derivative of securities, units of collective investment scheme, interest & rights in securities, security receipts or any other instruments so declared by the central government.

Essentially there are three categories of participants in securities market which is given as under:

1. Issuer of the securities - are the borrowers or deficit savers, who issue securities for raising funds.
2. The investors, who are surplus savers & deploy their savings by subscribing to these securities.
3. Intermediaries are the agents who match the needs of users & suppliers of funds for a commission

There are large variety of intermediaries providing various services in the Indian Securities market i.e. Stock Exchanges, Depositories, Regulators (SEBI,RBI,DCA,DEA) , Stock Brokers - Corporate, non corporate, Sub brokers, Foreign Institutional Investors (FIIs), Mutual Funds, Share Transfer Agents, Custodians, Portfolio Managers, Merchant Bankers, Venture Capital Funds, Foreign Venture Capital Investors, bankers to the issue, underwriters, collective investment schemes etc.

Which are the securities one can invest in?

- Shares
- Government Securities
- Derivative products
- Units of Mutual Funds

Why does Securities Market need Regulators?

The absence of conditions of perfect competition in the securities market makes the role of the Regulator extremely important. The regulator ensures that the market participants behave in the desired manner so that securities market continues to develop & remains major source of finance for corporate and government and the confidence of the investors can be maintained & their interest are protected.

Who regulates the Securities Market?

The regulatory responsibility of the securities market is vested with SEBI, RBI, and two government departments--Department of Company Affairs and Department of Economic Affairs. Investigative agencies such as Economic Offences Wing of the Government and consumer grievance redressal forums also play a role in this regard.

Securities & Exchange Board of India (SEBI) was established under the SEBI Act, 1992, is the apex regulatory body for the securities market. Besides regulation, the SEBI's mandate includes responsibilities for ensuring investor protection and promoting an orderly growth of the securities market.

The RBI, on the other hand, is responsible for regulation of a certain well-defined segment of the securities market. As the manager of public debt, RBI is responsible for primary issues of Government Securities. RBI's mandate also includes the regulation of all contracts in government securities, gold related securities, and money market securities and in securities derived from these securities. To foster consistency of the regulatory processes, the SEBI is mandated to regulate the trading of these securities on recognized stock exchanges in line with the guidelines issued by RBI. Although the SEBI and the RBI are operationally independent, the government can issue directions to both in policy matters.

Definitions of some important terms used in securities market

Equity

Total equity capital of a company is divided into equal units of small denominations, each called a share.

- It is stock or any other security representing an ownership interest
- It proves the ownership interest of stock holders in a company

Example

A company is having total equity capital of Rs 2,00,00,000, divided into 20,00,000 units of Rs 10 each. Each such unit of Rs 10 is called a Share. Thus, the company then is said to have 20,00,000 equity shares of Rs 10 each. The holders of such shares are members of the company and have voting rights are also called shareholders.

Derivatives: A derivative is an instrument whose value is derived from the value of one or more underlying asset, which can be commodities, precious metals, currency, bonds, stocks, indices, etc. Four most common derivative instruments are forwards, futures, options and swaps.

Forward contracts

A forward contract is one to one bi-partite contract & are very customized in nature, to be performed in the future, at the terms decided today.

- Forward contracts offer tremendous flexibility to the parties to design the contract in terms of the price, quantity, quality (in case of commodities), delivery time and place.
- Forward contracts suffer from poor liquidity and default risk.

Future contracts

- Future contracts are organized/ standardized contracts, which are traded on the exchanges.
- Are of standard quantity; standard quality (in case of commodities). Have standard delivery time And place.
- These contracts, being standardized and traded on the exchanges are very liquid in nature.

In futures market, the clearing corporation/ house of the concerned exchange provides the settlement guarantee for such future contracts.

Options

Options are instruments whereby the right is given by the option seller to the option buyer to buy or sell a specific asset at a specific price on or before a specific date.

- Option Seller/ Option Writer- In any contract there are two parties. In case of an option there is a buyer to the contract and also a seller. The seller of the contract is called the options writer. He receives premium through the clearing house against which he is obliged to buy or sell the underlying if the buyer of the contract so desires.
- Option Buyer - One who buys the option. He has the right to exercise the option but not obligation & he has to pay a premium for having such right to be exercised.
- Call Option - A call option gives the buyer a right to buy the underlying that is the index or stock at the specified price on or before the expiry date.
- Put Option - A put option on the other hand gives the right to sell at the specified price on or before expiry date.
- American Option - An American style option is the one which can be exercised by the buyer on or before the expiration date, i.e. anytime between the day of purchase of the option and the day of its expiry.
- The European kind of option is the one which can be exercised by the buyer on the expiration day only & not anytime before that.
- Strike Price/ Exercise Price - Price at which the option is to be exercised.
- Expiration Date - Date on which the option expires.
- Exercise Date - Date on which the option gets exercised by the option holder/buyer.
- Option Premium - The price paid by the option buyer to the option seller for granting the option.

Presently we have trading in Index Futures, Index Options, Single Stock Futures and Single Stock Options.

Bid/Ask Price

Bid price is the price at which the potential buyer is prepared to buy shares. This is the opposite of ask price & ask price is a price at which the security is offered for sale.

Arbitrage

Means profiting from differences in the price of the same share traded on two or more stock exchanges. An arbitrageur makes money by buying in the lower market & immediately hereafter selling the same in the higher market, or vice versa, thereby making profit.

Hedging

Hedging is a concept used to Reduce exposure to risk. In the investment of ones funds in the share market, it is done by buying different kind of shares so that if one falls in price another will rise, or investing in different kinds of assets, e.g. shares, debentures, bonds, gold & silver, real estate etc. Hedging against inflation is putting ones money on assets which will neutralize inflationary increases.

Hedging is a feature of the commodities & currency markets where prices are likely to fluctuate, a contract to sell a commodity or a currency over a period of time at a particular price leave the seller in an open position, exposed to the price fluctuation. This open position can be covered by hedging, by the act of buying a future contract. A perfect hedge is no risk no gain precaution.

Earning per Share (EPS)

One of the most widely used indicator of worth of a share. It shows what a company has earned for each of its share. It is ratio calculated by dividing the Net profit after tax (PAT) by the number of equity shares of a company, which include any share the company has committed to issuing, but has not yet issued, such as those arising of conversion of debentures.

P/E Ratio

An indicator of how highly a share is valued in the market. It is arrived at by dividing the closing price of a share on a particular day by earning per share (EPS). The ratio tends to be high in the case of highly rated shares. The average PE ratio for companies in an industry group is often given in investment Journals. A high PE Ratio, however, does not necessarily indicate a bright future of a company, share prices of closely held companies are sometimes pegged at a very high or low levels, and since these are seldom traded, an unrealistically high or low PE ratio can be sustained over time. A low PE where the EPS is high, often indicates that the share is under priced.

Spread

A position taken in two or more options or futures contracts to profit through a change in the relative price relationship. Purchasing an option to expire in October & selling an option on the same assets expiring three months earlier is one example of a spread.

It is the difference between the bid & the offer price of a share e.g. if a share is bid at Rs 64 & offered at Rs 66, the jobber spread will be Rs.2. the spread is large or small, depending upon the demand & supply of the share in the market.

A large spread often indicates in active trading of that security.

Calendar Spread

Buying two options of the same security with different maturity dates. If the exercise price is the same, it is called horizontal option; if the exercise prices are different, it is called diagonal spread. An example of a calendar spread would be the purchase of a December call with a strike price of Rs.250 & the sale of a January call with he same strike price. An investor uses calendar spread in order to profit from change in the price difference as the securities move closer to the maturity.

Beta

A mathematical measure of the sensitivity of rates of return on a portfolio or a given stock compared with rates of return on the market as a whole. A high beta (> 1.0) indicates moderate or high price

volatility. A beta of 1.5. forecast 1.5% change in the return on an asset for every 1% change in the return of the market. High beta stocks are best to own in a strong bull market but are worst to own in a bear market.

Impact Cost

Impact cost is the cost of executing a transaction on the stock exchanges. The difference between the original price and the new price available for trading is known as impact cost. For instance if a fund buys 100000 shares of company A at Rs. 100 because of the demand created by it the price rises to Rs.101. The next 50000 shares that they buy they will have to do so at this higher price and thus they face an impact cost of Re 1 per share on the new purchase.

Merchant banking

An activity that includes corporate finance activities, such as advice on complex financings, merger and acquisition advice (international or domestic), and at times direct equity investments in corporations by the banks & include any entity who is engaged in the business of issue management either by making arrangements regarding selling, buying or subscribing to securities as manager, consultant, adviser or rendering corporate advisory service in relation to such issue management;

Bankers to the issue

Bankers to the issue carry out all the activities of ensuring that the funds are collected and transferred to the Escrow accounts. The Lead Merchant Banker shall ensure that Bankers to the Issue are appointed in all the mandatory collection centers as specified in DIP Guidelines. The Lead Manager also ensures follow-up with bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.

Investment Banking

An individual or institution which acts as an underwriter or agent for corporations issuing securities. Investment banks also have a large role in facilitating mergers and acquisitions, private equity placements and corporate restructuring. Unlike traditional banks, investment banks do not accept deposits from and provide loans to individuals. In addition to acting as agents or underwriters for companies in the process of issuing securities, investment banks also advise companies on matters related to the issue and placement of stock.

Escrow Account

Escrow is a **legal arrangement** in which an asset (often money but sometimes other property such as art, a deed of title etc is delivered to a third party (called an **escrow agent**) to be held in trust pending a contingency or the fulfillment of a condition or conditions in a contract such as payment of a purchase price. Upon that event occurring, the escrow agent will deliver will deliver the asset to the proper recipient, otherwise the escrow agent is bound by his or her fiduciary duty to maintain the escrow account.

Like wise escrow account in IPO context is used to retain the share application money in a separate Bank account in fiduciary capacity as trust which can not be used until shares are properly issued to the applicants & only after issuance of share capital this money lying in the escrow account can be transferred to the company issuing shares.

Collective Investment Scheme

Any scheme or arrangement made or offered by any company under which the contributions, or payments made by the investors, are pooled and utilised with a view to receive profits, income, produce or property, and is managed on behalf of the investors is a CIS. Investors do not have day to day control over the management and operation of such scheme or arrangement.

PARTICIPANTS IN DERIVATIVE MARKET

Participants who trade in the derivatives market can be classified under the following three broad categories.

1. Hedgers: Hedgers face risk associated with the price of an asset. They use the futures or options markets to reduce or eliminate this risk.
2. Speculators: Speculators are participants who wish to bet on future movements in the price of an asset. Futures and options contracts can give them leverage; that is, by putting in small amounts of money upfront, they can take large positions on the market. As a result of this leveraged speculative position, they increase the potential for large gains as well as large losses.
3. Arbitragers: Arbitragers work at making profits by taking advantage of discrepancy between prices of the same product across different markets. If, for example, they see the futures price of an asset getting out of line with the cash price, they would take offsetting positions in the two markets to lock in the profit.

DEPOSITORY

A depository holds securities of investors in electronic form. This is done at the request of the investors through a registered Depository Participant. It also provides services related to transactions i.e. (transfer of securities from one account to another). There are two depositories in India i.e NSDL National Securities Depository Limited & CDSL Central Depository Services Limited, these depositories provides services to the clients through its agents called depository participants DPs. The depository participants holds securities of investors & they maintain their client accounts similar to the Banking system however some of the common features between a bank & DP are given as under :-

BANK	DEPOSITORY
Holds funds in an account	Hold securities in an account
Transfers funds between accounts on the instruction of the account holder	Transfers securities between accounts on the instruction of the account holder
Facilitates transfer without having to handle money	Facilitates transfer of ownership without having to handle securities
Facilitates safekeeping of money	Facilitates safekeeping of securities

The Depository participant therefore provides to investors :-

- A safe and convenient way to hold securities;
- Immediate transfer of securities;
- No stamp duty on transfer of securities;
- Elimination of risks associated with physical certificates such as bad delivery, fake securities, delays, thefts etc.;
- Reduction in paperwork involved in transfer of securities;
- Reduction in transaction cost;
- No odd lot problem, even one share can be sold & transferred
- Nomination facility;
- Change in address recorded with DP gets registered with all companies in which investor holds securities electronically eliminating the need to correspond with each of them separately;
- Transmission of securities is done by DP eliminating correspondence with companies;
- Automatic credit into demat account of shares, arising out of bonus/split/consolidation/merger etc.
- Holding investments in equity and debt instruments in a single account

Religare Securities Limited is registered depository participant of NSDL & CDSL & depository services form part of integrated offering to RSL equity trading clients, who are able to use the depository services to settle their trades through Religare. RSL total depository accounts have increased to 109,715 in Fiscal 2007 from 14,413 in Fiscal 2005, with a total asset base of Rs. 21,940 million of aggregate share value as on March 31, 2007.

ABOUT RELIGARE & ITS GROUP COMPANIES

Religare is a financial services company in India, offering a wide range of financial products and services targeted at retail investors, high net worth individuals and corporate and institutional clients. Religare is promoted by the promoters of Ranbaxy Laboratories Limited. Religare operate from six regional offices and 25 sub-regional offices and have a presence in 330 cities and towns controlling 979 locations which are managed either directly by Religare or by our Business Associates all over India, the company has a representative office in London. While the majority of Religare offices provide the full complement of its services yet it has dedicated offices for investment banking, institutional brokerage, portfolio management services and priority client services.

Religare Enterprises Limited is the holding company & its principal subsidiaries include:

- **Religare Securities Limited (“RSL”)**
 - Registered with SEBI as an registered stockbroker with membership of National Stock Exchange (“NSE”) and Bombay Stock Exchange (“BSE”).
NSE: SEBI Registration. No: INB 230653732 and INF 230653732 TM Co: 06537 Clearing Member (F&O) No. M50235
BSE: SEBI Registration. No: INB 010653732
 - Registered with SEBI for portfolio management services (“PMS”)
PMS Registration No: INP 000000738 MAPIN No: 100001834
 - Registered with SEBI as a Depository Participant providing services of National Securities Depository Limited (“NSDL”) and Central Depository Services Limited (“CDSL”).
Clearing No: 3004 | NSDL: DP ID: IN 301774 | SEBI Regn. No: IN-DP-NSDL-150-2000 | CDSL DP ID: 30200 SEBI Regn. No: IN-DP-CDSL-202-2003
 - Registered with SEBI as Category I merchant banker.
SEBI Merchant Banking Registration No: MB/INM000011062
 - Applied with SEBI to be sponsor of an asset management company (“AMC”) in a joint venture with Aegon International N.V., a global provider of life insurance and pension services.
- **Religare Finvest Limited (“RFL”)**
 - Registered with the Reserve Bank of India (“RBI”) as a non-banking finance company (“NBFC”) and presently engaged in providing personal credit (such as loans against shares (“LAS”), and personal loans), distribution of mutual funds, wealth management, IPO financing, and corporate finance services.
RBI Registration No. : B-14-02107
- **Religare Commodities Limited (“RCL”)**
 - Registered with the Forward Market Commission (“FMC”) as a commodity broker.
FMC Registration No. NCDEX: NCDEX/TCM/CORP/0264 | MCX: MCX/TCM/CORP/0517
NMCE Registration No. CL0142
 - Member of National Commodities and Derivative Exchange (“NCDEX”), Multi Commodity Exchange (“MCX”) and National Multi Commodity Exchange of India Limited (“NMCE”).
Registration No. MCX 10575 | NCDEX 00109

- **Religare Insurance Broking Limited (“RIBL”)**
 - Registered with the Insurance Regulatory Development Authority (“IRDA”) as a composite broker, which enables RIBL to distribute products and services of life insurance companies, non-life insurance companies and re-insurance businesses.

RELIGARE PRODUCT OFFERINGS

Religare has divided its product and service offering under three broad client interface categories: “Retail Spectrum”, “Wealth Spectrum” and “Institutional Spectrum” as per following details :-

Retail Spectrum	Wealth Spectrum	Institutional Spectrum
↓	↓	↓
<p>Caters to a large number of retail clients by offering all products under one roof through our branch network and online mode</p> <ul style="list-style-type: none"> ■ Equity and Commodity Trading ■ Personal Financial Services ■ Distribution of mutual funds ■ Distribution of insurance ■ Distribution of savings products ■ Personal Credit ■ Personal loan services ■ Loans against shares ■ Online Investment 	<p>To provide customized wealth advisory services to high net worth individuals</p> <ul style="list-style-type: none"> ■ Wealth Advisory Services ■ Portfolio Management Services ■ International Equity ■ Priority Client Equity Services ■ Arts Initiative 	<p>To forge and build strong relationships with corporate and institutional clients</p> <ul style="list-style-type: none"> ■ Institutional Equity Broking ■ Investment Banking ■ Merchant Banking ■ Transaction Advisory Services

Retail Spectrum covers equity brokerage services, commodity brokerage services, personal financial services (financial planning for the retail investor, including the distribution of mutual funds, savings products, life insurance and initial public offerings (“IPOs”)) and personal credit (personal loans services (“PLS”) and loans against shares (“LAS”). Historically, the services offered in this spectrum have been the most substantial part of Religare business. Religare Retail Spectrum services in India are being offered through a network of 979 business locations spread across 330 cities and towns and also through Religare online platform, www.religareonline.com, which is being developed as an integrated portal to

offer financial and other services. Religare business locations include intermediaries, or Religare “Business Associates”, who deliver a standard quality of service offering on the basis of a pre-determined revenue sharing ratio for the business generated through them. Religare Retail Spectrum focuses on clients who keep less than Rs. 2.5 million on a continuing basis, in the form of either equity trading account margin, mutual fund investment, portfolio management investments or insurance premiums paid up. We have also increased Religare local commodity locations (or “Mandis”) to 38 as of March 31, 2007 in order to expand Religare retail commodity brokerage services.

Wealth Spectrum covers products and services which are geared to service high net worth individuals and provide wealth advisory services (on an asset allocation model), PMS (discretionary equity investments), priority client equity services (non-discretionary equity trading services), art initiatives (an art fund which we intend shortly to launch as an investment diversification product) and international equity investment advisory services. Religare has entered into an exclusive arrangement with Wall Street Electronica, Inc., a New York broker-dealer, to give Indian clients access through us to U.S. markets. Religare Wealth Spectrum focuses on clients who keep at least Rs. 2.5 million on a continuing basis or more in the form of equity trading account margins, mutual fund investments, portfolio management investment or insurance premiums paid up.

