

Procedures and policies followed by the company

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

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 client approaches for account opening, the due diligence of the client is carried out by the executive directors at head office

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 .

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 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 number of active clients are 400

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

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. If client desires to trade new documentation proof is obtained.

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 roundoff 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.

4. Order receipt and execution:

Orders are received either on phone or in person at head 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 concern 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 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 sent through ECN and also printed and the acknowledgement is obtained through ECN Logs In case bounced mail we send hard copies and ack. Is obtained .In case

client wants to take physical contract we take the acknowledgement of such client. 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 quarterly the statements of fund and securities to the clients and acknowledgement is obtained through ECN and logs of the same is maintained.

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 margin shortfall is monitored by the executive 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 compliance officer 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 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 short fall 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. 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 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 chairman. The chairman is 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.

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The complaints are handled by the directors
However there are 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 then one back office software.
We do not operate on POA for clients trading accounts.

12. Allotment, surrender trading terminals.

We have NOW .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.

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

All NOW 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. In case of branches default limit of Rs. 10 lacs is set
and monitored on day to day basics.

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.

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 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.

SERVER-----NEAT ID -----NOW ID

17. Branch / Sub broker audit

NOT APPLICABLE

18. PMLA

We have a separate 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

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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.