Procedures and policies followed by the company

We are following the procedure for different areas of operations as under:

This procedure has been explained to all concerned, dealing officials and no deviations are permitted at their level if any deviations required they have to obtain approval from the director.

1. **Client Registration and documentation and updations**

   The branches/ sub brokers given duly stamped empty client agreement forms similarly at head office stamped empty KYC forms are kept ready. As and when the client approaches for account opening the due diligence of the client is carried out by the director at head office and by the branch head/ sub broker at their offices.

   The required copies of documents like PAN Number, address proof and bank details DP details etc. are collected and verified with original and originals are returned back to the respective clients. PAN number is verified from Income Tax web site.

   The action taken report data is checked before activating the client. Further in person verification is carried out by concern officials mentioned above. The client is made to understand risk in dealing in capital market during in person verification.

   Then only the client is activated in UCC and concern client is informed about the Client ID and make to understand the risk dealing in the capital market.

Any up-dations in address, bank details, DP details etc. the dealing officials collect the proof and verifies with originals and update in back office and this papers are kept with respective KYCs .

All KYCs are stored client code wise Branch wise / sub broker wise and easily accessible.

No client is entertained if he walks in for client registration.
We verify the financial details from his bank account and copy of latest income tax return.
We have adopted the concept of maker and checker while dealing with KYC in order to avoid any mistakes.

The copy of client registration form is given to the client and acknowledgement is obtained.
We do not offer any promotional schemes nor offer any thing free to the clients.
We do not out source client registration work.
Further we also ensure the updating in net worth and income every year on 1st April. And ask clients to update the same every year

2. **Sales Policies followed by the member**:

We do not have the sales personnel or relation ship managers as such and we do not induce any client to trade nor do we give our views about market movements. We also do not provide any market tips. All trades exclusively occurred at the instances of the clients .Whenever we decide to consider for opening any new branches or accepting any new sub broker details market survey is conducted and complete due diligence of sub broker is carried out.

3. **Closures of client account and dormant accounts**

Any clients who has not traded over six month and have zero balance or insignificant debit or credit balance are treated as dormant accounts. The dealing officials are advised to re confirm the trade request made by such account holders. The clients who have not traded over two years are deleted from the server and if client desires to trade new KYC is obtained.

Any accounts where there is no trading activity over two years and having no significant balance such accounts are closed on annual closing of books of account and the balance amount on those account is transferred to Kasar account and such accounts are closed . A letter is obtained from the client to close the account. In case client has not traded over six month such client places the order, re- confirmation is obtained by calling the clients.

We do not allow client to transfer from one branch/ sub broker to another branch/ sub broker.

4. Order receipt and execution:

Orders are received either on phone or in person at head office, branch/ sub broker office. They are punched in to the systems carefully as instructed by the client. In case of client trading by telephone, client's voice is recognized by concerned operators. In case of doubts operators are instructed to reconfirm by calling the client at the registered contact numbers with us.

We do not have telephone recording system for orders.

We convey over telephone in case trade has taken place against his limit orders.

5. Sending contract notes, daily margin statement quarterly statements of accounts to the clients

We print contract notes in duplicate. Original copy is sent to clients and acknowledgment of client is obtained in duplicate copy and maintain day wise.

The contract notes are sent through ECN and the acknowledgement is obtained through ECN Logs In case bounced mail we send hard copies and acknowledgment is obtained .The designated email ID and password is issued to the client through a welcome letter. In case client desires to change his/ her Email Ids the letter to that effect is obtained and change is carried out.

We send electronically on daily basis the outstanding positions along with M To M, margin paid and short fall in margin (if any) to each client. The margin shortfall is monitored by the director on daily basis.

6. Collection of pay in , margin , limits setting for exposures & turnover for clients, terminals, branches & sub broker level (Risk Management)

The director continuously monitor for ensuring each and every clients makes the PAY IN in-time. In case of delay from clients side in PAY IN appropriate action is taken by the director. The trading limits are reduced or zeroed in till such time the full PAY IN is received. Similarly the branch/ sub broker limits are also reduced or closed. Normally, we face the issues of timely PAY IN from the clients when market is falling, in such event the director calls each and every client to either square up their position or make the PAY IN on next day morning. In the event of any doubt the positions are squared up if the market is continuously falling and most of the times our clients have buy positions.
We have written down policies for risk management and which is also exhibited to the clients.
We debit late payment charges in the case of late payment received against the debit balances to the clients.
We do not do any funding to clients.

Further Dividend account is reconciled on daily basis and zero balance is maintained in dividend payable account. The dividend is paid out to respective clients on the receipt of the same.

We do not allow any third party transfers in any client accounts nor do we accept cash or DD or bankers cheques.

Client is omitted to offer the approved securities as margin & we shall apply the VAR margin for the purpose of hair cut & there after the credit of the balance amount shall be given to each & every client.

7. Monitoring debit balances

The director continuously monitors debit balances and the follow up at client level as well as at branch/ sub broker level and every day the statement of outstanding is send to each dealing offices. The old debit balances over 15 days are watched and trading limits are closed. In the event net debit over 90 days are treated as bad and appropriate action is taken for recovery there of.

8. Liquidation of client position :

In case when client do not pay short fall in margin on T + 1 basis we telephone the client and squared up of his/ her positions. Provided client do not assure for the payment in a day or two.

Client will not authorize the square up his position we do not maintain the record of telephone calls made for margin calls. However, such actions are resorted to, in emergencies only.

