

ALANKIT IMAGINATIONS LIMITED

POLICY ON INTERNAL CONTROL

Preamble

The underlying document outlines various policies and procedures, Alankit Assignments Limited has framed with respect to its dealing with clients for capital market transactions to ensure transparency and facilitate understanding on various aspects related to service delivery.

In our endeavour to provide clients with a competitive global and multi-asset class execution capability of the highest quality, designed to deliver efficient execution services in a cost effective manner in the context of an ever changing financial services industry with fast evolving market places. Our primary objective in handling your orders will be to deliver the highest quality executions reasonably available under the circumstances and within the context of applicable markets, seeking to balance often conflicting considerations with a view to providing clients with the best possible result on a consistent basis.

Definitions:

SEBI

SEBI means the Securities & Exchange Board of India.

Exchange/Concerned Stock Exchange/Respective Stock Exchange:

Exchange/Concerned Stock Exchange/Respective Stock Exchange in respect of any particular deal would be the Exchange on which the Authorised Person(s) effects the transaction, through Alankit e.g. MCX, NCDEX, ICEX etc.

Alankit

Alankit means Alankit Imaginations Limited

Expressions and words not specifically defined herein shall carry the same meaning and effect as contained in the Memorandum and the Articles of Association of Alankit Assignments Limited.

ELIGIBILITY FOR REGISTRATION AND COMMENCEMENT OF TRADING

Only the persons eligible under Securities Contract (Regulation) Act, 1956, SEBI (Stock Broker & Sub-broker) regulation 1992 and directions/guidelines issued by SEBI and/or Stock Exchange (s) and subject to fulfillment of other terms & conditions prescribed SEBI and/or Stock Exchange(s) and Alankit from time to time can be registered with Alankit to commence their trading.

AREA OF OPERATION

The Authorised Person(s)/Clients shall primarily be required to operate and trade on Principal Stock Exchange(s) through Alankit only within the areas specified by the Principal Stock Exchange(s) from time to time.

REFUSAL OF ACCEPTANCE AS AUTHORISED PERSON(S)/CLIENTS

The Board or any Committee constituted for the purpose may, in its discretion, refuse admission of Authorised Person(s) /Client(s) of Alankit without giving any reason thereof.

AGREEMENT WITH ALANKIT

It shall be mandatory for the Authorised Person(s)/ Client(s) to enter into an agreement with Alankit in the format prescribed by SEBI.

SCRIPS PERMITTED FOR TRADING

The trading through Alankit shall be allowed only in the scrips earmarked by SEBI /Exchange.

REGISTRATION OF CLIENTS

Staff members are instructed to strictly adhere to the rules and regulations framed by various authorities from time to time. All the client registration forms are scrutinized at various levels before final registration of the client.

The department responsible for registration of new clients for the Company shall be required to ensure due compliance of following procedure before providing trading client code to a new constituent:

i. That all of the clients duly complete the formalities relating to client registration as provided in KYC norms, as in force from time to time. The person in charge of client

registration department must also keep track of additional requirements prescribed by regulators e.g. RBI & SEBI from time to time in this regard and ensure compliance thereof.

ii. That sufficient documentary evidence is collected from the proposed constituent which establishes Identity and address of such constituent beyond any reasonable doubt

iii. That all the copies of supporting documents are matched with the originals

iv. That a copy of PAN is taken from each constituent, which has been verified with the original and cross checked with the data available on Income-tax Website. In case of any mismatch, the account must not be opened.

v. That the signature of constituent on Client Registration Form are matched with the signature given on the PAN Card or any other proof as may be submitted by the constituent and in case of any mismatch the account is opened only if the explanation for such mismatch is found to be reasonable on the basis of further documents e.g. Banker's Signature Verification, as may be submitted by the constituent.

vi. That sufficient information has been obtained to identify persons who shall beneficially own or control the trading account, whenever it is apparent that the securities proposed to be acquired through the account are likely to be beneficially owned by entity(ies) other than the client in whose name the account is proposed to be opened, verifying the customer's identity using reliable, independent source documents, data or information;

vii. That the constituent has provided information about the fact whether he has got any criminal background and whether he has been at any point of time been associated in any civil or criminal proceedings anywhere. In case the client is found to have a criminal background, than such a client must not be registered without specific permission from the management, which shall exercise due caution before allowing any client to trade through the Company.

viii. That no person is registered as constituent/client who has been banned from trading in the stock market.

ix. That the client has submitted sufficient documentary evidence to prove his financial standing.

x. That sufficient information has been taken from the client to ensure that the client is genuine and objectives of his proposed trading activities are legitimate and bonafide.

xi. In case a proposed constituent is found to be reluctant in providing required information, than additional measures are employed to verify identity as well genuineness of such constituent.

xii. Identify beneficial ownership and control, i.e. determine which individual(s) ultimately own(s) or control(s) the customer and/or the person on whose behalf a transaction is being conducted; and Verify the identity of the beneficial owner of the customer and/or the person on whose behalf a transaction is being conducted, corroborating the information provided in relation to customer.

xiii. That the account for clients which have been introduced by company's' employees are opened only after due permission from respective head of the department or management, as the case may be.

xiv. That the proposed constituent has been clearly informed that the volumes of trading transactions that shall be allowed to the constituent from time to time, shall solely depend upon the financial standing and amount of margins deposited by the constituent.

xv. That for the purpose of internal controls and due diligence exercise the constituent has been categorized as low, medium or high risk on the basis of clients' location (registered office address, correspondence addresses and other addresses if applicable), proposed nature of business activity, trading turnover. and manner of making payments. The department in charge shall record reasons in writing for categorizing any client as low, medium or high risk.

xvi. Obtaining sufficient information in order to identify persons who beneficially own or control securities account. Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party should be identified using client identification and verification procedures.