Institutional Spectrum covers products and services which cater under one service offering to corporate and institutional clients, including domestic mutual funds, FII, banks and corporate customers. The Institutional Spectrum provides services to the institutional investor community through institutional brokerage and investment banking services. We also link corporate clients with a transaction advisory group, which consists of account managers through whom institutional clients are able to access the full range of Religare services.

Competitive Strengths

Regional management for retail branch network

The retail business locations are managed through six regional and 25 other sub-regional offices across India. The regional offices are based in Chennai for the South region, Kolkata for the East region, Delhi for the North and Central regions, Ahmedabad for Gujarat and west Rajasthan, Pune for Maharashtra and Goa, and Mumbai. Religare has maintained these regional offices to facilitate greater penetration nationally and to delegate decision-making and customer service to a more decentralised level. Each of the regional offices is headed by a regional head who has significant experience in the industry and has been able to work with respective management teams to quickly build a branch network capable of generating significant business. The regional decentralisation has helped the company to operate with more local knowledge and management and to rapidly expand national network coverage.

DETAILS ABOUT RELIGARE PRODUCTS

Retail Spectrum

Equity Broking

The equity brokerage business in India is segregated into discount brokerage and full service brokerage and Religare Securities Limited (RSL) has positioned itself in both these market segments. RSL full service advisory brokerage business is conducted under the “RALLY” brand, where a physical and online interface is available to the client.

For our equity trading services, the business model combines a dedicated relationship and dealing team behind each client to ensure that RSL services continuously grow not only in terms of revenue but also in terms of numbers of clients. While the dealing teams continuously keep equity trading clients updated with market information and are responsible for execution of trades, the relationship team continues to acquire and enroll new clients for Religare.



(Religare-Ally) as the name suggests is the perfect partner for savvy investors. Major volumes of stock trading (more than 95%) of Religare business at present is being done through Rally trading platform. This is a CTCL (Computer to computer link) based trading engine provided & maintained by M/S Financial Technologies Limited & we are using their Odin product for this trading platform.

RALLY clients have the advantage to trade from our branches or trade on their own through internet for which separate product called odin diet is available.

What are the product offerings in Rally?

There are mainly following three trading platforms that are being offering under R-ALLY:

1. **R-ALLY**: This is our offline product wherein we have one dedicated dealer for every client who will execute orders on client’s behalf.
2. **R-ALLY Lite (Applet Version)**: This is also a browser based online trading platform
3. **R-ALLY Pro (Application Based)**: This is fully loaded feature rich software on line trading platform. This application can be downloaded on your system and can be run from any location.

Brief detail about account opening charges/upfront enrolment deposit requirement is given as under

Products	Subscription Fee (Rs.)	Enrolment Deposit (Rs.)
RALLY	Nil	Nil
RALLY LITE (Browser based)	Nil	5000
RALLY PRO (Application based)	1800	Nil

- Subscription fee is a yearly fee, which is refundable to the client if the total brokerage generated by such client over a period of one year from the date of subscription exceeds the subscription amount paid by the client.
- Clients opting for RALLY LITE would be required to maintain a minimum of Rs. 5000/- as Enrolment deposit by way of cash/stock.
- Advance Depository charges are as applicable.

Trading Procedure

A client is allowed to trade only upon payment of margin/deposit to RSL which may be in the form of Cheque, Bank Transfer (BT), Pay order, Demand Draft or non cash collaterals like scrip after applying applicable hair cuts, FDR, Bank Guarantee etc.).

The financial ledger balance of the client is also considered as deposit for this purpose & at all point of time trading is allowed to the client based on the available deposit of such client. Further only such exposure is allowed to the clients on which the margin requirement is equal to or less than his available deposits with Religare & such validations are carried out at order level in the trading system.

Similarly, if a client has paid additional deposit or margin, the system will allow him exposure up to such level i.e. up to which the margin requirement on such exposure is equal to or less than his total deposit i.e. (initial deposit + additional deposit / margin) of the client. As soon as the margin requirement on any order entered by the client exceeds the available deposit of the client the order will get rejected & margin inadequate reason will be displayed on the trading terminal.

At end of day, the margin requirement is recalculated in F&O segment based on the client level margin file received from the exchange in respect of the derivatives net outstanding position of a client.

Besides this, the settlement due is also calculated which would be the Mark-To-Market Margin, Premium Margin, Assignment Margin and the profits or losses actually sustained including obligation pay in. All these figures are communicated to the clients through a contract note & through Religare website so that the client can see his obligations & make arrangements for his pay in obligations in order to avoid any action from Religare.

The obligation of a client thus arrived at towards his margin and pay-in is blocked out of his available deposit i.e. NAM (Net available margin) for the purpose of his trading limit and only the balance amount is made available to the client towards his fresh exposures/trading/MTM loss at commencement of next day trading session.

A client can anytime during the trading session pay additional security deposit by depositing funds/securities with RSL. Such deposit transaction details shall be uploaded by the client through web & RMC after ensuring the realization of such deposits in Religare account shall give benefit of such deposits & the trading/exposure limits of the client would be increased accordingly.

The credit for payment received from the client in the following mode shall be given immediately

1. Cheque of RSL specified Bank
2. Bank Transfers from RSL specified Banks
3. Pay Orders
4. Demand Drafts

In case the cheque deposited by the client relates to the Bank other than the RSL specified Bank then immediate credit would be allowed upto Rs.50000 & if the cheque is amounting to more than Rs.50000 the credit is allowed only after the same is realized into RSL account.

In order to ensure that the payment are received from the client & not from any third party it would be mandatory for each client that before punching payment details on web the scan copy of the instrument must be compulsory sent otherwise credit for such requests will not be allowed . further, if the payment request is in Demand Draft/Pay Orders then an undertaking would also be required from the client that these DD/PO are made out of client own money.

In case a client is required to pay to RSL any amount towards his pay in or margin obligation including T5 debits and the client fails to pay the same, RSL would be at liberty to square off his position either on the same day or on subsequent days. However, a client cannot take shelter & plea for any subsequent liability resulting from an existing open position. In order to square off positions of a defaulting client, the RSL may feed such offsetting transactions on account of and on behalf of such defaulting clients as limit order or market orders, for the existing open positions, either in full or in part and all differences and loss arising out of such squaring off shall be paid by such defaulting client.

In case square off trades of open positions of such defaulting client could not take place due to lack of liquidity or otherwise, the defaulting client would be responsible for final settlement of those contracts.

In case a client fails to pay margin obligation payable at beginning of the trading session and such payment is not received even till end of day, such unpaid margin amount will not be carried forward to the subsequent day's obligation, because the margin obligation at end of day will be calculated afresh depending upon the closing price at end of that date.

But, in case of pay in obligation i.e MTM loss, Premium & Assignment margins the unpaid amount will be carried forward to the subsequent days, and the system would automatically track all unpaid amounts in this manner client-wise till the amount is received.

Such unpaid amount will also be blocked out of the available deposits of such clients, if any, for the purpose of calculation of his allowable limits.

Further, the client would be charged delayed payment charges on a monthly basis on his debit outstanding at such rate which may be specified by Religare from time to time.

MARGINING SYSTEM IN CAPITAL MARKET & DERIVATIVE SEGMENT

Religare Securities Limited (RSL) has adopted upfront margining system in both capital market & derivative segment which is reproduced as under -

RSL follows upfront margining system in both capital market & derivative segments where in the exposure / trading is allowed to the client after validating his available deposits/capital against Value at Risk (VAR) margin & Span margins in capital market & derivative segments respectively. Further such validation is carried out at order entry level that means if the exposure taken by the client results into the margin requirement in excess of his available capital with RSL the order shall be rejected by the system & will not get through.

Religare has classified total stocks being traded on the stock exchanges into six categories from A to E & differential VAR margins ranging from 15% TO 100% are assigned based on the stock category as upfront VAR margin in capital market segment & span margin in derivative segment. At present there are 586 scrips in approved category of Religare.

Daily Applicable Margins

Presently following margins are charged to a trading members by the exchanges i.e NSE & BSE in the capital market -

Exchange Margins in Capital Market Segment

Daily margin, comprising of the sum of VaR margin, Extreme Loss Margin and mark to market margin is payable by the trading member which is computed at client level. The exchanges charge these margins on upfront basis from the TM. However collection of these margins by the TM from its clients have been left to the discretion of the TMs & the TM have been advised by the regulator to put in place an appropriate margining policy in place in order to safeguard itself against market risk & client default. The pay-in of MTM loss/profit is effected on T+1 day.

Value at Risk

VaR margin is a margin intended to cover the largest loss that can be encountered on 99% of the days (99% value at risk). Scrip wise daily volatility is calculated using the exponentially weighted moving average methodology.

The VaR margining is applied by the exchange upfront on real time basis during trading time against the capital of TM available with it & not on T+1.

VaR margin shall be collected on gross open position of the member i.e gross of all net position across clients including proprietary position of TM. No netting across different settlements is allowed.

VaR Margin so collected shall be released along with the pay in, including early pay in of securities.

Extreme Loss Margin

The Extreme Loss Margin has replaced erstwhile exposure margin after implementation of new risk management framework prescribed by SEBI in May 2005. The ELM for any security shall be higher of:

1. 5%, or
2. 1.5 times the standard deviation of daily logarithmic returns of the security price in the last six months. This computation shall be done at the end of each month by taking the price data on a rolling basis for the past six months and the resulting value shall be applicable for the next month.

The ELM margining is applied by the exchange upfront on real time basis during trading time against the capital of TM available with it & not on T+1.

ELM margin shall be collected on gross open position of the member i.e gross of all net position across clients including proprietary position of TM. No netting across different settlements.

ELM Margin so collected shall be released along with the pay in, including early pay in of securities.

Mark-to- Market Margin

Mark to market loss shall be calculated by marking each transaction in security to the closing price of the security at the end of trading. In case the security has not been traded on a particular day, the latest available closing price at the exchange shall be considered as the closing price. In case the net outstanding position in any security is nil, the difference between the buy and sell values shall be considered as MTM loss/profit for the purpose of calculating the mark to market margin payable.

The mark to market margin (MTM) shall be collected from the member before the start of the trading of the next day.

The MTM margin shall also be collected/adjusted from/against the cash/cash equivalent component of the liquid net worth deposited with the Exchange.

The MTM margin shall be collected on the gross open position of the member i.e gross of all net position across clients including proprietary position of TM. For this purpose, the position of a client would be netted across its various securities and the positions of all the clients of a broker would be grossed.

There would be no netting off of the positions and setoff against MTM profits across two rolling settlements i.e. T day and T-1 day. However, for computation of MTM profits/losses for the day, netting or setoff against MTM profits would be permitted.

In case of Trade for Trade Segment (TFT segment) each trade shall be marked to market based on the closing price of that security.

The MTM margin so collected shall be released on completion of pay-in of the settlement.

Additional / Adhoc Margins

Considering the market volatility the Exchanges/Clearing Corporations have the right to impose any other additional / adhoc margins over & above the margins mentioned above.

Exemptions from Margins

- a. Transactions done by all Institutional investors shall be exempted from margin payments For this purpose Institutional Investor would mean :-
 1. Foreign Institutional Investor registered with SEBI.
 2. Mutual Fund registered with SEBI
 3. Public Financial Institutions as defined in the section 4A of Companies Act 1956.
 4. Banks as defined in section % (1) (c) of banking Regulation Act 1949
 5. Insurance Company registered with IRDA.
- b. Where Early pay in is made the outstanding position to the extent of early pay in shall not be considered for margin purposes.

Action by Exchange in case of Short fall in Margins & Pay in of funds

a. Margin Shortfall

In case of any margin shortfall, the trading terminals of the brokers shall be deactivated by the exchanges.

b. Pay in Shortfall

In case of pay in short fall the trading facility of the member shall be withdrawn & the security pay out if any due to the TM shall also be withheld. Upon recovery of shortage the TM may be permitted to trade subject to his providing deposit equivalent to his cumulative funds shortage, which shall not be adjustable against any margin obligation & would be released after 10 rolling settlements. The exchange would levy the penal interest at such rate which may be decided by it from time to time.

SEBI / Exchange Requirement for Margin collection from the client in Capital Market Segment

The quantum of margin & the form and mode of collections are left to the discretion of the members in case of capital market segment. It has been advised to the trading members that they should have a prudent system of risk management to protect themselves from client default & the margins are likely to

be the most important element of such a system. In light of this directive RSL has devised its own margining system at end client level in capital market segment.

Exchange Margins in Derivative Segment

The following margins are being charged by NSE in derivative segment on upfront basis except the settlement obligations in the form of day end MTM losses -

Initial Margin

The most critical component of a risk containment mechanism for NSCCL (clearing corporation of NSE) is the online position monitoring and margining system. The actual margining and position monitoring is done on-line, on an intra-day basis. NSCCL uses the SPAN[®] (Standard Portfolio Analysis of Risk) system for the purpose of margining, which is a portfolio based system. Initial margin is up-front charged for all the open positions of derivative contracts which are computed based on NSCCL-SPAN[®] parameters which are defined by the exchange from time to time. At present, during intra day trading session the exchange sends four span files based on which the initial margins are charged/blocked upfront on real time basis.

Initial Margin shall include SPAN margins (initial margin plus MVM), premium margin, assignment margin and such other additional margins, that may be specified by Clearing Corporation from time to time.

Premium Margin

In addition to Initial Margin, Premium Margin would be charged to clients. The premium margin is the client wise margin amount payable for the day and will be required to be paid by the buyer of the option till the premium settlement is complete, the seller of the option would receive the premium margin. The premium margin is also blocked on upfront basis against the capital of the TM but is released immediately upon the pay in of premium on T+1.

Assignment Margin

It is required to be paid on assigned short option contracts against the Interim and Final Exercise Settlement obligations for option contracts on individual securities, till such obligations are fulfilled. All Americans call options may be exercised at any point of time till the maturity of the contract. European calls can not be exercised during the contract period & can be settled only upon its maturity, therefore, call option in index contracts are always settled on maturity because these are Europeans calls.

Special Margins

Considering the market volatility & the quantum of open positions in different contracts the exchange also levies special/ Adhoc margins from time to time which are required to be deposited by the TM immediately to the exchange.

Margin Report

A client wise daily (net available margin) report is prepared by consolidating/netting all the assets & liabilities of the concerned client. This report gives the client wise break up of net available margin, outstanding exposure (net positions) & span Margin requirement in derivative segment, if any.

This report is prepared on a daily basis to incorporate day's buy and sell position as well as the margin percentage level of a client in order to understand whether the client is maintaining the required margin % with RSL or not so that necessary actions may be initiated by RMC in time to bring the client within the required margin level.

Basically, this margin report is a tool of control for Religare officials who refer to this report for tracking & allowing positions/exposures to the RSL clients. Further the net available margin as reflected in this margin report is uploaded in the trading software in the beginning of the day as deposit of the client based on which the client is allowed to take trading exposure during the day.

At all point of time access is provided to the clients to view their margin report, financial ledger, stock position, detail of collaterals, contract note, bill summary etc. through the website of Religare for which a single log on id & passwords are provided to each client. The clients may view all these details through the web site of Religare. The client ledger balance & positions up to last day trading are available on the web.

Understanding Margin Report

The margin report is a main tool of information & controlling and the detailed contents of the margin report are given & explained as under -

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
Branch code	Group Name	Code	Client Name	Financial	STK AHC	stkBHCut	POA Stks	POA BHC	Collaterals	F&O Notional	NET Available Margin	SPAN MARGIN	NetAvailable MarginAfter Span	O/S Sales	Gross Exposure	Margin %	F&O Exposure	Gross Margin BHCut	GrossExp BHCut	Margin BHCut

- A) **Branch Code:** Numeric codes to represents the branches through which a client registered with RSL.
- B) **Group Name:** Name of mini-administrator to which the branch belong.
- C) **Code:** The alpha- numeric RSL unique client code assigned to the client who is used in all the transaction placed and entries passed on the behalf of the client.
- D) **Client Name:** Name as mentioned in the UCC details/KYC of the client.
- E) **Financial:** Represents the current ledger balance of the client. A negative financial balance figure indicates a credit in the financial ledger while a positive indicates a debit balance. This balance is updated up to the trades done in the last trading day & does not include F&O notional value which is shown separately in the margin report for better understanding.
- F) **Stock Position after Haircut:** Represents the current valuation of marginable securities of the client lying in RSL beneficiary, where marginable securities refer to the RSL approved securities. In other words, in the valuation, the stocks of the clients are taken after applying the RSL prescribed haircuts on them.
- G) **Stock Position before Haircut:** Represents the current valuation of all the securities lying in the RSL beneficiary, whether approved or unapproved. This figure is given for reference only and the difference between stock position and stock before hair cut represents the margin in the form of unapproved scrips, for which no benefit is given to the client.
- H) **POA Stock after Haircut:** Stock after applying RSL prescribed haircut available in the power of attorney DP account favoring RSL of the client.
- I) **POA Stock before Haircut:** Stock available in the power of attorney DP account of the client without applying the haircuts.

Marginable Securities

To reduce the risk of illiquid scrips getting into margin, only those scrips, which are in the RSL approved category, are allowed to be taken as margin. The list of approved scrips is determined by RSL after considering the set parameters which is defined by it from time to time in tune with the market condition.

Presently, Religare Securities has 586 scrips in the approved category.

