

## INTERNAL CONTROL POLICY

1. As a policy, the company shall not indulge in Insider Trading and any other activity prohibited by the concerned stock exchanges. Further it shall take all steps to ensure strict compliance with this policy by all- staff members and clients.
2. All employees of the company are strictly prohibited from rumor mongering or spreading untestified information about the companies whose shares are traded on the stock exchanges. Further, there is no access to chat forums/ Messenger sites to all the staff. Only senior officials including Partners, Compliance Officer and Manager have the access to the said. Any information or market related news received by staff in official mail or their personal mail should be forwarded only after the same has been seen and approved by Mr. Akhlesh Goyal (Compliance Officer)
3. The company shall follow a policy of centralized accounting meaning thereby that accounts of all clients shall be maintained and settled at Head office even if the client is allowed facility of trading through a branch.
4. The company shall get Internal Audit of its operations done on half yearly basis and such internal audit shall be conducted by a qualified Chartered Accountant in compliance with the rules prescribed by SEBI and submit reports in prescribed formats to the respective Stock Exchanges.
5. Such internal audit and also concurrent audit on monthly basis shall also be conducted for DP operations.
6. System Audit of computer hardware/ network and systems shall be conducted on half yearly basis by CISA certified Chartered Accountant and the reports in prescribed format shall be submitted to respective authorities.
7. Branch inspections shall be conducted during visits by Senior Officers or Top management, to examine the implementation of client centric policy of the company and compliance with Exchange rules and procedures. Reports on such branch visits shall be prepared and filed after taking corrective action wherever required. Efforts shall be made to rectify the systems to make them client friendly as and when necessary.
8. In addition to the above the company shall enforce internal control and proper checks and controls shall be carried out by Senior Officers of the company on routine basis and observations shall be reported to and discussed with top management for taking corrective steps. Such checks and controls shall include the following:
  - Scrutiny of Trial balance and report abnormal entries / figures
  - Scrutiny of expenses accounts to ensure booking of expenses under correct head, availability of proper bills and authorizations for payment. Test check genuineness of expenses incurred.
  - Checking of proper deduction of TDS etc., from bills paid wherever applicable
  - Check that all dues of the Stock Exchanges of which company is a member and other statutory dues have been paid in time and there are no outstanding bills
  - Checking of deposit of taxes like TDS, Service Tax etc., and filing of returns in time
  - Check calculation and payment of Introducer Commission and other payments of such nature
  - Test check charging of brokerage and Exchange Transaction charges in bills and at correct rates- both for jobbing and for delivery and in Futures & Options
  - Check charging of service tax, Stamp duty and STT in accounts on random basis
  - Checking of client master maintenance and brokerage schedule maintenance on random basis
  - Check salary and leave records and correct payment of salary, leave encashment, bonus etc., proper deductions for leave without pay, TDS etc.
  - Test check FDR register to ensure proper receipt of interest and TDS credit.
  - Check dividend entries on random basis for accuracy

- Scrutinise Debtors and creditors on random basis.
- Scrutinise cash account and identify transactions, if any, which require to be reported to FIU under the PMLA
- Scrutinise transactions in general to identify suspicious transactions, if any, which require to be reported to FIU under the PMLA
- Check all bank reconciliations
- Check reconciliation of inter company accounts
- Check Stock reconciliation
- Collection of TDS certificates wherever TDS deducted
- Renewal of all insurance policies in time.

Such checks and controls specific to Depository Operations shall include:

- Check all cash / cheque receipt entries to ensure that correct account has been credited
- Test check monthly bills to ensure that all transactions are billed and all items of services are included and there is no revenue loss – cover some 15- 20 accounts each month by rotation
- Compare monthly bills of CDSL and our bills to notice any abnormal trend
  
- Check system of issue of delivery instruction books to clients and recovery of charges from them
- Test check some delivery instruction slips, DRF, Pledge entries and comment on efficiency of the system



