

Procedure for Client Registration

Persons are added as clients only after they had a meeting with the Employees / Authorised Persons / Proprietor.

The Client Registration Forms are prepared in the format as prescribed by SEBI and Exchanges.

The forms which are duly filled and signed are collected at the Branch offices.

In-person Verification is done by employees / authorized persons / sub brokers

Verifying Personnel's Name, signature is stamped in the Registration Form

The original forms and supporting documents are then thoroughly verified depending upon the nature of account type and the segment selected

Defective forms are sent back for rectification.

For all satisfactory forms, PAN is checked with IT site

Then information are keyed in back office software based on the Original form.

Another official generates the Unique Client Code and thereby activates the account after cross verification of all the details once again.

On the data being found fully correct, the required client details are then uploaded on UCC site.

After uploading, we run a check, on the UCC-site, by entering the specific client, whether or not the client details are actually uploaded on UCC-site

After obtaining the Success file, the same is mapped in the trading terminal.

A welcome kit including a welcome letter mentioning the Client code, copy of the Client registration form, Rights & Obligations of broker and clients, RDD Policy & Procedure are sent to the Client.

All client registration documents, once checked, found complete and verified are kept in safe custody at the Office Premises

Procedure for Closure of Client Accounts

Client accounts inactive for six months and more are made inactive in our system. Hence it is not possible to execute a transaction in inactive client accounts. However, a client can re-activate his/her/its account by giving us in writing in prescribed format to activate the account and also stating the reason for keeping the account inactive.

Closure request letter from the client is obtained in the prescribed format, specifying the reason for closure. The form should be duly signed by the client and should be forwarded to Head office. The signatures are verified. Any pending settlements in the existing code are also thoroughly cross verified. An exit interview over telephone is taken from the HO end. Then the existing code is deactivated in Back office software. Closure intimation is sent to the client either by post or through E-mail.

Procedure for Order Receipt and Execution

The company setup is small and all the clients are personally known to proprietor / employees / Authorised persons.

Their financial position is known and the dealer is aware of the risk appetite of the client which helps in better control.

The company has restricted the access to the dealing office only to the dealers / authorized persons.

The clients are informed of the dealers / authorised persons who would be responsible for receiving, validating and entering the orders on behalf of them.

The orders are received over phone and the orders are duly confirmed at the time of entry itself when the orders are inputted in the system.

The company has a telephone recording system. All the evidence of client placing / modifying / cancelling order are maintained in voice recorded form.

Contract Notes, Margin statement, Statement of Accounts to clients

The contract notes and margin statements are sent within 24 hours of execution of the trade.

Statements of account are sent on a monthly basis.

The activity of sending contract notes, daily margin statement and statement of accounts to clients has not been outsourced to any person.

Contract Notes, Margin Statement, Statement of accounts are hand delivered to the clients, acknowledged copies of the documents sent are maintained.

Risk Management

Exposure limits for each client is based on the amount of margin money deposited by each client, as per Exchange regulations. Upfront margin is collected from the clients.

The continuous debit balance of the client is monitored on a daily basis.

The Risk Management Team performs a real time monitoring of all the trading activities of the clients.

Authorization from all the clients is obtained to maintain running account.

The company collects and releases fund through banking channels only i.e Account Payee Cheques / Bank Transfer / Demand Draft.

Third party transactions will not be accepted.

Liquidation of Client Position

The company does not have a system of squaring off the position of a client or liquidation of securities without the consent of the client.

The company tries to have extra margin so that client positions are not forced to be squared off.

The Clients are informed over phone of any increase in margin, or any increase in MTM losses beyond their available collaterals.

The company provides opportunities to the clients to bring in adequate margin.

If payment is not received despite reminders then we square off the positions after giving prior intimation to the clients.

Client Code Modification and Error Code Policy

Client Code Modification means modification / change of the client codes after execution of trades. Exchanges provide a facility to modify any client code after the trade has been executed to rectify any error or wrong data entry done by the dealers at the time of punching orders. However, such Client Code modification is subject to certain guidelines as to the time limit within which the client code modification is to be carried out, terminal / system on which such modifications can be done etc. The facility is mainly to provide a system for modification of client codes in case genuine errors in punching / placing the orders. It is to be used as an exception and not a routine. To prevent misuse of the facility Exchanges levy penalty / fine for all non-institutional client code modifications.

“Error Trades” means the trades which will be modified / to be modified / allowed, to be modified subject to guidelines of the SEBI / Exchanges and this policy.

Only the following types of trades shall be modified / allowed to be modified:

- Punching error / typing error of client codes due to any genuine error or mistake in order entry, while punching the order, by any of dealer.
- Trade entered for wrong client due to any miscommunication from the client / authorized representative of the client.

The facility for Client Code Modification can be used only in case of Error Trade.

The Client Code Modification shall be carried out only on the designated system and / or as per the process as may be prescribed by SEBI / Exchange.

The penalty or fine, if any, levied on Amit Sahita for any wrong trade occurred due to any miscommunication from the client / authorized representative of the client shall be borne by the client.

