



PROCEDURES FOR INTERNAL CONTROL

- **Registration of Clients.:**

We have a proper account opening form covering all the points related to the same along with the details that are required by the client to submit at the times of submitting the account opening form. We also ensure that the client carry his original mandatory documents/ proofs so that they can be verified and also have the same self-attested by the client. At the time of account opening the name of the client is searched through the Internet search engines (<https://www.bseindia.com/investors/debent.aspx>) and (https://www.nseindia.com/invest/content/regulatory_actions.htm) to ascertain if there is any defaults or liability on him. Once the account opening form is complete the same is uploaded to the exchanges so as to ensure that the UCC is in place.

For Banks/Institutional Investors: Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years. Authorized signatories list with specimen signatures.

- **Receiving, validating & entering the orders of clients in the trading platform.**

The client's normally place their buying or selling orders with the dealers over the phone and at times they give the same by fax or email. After the trades are executed the dealers in either during the day or at end of day give the trade confirmation to the clients along with the other requisite details towards the pay in of the securities. **For institutional trades** All institutional trades to be mandatorily processed through STP

- **Collection and Release of Payments to clients :**

We normally have a practice that at time of giving the trade confirmation at end of day the dealers in coordination with the back office requests the clients for the payments towards his purchases. Secondly the payments are released to the clients within 24 hrs from the payout date and/ or are retained as credit balance in their ledgers with payments made on request of release of the same.

For institutional trades: All trades are settled through Custodian

- **Collection and maintenance of Margins./Risk management:**

We normally take margins/ advance at time of account opening but the same is adjusted during the follow on trades and at times the client transfers some shares as margins to us. In case of DEBIT in the ledger we hold back his pay out shares . We ensure that proper margins are in place and also ensure that by end of day or before reporting to the exchange we collect the margins from the clients but still in case of shortage of margins, the clients are informed immediately. We also levy penalties to clients for shortages in margins . The clients normally give margins either in cash, which is directly reflected into his ledger as margin but if the client has given Equity shares as margins then we maintain as separate account where in the details are mentioned. The value of the collateral treated as margins is taken into account after due haircut and this process of valuing the collaterals is done on day to day basis.

For institutional trades: All trades are settled through Custodian

- **Collection and delivery of Securities to the clients.**

In case of pay out of securities then the back office staff checks the ledger balance of the clients and then the securities are transferred to his demat account but incase of DEBIT balance then the same is retained as margin and held back till the DEBIT is not cleared.

For institutional trades: All trades are settled through Custodian



- **Monitoring of Branches / Sub-Brokers /**

We have just one trading branch office at Nariman point but all the back office work is being handled at the registered office (Fort), Mumbai.

- **Operations & Compliance Requirements.:**

Firstly regarding Operations, to ensure smooth trading and back office operations we have installed the latest systems required and from time to time the same are upgraded. Secondly regarding Compliance, we ensure that all reporting to the exchanges are made well before time and in case of any material changes then we take prior permission from the exchange.

- **Payment of Dividend etc.:**

The shares held We credit the clients with the amount of dividends received on the Shares held in the margin account or on account of trading Debits. For the same purpose we have a separate Dividend account. **For institutional trades:** All trades are settled through Custodian

- **Closure of Accounts/Dormant Accounts**

On Specific request for closure of trading accounts we ask the client to fill the account closure form prepared by us and see that his account is completely made zero by receiving or making of net payments due. If a particular client does not trade for more than 6 months we treat it as a dormant Account and special care is taken while processing his trades we call up the client and confirm the trade and ask for the reason of remaining inactive and also see to it that shares/funds are received from mapped bank/DP Account of the client. If a client does not trade for a full year we call him up and ask the client to close his Trading Account by filing up the Account Closing Form and we take a request for activating the trading account and provide fresh supporting documents.

- **Transfer of Trades**

We do not transfer any trades of client to another client in the Back Office. If any trade transfer is to be done (due to error or client specific request) then the dealers has to obtain specific approval with proper reasoning from the management.

- **Client Code Modification**

If any error done at the time of punching, the trade is transferred and squared off in our Error a/c i.e "ERROR " through changes in Neat+. In case any client request to modify the Code (Family a/c) then we seek written request from client and penalties if any are debited to the client.

- **Policy of Internal Shortages**

In case of internal shortages we inform the clients concerned and debit the selling clients Account as per the exchange rules, the client then is asked to cover his position by buying in the open market. We inform the client who has to receive the shares about the internal Shortage and inform him that share will be received on T+4 days with his consent .Once the client has not made once the shares purchased from the market the same are delivered to the purchaser and the Selling clients account is re-credited once the shares are received from market. **For institutional trades:** All trades are settled through Custodian



- **Investor Redressal Mechanism**

We have a online complaints entry module in our Website as well as e-mail facility, where the client can enter his complaint we maintain a separate Complaints Register where we enter the complaints of the client are registered and we see to it that the complaint is addressed to within 24 hours of the complaint. The Compliance Officer is responsible for addressing the clients complaint to the concerned department and resolve the matter within 24 hours.

Sd/-

Omprakash Damani
Director DIN. 00393350
Pratibhuti Vinihit Ltd

The above revised policy was approved by Pratibhuti Vinihit Ltd at the Board meeting held on 30-Sep-2021