Category	% of Financing	No. of Scrips
A	100	138
B	8085	184
C	75	195
D	60	69

- J) Collaterals** : This is the value comprising the valuation of stock, Bank Guarantee and FDR provided by the client as a margin against the trades done in cash and/or derivative segment. The valuation of stock provided as collateral is arrived at by considering the valuation factor/haircuts applied by RSL.
- K) F&O Notional** : Represents the last trading day's M-to-M profit or loss in derivative positions of the client. Further, it contains the amount of premium paid/received by the client to purchase/sell option contracts in the last trading day. A negative figure indicates a M-to-M loss and/or the amount of premium payable towards options purchased, while a positive figure indicates a M-to-M profit and/or premium receivable for the options sold. This figure also includes the assignment margin.
- L) Net Available Margin (NAM)** : Refers to the net value of the approved stocks & other collaterals held by the client which is netted against the financial ledger or margin obligation of the client, and it is computed as:
- Current value of stock position after haircut
Less Financial balance
Add: F&O notional figure
Add: Other collaterals like FDR/BG etc.
- The balance thus arrived at is uploaded on our trading server as deposit for the purpose of allowing exposure to the client.
- M) Span Margin** : SPAN Margin as charged by the exchange as against the open position in the Future and option segment. The client wise margin report is provided by the exchange in MG 13 file. Initial margin has two component of span & mark to market volatility margin MVM. As per exchange requirement upfront span collection is required to be intimated to exchange w.r.t. all derivative clients.
- N) Net Available Margin After Span:** This is the available margin after reducing the value of SPAN charged by the exchange on the open position in future and option segment. **This amount is the deposit available for trading in cash segment.**
- O) Outstanding Sales** : Refers to the value of those scrips, which have been sold by the client in any of the outstanding trading settlements and their delivery has not yet been transferred to the pool a/c. In such cases margin @ 20% on short sale value is blocked against the NAM.
- P) Gross Exposure after hair cut** : In CM segment it is the higher of financial debit or stock position (AHC) plus outstanding sales. **This balance does not include F&O exposure as we are deducting the value of SPAN against the available margin wrt all the open position in future and option segment.**
- Q) Margin % (AHC)** : Represents the net available margin expressed as a % of the gross exposure, i.e.,

$$\text{MARGIN \%} = \frac{\text{NET AVAILABLE MARGIN (After SPAN)}}{\text{GROSS EXPOSURE (AHC)}} * 100$$

This represents margin % in Capital Market segment after adjustment of F&O span

- R) F&O Exposure :** Represents the outstanding positions of the client in the futures and options segment. It includes the valuation of the outstanding long positions as well as short positions in futures contracts and short position of all option contracts.
- S) Net Available Margin (BHC) :** Refers to the net value of all the stocks held by the client as reduced by the outstanding debit amount (if any), and it is computed as: Stock before haircut

Less: financial ledger
Add: F&O notional figure.
Add: Collaterals like FDR/BG

- T) Gross Exposure (BHC) :** Is the sum of cash segment exposure ,F & O exposure and out standing sales where:

CASH EXPOSURE (higher of financial debit or stock position)
F&O EXPOSURE (Long/short future + short option position)

U) Margin % (BHC) :

Represents the net available margin expressed as a % of the gross exposure, i.e. $MARGIN \% = \frac{NET\ AVAILABLE\ MARGIN\ BEFORE\ HC}{GROSS\ EXPOSURE\ BEFORE\ HC} * 100$

NOTE :-

A client can get to know by referring to column (S) Net Available Margin (BHC) & (T) Gross Exposure (BHC) that by squaring his gross exposure mentioned at column (T) he may receive the total available margin mentioned at column (S) subject to profit/loss on such trading.

Order Validation

Orders entered into the Trading System shall be subject to various validation requirements as prescribed by the RSL including adequacy of required margins. Orders that do not meet the validation checks will not be accepted by the Trading System & would get rejected.

Trading Timings

BSE & NSE (Cash & Derivative Segments) 9.55 AM to 3.30 PM,

Closing session 3.50 PM to 4 PM in cash segment in both NSE & BSE.

No closing session in F&O segment

Trade Modification

If a branch/dealer is willing to modify the trades wrongly executed by them due to punching mistake at their end, they may forward their request to RMC/BOS who shall after validating the adequacy of margin deposit of the target client code will modify the same. In case of BSE the dealers can modify the trades at their own which is later validated & crossed checked by the RMC, the difference/abnormality noticed is clarified from the concerned branch / client.

Trade modifications timings are as under

1. In BSE thru respective TWS from 3.40 PM to 4 PM from respective location.
2. In NSE F&O thru Neat id from up to 4.15 may be thru RO or HO RMC this can be done any time after opening of the market.
3. IN NSE Cash up to 4.15 only thru HO Back office thru file upload to NSE

FREQUENTLY ASKED QUESTIONS

- **What is CRN? CUSTOMER RELATIONSHIP NUMBER**

CRN is a unique Customer Relationship number which would serve as a single window login to the clients equity and commodity BackOffice, depository account, mutual fund investment and portfolio management services (PMS) account.

- **How can I login?**

You need to put your CRN id and password in the client login section on the website of Religare and then click on "go". Once you are logged in, you will be able to view "Application id" below which will be mentioned your account type and client code. You then need to click on the account type to find your account details.

- **What is secondary CRN?**

It is quite possible that a client would have received two CRNs. This is because the system may not have mapped the two individual accounts you have with us. You can yourself map the two CRNs by logging into CRN account. In this case you will have a primary CRN and a secondary CRN. Its totally up to your discretion, which CRN you want to keep as primary and which one as secondary.

- **When I am trying to login, I get a message "Invalid Credentials". How to proceed?**

This message indicates that either of the id or the password is incorrect. So you need to check it. In case you are not able to login, please send a mail to crn@religare.in.

- **I am not able to access any other page except for the home page?**

Please check for the window you are using.

If Microsoft windows 98/2000: right click on TOOLS option, GO TO yahoo/msn and select don't block pop-up option

If windows XP: right click on TOOLS option and select don't block popup.

- **Is it safe to use this CRN ?**

CRN is absolutely safe to operate. CRN gives access only to information related to your various accounts. You would still need to login using your login id and password for trading. System automatically times you out after a pre-defined period.

- **Intraday limits in comfortable client codes.**
Intra day limits are allowed to clients whose margin before haircut and after haircut is greater than or equal to **25% & 15 %** respectively. These request should come from the branch. Further if there is regular requirement of higher intra day limit it should be requested in writing so that same may be fixed in the system & day to day request is not required in such cases.
- **Intraday limits in short client codes.**
No intra day limits are provided to the client codes whose margin before haircut and after haircut is less than 20% & 15 % respectively. However, the intra day positions may be allowed if the client reduces his position or brings additional capital so that his margin % comes at comfortable level.
- **Intraday limits in T5 debit cases.**
Intra day limit not allowed in such cases, the client will be in square up mode. However, if the client clears his debits then he may be allowed for intra day limit.
- **Calculation of Short margin amount**
Short Margin amount to maintain 25% margin level can be calculated as per following formula
$$\text{Short Amount} = ((\text{Gross Exposure}/4) - \text{Net Available Margin})$$
- **Why has the bid rejected if the particular security is in BAN period?**
The scrips which have crossed market wide position limits are blocked on the servers because of which fresh buying or selling cannot be done. In such cases only square off orders may be entered by the client. The information regarding the securities in BAN period is provided on RSL /NSE website and also flashes are given to all the branches early in the morning before the market opens.
- **PAN Mandatory**
With effect from 01.01.2007 PAN has been made mandatory for all stock broking & DP clients. If any new client is to be created then without PAN No particulars trading would not be allowed.
- **Funding Status**
MTF/RFL documents sends but limits still blocked. In such cases the branches/dealers/client need to check the account opening requirement with Mr Chandan for MTF & Ms. Sakshi for RFL funding status.
- **Selling limit for client stock in their demat accounts, not with POA favoring RSL?**
Requests for selling limits against the stocks of clients in their demat account. Clients need limits because selling such stock would require extra exposure which may not there in the margin account. Such requests are allowed subject to obtaining the copy of DIS & after ensuring that the stock shall move to out pool with in the time.
- **Why the selling bid is rejected if the client has stock in their margin account?**
- **Or Selling limits for securities in margin account but due to inter exchange (NSE/ BSE) problem the order gets rejected.**

If particular scrip is listed both in NSE & BSE then the same is uploaded in NSE only. Because of which if the client wishes to sell the security in BSE the next day, it will need fresh exposure in BSE and the bid may get rejected. So, it is advisable to sell these securities in the same exchange in which it is uploaded (NSE) or ask for limit in BSE for this purpose prior to putting order in BSE.

- **Server wise scrip limits (unapproved counters).**
Due to very low volumes in (unapproved scrip) RSL put scrip wise limits on each server. When the client tries to buy those securities the order may get rejected if the limit in that scrip has already been utilized or the value of the order is more than the limit fixed. In this case the branch would be required to contact RMC to enhance the server wise limits.
- **Exposure problem due to pending orders.**
Some times the bids may get rejected if any attempt is being made to square off a sauda for which there is already a pending bid. In this case the client must see the pending bids first (Press F3) and then the reason of rejection will be clear.
- **Password reset requests in odin diet cases**
Request to reset the password of diet clients. For security reason no request is directly entertained from the client, it need to be forwarded through the branch, dealer, RM only.
- **Sauda confirmation in diet client codes.**
The branches are unaware of the trades done by diet clients on their end. So they confirm about the same from RMC.
- **Span margin in particular security.**
Exchange charges span margin on each security traded in derivative market. This span margin % file/ span rates are made available on RSL website.
- **Lack of understanding of rejections reasons.**
There are different reasons because of which the bids get rejected, which are easily understandable by dealers. The dealer can view these rejections by pressing F1 0 key before raising any query to RMC.
- **Illiquid option selling.**
The far month option contracts are illiquid in nature because of which they are blocked on all the servers and clients cannot trade in these contracts at their end. If anybody wishes to trade in above mentioned case then the request can be executed from RMC end by trading on NEAT terminal.
- **Trading on NEAT and BOLT TWS**
In some exceptional cases the trades can only be done from RMC on the NEAT & BOLT terminal.
- **Full limit in option.**
By default all client codes get half times of the value of their net available margin as deposit in options segment for premium amount validation. However, there are some clients who trade only in option segment, so full value may be given in option segment for which information may be given to RMC.
- **Limit required against cheque, stock or fixed delivery based clients**
No limit is allowed against clearing cheques beyond Rs.50000 or without stock with RSL. However with specific approvals fixed limits are allowed to delivery based clients.
- **Higher limits without approvals of regional head**
Normally, no higher limits are allowed unless prior approval of the regional head is received in writing.

Query related to New listings

- **What is price band for today?**
There is no price band on first trading day of new listed securities
- **Corporate actions**
Sometime any particular scrip is being traded after splitting/Ex-Bonus/Right/dividend etc.
Sometime any particular scrip is suspended due to merger/amalgamation etc
- **Dealer facility control (Graphs, market watch etc).**
Requests are executed related to various facilities on ODIN like graph activation facility, top 5 gainers & losers, market watch, market movements etc.

DO'S & DON'TS FOR DEALERS / OPERATORS / SALES TEAM**DO'S**

1. Dealers should operate the terminals allocated under their name & NCFM certificate only
2. Client orders should be accepted only on landline phones having a call recording facility.
3. Dealer should suggest stop loss feature for limiting the client losses.
4. Dealer should regularly update clients regarding regulatory/trading related information to the client like lot size, corporate action, stock split, dividend, bonus, right issue, T5 procedure, margining procedure in capital market & derivative segment, client level position limit etc.
5. Give order confirmation to clients at the end of the trading day through recorded line
6. Should take order/trade backup on daily basis & proper log be maintained w.r.t. trade confirmation.
7. Be cautious while dealing in any illiquid scrip
8. Maintain visitors register to keep record of walk-in clients in the branch office.
9. Payment details should be timely punched out in the web immediately after receipt of the same from the client along with the scan copy of the same.
10. Payment received by way of a DD/PO should be forwarded along with the scan an undertaking from the client that these are made from the client money.
11. Buying in illiquid/unapproved Scrips/ Z cat. Scrips to be done only against receipt of advance payment from the client, further Z category stock to be traded only thru RMC.
12. Dealer to do regular screening of the margin report of their clients & to do regular follow up with clients for payments to avoid levy of delayed payment charges & squaring of the client position.
13. To ensure that all demat accounts of clients are duly mapped to our trading system & are updated regularly.
14. To ensure all bank account details are duly mapped in the system & to inform clients to regularly update their bank details with Religare.
15. Only back office generated reports /confirmations/financials & other statements to be provided to the client.
16. Disclose your trading account (a/c code & broker name) and demat account details (client id & dp name) to the compliance department.

DON'TS

1. Use of mobile phones is strictly prohibited in the dealing room while accepting clients order.
2. Dealers should not indulge in unauthorized/discretionary trading in any client code.
3. Do not accept cash from clients against their trading obligation
4. Dealer to refrain from putting orders on behalf of clients at a price which is far away from normal market price/theoretical price.
5. Dealer should restrain from putting any fictitious orders in the system

6. Never allow clients to use any of the religare trading terminals (TWS) for his trading
7. No tips or investment advise shall be provided to clients by any of the dealers.
8. No synchronized deal / cross deal should be executed on behalf of any of the clients.
9. No commitment of assured returns to be given to any of the clients.
10. Do not accept any order from any person other than client without written authorizations
11. No false commitments to be given to the RMC team for want of limits in clients account.
12. No third party payments or deliveries to be accepted from clients
13. Do not indulge in frequent trade modifications without proper rationale.
14. Religiously observe the code of restrictive and manipulative trading practices & insider trading norms as prescribed by SEBI.
15. Do not indulge in any front running.

TROUBLESHOOTING - RALLY

in Diet Client Installation (Trading Software)

Website for Downloading Software: -
<http://www.religare.in>
<http://www.religaresecurities.com>

STEPS:-

Go to → Online Trading → Rally

- 1) Download - the required (Equity/ Commodity) setup file.
- 2) Activation Key - Download the file by putting your trading id.

Scrip Masters File - To be downloaded from <ftp://religaresecurities.com>

- a) Equity : - current_date_DietMasters.exe
b) Commodity : - current_date_DietNcdexmasters.exe

URL Address for any kind of connectivity

- Religare Website
www.religare.in
- FTP
<ftp://religaresecurities.com>
- Activation Key <http://depository.religare.in/fortissecurities/dietodin.aspx>
- Backoffice client login <http://backoffice.religare.in/fortisbackoffiee/clinetlogin.aspx>
- Backoffice commodity client login
<http://backoffice.religare.in/comdexbackoffiee/branchlogin.aspx>
- Depository Client
<http://dp.religare.in/estock/estockc.html>

Diet Password Change

The clients can send password change request thru branches at tradepassword@religare.in which is done by Risk team member in HO.

Connection Busy Error

If you are a first time user

Please download the activation key from our website. <http://www.religare.in> → Online Trading → Activation Key Put your user id, save it on Desktop and run the same. Now try login. If still getting Connection Busy Error then please disable your antivirus and firewall.

If you are an existing customer

Tell them to disable and enable there internet connection. Still getting the problem then tell him to ask there ISP to reset there internet.

Rates are not refreshing.

Go to Help → About ODIN →
Check what is written in B-cast Server.
It should be TCP Alive.
If it shows B-cast server Not Available.
Tell client to logoff and re-login.
Still rates are not coming then go →
Tools → Reconnect B-cast Server.
Disconnect first and Reconnect.
IP address 203.200.89.180 with 5013 and 9013 port.

No movement in Index, movements is there in Market Watch.

INDEX file to be download it and should be extracted in
"c:\odin\diet\masters"

While login errors are coming...

Go to start → run → write regedit and then click on Ok
Registry Editor page will appear ,then go to
HKEY_Local_Machine→Software→Odin→Odin6→Odin Diet Client
Under this delete "Default" folder then tell them to login again.

User Does not exists in the system
Download the activation Key from our website.
<http://www.religaresecurities.com>

and run the file. (Ex :- server5diet.exe)

Please make sure you are downloading the correct scrips file, in case of :-
Diet Client use dd_month_dietmasters.exe,

Diet Client for Commodity use dd_month_dietncdexmasters.exe

Particular scrips are not showing.

First go to Help, About Odin, Check the Number of Scrips, it should be less than 150. If it is more than 150, then minimize the number of scrips. Download the master file from <ftp://religaresecurities.com>, and the run the master file of resent date.

Password Expired.CHANGE THE PASSWORD .

Steps:-

1. USER ID :- put the client user Id.
2. Password :- the old password which the client was using ;
3. New Password :- Give password of your own choice but it may be of 8digit (Max)and it should be alphanumeric. Ex :- ABCD1234.

Then a Confirmation window will be displayed; again put your new password for conformation.
Your password is changed

Not able to check my Order Status.

Click F3 and right click in the window and go to view and select your choice.

Bhav Copy or 52 weeks high low is not visible.

Please delete all files in C:\ODIN\DIET\BhavCopy
Then run the master file once and open the bhav-copy by going to View - Bhav copy.

Odin95.exe has generated an error and will closed by windows.

Need to run the existing patch of Odin Diet Client.

EXAMPLE :- diet78091.

Open <ftp://religaresecurities.com>

Open the folder DietNseBse7x folder and click on diet78091; save the file to desktop and unzip the file.

Rates not updating on particular Exchange.

Need to put fresh scripits in Market watch as Old one is corrupted.

If you are getting rates in particular exchange (say NSE) market watch and you are unable to see rates updating in different market watch of some other exchange (say BSE) then the particular market watch is corrupted, delete the market watch, and add new market watch.

Not able to see future option of particular month

Need to run the masters file.

Please unzip the master file in correct path and check your systems date and time setting if it is updated.

Loading future instrument failed.

Open registry editor and go to

HKEY_LOCAL_MACHINE\SOFTWARE\ODIN\ODIN6\ODIN DIET CLIENT\DEFAULTS

Now we have to change value of
AllowDervBcast to 1.

Index not showing

Go to View → Indices View

FTP site not opening

Check whether they had written the right spelling or not.

Else say him to go to Start → Run and type "telnet 203.200.89.179 21" click Ok

If blank screen comes then its Ok and if comes connecting to.... Then instruct user to open 21port by their ISP.

Problem in Market Movement

Open Registry Editor, go to HKEY_LOCAL_MACHINE → Software → Odin → Odin6 → Odin Diet Client → Defaults.

Now change the value of Chart Server IP Key to 203.200.85.86

Unable to see your Pending order in workstation after pressing F3

Go to Tool then Preferences then General then change the setting of Always open order book with to Pending.

Login incorrect, no corresponding entry found

If you are new user, then you'll have to open our home page <http://www.religare.in> go to Online Trading link. Put your user ID submit it and save the file. Run it and start trading.

RACE - INTERNET TRADING (ON LINE) BROKING

What is R-ACE?

R-ACE stands for (Religare - Advance Client Engine). RACE trading platform is for those clients who want to do seamless online trading with additional features like integrated payment gateway, integrated Depository, back-office and other value added features. R-ACE can help the clients trade online (through internet) from any location across the globe.