Transfer of Trades

Management has proper Monitoring mechanism in place to review such transfer of trades. Each code change is reviewed by Management in order to ensure that there is no regular pattern observed. Also number of daily punching errors made by each Dealer is reviewed and based on findings they are warned and instructed. Even clients are called to find out reason for such code changes.

The dealers are warned in case of transfer of trades for such transfer of trades and cautioned that severe actions would be taken if such errors continue.

Investor Redressal Mechanism

A register of complaints shall be maintained centrally at the head office in accordance to the rules, regulations, Bye laws and directives of the Exchanges/SEBI stating complete detail of complaint.

An email id shall be exclusively designated for reporting complaints/grievances by the investors for reporting complaint electronically. The said email-id shall be informed to all investors and also displayed on the official website of the company. The designated email-id shall be printed on various stationary including KYC form and contract notes etc.

All the complaints registered with SEBI/MCX/NCDEX and/or received directly from investors shall be recorded in complaint register with status and other details including the mode of received (e.g. verbally, telephonically, electronically and physically).

The investor grievance redressal cell will monitor and redress the investor's complaint in supervision of Compliance officer.

It will be the duty of grievance redressal cell of the company to ensure that the complaints received from investors are redressed earliest and without delay. In cases wherein there is a delay in redressal whatever the reasons are, suitable instructions shall be given, which includes assistance from the legal consultants and other agencies to ensure the redressal earliest. The company has set a target period of maximum 30 days for redressal of any complainant provided the matter is not sub-judice before any court of law.

The Company shall regularly monitor the complaints according to its nature, branch, against a particular employee and/or authorized person etc. Suitable steps/actions shall be taken against the branches, employees, etc. from where maximum complaints are received/ shall be received. The analysis of nature of complaints helps the management to strengthen the systems further and to put in place necessary additional checks. Periodic MIS shall be prepared for smooth analyzing the complaints.

Opening & Closing of Branches / Authorised Persons

We do not follow policy of aggressive expansion through opening of Branches / Sub-broker. The decision to open or close any Branches / Sub-broker / Authorised person shall be made by the Proprietor.

Allotment, Surrender of Trading Terminals

All trading terminals are allotted to the dealers as per the requirements of the exchange and the same is first uploaded to the exchange.

All clients get limits for trade according to the available balances. The process for Allotment/surrender of Id's is as per rules and regulations of the exchange. Every time when we require id's for trading it shall be demanded in prescribed format of the exchange & same is for Surrender.

Surveillance Policy

Surveillance is the process of collecting and analyzing information concerning markets in order to detect unfair transactions that may violate securities related laws, rules and regulations. In order to achieve this and to create safer markets, the Trading Members should have in place adequate surveillance policies and system in order to monitor suspicious/manipulative transactions and curb such activities, if any.

Exchanges will share surveillance alerts for the trading done by the clients which needs to be downloaded by the Trading Members for detailed analysis. The alerts provided by exchanges shall be downloaded on

daily basis by the Compliance department from respective exchange system for an in depth analysis. The alerts shall be analyzed based on type of alert, client's past trading pattern, clients occupation, clients financial review , other connected clients in our database, etc. The alerts which are found to be suspicious and of which the Compliance Team is of the opinion that the same needs to be reported to the exchange shall be flagged separately. Such alerts should be forwarded to the concerned Relationship Manager/Risk Head for further clarification and scrutiny.

Compliance Team shall conduct an in depth scrutiny of alerts received from Exchanges. Each alert shall be studied with Root Cause Analysis (RCA) approach. The following shall be the process flow:

- Receipt of alerts from Exchange
- Scrutiny of alerts
- Email to respective RM/Risk Head for clarification on the trade done. (Wherever require Compliance Team will issue letter to clients asking explanation for the trade with supporting documents)
- Follow up with RM and getting the necessary explanation from clients along with the relevant documentary evidence
- On receipt of suitable explanation from the RM/Risk Head/Client, Compliance team will analyse the alert and would revert appropriately to the respective Exchange
- In case the alerts are found to be of such a nature which needs to be reported to FIU the same shall be done with the approval of Principal Officer of the Company.

It is to be noted that in case of exceptional circumstances where it may be difficult to seek explanation from clients on account of non co-operation of clients/ client not traceable, etc. the process mentioned above will not be completed. In such cases the matter would be brought to the notice of the Compliance Officer/Designated Directors for necessary action as may be deemed fit depending on the facts and circumstances of each case. Further, as per the regulatory requirements, Members are required to report the adverse alerts within 45 days

Outsource Activity Policy

It is decided that all operations in relation to maintenance and processing of client records are to be executed by in-house team only. The operations that require help of the outside agencies that cannot be performed by the in-house team such as lawyers assistance, auditor's services, courier services, stationary printing etc., only shall be outsourced based on the decision from the senior management.

The outside agencies shall be selected for such operations based on their professional expertise and past track record to ensure proper servicing to the investors as per the rules laid down by the exchanges, SEBI, and other regulators.

PMLA Policy

1. Objective:

The objective of these measures is to discourage and identify any money laundering or terrorist financing activities. These measures are intended to place a system for identifying, monitoring and reporting suspected money laundering or terrorist financing transactions to the law enforcement authorities.

