BügleRock
(Formerly known as o3 Securities Private Limited)

Policy on Buy/Sell Trades Order Placement and Addressing Deviations

of

BUGLEROCK CAPITAL PRIVATE LIMITED

(Formerly known as o3 Securities Private Limited)

Registered with the Securities and Exchange Board of India as a Portfolio Manager with effect from May 16, 2017
Registration No. INP000005430

Introduction:

In compliance with SEBI circular SEBI/HO/IMD/IMD-I DOF1/P/CIR/2022/133 dated September 2022, all Portfolio Managers are mandated to establish a comprehensive policy outlining the rules for placing orders on behalf of clients in specific situations or scenarios. The objective of this policy is to ensure transparency, consistency, and fairness in order execution, while adhering to SEBI regulations and safeguarding the interests of all clients. The following policy framework provides actionable guidelines and processes to be followed by the Portfolio Manager.

Policy Framework:

1. **Client Accounts Management:**

    - All securities, including cash and cash equivalents for clients, are held in separate Bank and Demat accounts maintained in the client's own name. The Portfolio Manager is responsible for opening a distinct Demat and Bank account for each individual client.
    - For Non-Resident Indian (NRI) clients, in addition to the Demat and Bank accounts, a separate Trading Account is also opened to facilitate transactions in compliance with RBI and SEBI regulations.

2. **Custodian Appointment:**

    - HDFC Bank and Kotak Bank are designated custodians for managing the Portfolio Management Services (PMS) operations.
    - For resident client accounts, the Portfolio Manager uses a pool facility with the custodian for executing transactions. When a transaction to buy or sell a specific stock is initiated, allocations are done on a pro-rata basis, but the trade is executed in the Portfolio Manager's name. Once executed, stocks or cash are proportionately allocated to the individual clients based on pre-determined allocations. This ensures:
        - Uniformity in execution price across client accounts.
        - Consistent allocation of shares or cash.
    - For NRI client accounts, pooling of transactions is not permitted. Therefore, all transactions are executed separately in accordance with regulatory requirements.

3. **Order Placement and Execution Process:**

    - Orders to buy or sell securities are generated through the Wealth Spectrum system and submitted to the Fund Manager for final approval.
    - Approved orders are then emailed to the designated broker for execution.
    - Typically, orders are placed at Current Market Price (CMP) unless there is a significant price movement or a block deal opportunity. In such cases, the broker contacts the Dealer for approval on any price modifications before proceeding with execution.

4. Specific Situations/Scenarios and Deviation Handling:

- Partially Filled Orders: In cases where an order is only partially filled, allocation is done as follows:
  - The allocation is prioritized in ascending order of trade size (from smallest to largest) to ensure that a larger number of smaller orders are fully filled, minimizing partially filled orders.
  - If the partial fill meets the minimum order fill value, the same ascending order allocation method is applied.
  - If certain accounts are frozen by NSDL or there is a cash shortfall in a specific account, the unallocated quantities will be redistributed to other clients proportionally.

5. Margins Management:

- Since individual client bank accounts are maintained (no pooling of client funds), margin allocations are handled proportionately through the custodian. Each client's share of the margin is clearly traced through their individual bank accounts.
- In cases where incremental margins are required, they will be allocated from each client's individual account to the pool account in a proportionate manner, ensuring transparency and accurate tracking of funds.

6. Deviations from Standard Process:

- Any deviations from the standard order placement and allocation process will be considered only in cases of exigency and will be subject to prior written approval from both the Principal Officer and the Compliance Officer of the Portfolio Manager.
- Each deviation must be supported by a detailed rationale justifying the need for the deviation and documented for audit purposes.

Compliance and Monitoring:

- The Portfolio Manager will ensure continuous monitoring of order execution, allocation, and margin management to adhere to the guidelines prescribed by SEBI and the internal policies.
- Any discrepancies, errors, or deviations will be immediately escalated to the Compliance Officer, who will take appropriate action to rectify the issue and ensure compliance with regulatory standards.
- All records of order placements, execution approvals, margin allocations, and deviations will be maintained in a transparent and auditable format for inspection by SEBI or other regulatory authorities.