9. Policies for Internal Shortages:

Clients are instructed not to sale securities purchased yesterday in the event of sale stocks purchased on previous trading day and received short from the exchange it goes to auction and the client's account is debited on account of auction. We do not hold any securities of the client unless payment is outstanding over Rs. 1 Lac.

10. Transfer of trades :

We do not transfer any trades in back office. The transfer of trades on account of mistakes done by dealing operators are only transferred as per the system lay down by the exchange. However, such transfer of trades are very few and on account of

mistakes done by operators. The operators are trained and warned for more then one such mistakes.

11. Investor's redressed Mechanism

Any complain is received on phone, orally or by email the first thing we ask them to give it in writing. Complain is entered in complain register and put up before the director. The director issues appropriate instructions and the resolution are arrived at. However there are no complains as such during the period.

The complain register is maintained at head office clients are informed about the E mail for investor's grievances through contract notes.

The director monitors the pending investor complains and also calls the client and the branch/ sub brokers in charge immediately after market hours and appropriate action is taken for rederesal and necessary instructions are issued to the concerned officials.

The complaints are handled by the director.

However there is no complaint pending as on the date.

The director during the personal hearing with the client examines all aspects and also verifies relevant records and payments made by the clients.

We do not maintain more then one back office software.

We do not operate on POA for clients trading accounts.

12. Allotment, surrender trading terminals.

We have CTCL as front-end. We have allotted client id and default password to all our branches and sub brokers based on appropriate NCFM certificates and the information is up loaded to the Exchange in required modules.

At head office we use NEAT and NEAT OP. the IDs have been created and required information have been uploaded to the exchange and supported by NCFM certificates

All CTCL IDs are uploaded to the exchange in ENIT and after successful up-ladation, branches are allowed to log in.
The limits are set based on the deposits given by the branch/ sub brokers.

We carry out surprised inspection of the branches and ensure that no unauthorized use of the trading terminal is done by the branches. We also maintain the branch inspection report.

The procedure for opening and closing of branches/ sub brokers is explained at Point No. 20.

We convey to the clients of the closed branch/ sub brokers by telephone.
In case client desirous to trade he is conveyed over telephone.
We have a check list which list downs the steps followed for opening and closing of the branch/ sub brokers.

In case of closing the business with sub broker the cancellation procedure like issuing public notice and surrendering the sub broker registration to SEBI the exchange.

13. Payments, receipts of fund and Securities from / to clients.

The pay out is made and pay in received from the clients through a designated bank account declared by the clients. Any PAY IN cheques is received from any other accounts is rejected and if the client is produces the proof of account , in such case the additional bank details is uploaded to the back office after verification of documents. We do not use clients stocks for any other purposes other than making pay in on his behalf. No third party transfers of securities are permitted

14. Receipts, deliveries of securities from / to clients

The pay out is made and pay in received from the clients through a designated DP account declared by the clients. Any

PAY IN is received from any other accounts is rejected and if the client is produces the proof of account , in such case the additional DP details is uploaded to the back office after verification of documents.

15. Power of Attorney

We do not have any Power of attorney in any trading accounts.

16. Capacity of systems with reference to volume

We have adequate and updated system installed at our Head office which addresses our trading as well as back office needs. However all the branches / sub brokers are allotted CTCL id, our system with reference to capacity is more than adequate.

17. Branch audit

We carry out branch/ sub brokers inspection every year and check all aspects as laid down by SEBI like sign board, display of notice board, SEBI certificate, contact person name and telephone number.

Further, we also verify that no cash dealing is done by the branch.

We further verify that the branch is not trading out side the trading system.

Further we also verify that branch do not obtain the signed blank DP Instructions from the clients.

We check from the clients that they receive statement of accounts, contract notes etc.

We also maintain the report of branch/ sub broker's inspection carryout by us.

We have appointed internal auditor as prescribed by the exchange with detailed scope as specified by the exchange. Any

adverse remarks made by the internal auditors are placed before the board and corrective action are undertaken immediately.

No new branches are opened without survey conducted in that area. In case we decide to open the branch the sub broker registration is obtained first and then only terminal is activated in case of sub brokers branches and company does not wish to open new branches own in the present circumstances.

18. PMLA

We have a separate a written down policy which has been explained to all our dealing officials. The policy is regularly reviewed by the directors.

Due diligence is carried out for

a. Opening a client account
b. Entering in to a sub broker agreement
c. Appointing any personnel

We carry out in person verification of the clients and therefore there are no benami accounts.

We do not have any accounts as specified entities in guideline for anti money laundering by SEBI.

In due diligence of the clients we also ask the client to fill up the introducers column and signature of the introducer is obtained.

We are in the process of establishing automated alerts for dormant and suspicious transactions in the back office software.

We have appointed the principal officer and the Anti Money Laundering Policy has been forwarded to FIU.

We make aware our clients and branch in charge about Anti Money Laundering Policy and impart training to them from time to time.

Further, we also classify the clients into different categories like high risk clients, low risk clients and medium risk clients with specific reference to ANTI MONEY LAUNDING policy.

We have developed the reporting system for suspicious transactions.

19. Internet trading

We have obtained permission for internet trading and KYC agreement is obtained for clients wishing to do internet trading.

20. Opening & Closing of Branches.

We undertake the survey for a particular location and if business potential is good, than we open a new branch over there after also considering credential of Authorised person.

If we don't get sufficient business from that particular branch to meet the expenses of brnach than we decided to close the branch and for purpose we used to give prior notice of 30 days to all our clients associated with that branch.

21.