

Procedures and policies followed by the company

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

All our policies are placed on our web-site and also provided copy of these policies to the clients at the time of opening the KYC

This procedure has been explain to all concern dealing officials and no deviations are permitted at their level if any deviations required they have to obtain approval from the chairman.

1. Client Registration and documentation and updations

The branches and 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 executive directors at head office and by the branch head or by the sub brokers 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 numbers is verified to 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 updations 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 and easily accessible

We verify the financial details from his bank account .

We have adopted the concept of maker and checker while dealing with KYC in order to avoid any mistakes.

The copy of client registration is given to the client and ack. is obtained.

We do not offer any promotional schemes nor offer any thing free to the clients.

Total numbers of active clients are: 4400

2. Sales Policies followed by the member:

We do not have the sales personnel or relation ship managers as such and we do not educe any client to trade nor do we give our views about market movements. We also do not provide any market tips. All trades exclusively incurred 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

As per our policy & procedure the policy tends revised for inactive clients..

Definition of in-active clients shall be considered inactive if he has not traded for more than 12 months and such clients will be dealt in following manner.

- 3.1 Any client 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 to re conform 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.
- 3.2 If there is outstanding debit balance in his account and stock is lying in holdings (Client Beneficiary Account) or client has given POA in that event several attempts for recovery of our outstanding balance has not been responded by client by pay-in the outstanding amount in that event an E-mail will be sent to the client to liquidate his stock to the extent of debit balance.
- 3.3 Any accounts where 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 transfer to profit & loss account and accounts is 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.
- 3.4 In the event if he comes forward for trading the Due-diligence shall be done and then only he will be allowed to trade.

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

4. Order receipt and execution:

Orders are received either on phone or in person at head office, branch office or at Sub- brokers office. They are punched in to the systems carefully as instructed by the client. In case of client trading by telephone, concern operators recognize client's voice. 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-recorded 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

The contract notes are printed in duplicate at head office And send to the branches/ clients and the ack is obtained on the second copy and this second copy is filled at head office.

We send quarterly statements of fund and securities to the clients and obtained the ack.

We send on daily basis the outstanding positions along with M-To-M, margin paid and short fall in margin (if any) to each client. The Compliance officer on daily basis monitors the margin shortfall

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

The compliance officer continuously monitor for ensuring each and every clients makes the PAY IN in time. In case of delay from client's side in PAY IN appropriate action is taken by the compliance officer. The trading limits are reduced or zero in till such time the full PAY IN is received. Similarly the branch limits are also reduced or closed. Normally we face the issues of timely PAY IN the clients when market is falling, in such event th e compliance officer calls of 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.

7. Monitoring debit balances

The compliance officer continuously monitors debit balances from the clients and the follow up is need at client level as well as at branch 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 shortfall in margin on T + 3 basis we telephoned 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.

10. Transfer of trades:

We do not transfer any trades in back office. The transfers of trades on account of mistakes done by dealing operators are only transfer as per the system lay down by the exchange. However, such transfer of such 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 or orally the first thing we ask them to give in writing. Complain is entered in complain register and put up before the M.D. The M.D. issues appropriate instructions and the resolution is 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 in charge immediately after market hours and appropriate action is taken for redressal and necessary instructions are issued to the concerned officials. The directors handle the complaints

However there is no complain 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 than one back office software.

We do not operate on POA for clients trading accounts.

12. Allotment, surrender trading terminals.

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

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

We carry out surprised inspection of the branches / sub brokers and ensure that no unauthorized use of the trading terminal is done by the branches / sub brokers.

The procedure for opening and closing of branches is explained at Point No. 02

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

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 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

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 and sub brokers are allotted CTCL id, our system with reference to capacity is more than adequate.

17. Branch / Sub broker audit

We carry out branch / sub broker 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 the branch/ sub broker does no cash dealing.

We further verify that the branch / sub broker is not trading outside the trading system.

Further we also verify that branch/ sub broker 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 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.

18. PMLA

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