The trading engine for Race is provided & maintained by M/S Asian Cerc Information Technology Limited & we are using its Trade any where (TAW) product for our online trading business.

Race platform at present allow clients to have on line stock broking & online IPO. Going forward RSL has plan to include mutual fund, commodity, portfolio management services, international equity & commodity, post office saving schemes etc in Race platform so that an integrated single window platform to Religare clients can be provided for all kind of their investment requirement.

What are the different versions of R-ACE available?

Depending on the requirements of clients following three options are available to the clients for online trading:

1. **R-ACE (ASP Version):** This is a browser based online trading platform with all the basic features required to make transaction using Internet Explorer. No market watch is available only the client would select a scrip & will have to put buy/sell order for a single scrip at a time. The benefit of this product is it uses minimal resources of the system.
2. **R-ACE Lite (Applet Version):** This is also a browser based version with some value added features thrown in which the client can set a market watch (max 20 scrips) to monitor the market and make quick buy and sell transactions.
3. **R-ACE Pro (Application Based):** This is fully loaded feature rich software. This application can be downloaded on the client system and can be run from any location
 - In all the three version of Race the client can view scrips in NSE/BSE/FONSE in one single platform.
 - There is a provision of all intraday trades getting squared off at 3.10pm.

Brief details about various RACE products is given in a tabular form as under :-

SL. No	Differences	RACE	RACE LITE	RACE PRO
1	Software Installation	Not Required	Not Required	Required
2	Account activation charges	Rs 299	Rs 499	Rs 999
3	Margin required	5000	Rs 5000	Rs 10000
4	Market Watch	No Market Watch	4 Market Watch of 20 Scrips each	Multiple Watch List Unlimited)

5	Alerts	No Alerts	Alerts on LTP only	Advanced Alerts
6	Online Fund Transfer	Possible	Possible	Possible
7	Interest to clients	3% interest on cash margin deposited with us	3% interest on cash margin deposited with us	3% interest on cash margin deposited with us
8	Technical Charting	NA	NA	Available
9	Trade over the phone	Yes	Yes	Yes
10	Life Time Free Depository Account	Yes	Yes	Yes

What is the brokerage structure for a Race Client?

At present the company has following brokerage plans which may be selected by the client as per his preference :-

Classic Plan

There is no fixed charges for brokerage in this plan & following brokerage slab are applied for clients depending upon their scheme selection :

	Gross Monthly Turnover)less than 1 cr)	Gross Monthly Turnover(1cr to 5 cr)	Gross Monthly Turnover (more than 5 cr)
Intraday	0.05%	0.04%	0.03%
Delivery	0.50%	0.40%	0.30%
Derivatives	0.05%	0.04%	0.03%
Commodities	0.05%	0.04%	0.03%

If the client achieve higher turnover slab during the month, then at the end of the month his brokerage is recomputed based on his turnover slab achieved & excess brokerage charged is refunded (net of service tax) to the client.

Freedom Plan

- It's a zero brokerage scheme with following features.
- Free Delivery turnover of Rs.10, 000/day in each of NSE, BSE, NSE TT & BSE TT segment
- Free intraday / derivatives turnover of Rs.1, 00,000 per day

The clients opting for freedom plan would be required to pay following charges depending upon the plan opted by them i.e. monthly, quarterly, half yearly & yearly

Product	Monthly	Quarterly	Half Yearly	Yearly
Race ASP	500	1400	2500	4000
Race Lite	500	1400	2500	4000
Race Pro	500	1400	2500	4000

No brokerage refund available in this plan.

Trump - Plus

- Under this plan the client will pay an annual charges of Rs.2500 & a flat brokerage @ 0.25% irrespective of exchange/segment would be charged. Further if at any time during the year the brokerage received from the client exceeds Rs. 2500 then Rs. 2500 would be refunded to the client. On monthly basis the brokerage refund are made wherever applicable.

Trump _ Super

- Under this plan the client will pay an annual charges of Rs.15000 & a flat brokerage @ 0.15% irrespective of exchange/segment would be charged. Further if at any time during the year the brokerage received from the client exceeds Rs. 15000 then Rs. 15000 would be refunded to the client. On monthly basis the brokerage refund are made wherever applicable.

Who is eligible for opening a trading account?

Any individual, Hindu undivided family (HUF), proprietary firm, partnership firm, or a company can open an on line trading Race account with Religare Securities Ltd.

Documents required for opening R-ACE account?

The following documents are to be submitted along with the R-ACE Account Opening Form

1. Copy of PAN card.
2. One cancelled cheque for MICR verification(for depository account)
3. Bank Proof bearing client/constituent name
4. Account opening cheque
5. Margin cheque
6. Copy of address proof
7. Rs. 100 stamp paper (For POA). The value of the stamp duty for different states would be as per the attached document
8. Four photographs

(Further detailed requirement of account opening for different categories of client is mentioned elsewhere in this document under Account opening section)

What are various Race products available to Religare clients and procedure for allowing trading under Race platform

There are at present 5 products available under Race trading platform , the brief details of these products is given as under :-

1. Intraday

Under **Intraday**, All clients (Normal clients) are provided with 6 times of exposure against their deposit* for jobbing & day trading in capital market & derivative segment. The client is required to square off all his intra day positions before 3.10 PM otherwise the same are auto squared off by the system & under no circumstances the client is allowed to carry positions taken under this product.

2. Delivery

Under **Delivery**, clients can only take the delivery against 99% of the ledger balance i.e. (ledger balance + Intraday funds + credit for sale). This product is only for taking delivery positions.

3. Max Trade

Under **Max trade**, clients are provided with 20 times of Exposure against their deposit in NSE and BSE, this is extra leveraged intra day products for jobbers & day traders. The client is required to square off all his intra day positions before 3.10 PM otherwise the same are auto squared off by the system & under no circumstances the client is allowed to carry positions taken under this product.

4. Obligation

Obligation product in simple words is a name given to BTST (Buy today & sell tomorrow) , this is allowed only for selling against pending delivery of shares yet to come from the exchange. All unsettled obligation are shown under the Obligation report available to the client in his trading terminal and no exposure is provided for Intraday or Max Trade on the shares which are under Obligation.

5. Delplus

Under **Del Plus**, clients are provided with 4 times of exposure on their total deposit. Under this product the clients can carry their positions up to 4 times of their deposit available with Religare but at the end of 4th day the clients would be required to bring his ledger balance in credit otherwise their proportionate stock would be squared off on the 5th day or at any time client fail to maintain 25% margin in this product.

***Deposit** is also termed as AMR (Available Margin) which is arrived at as under :-

Ledger balance + Intraday funds + Credit for Sale +Collaterals (Stock after hair cut)-Withdrawal request- Outstanding Sale.

Square Off Time

- 1 All Intraday position are auto squared off by the system at 3:10 pm if not covered by the client till this time.
- 2 All Max Trade position are auto squared off by the system at 3:20 pm if not covered by the client till this time.
- 3 All F & O Max trade position are squared off at 3:10 pm if not covered by the client till this time.

Trading Procedure

A client is allowed to trade only upon payment of deposit to RSL in the form of Online fund transfer & or available cash margin which is net value of Ledger balance + Intraday funds + Credit for Sale +Collaterals (Stock after hair cut)-Withdrawal request- Outstanding Sale.

On the basis of the deposit given, a client is allowed to take such exposure on which the margin requirement is equal to or less than such deposits at order level validation.

Similarly, if a client has paid additional deposit or margin, the system allows him exposure up to such level i.e. up to which the margin requirement on such exposure is equal to or less than total deposit i.e. (Ledger balance + Intraday funds + Credit for Sale +Collaterals (Stock after hair cut)-Withdrawal request- Outstanding Sale.) of the client. As soon as a client crosses such available margin limit while putting his order the same gets rejected by the system for want of required margin.

At end of day, the margin requirement is recalculated in F&O segment based on the client level margin file received from the exchange in respect of the derivatives net outstanding position of a client.

Besides this, the settlement due is also calculated which would be the Mark-To-Market Margin, Premium Margin, Assignment Margin and the profits or losses actually sustained. All these figures are communicated to the clients so that the client can see his obligations & make arrangements for funds against his obligations, if any in time.

The obligation of a client thus arrived at towards his margin and pay-in is blocked out of his available deposit i.e. AMR for the purpose of his trading limit and only the balance amount is made available towards his fresh exposures/trading/MTM loss at the commencement of next day trading session.

A client can anytime during the trading session pay additional deposit by depositing funds on line with RSL. After ensuring the realization of such money in RSL Bank credit for the same is given & the trading/exposure limits of the client are increased accordingly.

In case a client fails to pay margin obligation payable at beginning of the trading session and such payment is not received even till end of day, such unpaid margin amount will not be carried forward to the subsequent day's obligation, because the margin obligation at end of day will be calculated afresh depending upon the closing price at end of that date.

But, in case of pay in obligation i.e MTM loss, Premium & Assignment margins the unpaid amount will be carried forward to the subsequent days, and the system would automatically track all unpaid amounts in this manner client-wise till the amount is received.

Such unpaid amount will also be blocked out of the available deposits of such clients, if any, for the purpose of calculation of his allowable limits.

Action taken by RMC

1 Intraday : Client will be put under square off mode for the day once his MTM loss reaches 45 % of his deposit and thereafter only square off orders will be accepted . However all the position will be Squared off the moment MTM loss reaches 50 % of the deposit without any intimation to the client.

2 Max Trade : Client will be put under square off mode for the day once his MTM loss reaches 45 % of the deposit and thereafter only square off orders will be accepted . However all the position will be Squared off the moment MTM loss reaches 50 % of the deposit without any intimation to the client.

3 Max Trade F&O Client will be put under square off mode for the day once his MTM loss reaches 45 % of the deposit and thereafter only square off orders will be accepted . However all the position will be Squared off the moment MTM loss reaches 50 % of the deposit without any intimation to the client.

4 Del Plus :Under this product the Client must clear his financial ledger debit by the end of T+4th day of the date of purchase, if the debit is not cleared, Stock will be sold equivalent to the debit standing in the account on T+5 day or at any point client having margin % less than 25 %

5 T-5 Debit :All debits outstanding are compulsory squared off on T5 & for this purpose clients having a debit balance, on T+4 day an intimation mail is send to the concerned branches to clear the debit within T+4 day , otherwise debit will be cleared by selling the stock equivalent to the debit standing on T+5 day.

Basket wise product wise Exposure

RSL has classified total stocks being traded on the stock exchanges into 5 categories i.e. from Basket 1 to Basket 5 & below mentioned exposure are given according to the basket wise product wise Matrix. For the purpose of allowing exposure/ charging margin the **maximum margin is considered out of scrip wise margin or product wise margin** as per following details

Product	Scrip Margin =>					
	Product Margin :	5%	12%	33%	50%	100%
Basket	Product Margin :	Exposure Basket 1	Exposure Basket 2	Exposure Basket 3	Exposure Basket 4	Exposure Basket 5
Intraday (6T)	16.67%	6	6	3	2	1
MaxTrade (20T)	5%	20	8	0	0	0
Delivery (1T)	100%	1	1	1	1	1
DelPlus (4T)	25%	4	4	3	2	0

All scrip are categorized under Bas1, Bas2, Bas3, Bas4, Bas5 according to the approved securities list of Religare

Basket Wise Haircut

For the purpose of allowing benefit of stocks to the client in margin following hair cut %s are applied :-

Basket	Haircut
1	25
2	25
3	33
4	50
5	100

Selected set of scrips are allowed for trading under different product schemes as per following details :-

- 1 Intraday : Bas1, Bas2, Bas3, Bas4
- 2 Max trade ; Bas1, Bas2
- 3 Delivery : Bas1, Bas2, Bas3, Bas4, Bas5
- 4 Obligation : Bas1, Bas2
- 5 Del Plus : Bas1, Bas2, Bas3, Bas4

What is POA demat account and POA bank account?

POA stands for Power of Attorney, which implies that the client has given the right to Religare to operate his depository and bank account.

Do I get any interest over the deposit I have with Religare in R-ACE account?

Yes, similar to a bank’s savings account we will be offering our customers interest on their deposits (Cash Deposit) only with us at the rate of 3% per annum. But unlike banks which gives interest on the minimum balance of the month we will be giving interest on deposited with us on the balance maintained with us on a daily basis.

Is copy of PAN card a compulsory requirement for opening an R-ACE account?

Yes, as per regulatory requirement at present PAN card is mandatory for opening trading or depository account & or Broking account with Religare.

What are verification details? OR Why does the client need to give Date of Birth of 1 relative along with his relation with the same?

Date of Birth of one relative of the client along with his relation with the client is required as verification details that are used in future to authenticate the client when the client would be calling at the Religare call center for any query/problem w. r. t. his account with the company.

Can we open R-ACE account of a minor?

No, at present we are not providing on line trading facility to minors through Race trading platform. However a minor account can be opened under Rally platform for offline trading.

How can we do online fund transfer?

You can do an online fund transfer through our payment gateway system. We have tied up with four banks as of now, namely, HDFC, ICICI, UTI and Citibank. Once you click on the link 'fund transfer', or 'fund withdrawal,' you can select the bank with which you have an account and then proceed for funds transfer.

How much is the exposure available in Delivery:

The Exposure in delivery would be 0.99 times of deposit of the client.

Is Buying allowed in all scrips except 'Z' category shares?

No buying is allowed in 'Z' category shares through Race platform.

How much is the exposure in Intraday:

Exposure in intra-day is 6 times of the available deposit of the client.

What is Auto-square-off?

Auto square off means that all intraday trades will be squared off at 3.10pm if these are not covered by the client by this time, which is in accordance with the feature of this product.

Is BTST allowed on scrips?

Yes BTST is allowed on selected scrips. These scrips are selected on basis of their liquidity and is reviewed periodically, trade for trade scrips not allowed for BTST only Basket 1 & Basket 2 are allowed for BTST. There is a separate product for this in Race.

Is auto square off done in Trade to Trade Category scrips ?

No, Intra-day square-off wouldn't be allowed in Trade to Trade category scrips.

How would extra brokerage be refunded?

Volumes of the client would be checked at the end of every calendar month, and in case his volumes are above pre-defined criteria, then his excess brokerage received would be refunded . Please note that brokerage net of service tax component (if any) would only be refunded.

What is margin?

The stock, FDR, BG being deposited or the cash being brought in for the purpose of taking trading positions including financial ledger balance & intra day funds are included in the available margin of the client.

What are the other value added features available through Race trading platform ?

The following value added services are available through Race platform to e-broking clients of Religare :

- a) **Banks integration (Payment Gateway)** : We have tied up with ICICI Bank, UTI Bank, Citi Bank and HDFC Bank through which our clients can transfer funds online, without going through the hassle of issuing cheques.
- b) **IPO integration** - Customer can apply directly for IPOs from our trading portal. For this the customer has to apply separately, the option for which has been provided in the RACE form.
- c) **MF integration** - Very shortly the clients would be able to apply for Mutual Funds through RACE. In this case also they will have to apply separately and the option for the same would be available in the RACE form
- d) **Technical Charting** - There are many advanced types of technical charts available for the RACE - Pro clients. These charts help them to monitor the market on a continuous basis so that the clients can take informed buy sell decisions.
- e) **Seamless trading** - RACE is a truly automated seamless trading platform. The trading, DP and Bank accounts are integrated. Hence the customers can do every thing sitting at one place without the hassle of making phone calls, issuing cheques etc.
- f) **Structured Brokerage Schemes** - There are various schemes of brokerages some of them provides for refund of brokerage based on the revenue generated / turnover achieve by the clients falling in such category.
- g) **Full call center support 24*7** - For any kind of support/query that our customers may require we have a 24 hour call center for them. The customers can call at 011-30812345.
- h) **Equity, Derivatives and commodities trade** - The customer will have the facility to trade in all the segments Cash, derivatives and commodities from one platform through RACE? Commodity trading integration is under development & is expected to be operational very soon.
- i) **Lifetime free DP account** - Lifetime free DP accounts are available to all Race clients as there will be no annual maintenance or any other hidden charges for such clients. Only actual transaction charges would be recovered from such clients w.r.t. their stock movement from their DP accounts.
- j) **Real time streaming quotes** - RACE platform provides the clients with real time quotes from the respective exchanges.
- k) **Alerts** - The clients can set various type of alerts eg when the scrip selected reaches a particular Price etc.
- l) **Hot Key Functions:** There are many shortcut keys available to help you execute your trades faster.
- m) **Trade online and over phone** - The RACE clients can trade online as well as over the phone through a dedicated dealer. We have dealers sitting at the call centre dedicated to RACE clients who can execute the trades on behalf of the customers in contingent situations like unavailability of internet etc.
- n) **Multiple watch list** - In RACE the customers will have the facility to create multiple watch lists with many scrips on each watch list. Hence many securities can be viewed simultaneously on a real time basis.
- o) **Futures and options calculator** - The customers will also have the facility to calculate the fair values of futures and options traded on the exchange to help them take informed buy/sell decisions. ??? what is this some details
- p) **Derivatives Chains:** You can view all the derivative instruments related to a particular underlying security just by click of a button in Race platform.

Online Investment Portal

RSL has launched an Internet delivery portal for all of its financial services and products in May 2007, following the commencement of the online trading services in August 2006. RSL online investment portal has been developed to provide a complete investment suite of equity, commodity, IPO, mutual funds and insurance products. This online investment portal is complementary to the equity trading services offered by the branches, as it is structured to offer services to growing number of Internet users. As on March 31, 2007, RSL had more than 11,600 accounts. The Internet trading volume accounted for approximately 4.76% of the market share of Internet trading volume on the NSE for the month of March 2007.

Further have recently entered into an agreement with Indusind Bank Limited to offer online trading services to the bank's customers.

How would the futures and options calculator help me?

With futures and options calculator, you can calculate the fair value of futures and options traded on the exchange. This will help you to take buy/sell decisions.

How do I get contract notes?

You will be getting E-contract notes only on a daily basis. Request for physical contract notes can also be entertained with an additional charges of Rs. 20/- per request.

TECHNICAL TROUBLESHOOTING RACE

How do I login into Race platform?

