

Internal Control Procedure

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❖ **Acceptance of Client**

- No Walk-in clients should be registered as client or allowed to trade. Only those new clients would be accepted and allowed to trade with us, who would be referred to us by any of the following:
 - 1) Directors;
 - 2) Relatives or Family Members of the Directors;
 - 3) Sub Brokers & Authorised persons;
 - 4) Existing Clients.
- On expression of wish for becoming a client by any person, a copy of Client Registration Form along with other documents and forms will be forwarded to the client. The copy of the CRF will also be accompanied with the list of documents and additional documents or proofs required.
- Client Registration Form after being signed and filled by the Client will be received at our Client Registration department.
- At the client registration department, the documents are checked and only after they are found proper they will be counter signed by us. The client code generated will be communicated to the client after completion of entire procedure.
- A prospective client will be allowed to trade only on satisfactorily submission of required documentary proof and proper signing of documents.

❖ **Client Identification**

The following procedure should be adopted for identification of Client:

- As far as possible, no clients will be registered without personal contact.
- In addition to personal contact, for client identification, proper address and identity proof as prescribed by SEBI as per Uniform Documentary Requirement will be obtained from the client.
- PAN number and a Copy of PAN card will be compulsorily obtained from the client. No trading will be allowed unless the proof of PAN proof is submitted by the client.
- All the documents collected will be verified with original by the Client Registration Department.

❖ **Registration of Intermediaries:**

- The procedure as prescribed for registration of Approved Person's will be followed.
- Brokerage will be shared with the respective Approved person only after the Approval of Registration by the Exchange.

❖ **Issue of Trading Terminal**

- The Terminal User should be BCSM/BCDE/NCFM certified. Before allowing the user to operate the terminal, the copy of BCSM / BCDE / NCFM certificate will be collected and verified with the original.
- The user will be asked to renew the BCSM /BCDE / NCFM certificate on its expiry. If the user fails to renew the certificate then he would not be allowed to operate the same any further. The renewed copy of the certificate will be re-obtained and verified with original.
- The guidelines laid down by the Exchange for Approved User and Location of trading terminal will be strictly followed. It would be made sure that there is no issue of trading terminals to unauthorized persons or at unauthorized locations.

- The data regarding new user as well as modification in existing user should be immediately uploaded and documented on modification or issue to the new user as the case may be.

❖ **Margin Collection:**

- Any exposure to the client in the Derivatives segment will be subject to the collection of adequate margins from the clients.
- The margins collected would be as per the requirements of the Exchange.
- Margins collected would be in the form of Shares, Cash or Credits.

❖ **Transactions of Clients:**

- Transactions of all major clients would be monitored, if required and in case of any suspicion noticed from our side or possibility of any malfunctioning of the client, the client will be asked to stop such kind of malfunctioning or may be even asked to stop trading.

❖ **Pay-in & Pay-out of funds & Securities**

- All payments shall be received / made from / to the clients strictly by account payee crossed cheques or by way of direct credit into the bank account through RTGS / NEFT, or any other mode allowed by RBI.
- We shall accept cheques drawn only by the clients and also issue cheques in favour of the clients only, for their transactions.
- In case of securities, we shall give / take delivery of securities in "demat mode" directly to / from the "beneficiary accounts" of the clients except delivery of securities to a recognized entity under the approved scheme of the stock exchange and / or SEBI.
- We shall make the clients pay-in from the securities purchased by him in the previous settlements & lying with us.
- In case of internal shortage of shares the stock is recovered from the market on behalf of defaulting client (seller) and delivered to the buyer on receipt of the stock from the clearing corporation.

❖ **Monies & securities deposited with the exchange towards margin:**

- Adequate margin in the form of monies / securities / collaterals shall always be kept with the exchange.
- The form and mode of the margin shall be as per the guidelines of the clearing corporation issued from time to time.
- In case the client's shares / monies are utilized for depositing margin with the exchange, the same shall be utilized with the specific written consent of the clients.

❖ **Payment of Dividend:**

- Dividend / other corporate benefits shall be paid / credited to customers account within a reasonable time but not exceeding 30 days.
- In case of delay beyond 30 days the matter shall be reported to compliance officer.
 - ❖ The dividend / corporate benefits of client shall be kept in a separate client bank / client beneficiary account till the time the said is passed on to the customer.

❖ **Placement of Order:**

- The orders will be placed by the respective Dealer as per the instructions from the clients.
- However, it is made sure that the price put up would not be unrealistic or not representing the correct market price.
- Everytime before execution of order a final confirmation of the entire order would be made to the client.
- The clients would not be induced to either Buy or sell.

❖ **Other Areas:**

- Complete confidentiality of Client information would be maintained. No client information would be given except if required by law.
- Proper records as required by various statues will be maintained.
- Customer complaints would be immediately attended by the concerned department and in case the complain remains unresolved within 1 week the same would be escalated to the Compliance officer. If the complain remains unresolved for a further period of 1 month the same would be reported to the Director-Operations who would personally look into the customer's complaint. A specific (designated) email ID is created for customers complain and shall be regularly monitored by the compliance officer.