

C. D. INTEGRATED SERVICES LTD.

CONTROL DOCUMENT FOR INTERNAL POLICIES AND PROCEDURES

1. CLIENT REGISTRATION

WORK / AREA / PROCEDURE	PERSON RESPONSIBLE	APPROVING AUTHORITY
Handling inquiry of the proposed client	Trading Assistant	Trading Manager
Asking for the introduction from existing client or introduction by some reputed/known person (may not be existing client, but is known to the management of the company)	Trading Assistant	Trading Manager / Director
Obtaining duly filled KYC form, Agreement, RDD, Investor Rights, PAN, Address proof, Bank details, DEMAT details any other document as may be prescribed by stock exchanges / SEBI from time to time, towards the client registration formality to be done, before starting of actual trading / investment business with the Company	Trading Assistant	Trading Manager / Director
Due verification / in-person verification by the concerned officer.	Trading Assistant	Trading Manager / Director
Upon due completion of client registration process, along with all the necessary documents, approval from the Company's authorized signatory is done on the client registration documents and the same is uploaded on the stock exchange platform (UCC Registration)	Trading Assistant	Trading Manager / Director
Giving copy of executed document to the client and information of his client code	Trading Assistant	Trading Manager / Director
For registration of a sub-broker / authorized person, similar steps should be followed. Also the sub-broker should be apprised of the company's client registration policies, for further registration of clients of the sub-broker.	Trading Manager	Director
Executed client documents should be kept at a secure place, as decided by the Management of the Company, in such a way that they are accessible easily and their management and periodic updation should be done as per the rules of exchange / SEBI as prevailing from time to time	Trading Manager	Compliance Officer

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2. CLOSURE OF CLIENT ACCOUNTS / DORMANT ACCOUNT

WORK / AREA / PROCEDURE	PERSON RESPONSIBLE	APPROVING AUTHORITY
<p><u>Closure of account</u></p> <p>Receiving application from the client for closing of trading account, after knowing the reason for closure of the account from client, verification of details given by the client is done, and account is frozen in the back office system (freeze for all). The client is given written intimation regarding closure of the account. The records of the accounts closed in such a way, are kept for the period as specified by the stock exchange / SEBI from time to time.</p>	Trading Assistant	Trading Manager / Director
<p><u>Dormant</u></p> <p>Obtaining list of the clients who have not traded (no transactions have been carried out) since last six months. To freeze the client code for the trade in all such cases. The account once termed as dormant, may be made active again, only after written request of client along with the necessary supporting documents, and after receipt of such request / documents and approval of the same by the authorized person from the company, the client may be activated in the back office again as an active account.</p>	Trading Assistant	Trading Manager / Compliance Officer

3. ORDER RECEIPT AND EXECUTION

WORK / AREA / PROCEDURE	PERSON RESPONSIBLE	APPROVING AUTHORITY
Once the client registration formalities are complete, if possible, the client/s and the dealer/s are introduced to one another either physically or over phone.	Trading Assistant	Trading Manager
Giving client code to the client and telephone number / dealer's details if necessary, for trade.	Trading Assistant	Trading Manager

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On call from the client on the trading line, first ask for the client code. Upon the dealer being satisfied on the identity of the client, receive the order from the client and execute the trade / put the trade limit as per the client instructions and also consider the risk management procedure as specified by the company from time to time.	Trading Assistant	Trading Manager
If the trade is executed immediately, confirm the trade execution to the client or if it is a limit order, confirm the execution of trade if and as and when the trade takes place.	Trading Assistant	Trading Manager
On completion of trading hours for the day, confirm all trades done during the day for the client, if not confirmed earlier.	Trading Assistant	Trading Manager
If the client comes physically to the dealing office of the company, the dealer upon identification of the client, can execute the trades / put limit orders as per his instructions and also consider the risk management procedure as specified by the company from time to time. For the trades done / limit orders accepted over telephone lines, the company shall arrange to record these telephone lines, so as to safeguard its interests in case of any dispute or mis-communication. Such recorded data shall be preserved by the company for a reasonable period of time or as specified by the stock exchanges / SEBI from time to time.	Trading Assistant / Trading Manager	Trading Manager