To login to Race platform, you need to go to the homepage of our website and click on "Online trading->Race->Race Asp/Lite or Pro". Once you click on this you will see a new window where you need to put your user id, login password and trade password to login.

How do I create a multiple watch list?

To create a multiple watch list in Race -Lite, go to "View->New Market Watch->select the exchange type".

To see market watch in Race -Pro, click on "new", select the exchange type and put any scrip name. This will show you a list of some scrips by default. You could right click on any scrip and click on "Insert Security/Contract". A small box will be presented to you and you could choose the exchange, and then type of trade (equity/futures/options). All you need to do now is put in the name of the scrip and click on "find code" to view all the tickers available for that scrip. Select the ticker and then click on "ok" to add it in the market watch. Now you can save this setting by right clicking on any scrip.

How do I add /delete scrips?

To add/delete scrips, just right click on any ticker and click on either add security/delete security or add from user set as per your desire.

What are the various reports which I can see?

The various reports can be viewed under the drop down menu of "reports". The different reports are: Order book, Trade book, Intraday Net position, Margin Report, Assets Report, Obligation Report, Exercise Report.

How do I set Trigger/Alert?

To add trigger, just right click on the selected scrip and then click on "filters/triggers" or "scrip alert".

How can I place a stop loss order?

To place a stop loss order you can select stop loss in the order type.

How do I see derivative chain?

Race Pro clients can view all the derivative instruments related to a particular underlying security by right clicking on it.

How do I see technical chart?

There are many advanced types of technical charts available for Race -Pro clients. These chart help to monitor the market on a continuous basis .You can view them by right clicking on the scrip and then clicking on "EOD Chart" or "Intraday Chart". Else you can go to the drop down menu of "window" and click on "technical chart"

Where can I get the list of hot key functions?

To view the list of all hot key functions, you need to go to drop down menu of "help" in Race -Pro and then click on shortcuts.

How can I do an online payment?

To make an online payment, you need to go the links "fund transfer and fund withdrawl". The purpose of fund transfer is to transfer funds from your bank account to Religare account and the purpose of fund withdrawal is to transfer fund from Religare account to your bank account

How do I install Race pro?

To install Race-Pro ,you need to go to the link Race Pro on our website and download it from there.

I tried to login to Race lite but message in the status bar shows 'loading Java applet Failed'. How should I proceed?

I tried logging in to R-ACElite but message in the status bar shows "Loading Java Applet failed"

Please download and install MS JVM. You will find the same on login page of R-ACE Lite. If this still doesn't solve your problem; do the following:

In Internet Explorer, please go to Tools>Internet Options>Advanced; scroll down; uncheck "Java (Sun)>Use JRE version for applet" if any; check Microsoft VM> a) Java console enabled (requires restart), b) Java logging enabled, c) JIT compiler for virtual machine enabled (requires restart)

Rates are not coming on streamer?

Market watch gets corrupted if you switch platforms (i.e. switch from RACE Pro to R-ACE Lite etc.). To resolve such problem delete the old market watch and add a new one.

COMMODITY BROKING

Commodities market is particularly significant to our country as India is essentially a commodity based economy. This has provided the Indian investors with new emerging investment opportunities in the arena of commodities.

Commodity Derivatives trading in India is now done through the electronic trading platform of three popular exchanges NCDEX (National Commodity & Derivative Exchange Limited), MCX (Multi Commodity Exchange) and NMCE (National Multi-commodity Exchange). The various commodities being traded on the exchanges include precious metals, crude oil, agro-commodities amongst others.

Commodity trading in India is comparatively new and gives investors opportunities to hedge risk of capital market fluctuations. It also is emerging as an additional class of investment for investors. We are targeting our equity trading customers for investment in globally-traded commodities, such as bullion and oil and gas, and currently offer this service from 474 locations, including 38 commodity "mandi" locations across the country. In all the locations where commodity services have been provided, we employ experienced commodities dealers, who support trading for existing commodity broking clients, in addition to the equity relationship manager. In certain locations where required, we also have dedicated commodity relationship managers.

Religare Commodities Limited is a member of the exchanges - MCX, NCDEX and NMCE) that allows to trade in all the commodities traded at both the exchanges. At present, trading in commodities is restricted to futures contracts only.

For more information on commodities Please click <http://hr.religare.in/adrenalin/help/commodity.pdf>

What are the product offerings in Rally?

There are two trading platforms that we are offering under R-ALLY:

1. **R-ALLY**: This is our offline product wherein we have one dedicated dealer for every client who will execute orders on client's behalf.
2. **R-ALLY Pro (Application Based)**: This is fully loaded feature rich software. This application can be downloaded on your system and can be run from any location.

R-ALLY EDGE

- Located in 42 mandis for in-depth and firsthand information.
- Integrated Offline and Online Trading: R- ALLY customers can trade through both 'Religare Trade Centres' and Internet Trading.
- SMS* services for research advice.
- Regular NEWS and Updates on market.
- Access to all accounts through your Customer Relationship Number (CRN).

ACCOUNT OPENING CHARGES/UPFRONT ENROLMENT DEPOSIT REQUIREMENT - RALLY

For Rally-Lite no charges, for Rally Pro (Exe based) Rs.1800 pa subscription fee. This fee would be refunded to the client against the brokerage generated by him over a period of one year from the date of subscription.

Personal Financial Services

Financial planning services are offered to individuals to put together a financial plan for managing financial resources. This may include a debt and asset analysis, as well as college, retirement, estate and tax planning, with periodic checks with the client to monitor how well the plan is being followed over time. Much of the planning revolves around developing an income and expense budget, with advice about the types of financial investments suitable for the particular client. In India, such services currently are not well developed and there is a large focus on the distribution of financial products, such as mutual funds, insurance policies and other savings products. With a view to leveraging the strength of RSL branch network during the course of Fiscal 2007, RSL started distribution of mutual funds and, in Fiscal 2008, we have converted this segment to "Personal Financial Services", or "PFS", which will provide financial planning services where a single team can advise clients across various product and service offerings.

As of March 31, 2007, Religare had approximately 27,770 PFS folios for our retail customers, with total funds invested through us of Rs. 1,467.53 million in equity-related funds and Rs. 65,029.05 million in debt-related funds. The PFS team now offers the full spectrum of financial planning to customers, which includes insurance, IPOs and other investment products. Religare had over 200 dedicated PFS advisors as of March 31, 2007, and this service is expected to be rolled out to all the locations over the next few years.

Insurance

The distribution of life and non-life insurance products in India has historically been conducted by single agents who are able to sell only one insurance company's policies. Religare Insurance Broking Limited RIBL has entered the insurance broking business so that it can deliver access to all major insurance companies' products to Religare customers. Religare intend to provide insurance distribution services through its large network of branches as well as through its dedicated insurance branches. RIBL received insurance broking license in November 2006 and as of March 31, 2007 we had collected a total premium of Rs. 26.81 million in life insurance and Rs. 193.16 million in non-life insurance.

RIBL currently hold a majority stake in Religare Insurance Holding Company Ltd. ("RIHC"), a special purpose vehicle which has been formed to enter into a joint venture with Aegon International N.V., to offer life insurance and pension products in India. Religare has infused equity into RIHC for onward deployment in the joint venture and, following receipt of regulatory approvals for RIHC to participate in the joint venture, Religare ultimately intend to reduce its holding in RIHC to a minority stake.

Religare Insurance Broking limited is a composite Insurance broker and deals with General Insurance and Life Insurance on both direct and re-insurance sides. It targets Retail Insurance and Corporate Insurance in both segments

Retail Insurance - to cater to needs of Individual Customers

Corporate Insurance -to cater to needs of Corporate Clients

GENERAL INSURANCE PRODUCTS

<u>PERSONAL LINES PRODUCTS</u>	<u>COMMERCIAL LINES PRODUCTS</u>
<ul style="list-style-type: none"> • Health Insurance • Accidental Insurance • Motor Insurance • Travel Overseas • Package Products for Individuals: <ul style="list-style-type: none"> ✓ Home Insurance ✓ Shop Insurance ✓ Office Insurance 	<ul style="list-style-type: none"> • Property Insurance -Fire, MBD, EEI, loss of profits etc • Package policies For Schools, Colleges, Hotels, Restaurants etc. • Employees Accidental, Health and Group Travel Insurance • Liability Insurance-Public Liability, Employers Liability, Product Liability, PI, D&O etc • Contingency Risks-Event Cancellation, Wedding Insurance etc. • Specialty Products -Fidelity Guarantee, Credit Insurance etc. • Industrial All Risk and Project Insurances.

Health Insurance

The policy provides for reimbursement of Hospitalization / Domiciliary hospitalization expenses for illness/diseases or injury sustained during the policy period.

Types of Health Policies:

- Individual Policy
- Group Policy

Accident Insurance

It covers the risk to pay the compensation for death/disablement due to accidental bodily injury.

Type of Disablements :

Permanent Total Disability: It is permanent, total and irrecoverable e.g. Paralysis.

Permanent Partial Disability :It is permanent but partial

Temporary Total Disability: It refers to the disability which will prevent insured from engaging in any business activity temporarily.

Motor Insurance

This policy includes Private Cars, Motorized Two wheelers and Commercial Vehicles.

Type of Policies:

Liability Only Policy: This covers Third Party Liability for bodily injury and /or death and property damage. TPPD is limited to the extent of 7.5 lacs.

Package Policy: This covers the (Own Damage) loss or damage to the insured vehicle in addition to above.

Travel Overseas

This policy provides the protection to the people going abroad for business, official purpose, Holiday Purpose. This policy is also available for the students going abroad for the study purpose.

Home Insurance

This is a packaged Insurance Policy which covers various risks and contingencies faced by a house holder. It is specially designed to cater to the needs of a householder by combining under single policy a number of covers normally granted separately.

Shop Insurance

This is a packaged Insurance Policy which covers various risks and contingencies faced by a Shop Keeper. It is specially designed to cater to the needs of a Shopkeeper by combining under single policy a number of covers normally granted separately.

Office Insurance

This is a packaged Insurance Policy which covers various risks and contingencies in the office. It is specially designed to share financial burden in difficult times.

LIFE INSURANCE PRODUCTS

Endowment Policy: The endowment policy is specifically designed to provide a living benefit and only secondarily to provide life insurance protection. This policy also covers the risk for a certain specified period, at the end of which the sum assured to the broker is paid back along with the bonus accumulated during the term of the policy.

Money Back Policy: Money back policy is the same as the Endowment Policy, however they differ as regards the outflows are concerned. A part of the sum assured is paid to the policy holder before maturity.

Whole Life: A typical whole life policy runs as long as the policyholder is alive. This policy ensures to cover the risk for the whole life.

Term Insurance: This insurance provides death protection for a stated time period, or term.

Unit Linked Insurance Policy (ULIP) Policy: This policy is a combination of insurance and mutual funds, where benefits are expressed in terms of number of units and unit price. The number of units that a customer would get depends on the unit price when the person pays his premium.

PROCESS FOR GETTING INSURED THROUGH RELIGARE

1. The client may approach any Religare Branch near him/her and can meet the Relationship Managers over there.
2. The Relationship Manager understands the needs of the customer and evaluates the best insurance plan.
3. Once the customer gets the suitable plan as per the requirements, the Relationship Manager visits the customer along with the Insurance form.
4. RM gets the form filled up by the customer along with the premium cheque.
5. When the form is filled, RM sends the form to the Operations department where they evaluate the form and send it to the Insurance Company under which the customer has taken the insurance.
6. The Insurance Company sends the acknowledgment number to the customer directly along with a Xerox copy of the same to Religare.
7. 15 days after receiving of the acknowledgement the customer receives the Policy number from the Insurance Company.
8. Relationship Manager contacts the customer to verify if he/she has received the Policy Number or not, and advises the customer to check the details of the premium amount, name and address mention on the policy document.
9. In case any of the details are incorrect on the policy, the customer has to write a letter to the Insurance Company along with one copy which is to be sent to Religare.
10. The Operations people from Religare follow up with the Insurance Company to get the amendments done. In 2 weeks time the customer receive the Policy Number with amended details as provided by the customer.
11. In case of the claims the customer can contact the Relationship Manager and fills the claim form, which is sent to the Insurance Company through Religare.
12. Religare gets in touch with the insurance company and follows up with the Insurance Company for the claim.

WHOM TO CONTACT

For General Insurance

Ms. Divya Narang

Manager Operations - Insurance Services

Contact No. 011-30815698

Mobile No. 09871277334

E-mail address - divya.narang@religare.in

For Life Insurance

Ms. Ritu Verma

Manager Operations - Insurance Services

Contact No. 011-30815699

Mobile No. 09971493247

E-mail address - ritu.verma@religare.in

Personal Credit

Through its Loan against shares (LAS) and Personal Loan Service (PLS) offerings, Religare entered into consumer lending business activities. The PLS service offering is marketed as “Personal Credit” services and developed by leveraging the branch network to generate opportunities from existing equity customers. The PLS business consists of unsecured consumer loans to the retail customers. During the fiscal year 2007 total disbursed personal loans were amounting Rs. 316.50 million . PLS business has been rolled out in ten locations and has credit and sales managers across these locations. The LAS business consists of loans secured by shares held by our retail customers and helps them leverage their equity market positions to take increased exposure.

The further detail about Loan against share product is given as under :-

“**Loan against shares**” facility is offered through NBFC, **Religare Finvest Limited** to allow the client to take advantage of investment opportunities in the market without the involvement of fresh funds. One can use the shares in his current portfolio to take larger position in the market.

What is Loan Against Shares?

One can avail loan against certain stocks by depositing them as security/margin with the lender. This lending facility against stocks is called LAS. This facility gives the customer immediate liquidity without having to sell his stock.

This LAS facility is available against a limited number of stocks called the Approved Securities.

How does LAS work?

Let us take an example to understand this: (for ease of calculation let us assume a margin of 25%)

Example: WITHOUT LAS: Client is having stocks worth Rs 1,00,000 lying in his demat account. He wants to buy some more stocks for which he does not have funds. In this case, he can sell off his existing stocks to generate funds with which he can buy any fresh stock he likes. However in case the client does not want to do away his existing holding, he wont be able to buy the fresh stocks due to shortage of funds.

WITH LAS: Continuing the same example, the client approaches financier and deposits the said stocks worth Rs 1,00,000 (assuming all 100% approved category) with RFL as margin / security. Now, he wants to buy more stock. The financier allows him a loan to buy stock worth Rs 3,00,000 without the client having to pay a single penny. Though it appears that the financier has given a loan of Rs. 3,00,000 against a security of Rs. 1,00,000, but the point is whatsoever shares the borrower buys with such loan, shall also become a part of the margin / security held by the financier. Therefore the total stock holding of the client increases to Rs 4,00,000, his borrowings are Rs. 3,00,000 and his margin is Rs. 1,00,000 i.e., the client is maintaining a margin of 25% $((1,00,000/4,00,000)*100)$.

What is margin?

The stock being deposited or the cash being brought in is called margin.

What is the margin that is to be maintained?

The customer is required to maintain a margin of 30% at all times.

What is the tenure of the loan?

Tenure of loan is of 1 year, renewable at the end of each period.

What is the interest chargeable?

An interest of 15% per annum, compounded daily is chargeable.

What are the advantages of availing LAS?

- Leverage your available funds for investments
- Take advantage of investment opportunities.
- Interest computed only on the amount utilized.
- Benefits like bonuses and dividends continue to accrue to the shareholder.
- Should there be an appreciation in the value of the securities placed as margin, the Client would automatically be eligible for an enhancement in drawing power.
- Provides instant liquidity without having to sell your securities

What are the features of LAS facility?

- Instant liquidity.
- Interest is charged on daily basis on the net loan amount utilized on that day only. No interest is charged on days that the client is not utilizing the loan amount.

What usually is the criterion for availing loans against shares?

- The shares should be listed on the NSE / BSE
- The shares should be on the approved list as applicable from time to time
- Third party pledging is not allowed.
- All shares should be in demat form only.

What are the requirements for availing LAS?

For availing the Loan against shares Product, a Borrower needs to fulfill the following basic requirements:

- **Loan Agreement:** Execution of a Loan agreement and related documents with Religare Finvest Limited.
- **Designated Demat Account:** A depository account with a designated Depository Participant, with its POA executed in favor of Religare Finvest Limited.

The securities forming the collateral will be kept in this demat account only.

- **Designated Bank Account:** A bank account with a designated Banker, with its POA executed in favor of Religare Finvest Limited. All the funds movement will be made through this bank account.

- **Upfront Margin:** The minimum margin requirement for availing the Loan against shares product, is 30% which has to be brought in by the Borrower upfront before any Loan amount is granted to him and before he takes any exposure in the Stock Market. Margin may be in the form of cash or in the form of Approved Securities.

What are the common charges I have to pay while going for Loans Against Shares?

LAS processing fee

Rs500/- (Subject to change)

Interest charges

16% (Subject to change)

Bank account opening charge

Rs2500 (individuals) as minimum balance

Rs10,000 (corporates) as minimum balance

Terms

Tenure	1 year
Loan Amount	Min - Rs. 10 Lakh
Interest Rate	15% p.a
Margin	30% on stock value after hair cut
Other Charges	Rs 500/- for LAS and other charges as applicable towards opening a Bank and a Demat Account
Who can apply	Resident Individuals over 18 years of age Partnership Firms Companies
Who cannot apply	NRI's, minors

What is Approved Securities List?

The LAS facility is available only in a limited number of scrip's, called the Approved Securities List.

Why is LAS available against the Approved Securities List only?

In case a client defaults on the loan, the financier has the option to sell off the clients stock to recover the loan amount, thereby, underlining the importance of liquidity of the stock. To keep himself safe the financier gives loans against fundamentally strong and highly liquid stocks only. The loan amount against

safe stocks is higher as compared to stocks which do not have a good rating. The financier assesses what the value of the stock really is irrespective of the current market price and then gives 75% loan on that value. This reduction in the value of the stock is called haircut. Therefore arises the need of approved securities list.

Haircuts are applied on these securities on the basis of a host of criteria primary being liquidity.

The scrips are divided into the following categories.

Category	Applicable Hair cut	Benefit percentage as Margin
A	-	100%
B	15%	85%
C	25%	75%
D	40%	60%

All other stocks are considered unapproved and are not acceptable as margin/security deposit.

What is haircut?

The deemed value of a stock as seen in the eyes of the lender is arrived at by discounting the actual market value of the stock and this discounting is called haircut.