2. Appointment of Principle Officer:

The company shall appoint a Principle Officer, as required under the Prevention of Money Laundering Act, 2002. The Principle Officer is responsible to discharge the legal obligations to report suspicious transactions to the authorities. The Principle officer will act as a central reference point in facilitating onward reporting of suspicious transactions and assessment of potentially suspicious transactions.

3. Transactions to Record:

- All cash transactions of the value of more than rupees ten lakhs or its equivalent in foreign currency.
- All series of cash transactions integrally connected to each other which have been valued below rupees ten lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month.
- All cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place.
- All suspicious transactions whether or not made in cash and including, inter-alia, credits or debits into from any non monetary account such as demat accounts.

Note: For recording all the suspicious transactions not only “transactions integrally connected”, “transactions remotely connected or related” should also be considered in records.

4. Information's to be recorded:

- The nature of the transactions.
- The amount of the transaction and the currency in which it was denominated.
- The date on which the transaction was conducted.
- The parties to the transaction.
- The origin of the transaction.

5. Retention of Records:

- All necessary records on transactions, both domestic and international, should be maintained at least for the minimum period of 10 years as prescribed in PMLA, 2002 and other legislations, regulations or exchange bye-laws or circulars.
- In situation where the records relate to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, they should be retained until it is confirmed that case has been closed.

6. Procedure and manner of maintaining information.

- The company shall maintain information in respect of above transactions with its client in hard and soft copies and in accordance with the procedure and manner as may be specified by the Reserve Bank of India or the Securities and Exchange Board of India, as the case may be, from time to time.
- The company shall maintain such information in form specified above and at such intervals as may be specified by the Reserve Bank of India, or the Securities and Exchange Board of India, as the case may be, from time to time.

- The company to observe the procedure and the manner of maintaining information as specified by the Reserve Bank of India or the Securities and Exchange Board of India, as the case may be.

7. Client Acceptance & Identification Policy:

The company has very strong system in place for acceptance of new client. The main measures which company has implemented for acceptance of new client keeping in view the PMLA requirements are as follows:

- The Application forms for opening an account are issued only when the prospective client provides the valid reference & introducer for his account.
- All accounts are opened only when the prospective client is present in person before the company official.
- The company collects the details of location (permanent address, correspondence address and registered office address), occupation details, nature of business activities, financial details etc. before new clients is registered.
- The company shall collect the various mandatory documents as required by law, including the proof of identity of the client.
- The company periodically reviews the trading volumes of the clients and their financial strength in terms of annual income, net worth etc.
- The company also monitors the financial transactions with clients for payin payout of funds and securities.
- The company has the policy not to deal in cash with any of the clients, all transactions, receipt or payment, are carried out only through account payee cheque and demand drafts only.
- The company transacts only in Indian Rupees and no other currencies are being used for trades with clients.
- All funds are released to the client by account payee cheques and with details of the bank account of the client written on the cheque so as to restrict the client to deposit cheques in only those bank accounts for which details are provided to us.

8. Reporting of Transactions:

- The company shall immediately notify to the money laundering control officers or any other designated officer within the intermediary that may be appointed by the authorities. The transactions will be informed immediately in the format as may be prescribed by the Financial Intelligence Unit (FIU) from time to time. The proper documents and supportings will be maintained and forwarded to the regulators as may be asked for.

POLICY ON PRE-FUNDED INSTRUMENTS

The Policy is subject to the rules and regulation of the Exchange from time to time.

Title: Acceptance of Prefunded Instrument for trades on Exchanges.

Scope: Acceptance of Prefunded Instrument like Demand Draft/ Pay Orders, etc., from a client against Payin Obligation / Margin.

Procedures: The Prefunded Instruments must be accepted only in following special circumstances:

1. If there are Bank Holidays on the following day;
2. Client having account in other Banks or in Co-operative bank;
3. If the client wants to create a position immediately and has no other way of transferring funds;
4. If the Bank account of the client is in a co-operative bank, which may take some time for the cheque to be cleared;
5. If the company Bank accounts clearing branch is not available in the city/village where the client has his bank account;
6. Such Acceptance is approved by SEBI/Exchange Norms.

Proof for acceptance: If the aggregate value of pre-funded instruments is Rs. 50,000/- or more from client per day per client, we may accept the instruments only if the same are accompanied by the name of the bank account holder and number of the bank account debited for the purpose, duly certified by the issuing bank. And the mode of certification may include the following either:

1. Certificate from the issuing bank on its letterhead or on a plain paper with the seal of the issuing bank;
2. Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument;
3. Certified copy of the passbook/bank statement for the account debited to issue the instrument;
4. Authentication of the bank account-number debited and name of the account holder by the issuing bank on the reverse of the instrument.

Objective: The Objective of this policy is to minimize the frequency of acceptance of Prefunded Instrument, specially Demand Draft where there is a difficulty in tracking the correct source of Issuance.

Permissible Limits: The Prefunded Instruments must be accepted only in cases mentioned above and not otherwise. Approval for acceptance must be taken by the Proprietor and only then credit should be given