

INTERNAL CONTROL

1. Registration Of Clients:-

The Company registers clients only through reference of existing Customer/ Directors / Relatives of Directors/Sub-Brokers & Authorized Persons. Walk in clients are not encouraged to open accounts.

All clients should submit the Bank details; Demat details, Proof of address, contact numbers and copy of the pan card as per the KYC norms. The clients should sign all the documents as enclosed in the KYC form.

We do give the Client Registration Documents (CRD) to new clients & to existing clients as when demanded.

A separate consent letter is given by the client for the email ID along with the (CRD) or when the client.

2. Receiving, Validating & entering the orders of clients in the trading platform / delivering of Electronic contract note:-

After registration of client, the account is assigned to a particular dealer & the dealer is informed about the client financial position and other necessary details that will be usefull for the dealer to assess the risk profile.

We would like to draw your attention that we don't entertain walk-in client, all the client we have are only through the reference of the Existing client or by the director. So it is quite natural that the financial risk is know to us by the referred person. As for the existing client we enhance/decrease the trading limit periodically on his previous trading track record and on his payment promptness as per the risk. Trading limit of client is set with the consultation of management. And trading terminal limits are setup accordance with the requirement of dealer and client and Branch level also. We do not follow any sales practices such as issuing any trade advisory or any trading calls to our client.

Dealers are requested to enter the correct client code while punching the orders and while receiving the order on phone.

Contracts note are electronically send with margin statement on the trade date and logs are maintained regularly, we also send quarterly statement to the client with the clause of reporting any discrepancies within 30 days.





3. Collection & Release of Payments to clients and monitoring clients debit Balance:-

Clients are called for cheque in case of purchase & In case of payout, cheques are issued to the clients after verifying the delivery received with the demat department.

Pay-in & Pay-out of funds from / to clients are done regularly, however we also have letter of authority from clients to maintain running accounts across exchanges/segments. We have a separate Client Account, Cheques received from client are deposited only in this account and cheques issued to client are also from this account only. Further we never issued a Third Party Cheque/ Fund Transfer.

We don't liquidate or squared off position without consent of client, only in case if client refuses or don't respond to our call to make payment we squared off his position up to his debit amount.

4. Collection & Delivery of Securities and Internal Shortage:-

Pay in and Pay out of securities from / to clients is done regularly. Own Beneficiary Account & Client Beneficiary account are maintained separately. Client's securities held by the organization are not utilized for own purposes or for any other client.

Clients are called for shares sold & informed of settlement number well in advance to enable them to give instruction to their DP'S. In case of purchase Shares are delivered only after verifying the ledger with the A/C Department.

Whenever a Third party Securities are received for pay-in, the software itself generate Third Party Confirmation Report and the same is confirmed by the client by signing the confirmation report.

In case of internal shortage we call up selling party for the shares, failure to deliver the shares, it is closed out on the date of auction.

5. Transfer of Trade:

We don't transfer trade from one client code to another client if there is any mistake in punching of order we transfer such trade to ERROR Account as per exchange guide line.

6. Monitoring Of Branches/Sub-Brokers/DP Operations etc:-

The Branch Manager look after all the day to day operation of the Branch.

7. We are not using power of attorney for trading purpose on behalf of our client.





8. **Payment Of Dividend:-**

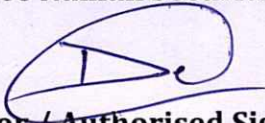
Dividend payoffs to be made to clients after receipt from company in case client's shares are held by us.

Once the Dividend is Credited in the Bank Account and on receiving Dividend Warrant from the issuing Company, We verify the Holding statement of clients and give the credit note to that particular client's account.

7. **Continuity planning/alternate plan in case of disasters etc:-**

We have Xeon servers and IBM server to Perform our day to day activity in back office and trading terminal to interact with client, Company has 2 branches i.e.Kandivali, & Ahmedabad. We have five lease line internal lan to establish connectivity between Exchange and Dealer, client, sub-broker and branches. In case of any system failure at any place the operation can be carried out at any other location to maintain continuity of business. Further we have five lease lines at kandivali office if there is any technical problem with any lease line we can seamlessly migrate to other lease line as a backup line.

For Shree Naman Securities and Finance Pvt. Ltd.


(Director / Authorised Signatories)