What is Maintenance Margin?

Maintenance Margin would mean the minimum amount, calculated as a percentage of the market value of the securities after adjusting for applicable hair cut, calculated with respect to the last trading day's closing price, to be maintained by the client with RFL which is 30% at present.

Securities eligible for LAS?

The LAS facility is available on selected scrips only called the approved securities list. This list is divided into four valuation categories. The Haircuts as applicable to each category of scrips are as under:

Category	Haircut % Applicable	Value after Haircut
A	0%	100%
B	15%	85%
C	25%	75%
D	40%	60%
Category	Haircut % Applicable	Value after Haircut
A	0%	100%
B	15%	85%
C	25%	75%
D	40%	60%

Example Category	Valuation Factor	Stock value(BHC)	Stock value (AHC): admissible as margin
A	1.00	1,00,000	1,00,000x1.00=1,00,000
B	0.85	1,00,000	1,00,000x.85=85,000
C	0.75	1,00,000	1,00,000x.75=75,000
D	0.60	1,00,000	1,00,000x.60=60,000

30% margin requirement as mentioned earlier has to be met by the borrower on the stock value after haircut of the Collateral. Accordingly, after applying the haircuts as aforesaid, the effective margin requirement to be met by the client under different categories of LAS approved scheme is as under

Category	Haircut	Effective Margin requirement (Haircut+30% margin on "After HC Value")
A	0%	30.00%
B	15%	40.40%
C	25%	47.50%
D	40%	58.00%

Note

- The selected scrip's, haircuts applicable, margin requirements etc. as aforesaid are subject to changes from time to time.
- Single scrip lending is not allowed and accordingly no borrower is allowed to have more than 50% of his/its entire portfolio in single scrip.
- LAS allows for higher exposure in the market. As a result the profits as well as losses are amplified.

What will happen if a client does not maintain Maintenance Margin?

In case the margin falls below the limits prescribed as Maintenance Margin, the financier will make a Margin Call on the Client and the client shall be required to take appropriate action to either top up the margin by bringing in fresh stock or funds, or liquidate his stocks to repay the loan.

What if the Client is not able to meet the Margin Call?

The financier can liquidate the securities if the client fails to meet the margin call made or fails to transfer Funds. Margin call/liquidation can be made at any point of time when margins are not in place

Can I pay the margin online?

Yes, the client can make online funds transfer to the designated bank account for depositing of margin.

How do I pay the margin offline?

Margin can be paid through cheque or a demand draft.

How can I check my LAS margin and stock holdings?

A detailed report giving the LAS positions and the related Margins is available on the online backoffice, on the website of RFL.

How long will the debit / outstanding amount in the a/c can be carried forward under this facility?

Debits can be carried forward, till the time the net available margin, remains above 30%. In case if the available margin gets depreciated, the customer has to transfer fresh funds to remain above 30% margin else, RFL can liquidate the position, held by the client (to cover the required %). However, RFL reserves the right to call back funds by giving the client a suitable loan recall period.

Can I sell 100% shares on the next day, bought on previous day under LAS?

Yes. Customers can sell on the next day, 100% of the stock bought on the previous day purely on their own risk as there is a chance that the stock payout may not be received and the selling may lead to auction.

How would the movement of shares transacted under LAS facility, reflect in the Demat a/c?

The movement of shares in and out of the demat account will be normal. However as the Power of Attorney is with RFL, the client will not be required to sign the DIS on selling of stock.

What is POA demat account and POA bank account?

POA stands for Power of Attorney, which implies that the client has given the right to operate demat and bank account to the financier.

Are DP charges applicable, while using LAS facility?

DP charges will be charged on the discretion of the DP with which the demat account is held.

Request for closure of LAS facility?

Request for closure of LAS facility can be forwarded by filling an online request form or by getting in touch with your designated RM.

PROCEDURE FOR OPENING LAS ACCOUNT

For the clients wanting to avail LAS facility, they need to fill in the account opening form available in the branches (soft copy of the form is available on the RFL website (www.religareinvest.com))

1. After filling the LAS form (LAS + Bank + Depository) complete with all details, the same needs to be submitted to the branch itself.
2. The branch then checks the documents and punches in the relevant details of the client on the "Online LAS Application" module on the RFL website.
3. The documentation status is also entered on the web.
4. Final verification is done online by the Branch Manager
5. A reference code is generated as soon as the form is submitted
6. Dispatch team is required to punch in the dispatch related details

7. The back office executive is required to attach a printout of the summary sheet with the account opening form and dispatch to LAS Department, HO.
8. LAS Department then verifies the documents and process the same if it is complete in all respects.
9. An option is available to the branches to check the status of the form sent by them online on the RFL website.
10. If the form is discrepant, then the discrepancy reason can be seen by the branches.
11. Once the account gets activated, a welcome letter is dispatched to the client.
12. Next, the mapping of client takes place on E-NET and UNISON.
13. The forms that are complete in all respect are sent to Filing & storage division.

To view the A/C opening Process Please click <http://hr.religare.in/adrenalin/help/las.pdf>

For any queries related to LAS, please contact custcare@religare.in

For account opening related queries please contact

Ms. Monika Vohra
Phone no. 011-66325286
Email id: monika.vohra@religare.in

Escalations to be marked to

Mr. Gurpreet Singh Chaney
Phone no. 011-66325291
Email id: gurpreet@religare.in

Wealth Spectrum

Wealth Advisory Services

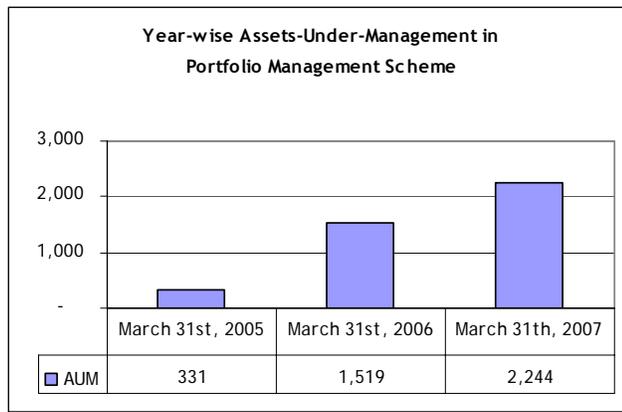
Religare offer wealth advisory services to high net worth individuals in various classes of investment products. The wealth advisory services business has been able to build credible client relationships and assets under management in their advisory portfolio since the company started this business in mid-2007. As on March 31, 2007, we managed more than 185 client relationships, which have a minimum client portfolio size of Rs. 2.5 million, which is our benchmark size for a client in this spectrum. We also are currently working with another 615 client relationships that have the potential to meet our benchmark size to access our wealth advisory services in the future. As of March 31, 2007, we advised on approximately Rs. 1,200 million worth of total assets. Until March 31, 2007, wealth advisory services were conducted in a division of Religare Finvest Limited and we are in the process of transferring the entire business to a newly incorporated subsidiary, Religare Wealth Management Services Limited.

We have entered into an exclusive arrangement with Wall Street Electronica, Inc., a U.S. broker-dealer, to give our Indian clients access to U.S. markets. RSL acts as the exclusive introducing foreign broker and our clients are provided trading and investment advising services by Wall Street*e.

Portfolio Management Services

We are registered with SEBI to provide PMS. We offer fully discretionary portfolio management services to provide individualized services for clients for a variety of asset classes to fit the investor’s specific investment parameters. We currently have five PMS products: “Caterpillar”, “Panther”, “Tortoise”, “Elephant” and “Leo”. These products are designed for the varying preferences, objectives, risk tolerance and investment horizons of our customers. Our PMS operate on a multi-fund manager approach where the fund manager team is headed by a chief investment officer and each scheme is supported by a fund manager and one research analyst with its own operations, risk and customer support team.

As of March 31, 2007, Religare had 1,427 PMS clients and our assets under management aggregated approximately Rs. 2,243.68 million. The following table shows the growth of our PMS assets under management over the last three fiscal years:



The brief detail of existing products under our PMS are:

- **Panther**

Panther is targeted at investors who are willing to take high risks for high returns. It is an aggressive scheme that is positioned across sectors and market caps and has a high portfolio turnover. Investment strategy includes investments across sectors with a view to take advantage of various market conditions and identify stocks which have high volatility buy potential. This product also aggressively uses derivatives for hedging and maximising returns from the portfolio.

- **Tortoise**

Tortoise aims to achieve gradual growth in portfolio value over a period of time by way of careful and judicious investment in fundamentally strong and attractively valued shares. It is a moderate scheme that promises medium risks and medium returns along with medium portfolio turnover. Its investment strategy includes investment across sectors to take advantage of lower valuation of companies with high growth potential and a consistent track record over a longer period of time.

- **Elephant**

Elephant aims to generate steady returns over a longer investment horizon by investing in securities selected from the BSE 100 and NSE 100 indices. This plan is suitable for the low risk and low return investor with a strategy to invest in blue chip companies, as these companies have steady performance and reduced liquidity risk in the market. The plan identifies and selects stocks with long-term growth prospects trading at modest relative valuations.

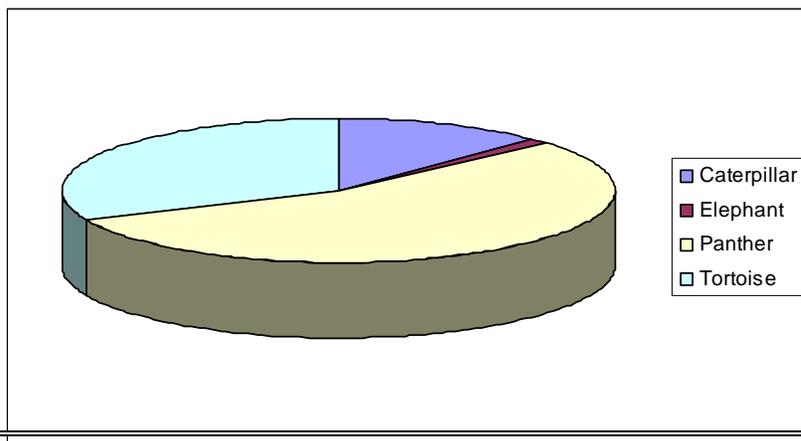
- **Caterpillar**

Caterpillar aims to achieve capital appreciation over a long period of time by investing in a diversified portfolio. The scheme offers high risks and high returns but with a low portfolio turnover. Its investment strategy includes investment in shares which are poised to receive a re-rating due to a change in business, potential attractiveness for a particular sector in the future or business diversification leading to a better operating performance. The scheme identifies and selects stocks in the early stages of an upturn and in sectors currently ignored by the market.

- **Leo**

Leo is aimed at retail customers and structured to provide medium to long-term capital appreciation by investing in stocks across the market capitalization range. This scheme is a mix of moderate and aggressive investment strategies. Its aim is to have a balanced portfolio comprising selected investments from both Tortoise and Panther. Exposure to derivatives is taken within permissible regulatory limits.

The following table shows client concentration across each of the PMS products we offer:



Priority Client Equity Services

Our priority client equity services are targeted at high net worth individuals who actively invest and trade in equity markets and want to be serviced on a priority basis with customized research and advisory support. Our priority client equity services engage the services of experienced equity professionals for client acquisition and relationship, brokerage and research. As on March 31, 2007, we had 6 research analysts servicing these clients.

Institutional Spectrum

Institutional Brokerage Business

We reorganized our institutional brokerage business in 2006 to increase our roster of clients and research base. Our revenues from institutional brokerage services for Fiscal 2007 and Fiscal 2006 were Rs. 20.17 million and Rs. 14.39 million, respectively. Our institutional brokerage operations are driven by approximately 13 research analysts (covering 60 companies in ten sectors as of March 31, 2007) and cater mainly to mutual funds, financial institutions, banks and FII's. As on March 31, 2007, we had 59 institutional brokerage clients, including six FII's and 17 mutual funds.

Investment Banking

We were granted a merchant banking license by SEBI on December 12, 2006. Our investment banking professionals maintain relationships with businesses, private equity firms, other financial institutions and high net worth individuals and provide them with corporate finance and investment banking advice.

We have divided our investment banking business into merchant banking and transaction advisory services. Our investment banking services are being expanded to include underwriting public equity offerings, mergers and acquisitions advisory services, corporate restructuring services, placement of private debt and equity offerings and rendering general investment banking and transaction advisory services. For Fiscal 2007, investment banking contributed Rs. 199.12 million in revenues and had a team of 23 persons.

Research

Our products and services offering are based on our wide-ranging research capabilities. We provide high quality research, conducted by a team of 32 Fundamental Analysts, 6 Technical Analysts, 3 Derivative Analysts and 5 Analysts for Mutual Funds and IPOs covering more than 140 companies across various sectors under our institutional and priority client equity research. Each of our Spectrums employs designated research analysts, with 6 research analysts in our priority client equity services, 13 research analysts in our institutional brokerage business, 11 research analysts covering equity retail, 13 research analysts covering commodities and five research analysts in our mutual funds business.

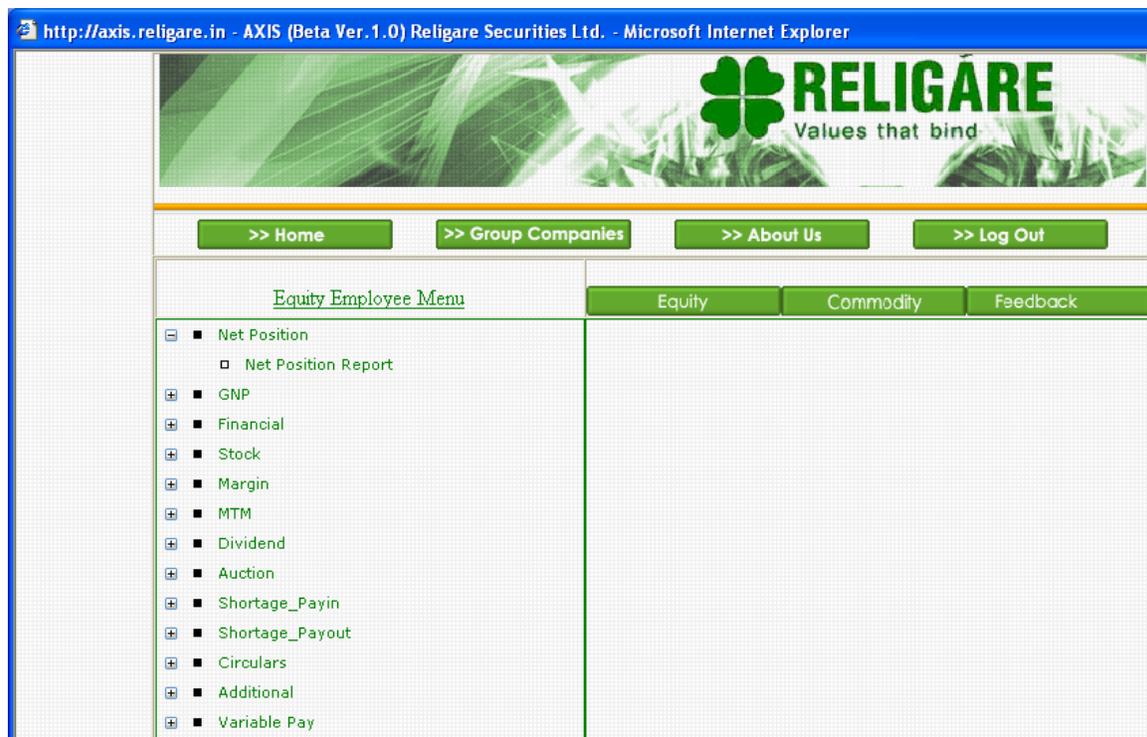
BACK OFFICE - TRADE SETTLEMENT

The activities & processes related to settlement of funds & securities are performed by the Back-office software namely Lidha Didha (LD), provided & maintained by M/s Apex Softcell Pvt. Ltd. Mumbai , which at present, is considered as one of the best software available in this industry for this purpose.

All back office related activities like client registration, account opening, settlement of funds & securities including maintenance of financial ledger of the client, issuance of contract notes, confirmation note, bill summary etc. are taken care by the LD. Back office team is stationed at New Delhi HO & the branches have also been given access of LD to view the required back office details of all their clients.

All the required reports/ information are generated by the LD and made available to concerned departments & clients. Further the clients & the branches of the Religare can also have access to their LD related information through the web back office of religare by using the user id & password given to them for this purpose.

Snapshot of details available on Web site of Religare in client Axis login is given as under :-



The employees may access the above information of the clients referred by them by following the under mentioned link on the Religare web site :-

Link >>>> www.religare.in>>> back office >>> branch services >>> Employee login >>> user name & password.

What information will be available to the client through web back office access ?

- Online back-office
- Access to all accounts through your Client Relationship Number (CRN)
- Access ledger balances and account information over internet, branch and call center

ACCESSING LD - BACK OFFICE SOFTWARE

1) Demat a/c no for a client:

Client masters---→Basic Details-→Put client code---→Gen opt II

Client DP code is Demat a/c no

DP Id is DP Id

2) Rate of interest

Gen opt II--→late payments

3) Brokerage details:

Jobbing brokerage--→Normal—NSE/Depository--BSE

Delivery brokerage-→same

4) Balance amount:

Main Reports---→Financial Statement-→put client code--→Final Dr-Cr

Red-Cr

Blue-Dr

5) Client holdings in margin a/c

Query data--→client wise details----->Global reports-----→Ultimate delivery status

6) Net position (P/L account)

Query data→client wise details→global reports→net position for the year---cash+deri

7) Transaction details:

Details--->client wise→global reports-→Sauda details for the year

8) Contract Notes:

Main reports-→Contract notes

9) Statutory Certificate:

Main reports-→statutory reports-→form 10B

Open form—file name---client code exch (NP17NSE)

Operation type---B for NSE

---N for NSE

10) Auction settlement:

Query data-→client wise detail--→global reports--→ultimate delivery status

11) Combined ledger:

Main Reports---→Financial Statement-→put client code-→query filter criteria
Ignore firm no

Troubleshooting BackOffice

BackOffice site is not opening.

