

## **INTERNAL CONTROL POLICY**

### **General**

- All people coming to the company for any enquiry are dealt with only by the Person on duty at the reception who shall after ascertaining the details get in touch with the concerned person at the concerned department.
- There upon the person at the concerned department shall either furnish the details called for over intercom and, wherever found necessary, go to meet the person at the reception and discuss with him in the meeting rooms.
- Thus no outsiders have free access to any place in the office beyond the reception point or to any department or to any system.
- Provide the client with quarterly statement of financial and security ledger clearly indicating therein that if no discrepancy is pointed out by the client within 30 days of receipt of the said statement it will be deemed that the entries and the balance in the statements are correct.
- Send messages by SMS to the mobile number provided by the client as to the aggregate of the buy/ sell transactions in a day as well as about the debit/ credit balance in the clients account on a daily basis. This enables the client to ensure himself that no unauthenticated transaction has taken place in his account.

### **Registration of clients**

Clients introduced by branches/ sub brokers are verified in-person the representative of the Company. Subsequently, KYC in prescribed form for individual and non individual are completed and duly signed KYC is forwarded to our Centralize Processing Centre for Cross checking via respective Regional/ Branch offices. After satisfactory identification, client is registered and activated and provided with a unique client code. Further, Welcome Letters are sent to respective clients informing them their client code, back office log in access details, etc The unique client code of each client is then mapped on the respective branch terminal and trading limits are allocated as per the respective credits and Securities available.

### **Collection and release of payments**

Subsequent to the trades executed by respective clients, obligation payments are collected by cheques/ D.D. (in case of Urgency) from and same is deposited into designated client account of Greenbucks Securities (P) Limited. Payments are made via account payee cross cheque/ bankers' chq/ CMS/ RTGS/ NEFT in favour of respective clients as per their request to their designated Bank Account mentioned in the KYC. No cash collections and/ or payments are undertaken or permitted. In the case of accounts of non-resident Indians ensure that pay-out cheques are issued for the proceeds of sale of securities available after adjusting brokerage, service tax, STT, transaction charges and other deductibles and not for the net value of the trades. In all cases where authorization is given by the clients to maintain the account as running A/c to take care of the dues in various segments as well as to take care of the exposure and MTM margin requirements, pay - out to clients should be based on clients request after complying the inter segment settlement..

**Collections and maintenance of margins**

Initial margin is collected through cash or collaterals and accordingly Margin limit for trading as per defined rules is provided to the client. Subsequent to the trading activities of the clients, Margin requirement of each client is confirmed and collected from the respective client. *Relationship forever...* Credits so received are posted into respective client ledger/ margin statement accordingly. Real time client wise Risk Management is done in derivative segment/ Cash Market, along with control on margin & MTM obligations. The shares available in the demat account of the client who are provided POA are those approved by the exchange for providing margins as and when required.

**Collection and delivery of Securities to the Client**

Securities so sold in the market are called for Pay-in obligation from each respective client. Delivery of securities and Margin obligations is done as per respective client authorization i.e. either auto transfer facility (POA) and/or as per request to the designated client Beneficiary Account.

**Operation and Compliance Requirement.**

Unique client code allocated to the client is uploaded to NSE/ BSE via ENIT/ WEBEX. Compliance Dept. ensures that Books, records and registers are kept and maintained per prescribed rules and regulations. All activities regarding monitoring and redressal of the grievances of the investors and compliance of rules, regulations, notifications and guidelines etc are controlled and monitored by designated Compliance Officer and is periodically reported to the Board.

**Payment of dividends.** Credits so received with respect of the dividends on behalf of the clients for securities so kept with us for collateral are credited/ posted into respective client ledger statement, on the routine basis as and when received.

**Monitoring of Branches/ sub brokers/ DP operation etc.**

We work in Centralized Risk Management/ Accounting/ Billing & Contracting/ Compliance/ DP mechanism/ functions. However, business development and allied functions are being monitored via respective Corporate/ Registered/ branch/ sub-broker offices. There are pre-set and defined supervisory mechanisms for controlling and monitoring activities of Branches, Sub Brokers. Concurrent Audits are being performed for DP activities with CDSL, as per the guidelines specified by SEBI and respective Depositories. Routine/ Periodic Internal Inspections and Audits are conducted on branches/ sub-brokers to maintain and control business activities and functions.

**Monitoring of Client Transactions**

Client/ RMs are alerted when he/she margin/ MTM exposure crosses 60% of the limit set and if it crosses 70% and is about to touch 80%, the position should be squared off.

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

We have set BC and DR policy in place and have multiple Data Base/ Mode of Connectivity for trading access and also for back office/ support access. Routines/ Specific back-up for the records and registers are kept and maintained by designated department and is retrieved at regular intervals for cross-checking its authenticity, etc.

**Last Review Date 01-JAN-2016**