

MATHRAN SECURITIES PRIVATE LIMITED

Referral and Incentive Policy

Policy created by : Compliance Head	Policy created on : 01/04/2024
Policy reviewed by : Internal Auditor	Policy reviewed on : 01/04/2024
Policy approved by : Board of Directors	Policy approved on : 10/04/2024
Periodicity of Review periodicity : Yearly / SOS	
Version number : V2024.01	Effective date of implementation : 10/04/2024
Officer responsible for implementation :	Mr. Arijit Chandra, Compliance Officer

1. Objective

The purpose of this policy is to establish a transparent framework for providing incentives to individuals (Referrers) who refer potential clients to the Company for opening trading and demat accounts, ensuring compliance with NSE and SEBI regulations.

2. Scope and Eligibility

This policy applies to all referral arrangements entered into by Mathran Securities Private Limited. The Referrer shall only introduce the potential client to the Company. Employees and Authorized Persons (APs) of the Company are governed by separate remuneration/incentive structures and are generally excluded from this specific referral policy unless otherwise specified

3. Operational Framework

- **Incentive Structure:** Compensation (referral fee) shall be limited to a maximum of **10% of the brokerage** generated from the referred client (excluding taxes, SEBI fees, and exchange charges).
- **Mapping Process:** Referrals must be mapped through the internal CRM using a unique "Referral Code." Mapping is only valid if the account is activated within **60 days** of the referral.
- **TDS Compliance:** All payouts are subject to Tax Deducted at Source (TDS) as per the Income Tax Act.

4. ROLE AND RESTRICTIONS OF THE REFERRER

The Referrer's role is strictly limited. The Referrer SHALL NOT:

- Underwrite or guarantee any returns to the client.
- Provide investment advice or research reports.
- Manage the client's portfolio or handle client funds/securities.
- Induce the client to trade or provide order instructions on behalf of the client.
- Conduct In-Person Verification (IPV) or verify original documents (OSV).
- Issue any advertisement or use the Company's logo without prior written approval.

5. OPERATIONAL GUIDELINES

Direct Communication: All contract notes, daily margin statements, and statements of accounts will be sent directly to the client via registered email/address. No such information shall be shared with the Referrer.

Confidentiality: Mathran Securities Private Limited shall ensure that no client-sensitive information (trading patterns, ledger balances, etc.) is disclosed to the Referrer.

Account Opening: The final decision to accept or reject a client remains solely with the Company's KYC and Compliance department.

6. MONITORING AND REVIEW

The Compliance Officer shall monitor referral payments to ensure they do not exceed the approved flat rates.

Adherence to this policy shall be reviewed by the Board/Management of Mathran Securities Private Limited at least once every financial year.

The Company reserves the right to terminate any referral arrangement immediately if the Referrer is found to be in violation of SEBI/Exchange regulations.

7. Termination

Mathran Securities Private Limited reserves the right to terminate any referral arrangement if the referrer is found to be:

- a. Engaging in "Dabba Trading" or unauthorized advisory.
- b. Misrepresenting the services of Mathran Securities Private Limited.
- c. Acting as a "Finfluencer" without requisite SEBI registrations.

8. Review Policy:

This policy may be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change the policy due to business needs.

The policy may be reviewed by the Managing Director/CEO and place the changes in policy before the Board at the meeting first held after such changes are introduced.

9. Policy communication:

A copy of the approved policy shall be made available to Compliance officer, Head of risk and Head of Operations.

This Policy is prepared as required by

- **NSE Circular Ref. No: NSE/INSP/43029** dated December 26, 2019
- **NSE Circular Ref. No: NSE/INSP/43824** dated March 11, 2020