First check the internet is working or not / check up the internet settings,
Open Internet Explorer , Go to Tools, select Internet Options, In General tab you will find the option delete cookies and delete files click them; After that select security tab, click on trusted sites logo, click on sites and add the back-office site in the add zone. Click OK
After that click on Custom level and check all the enable options. Click OK.
After that, select Internet Logo, click on custom level, and check all the enable options. Click OK.
Try to check if there is YAHOO or GOOGLE toolbar remove that.
Now try to open the site.

When login to back-office its showing INVALID CREDENTIALS

Giving wrong password or password blocked, you have to coordinate with your branch and they will send a mail to religarehelpdesk@religare.in for resetting the password.

Export to Excel option is not working in back-office.

Open Internet Explorer , Go to Tools, select Internet Options, In General tab you will find the option delete cookies and delete files click them; After that select security tab, click on trusted sites logo, click on sites and add the back-office site in the add zone. Click OK
After that click on Custom level and check all the enable options. Click OK.
After that, select Internet Logo, click on custom level, and check all the enable options. Click OK.

Error pop up is blocking the site.

Remove Yahoo and Google toolbar.
Check internet options.
Check all enable options.

Financial, stocks, Margin Report or not able to see any report

Check by login by your side first with their ID and password, if it is opening in your side than Check the internet settings:-

- Open Internet Explorer , Go to Tools, select Internet Options, In General tab you will find the option delete cookies and delete files click them; After that select security tab, click on trusted sites logo, click on sites and add the back-office site in the add zone. Click OK
- After that click on Custom level and check all the enable options. Click OK.
- After that, select Internet Logo, click on custom level, and check all the enable options. Click OK.
- Disable the pop up

How to change the back-office password.

When you login to your back-office there is an option as Change password, click that and change the password as per the requirement.

- **I have received a letter from Religare. Could you please tell me what is it all about?**

We have started this unique service which is known as CRN - Customer Relationship number with which you can login to our website www.religare.in and see the details of all your accounts with us like Equity trading account, Depository Account, Commodities trading account and PMS account etc.

- **I have received my id and pswd but I am not able to login with it. When I am putting my password, I get an error msg ".....". Pls help me.**

Please tell me error message you have seen while trying to log in & your contact details. Our support executive will call you in 48 hours time to resolve your problem.

- **I have received two CRNs, which one to use?**

It is quite possible that you would have received two CRNs. This is because the system may not have mapped the two individual accounts you have with us. If you wish you can go to our website and map the two CRNs yourself. In this case you will have a primary CRN and a secondary CRN.

- **When I login with my CRN, I am able to access my equity a/c but not my DP a/c. Please help me.**

Possibly your both the accounts have not been mapped, as the system might not have been able to establish any relationship between both the accounts. You can yourself login and map the two accounts.

- **Is it safe to use this CRN?**

CRN is absolutely safe to operate. CRN gives access only to information related to your various accounts. You would still need to login using your login id and password for trading. System automatically times you out after a pre-defined period.

- **If customer is having problem in Equity or Demat account?**

Please mail us at religarehelpdesk@religare.in with your client id and CRN id.

- **I am not able to access any other page except for the home page?**

Please tell us which window you are using.

IF 98/2000: right click on TOOLS option, GO TO yahoo/msn and select don't block pop-up option
IF XP: right click on TOOLS option and select don't block popup.

ACCOUNT OPENING - RACE / RALLY

The process of opening RACE/RALLY accounts is online managed & controlled. Branches can view the status of their account opening forms sent by them in online back-office once these forms are received & processed at the respective regional office/ BPO. Please click <http://hr.religare.in/adrenalin/help/ao.pdf> to see the process flow.

For accessing the Account Opening online web module link, please click <http://bo.religare.in/fortisbackoffice/branchlogin.aspx> and login with your user id and password.

The RACE account opening forms once punched should be dispatched to the below mentioned address :-

Account Opening Department
Religare Securities Ltd.
C/O Fortis Financial Services Ltd.
I Floor, 255, Okhla Phase III
New Delhi-110020
Phone no.: 011-40569100

For any account opening queries on RACE, please contact the following

Coordinator : Neeraj Kumar

Contact no : 011-32647969

- 1) Gujrat - central.qc@religare.in
- 2) South - south.qc@religare.in
- 3) West - west.qc@religare.in

Coordinator : Rajat

Contact No : 011-32647970

- 1) North - north.qc@religare.in
- 2) East - east.qc@religare.in

Please mark your escalation mails on RACE to

Mr. Ramanpreet Singh at ramanpreet@religare.in, contact no. 011-66562200 (extn. 419)

The RALLY account opening forms are to be sent to respective Regional Offices for processing of the same through respective region.

For any account opening queries on RALLY, please contact the following

Mr. Sanjay Awasthi at sanjay.awasthi@religare.in, contact no. 011-30815303 or Mr. Rakesh Choudhery at rakesh.choudhery@religare.in, contact no. 011-30815319

Please mark your escalation mails on RALLY to

Mr. Sandeep Juneja at sandeep.juneja@religare.in, contact no. 011-30815302, mobile - 9350222005

NRI Account Opening

Please note the following in respect of NRI Accounts
NRI Accounts can be of two categories:

- a. NRE;
- b. NRO.

The checklist for the NRI Accounts is given below

For both NRE/NRO accounts:

- a) Pan card (If there is no pan card then duly filled Form 49A, with an authorization letter for Chartered Accountant should be enclosed. Soft copy of both are available at <http://www.religare.in/nri.asp>)
- b) PIS Bank account (UTI / HDFC Bank) along with the savings bank account. In case the customer doesn't have PIS bank account, he/she needs to fill up a PIS bank account form and a savings bank account form. Soft copy of the same is available at <http://www.religare.in/nri.asp>)

For NRO Accounts only:

A duly filled Derivatives Annexure as given in the account opening form

Types of Account Opening Forms

1. RALLY Individual (Equity Trading + Depository)
2. RALLY Non-individual corporate and others (Equity Trading + Depository)
3. RALLY Non-individual HUF/FIRM (Equity Trading + Depository)
4. RACE Individual (Equity Trading + Depository + Commodity Trading)
5. RACE Non-individual HUF/FIRM (Equity Trading + Depository + Commodity Trading)
6. RACE Non-individual corporate and others (Equity Trading + Depository + Commodity Trading)
7. RACE NRI (Equity Trading + Depository)
8. RALLY Commodity trading Individual (Commodity Trading + Depository(NSDL & CDSL))
9. RALLY Commodity trading Non-individual corporate/FIRM and others (Commodity Trading + Depository (NSDL & CDSL))
10. RALLY Commodity trading Non-individual HUF (Commodity Trading Depository (NSDL & CDSL))
11. Depository only forms (CDSL & NSDL)
12. Form for availing Loan against Share facility.
13. Form for availing Portfolio Management Services

All requests for Account Opening forms should be e-mailed at stores@religare.in

Any escalations with respect to matter related to Account Opening Forms should be addressed to Mr. Neeraj Sharma. He can be contacted at neeraj.sharma@religare.in or you can call him at 011-30815392

CIRCULARS

You can view the circulars issued by different departments once you login to the web back-office (AXIS) with your user id and password.

RELATIONSHIP MAPPING AND VARIABLE PAY STRUCTURE

Relationship mapping

A client is required to be mapped to a dealer and RM. Based on the mapping, proper credit is imparted to the concerned dealer/Relationship Manager/Introducer

Who is a

Dealer

He/She is responsible for day-to-day servicing of the clients mapped under him/her. He/she need to handle the requirements/queries of client related to trade confirmations, back-office reports etc. and pass on the market updates to the clients

Relationship Manager

He/She may be any full fledged equity/commodity/PFS/ etc. RM who will get all the initial formalities completed from the client and will introduce that client to other products

Introducer

He/She may be RM of a particular client in a particular segment but introduces the client to other segments

Credit Rating structure for Equity segment

In order to create a clear strategy for acquisition and handling the clients and to give rating and credit for the revenue and business generated following structure has been created,

1. Client Dealers
2. Client Relationship Managers

Each Dealer and Relationship Manager would be judged for performance based upon the revenue appearing against their codes based upon the system given below.

Client Dealers

1. Classification

- a) **Sr. Dealers** (Business Managers) - They are the Category I dealing hands in Religare and would be performing the job of client acquisition, trade handling and client servicing.
(To be eligible to classify for this class more than 60% of the revenue appearing against their names should be from the clients directly acquired by them only)
- b) **Dealer** - They are the Category II dealing hands in Religare and would be responsible for trade handling and client servicing. This class of dealers would primarily not be responsible for client acquisition however they would possess good market knowledge and exposure to handle clients on day to day basis and would be servicing the client acquired by the relationship teams.

(To be eligible to classify for this class 30% to 60% of the revenue appearing against their names should be from the clients directly acquired by them only)

- c) **Associate Dealer** - They are the Category III dealing hands in Religare, primarily handling core retail clients and responsible for day to day trade entry and client servicing.
(This is applicable to dealers who have less than 30% of the revenue appearing against their names from the clients directly acquired by them)

2. Rating of Revenue

- a) **Sr. Dealers** - Revenue generated by the clients acquired by Relationship Team and handed over to this category of Dealers would have 70% credit to Dealers and 30% to RMs.
- b) **Dealers** - Revenue generated by the clients acquired by Relationship Team and handed over to this category of Dealers would have 50% credit to Dealers and 50% to RMs.
- c) **Associate Dealer** - Revenue generated by the clients acquired by Relationship Team and handed over to this category of Dealers would have 30% credit to Dealers and 70% to RMs.

The Dealer Category would be assigned monthly at the end of each month on the basis of previous month's performance. Based on such categorization, the credit shall be computed every day during the current month.

Client Relationship Manager

Client Relationship Managers would be required to appraise themselves with all the product offering of Religare such as Equity Trading, Commodity Trading, Equity PMS, Commodity PMS, Mutual Fund and future products such as Insurance, Real Estate Fund Unit etc.

Client Relationship Managers would have a common RM Code across all the product ranges for Religare.

Branch Managers may put in his employee id as RM Code but he has to necessarily allocate a dealer id against such clients else system would automatically deduct the dealer allocation. Their performance would be judged on the basis of overall branch performance and not on the basis of their individual effort only.

Credit Rating structure for Commodity segment

The credit rating structure applicable for Morning/Evening session dealers, RMs and Introducer for the revenue generated in commodity segment is given hereunder

S.No.	Classification	% share of revenue to Religare
1	Morning session Dealer (Dealer 1): He/She is the dealer handling the client trades during the day and would be responsible for servicing of the clients mapped under him/her.	25%
2	Evening session Dealer (Dealer 2): He/She would be handling the client trades during the night and servicing of the clients mapped under him/her.	25%
3	RM	25%
4	Introducer	25%

Please note :

- 1. In cases where Dealer 2 is not defined, then 50% share would go to Dealer 1**
 - 2. In cases where there is no introducer then 50% share would go to RM**
- Important points to remember**

- A client cannot have 0000 or null mapped as Dealer. In case of RALLY LITE/PRO clients also, a dealer is to be allocated necessarily.
- In case the RM resigns, the existing code would be substituted by Religare 0000 as RM.
- Reallocation of RM is allowed only where genuine reasons for allocation are furnished. In those cases, the reallocated RM gets 50% of RM share.
- In case of clients introduced by BDR, no RM should be mapped to the client.
- Branch Head would not be entitled to the credit earned in the role of the dealer.
- RACE employees are not covered under the variable pay scheme. They are separately evaluated under the existing incentive scheme.
- In case of the clients mapped under the Business Partners, no Dealer/RM/BDR should be mapped to the client.
- All updations/modifications request regarding the relationship mapping has to be approved by the respective Branch and Regional Heads and thereafter be forwarded for effecting the necessary changes to salesupport@religare.in

VARIABLE PAY STRUCTURE FOR RELATIONSHIP MANAGERS AND DEALERS OF EQUITY SEGMENT AND BRANCH MANAGERS

Variable Pay Structure Applicability

This Pay Structure is applicable to following categories:

- Equity Sales and Dealing Teams (Relationship Managers and Dealers)
- Branch Heads who would be responsible for equity and commodity business and brokerage income from these two segments would form part of their revenue.
- There would be support bonus for other verticals operating in the branch i.e. there would be separate bonus would be payable if the PFS, Insurance or other team achieve their budget, which would be informed separately. However neither the cost relating to non equity and commodity business would be allocated to them nor they would be responsible for the respective targets.
- Variable Pay for dedicated commodity Relationship Managers and Dealers would be separate to this variable pay. However equity RM and Dealers handling commodity business would be given credit for the business generated by them.

This scheme is applicable from April 1st, 2007 and would be reviewed mid year.

Objective

Variable pay structure is being introduced in Religare with a view to give a definitive shape to the amount of performance bonus which one could make and has been linked to the performance of the employee.

Methodology

1. Variable pay in Religare would be linked to the revenue credited against Relationship Managers and Dealers, the same would be payable after crossing the minimum benchmark criteria set from time to time.
2. Income Recognition for all sales people would be done as per the current system where all income is credited against employee code from all segment of business and broking income is shared between Dealers and Relationship Managers.
3. To become eligible for variable pay it would be necessary that each person achieves at least 50% of his eligibility multiplier from his division business.
4. Brokerage Income of the LAS clients would consider only when the annualized return from LAS account is above 20%, however upon cross the benchmark entire brokerage credit would be given to the respective RM and Dealers.
5. Any outstanding debit balance / error trading loss would be deducted from the Dealer and Relationship Manager in their sharing ratio from the bonus amount.

6. Relationship Manager would be required to achieve minimum growth of 15% in revenue from new accounts on every six months evaluation basis.
7. Variable Pay would be applicable to the Branch Heads as well; however their variable pay would be linked to overall branch profitability coupled with their individual performance. Based upon client requirement they may act as RM as well as Dealer for the clients.
8. Relationship Manager would be eligible for 25% of the net revenue received from BDR introduced by them, there would not be any RM codes against client introduced through BDR.
9. The Region, Zone and Branch would be entitled to 50% of the net income received from the Business Partner introduced by them.
10. Shifting \ Reallocation of accounts to RMs would be allowed subject to approval by Regional Heads and such RM would get 50% credit of the respective revenue.
11. Branch Managers would be required to achieve the minimum targeted branch performance benchmark and budgeted revenue achievement before being eligible for variable pay.
12. Zonal Heads, Regional Heads and National Head would be assessed upon their respective geographical performance and budget achievements, however not to pass undue benefit to any other employees they may put their employee ids/Religare against accounts introduced by them. However a dealer needs to be necessarily assigned against such clients.
13. Variable pay would be payable at the end of each quarter in the month falling after the quarter e.g. for quarter ending June, payment would be made in July Salary Cycle.

Variable Pay Structure (Relationship Manager and Dealers)

Variable Pay would be calculated on following basis:

$$\text{Effective Revenue} = \text{Revenue} - (\text{CTC} * 2)$$

Pay Band

Revenue Band	Performance Pay
From 3 - 4 times of CTC	7.5% of Effective Revenue
Above 4.1 times to 5 times of CTC	10 % of Effective Revenue
Above 5.1 times to 8 times of CTC	12.5% of the Effective Revenue
Above 8 times	15% of the Effective Revenue

Variable Pay Structure (Branch Managers)

Variable Pay would be calculated on following basis:

- Net Contribution of the Branch which would include all income from equity and commodities less all directly allocable expenses relating to these businesses.
- Each Branch would bear 10% of gross revenue towards un-allocable expenses such as network, zonal, regional and other centralized operations expenses.

- Branch expenses such as rental, power, maintenance etc. would be divided on the basis of workstation allocation in the branch and would be recovered from these divisions (RACE \ PFS \ Insurance \ Personal Loan etc.)

Pay Band

Gross Revenue to Cost	Performance Pay	If Branch Manager individual performance multiplier is \geq 3 times of CTC
From 2 - 3 times	4% of Net Contribution	5% of Net Contribution
Above 3.1 times to 4 times	5% of Net Contribution	6% of Net Contribution
Above 4.1 times to 5 times of cost	6% of Net Contribution	7% of Net Contribution
Above 5 times	7% of Net Contribution	8% of Net Contribution

VARIABLE PAY STRUCTURE FOR RELATIONSHIP MANAGERS AND DEALERS OF COMMODITY SEGMENT AND BRANCH MANAGERS

Applicability

This Pay Structure is applicable to following categories:

- All Sales and Dealing Teams (Relationship Managers, Dealers and Branch Managers)
- Branch Heads who would be responsible for equity and commodity business and brokerage income from these two segments would form part of their revenue.
- There would be support bonus for other verticals operating in the branch i.e. there would be separate bonus would be payable if the PFS, Insurance or other team achieve their budget, which would be informed separately. However neither the cost relating to non equity and commodity business would be allocated to them nor they would be responsible for the respective targets.

This scheme is applicable from **April 1st, 2007** and would be reviewed mid year.

Objective

Variable pay structure is being introduced in Religare with a view to give a definitive shape to the amount of performance bonus which one could make and has been linked to the performance of the employee.

Methodology

1. Variable pay in Religare would be linked to the revenue credited against Relationship Managers and Dealers, the same would be payable after crossing the minimum benchmark criteria set from time to time.
2. Income Recognition for all sales people would be done as per the current system where all income is credited against employee code from all segment of business and broking income is shared between Dealers and Relationship Managers. To give credit rating to Morning/Evening session dealers, RMs and Introducer for the revenue generated in commodity segment, the Morning session Dealer (Dealer 1), Evening session Dealer (Dealer 2), Relationship Manager and the Introducer would 25% each of the Net Revenue to Religare. However, in cases where Dealer 2 is not defined, then 50% share would go to Dealer 1 and in cases where there is no introducer then 50% share would go to RM.
3. To become eligible for variable pay it would be necessary that each person achieves at least 50% of his eligibility multiplier from his division business.
4. Brokerage Income of the LAS clients would consider only when the annualized return from LAS account is above 20%, however upon cross the benchmark entire brokerage credit would be given to the respective RM and Dealers.
5. Any outstanding debit balance / error trading loss would be deducted from the Dealer and Relationship Manager in their sharing ratio from the bonus amount.
6. Relationship Manager would be required to achieve minimum growth of 15% in revenue from new accounts on every six months evaluation basis.