The beneficial owner is the natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement

xvii. Conduct ongoing due diligence and scrutiny, i.e. perform ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the registered intermediary's knowledge of the customer, its business and risk profile, taking into account, where necessary, the customer's source of funds.

ACCEPTANCE OF CLIENT ORDERS:

In all offices we have authorized persons who are TERMINAL operators. These TERMINAL Operators who attend the Clients' Orders have been assigned Clients and Clients have been advised to contact particular person for placing/modifying/canceling their sales/purchase Orders. Every TERMINAL operator would first ensure that person contacting personally/

over phone is client himself. The orders are entered on the trading system with due care regarding the security, quantity, rate etc. Confirmation for execution of market orders is given immediately and limit orders are confirmed upon execution. No order to be entered at unrealistic rates even if instructed by the client. In case of orders being executed in the wrong code the same is rectified immediately upon identification. Only orders that meet the risk management parameters are accepted based on the balances of the clients.

COLLECTION AND RELEASE OF PAYMENTS TO CLIENTS:

Collection: - Person authorized to collect dues from clients (at HO it is Accounts Assistant and at branches it is Branch Managers) review outstanding to be received on continuous basis.

It is imperative that amounts are to be collected on due dates. In case of delay by any client or in case of cheque being dishonored, necessary follow up is ensured by the officials. It is ensured that the payments are received from the respective clients only. In case where it has been identified that there is a receipt from an account that does not belong to any client then the amount is returned to the same account.

Release of Payments:- All the payment to the Clients are on made on due date. However those clients who have given us a Running Account Authorization and do not want payments for their convenience are paid on demand. All the payments are made to the respective clients only.

MONITORING OF BRANCHES/APS:

We have a centralized system for the back office and accounting procedures. The branches are under direct control of Head Office.

Branch Managers are experienced, knowledgeable and qualified. Branch Manager is adequately briefed about conducting Commodity Broking business. Common software program have been provided to Branch. Branch Managers have been instructed to comply with guidelines/instructions of SEBI /Exchanges and ensure best service to our Clients.

Opening and Closing of branches/ AP offices: Opening and Closing of branches and AP offices are, in accordance to the Exchange's circular. Our Company has opted the detailed procedure for opening and closing of Branched and AP Offices as prescribed in said circulars.

For the closure of any branch or AP office, all requirement as prescribed shall be complied with. Before closure we informed to all the constituents of that AP about such closure via emails, telephone etc. so that they can settle their pending issues if any. Besides that, we notify the same in regional newspaper of that area where the AP carrying on its business about such proposed closure. For the closure of Branch and AP office, in accordance prescribed circular, all the requirements like request from Trading Member for surrender of registration of AP, application from AP for surrender of registration, public notification, intimating the Clients/ general public of the surrender, issued in the local newspaper are complied with.

INSPECTION:

Trading member to inspect on a yearly basis –
-30% active AP/ Branches;
- Each active AP/Branch to be inspected at-least once in every 3 years

PAYMENT OF DIVIDEND:

Dividends received on securities of the Clients / Trading Members are transferred to them on the same day.

INVESTOR GRIEVANCES REDRESSAL MECHANISM (TRADING AND CLEARING):

We have a separate Customer Care Desk dedicated to help and assist the clients in their day to day operations and to minimize the possibility of complaints. Any person having a grievance or complaint may approach either the Customer Care or the Branch or the Head Office for redressal of his complaint.

The facts are ascertained from the record and from the concerned officials, the matter thereafter discussed with the client and all attempts are made to resolve it amicably and to the satisfaction of the client. All unresolved complaints are escalated to the Head Office and the same is dealt with as per the regulatory requirements.

All the Branches and Authorized Persons maintain Complaint Book. The Notice board indicating the contact person's details at the Head office is also displayed at all locations to facilitate the clients to escalate the matters as and when necessary. We have also created an exclusive email ID for receipt of client complaints which is monitored by the Compliance Officer of the Company.

ISSUANCE OF CONTRACT NOTE:

Contract notes are issued to the clients as per the regulatory requirement within 24 hours of execution of the traded. The Contract Notes are issued in both the forms i.e. Electronic as well as in Physical form subject to their preferences. A contract note shall be signed by authorized signatory. Names of these authorized signatories will be printed on the Contract Notes.

Contract note is time stamped with the time of receipt of order and the time of execution of order. The contract notes is numbered with unique running serial number commencing from one at the beginning of every financial year (v.i.z. April to March).

Contract Notes also indicate brokerage charged to the Client.

Advertisement Policy:- Company give advertisement for recruitment purpose and also to Promote its business. Exchange prescribed the code in which a Member can give its advertisement. Company gives its advertisement in the code prescribed/approved by Stock Exchange for the purpose or after taking the prior approval from the Exchange.