

INTERNAL CONTROL SYSTEM & PROCEDURE

- 1) Proper care is taken while opening trading accounts in such a way so that no account is opened in a fictitious name.
- 2) Documentation requirement (including **KYC/KRA/CKYC norms**) are adhered to strictly. PAN NUMBERS are verified on website .ID Proof ,Address Proof ,Bank A/C Proof, etc. to be verified with original.
- 3) While punching orders on terminal ,operator to take care in particular for telephonic instructions, With the person giving telephonic instructions quantity ,rate etc. should be confirmed so that dispute does not arise in future and also we are using voice recording system.
- 4) Trading activities will be permitted commensurate with financial position as of date.(how the financial position to be verified and with which documents to be described here)
- 5) Clients Funds should come from the bank which the client has specified in his KYC Form. Otherwise, proper verification at the time taking cheques.
- 6) Similarly, Demat securities from client must come only from DP IDs which the client has specified in his KYC form.
- 7) Cheques for funds payout are account payee cheques in favour of those clients in whose names transactions, contracts and bills are made and generated. NEFT/RTGS as per credited only submitted account only.
- 8) Demat Security payouts are made in those DP IDs which are specified for the purpose in KYC forms of clients in whose names transactions are made and contract and bills are generated.
- 9) On each bank payin slip, on back side clients code are written along with name of bank ,A/C No, Cheque No, etc
- 10) All credit and debit bank entries are checked daily by another person (other than the person doing entry)with the checklist.
- 11) Every quarter ,we obtain the confirmation of accounts from all clients.
- 12) Bank reconciliation statement must be prepared daily.
- 13) Every month we check pool a/c statement and beneficiary Demat statement for finding out Inconsistency, if any. The necessary remedial actions are taken immediately.

14) We are proceeding to a system of writing cheques along with the bank account details (taken from KYC forms) in a near future for all client funds pay outs. thus, all client payout cheques will be account payee cheques favouring those clients in whole name transactions are made and contracts and bills are generated and can be deposited only in those bank accounts which the clients have given the proof in KYC forms while opening trading accounts with us. This will eliminate the risk of funds being deposited for the credit of the persons having similar names and obviating the chances of fraud.

Written Antimony Laundering Procedures:-

As regards policy of accepting clients, we do not solicit clients. We obtain sufficient information using reliable independent source and data. We also conduct ongoing due diligence and scrutiny of the clients and his transactions.

Following safeguard are specifically followed (to eliminate risk factor also)

1. No account is opened in a fictitious name we obtain adequate information to satisfactorily establish identity of client.
2. Documentation requirements (including KYC form) is fully adhered
3. Necessary check and balance are put into place before opening an account so as to ensure that identity of the client does not match with any person having known criminal background.
4. Special care is taken while opening accounts of special category like non-residents, company etc.
5. If the clients has come thru a sub broker. We also see that the sub broker has taken proper care (as stated above from 1 to 4)
6. We do not accept CASH nor do we give cash to / from clients.
7. We strictly follow the rule that money is coming from the same bank account for which details have been provided.
8. Similarly we also ensure that Demat deliveries are coming form the same Demat A/c for which details are given.