7. Variable Pay would be applicable to the Branch Heads as well; however their variable pay would be linked to overall branch profitability coupled with their individual performance. Based upon client requirement they may act as RM as well as Dealer for the clients.
8. Relationship Manager would be eligible for 25% of the net revenue received from BDR introduced by them, there would not be any RM codes against client introduced through BDR.
9. The Region, Zone and Branch would be entitled to 50% of the net income received from the Business Partner introduced by them.
10. Shifting \ Reallocation of accounts to RMs would be allowed subject to approval by Regional Heads and such RM would get 50% credit of the respective revenue.
11. Branch Managers would be required to achieve the minimum targeted branch performance benchmark and budgeted revenue achievement before being eligible for variable pay.
12. Zonal Heads, Regional Heads and National Head would be assessed upon their respective geographical performance and budget achievements, however not to pass undue benefit to any other employees they may put their employee ids/Religare against accounts introduced by them. However a dealer needs to be necessarily assigned against such clients.
13. Variable pay would be payable at the end of each quarter in the month falling after the quarter e.g. for quarter ending June, payment would be made in separately subsequent to the July Salary Cycle.

Variable Pay Structure (Relationship Manager and Dealers)

Variable Pay would be calculated on following basis:

Effective Revenue = Revenue - (CTC * 2)

Pay Band

Revenue Band	Performance Pay
From 3 - 4 times of CTC	7.5% of Effective Revenue
Above 4.1 times to 5 times of CTC	10 % of Effective Revenue
Above 5.1 times to 8 times of CTC	12.5% of the Effective Revenue
Above 8 times	15% of the Effective Revenue

WHOM TO CONTACT

For any further clarification on the matter and for updation of the Dealer/ RM/ Introducer details, please mail to the Salesupport team at salesupport@religare.in.

Ms. Vaishali Anand
 Sr.Executive-Salessupport
 Contact No. 011-30815458
 Mobile No. 09350596965
 E-mail address - salesupport@religare.in

Mr. Preeti

Executive-Salessupport

Contact No. 011-30815849

Mobile No. 09312217847

E-mail address - salessupport@religare.in

For Escalations

Ms. Rishu Gupta

Manager-Process

Contact No. 011-30815405

Mobile No. 09350688292

E-mail address - rishu.gupta@religare.in

MUTUAL FUND

Many investors pool their money in a fund managed by a professional money manager on behalf of these investors. The manager uses this pool of money to direct investments according to the fund's objectives, such as long-term growth, high or stable current income, or stability of principal.

What is a Mutual Fund?

A Mutual Fund is a body corporate that pools the savings of a number of investors and invests the same in a variety of different financial instruments, or securities. The income earned through these investments and the capital appreciation realized by the scheme is shared by its unit holders in proportion to the number of units owned by them. Mutual funds can thus be considered as financial intermediaries in the investment business who collect funds from the public and invest on behalf of the investors. The losses and gains accrue to the investors only. The Investment objectives outlined by a Mutual Fund in its prospectus are binding on the Mutual Fund scheme. The investment objectives specify the class of securities a Mutual Fund can invest in. Mutual Funds invest in various asset classes like equity, bonds, debentures, commercial paper and government securities.

What is an Asset Management Company?

An Asset Management Company (AMC) is a highly regulated organisation that pools money from investors and invests the same in a portfolio. They charge a small management fee, which is normally 1.5 per cent of the total funds managed.

What is NAV?

NAV or Net Asset Value of the fund is the cumulative market value of the assets of the fund net of its liabilities. NAV per unit is simply the net value of assets divided by the number of units outstanding. Buying and selling into funds is done on the basis of NAV-related prices. NAV is calculated as follows:

$$\text{NAV} = \frac{\text{Market value of the fund's investments} + \text{Receivables} + \text{Accrued Income} - \text{Liabilities} - \text{Accrued Expenses}}{\text{Number of Outstanding units}}$$

How often is the NAV declared?

The NAV of a scheme has to be declared at least once a week. However many Mutual Fund declare NAV for their schemes on a daily basis. As per SEBI Regulations, the NAV of a scheme shall be calculated and published at least in two daily newspapers at intervals not exceeding one week. However, NAV of a close-ended scheme targeted to a specific segment or any monthly income schemes (which are not mandatorily required to be listed on a stock exchange) may be published at monthly or quarterly intervals.

What are the benefits of investing in Mutual Funds?

- Qualified and experienced professionals manage Mutual Funds. Generally, investors, by themselves, may have reasonable capability, but to assess a financial instrument a professional analytical approach is required in addition to access to research and information and time and methodology to make sound investment decisions and keep monitoring them.
- Since Mutual Funds make investments in a number of stocks, the resultant diversification reduces risk. They provide the small investors with an opportunity to invest in a larger basket of securities.
- The investor is spared the time and effort of tracking investments, collecting income, etc. from various issuers etc.
- It is possible to invest in small amounts as and when the investor has surplus funds to invest.

- Mutual Funds are registered with SEBI. SEBI monitors the activities of Mutual Funds.
- In case of open-ended funds, the investment is very liquid as it can be redeemed at any time with the fund unlike direct investment in stocks/bonds.

Are there any risks involved in investing in Mutual Funds?

Mutual Funds do not provide assured returns. Their returns are linked to their performance. They invest in shares, debentures and deposits. All these investments involve an element of risk. The unit value may vary depending upon the performance of the company and companies may default in payment of interest/principal on their debentures/bonds/deposits. Besides this, the government may come up with new regulation which may affect a particular industry or class of industries. All these factors influence the performance of Mutual Funds.

What are the different types of Mutual funds?

(a) On the basis of Objective

Equity Funds/ Growth Funds

Funds that invest in equity shares are called equity funds. They carry the principal objective of capital appreciation of the investment over the medium to long-term. The returns in such funds are volatile since they are directly linked to the stock markets. They are best suited for investors who are seeking capital appreciation. There are different types of equity funds such as Diversified funds, Sector specific funds and Index based funds.

Diversified funds

These funds invest in companies spread across sectors. These funds are generally meant for risk-taking investors who are not bullish about any particular sector.

Sector funds

These funds invest primarily in equity shares of companies in a particular business sector or industry. These funds are targeted at investors who are extremely bullish about a particular sector.

Index funds

These funds invest in the same pattern as popular market indices like S&P 500 and BSE Index. The value of the index fund varies in proportion to the benchmark index.

Tax Saving Funds

These funds offer tax benefits to investors under the Income Tax Act. Opportunities provided under this scheme are in the form of tax rebates U/s 88 as well saving in Capital Gains U/s 54EA and 54EB. They are best suited for investors seeking tax concessions.

Debt / Income Funds

These Funds invest predominantly in high-rated fixed-income-bearing instruments like bonds, debentures, government securities, commercial paper and other money market instruments. They are best suited for the medium to long-term investors who are averse to risk and seek capital preservation. They provide regular income and safety to the investor.

Liquid Funds / Money Market Funds

These funds invest in highly liquid money market instruments. The period of investment could be as short as a day. They provide easy liquidity. They have emerged as an alternative for savings and short-term fixed deposit accounts with comparatively higher returns. These funds are ideal for Corporates, institutional investors and business houses who invest their funds for very short periods.

Gilt Funds

These funds invest in Central and State Government securities. Since they are Government backed bonds they give a secured return and also ensure safety of the principal amount. They are best suited for the medium to long-term investors who are averse to risk.

Balanced Funds

These funds invest both in equity shares and fixed-income-bearing instruments (debt) in some proportion. They provide a steady return and reduce the volatility of the fund while providing some upside for capital appreciation. They are ideal for medium- to long-term investors willing to take moderate risks.

Hedge Funds

These funds adopt highly speculative trading strategies. They hedge risks in order to increase the value of the portfolio.

(b) On the basis of Flexibility

Open-ended Funds

These funds do not have a fixed date of redemption. Generally they are open for subscription and redemption throughout the year. Their prices are linked to the daily net asset value (NAV). From the investors' perspective, they are much more liquid than closed-ended funds. Investors are permitted to join or withdraw from the fund after an initial lock-in period.

Close-ended Funds

These funds are open initially for entry during the Initial Public Offering (IPO) and thereafter closed for entry as well as exit. These funds have a fixed date of redemption. One of the characteristics of the close-ended schemes is that they are generally traded at a discount to NAV; but the discount narrows as maturity nears. These funds are open for subscription only once and can be redeemed only on the fixed date of redemption. The units of these funds are listed (with certain exceptions), are tradable and the subscribers to the fund would be able to exit from the fund at any time through the secondary market.

Interval funds

These funds combine the features of both open-ended and close-ended funds wherein the fund is close-ended for the first couple of years and open-ended thereafter. Some funds allow fresh subscriptions and redemption at fixed times every year (say every six months) in order to reduce the administrative aspects of daily entry or exit, yet providing reasonable liquidity.

(c) On the basis of geographic location

Domestic funds

These funds mobilize the savings of nationals within the country.

Offshore Funds

These funds facilitate cross border fund flow. They invest in securities of foreign companies. They attract foreign capital for investment.

What are the different plans that Mutual Funds offer?

Growth Plan and Dividend Plan

A growth plan is a plan under a scheme wherein the returns from investments are reinvested and very few income distributions, if any, are made. The investor thus only realises capital appreciation on the investment. This plan appeals to investors in the high income bracket. Under the dividend plan, income is distributed from time to time. This plan is ideal to those investors requiring regular income.

Dividend Reinvestment Plan

Dividend plans of schemes carry an additional option for reinvestment of income distribution. This is referred to as the dividend reinvestment plan. Under this plan, dividends declared by a fund are reinvested on behalf of the investor, thus increasing the number of units held by the investors.

Automatic Investment Plan

Under the Automatic Investment Plan (AIP) also called Systematic Investment Plan (SIP), the investor is given the option for investing in a specified frequency of months in a specified scheme of the Mutual Fund for a constant sum of investment. AIP allows the investors to plan their savings through a structured regular monthly savings program.

Automatic Withdrawal Plan

Under the Automatic Withdrawal Plan (AWP) also called Systematic Withdrawal Plan (SWP), a facility is provided to the investor to withdraw a pre-determined amount from his fund at a pre-determined interval.

What is Tax Saving Schemes?

These schemes offer tax rebates to the investors under specific provisions of the Income Tax Act, 1961 as the Government offers tax incentives for investment in specified avenues. e.g. Equity Linked Savings Schemes (ELSS). Pension schemes launched by the mutual funds also offer tax benefits. These schemes are growth oriented and invest pre-dominantly in equities. Their growth opportunities and risks associated are like any equity-oriented scheme.

How to invest in a scheme of a mutual fund?

Mutual funds normally come out with an advertisement in newspapers publishing the date of launch of the new schemes. Investors can also contact the agents and distributors of mutual funds who are spread

all over the country for necessary information and application forms. Forms can be deposited with mutual funds through the agents and distributors who provide such services. Now days, the post offices and banks also distribute the units of mutual funds. However, the investors may please note that the mutual funds schemes being marketed by banks and post offices should not be taken as their own schemes and no assurance of returns is given by them. The only role of banks and post offices is to help in distribution of mutual funds schemes to the investors.

Investors should not be carried away by commission/gifts given by agents/distributors for investing in a particular scheme. On the other hand they must consider the track record of the mutual fund and should take objective decisions.

How to fill up the application form of a mutual fund scheme?

An investor must mention clearly his name, address, number of units applied for and such other information as required in the application form. He must give his bank account number so as to avoid any fraudulent encashment of any cheque/draft issued by the mutual fund at a later date for the purpose of dividend or repurchase. Any changes in the address, bank account number, etc at a later date should be informed to the mutual fund immediately.

What should an investor look into an offer document?

An abridged offer document, which contains very useful information, is required to be given to the prospective investor by the mutual fund. The application form for subscription to a scheme is an integral part of the offer document. SEBI has prescribed minimum disclosures in the offer document. An investor, before investing in a scheme, should carefully read the offer document. Due care must be given to portions relating to main features of the scheme, risk factors, initial issue expenses and recurring expenses to be charged to the scheme, entry or exit loads, sponsor's track record, educational qualification and work experience of key personnel including fund managers, performance of other schemes launched by the mutual fund in the past, pending litigations and penalties imposed, etc.

What is Entry/Exit Load?

A Load is a charge, which the AMC may collect on entry and/or exit from a fund. A load is levied to cover the up-front cost incurred by the AMC for selling the fund. It also covers one time processing costs. Some funds do not charge any entry or exit load. These funds are referred to as 'No Load Fund'. Funds usually charge an entry load ranging between 1.00% and 2.00%. Exit loads vary between 0.25% and 2.00%.

For eg. Let us assume an investor invests Rs. 10,000/- and the current NAV is Rs.13/-. If the entry load levied is 1.00%, the price at which the investor invests is Rs.13.13 per unit. The investor receives $10000/13.13 = 761.6146$ units. (Note that units are allotted to an investor based on the amount invested and not on the basis of no. of units purchased).

Let us now assume that the same investor decides to redeem his 761.6146 units. Let us also assume that the NAV is Rs 15/- and the exit load is 0.50%. Therefore the redemption price per unit works out to Rs. 14.925. The investor therefore receives $761.6146 \times 14.925 = \text{Rs.}11367.10$

What is Sales/Purchase price?

Sales/Purchase price is the price paid to purchase a unit of the fund. If the fund has no entry load, then the sales price is the same as the NAV. If the fund levies an entry load, then the sales price would be higher than the NAV to the extent of the entry load levied.

What is redemption price?

Redemption price is the price received on selling units of open-ended scheme. If the fund does not levy an exit load, the redemption price will be same as the NAV. The redemption price will be lower than the NAV in case the fund levies an exit load.

What is repurchasing price?

Repurchase price is the price at which a close-ended scheme repurchases its units. Repurchase can either be at NAV or can have an exit load.

What is a Switch?

Some Mutual Funds provide the investor with an option to shift his investment from one scheme to another within that fund. For this option the fund may levy a switching fee. Switching allows the Investor to alter the allocation of their investment among the schemes in order to meet their changed investment needs, risk profiles or changing circumstances during their lifetime.

What is Shut-Out Period?

After the closure of the Initial Offer Period, on an ongoing basis, the Trustee reserves a right to declare Shut-Out period not exceeding 5 days at the end of each month/quarter/half-year, as the case may be, for the investors opting for payment of dividend under the respective Dividends Plans. The declaration of the Shut-Out period is envisaged to facilitate the AMC/the Registrar to determine the Units of the unit holders eligible for receipt of dividend under the various Dividend Options. Further, the Shut-Out period will also help in expeditious processing and dispatch of dividend warrants. During the Shut-Out period investors may make purchases into the Scheme but the Purchase Price for subscription of units will be calculated using the NAV as at the end of the first Business Day in the following month/quarter/half-year as the case may be, depending on the Dividend Plan chosen by the investor. Therefore, if investments are made during the Shut -Out period, Units to the credit of the Unit holder's account will be created only on the first Business Day of the following month/ quarter/half year, as the case may be, depending on the dividend plan chosen by the investor. The Shut-Out period applies to new investors in the Scheme as well as to Unit holders making additional purchases of Units into an existing folio. The Trustee reserves the right to change the Shut-Out period and prescribe new Shut- Out period, from time to time.

Is there any minimum lock-in period for my units?

There is no lock-in period in the case of open-ended funds. However in the case of tax saving funds a minimum lock-in period is applicable.

Who are the issuers of Mutual funds in India?

Unit Trust of India was the first mutual fund which began operations in 1964. Other issuers of Mutual funds are Public sector banks like SBI, Canara Bank, Bank of India, Institutions like IDBI, ICICI, GIC, LIC, Foreign Institutions like Alliance, Morgan Stanley, Templeton and Private financial companies like Kothari Pioneer, DSP Merrill Lynch, Sundaram, Kotak Mahindra, Cholamandalam etc.

What are the factors that influence the performance of Mutual Funds?

The performances of Mutual funds are influenced by the performance of the stock market as well as the economy as a whole. Equity Funds are influenced to a large extent by the stock market. The stock market in turn is influenced by the performance of the companies as well as the economy as a whole. The performance of the sector funds depends to a large extent on the companies within that sector. Bond-funds are influenced by interest rates and credit quality. As interest rates rise, bond prices fall, and vice versa. Similarly, bond funds with higher credit ratings are less influenced by changes in the economy.

As a new investor how do I select a particular scheme?

Choice of any scheme would depend to a large extent on the investor preferences. For an investor willing to undertake risks, equity funds would be the most suitable as they offer the maximum returns. Debt funds are suited for those investors who prefer regular income and safety. Gilt funds are best suited for the medium to long-term investors who are averse to risk. Balanced funds are ideal for medium- to long-term investors willing to take moderate risks. Liquid funds are ideal for Corporate, institutional investors and business houses who invest their funds for very short periods. Tax Saving Funds are ideal for those investors who want to avail tax benefits.

An important aspect while selecting a particular scheme is the duration of the investment. Depending on your time horizon you can select a particular scheme. Besides all this, factors like promoter's image, objective of the fund and returns given by the funds on different schemes should also be taken into account while selecting a particular scheme.

What are the rights that are available to a Mutual Fund holder?

As per SEBI Regulations on Mutual Funds, an investor is entitled to

1. Receive Unit certificates or statements of accounts confirming your title within 6 weeks from the date your request for a unit certificate is received by the Mutual Fund.
2. Receive information about the investment policies, investment objectives, financial position and general affairs of the scheme;
3. Receive dividend within 42 days of their declaration and receive the redemption or repurchase proceeds within 10 days from the date of redemption or repurchase
4. The trustees shall be bound to make such disclosures to the unit holders as are essential in order to keep them informed about any information which may have an adverse bearing on their investments.
5. 75% of the unit holders with the prior approval of SEBI can terminate the AMC of the fund.
6. 75% of the unit holders can pass a resolution to wind-up the scheme.
7. An investor can send complaints to SEBI, who will take up the matter with the concerned Mutual Funds and follow up with them till they are resolved.

It is very often said that Mutual Funds have performed badly. Please explain?

The performance of Mutual Funds is evaluated on the basis of absolute increase or decrease in its Net Asset Value (NAV). However a fund's performance should be evaluated on the basis of a comparison with the relevant indices and alternative instruments. The NAV varies from fund to fund. Therefore this argument is not entirely true. However some funds have performed poorly with their NAV quoting well below their original IPO price.

To view the Mutual Fund A/C opening and backoffice reports Please click <http://hr.religare.in/adrenalin/help/mutualfund.pdf>