4. SENDING CONTRACT NOTES, DAILY MARGIN STATEMENTS, QUARTERLY STATEMENTS OF ACCOUNTS AND QUARTERLY STATEMENT OF SECURITIES TO CLIENTS

WORK / AREA / PROCEDURE	PERSON RESPONSIBLE	APPROVING AUTHORITY
<p><u>Daily Contract Notes / Daily Margin Statements</u> Printing of Contract cum Bill / Contracts and Bills and Daily Margin Statements every day. Giving the same to client every day and obtaining acknowledgement of the same. Giving the detail of the same to the client who has opted for receiving the same documents through email. The company shall safely keep the acknowledged</p>	Back Office Assistant / Trading Assistant	Back Office Manager / Trading Manager

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<p>copies of the contract notes / daily margin statements, for a period as specified in the regulations of SEBI / Stock Exchange.</p> <p>In case the client asks for duplicate copies of the same in case of misplacement of the original contract notes / daily margin statements, the same shall be given to clients such that the original number of the original contract note / daily margin statement, does not change, either in soft copy or physical copy.</p>		
<p><u>Quarterly Statements of Accounts / Quaterly Statement of Securities</u></p> <p>Printing of the statements of accounts and securities every quarter and giving the same to the client on quarterly basis, and if required, obtaining an acknowledgement of the same from the client.</p>	<p>Accounts Assistant / Demat Assistant</p>	<p>Compliance Officer</p>

5. RISK MANAGEMENT

WORK / AREA / PROCEDURE	PERSON RESPONSIBLE	APPROVING AUTHORITY
<p>Strict Client Registration policy, for direct clients as well as clients through sub-brokers, as approved from time to time shall be followed</p>	<p>Risk Assistant</p>	<p>Risk Manager</p>
<p>All risk management should be centralized, from main office. All exposure, margin, intraday trading, delivery limits should be centralized for all clients.</p>	<p>Risk Assistant</p>	<p>Risk Manager</p>
<p>For all clients, MTM loss limits, Exposure Limits, Initial Margin Limits, should be put into place, the initial limit setting should be based on the collateral provided, financial condition of the client, reference provided. Further modifications of the above limits can be based on the business experience with the client, but any modifications should be done in consultation with the Management only.</p>	<p>Risk Assistant</p>	<p>Risk Manager</p>
<p>Periodic review of such client limits should be undertaken and modifications made, if necessary, in consultation with the Management.</p>	<p>Risk Assistant</p>	<p>Risk Manager</p>
<p>For derivatives trading, upfront margin should be asked for and based on the upfront margin / collateral only, trading limits should be set.</p>	<p>Risk Assistant</p>	<p>Risk Manager</p>

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Securities purchased as delivery trades by clients, should be transferred to their respective demat account, only after confirmation of receipt of payment towards the same, from accounts department. Similarly for securities sold as delivery, payment to be credited into client's bank account, should be done only after confirmation from demat department about receipt of delivery of the security into the pool account of the Member.	Risk Assistant	Risk Manager
Trading / Investments into illiquid securities, penny stocks should be restricted, and if there is any inquiry from client for such orders, after consultation with management about the bonafide intention of the client, only then any such inquiry should be encouraged. Scrips under T2T segment, should be under strict surveillance. If need be, such scrips should be banned from trading terminals, so that there is no punching of trade by mistake also.	Risk Assistant	Risk Manager
The provisions of PMLA, Banned entity list from SEBI / Stock Exchange, other such provisions / data should be uploaded on regular basis into the back office system, to ensure a healthy risk management system. Also check UN and FATF List on UN Website before uploading UCC.	Risk Assistant	Risk Manager
The company shall not provide any trading / investment tips to any client, and if any research report / outsourced information is provided, the client should be warned of the risk of financial markets, along with the same.	Risk Assistant	Risk Manager

6. LIQUIDATION OF CLIENT POSITION

WORK / AREA / PROCEDURE	PERSON RESPONSIBLE	APPROVING AUTHORITY
In case of a situation where the client is not able to meet his financial obligations, after discussions with him / elapse of 48 hours after the pay-in date, the client should be warned and given a short period of time for meeting his financial obligations.	Trading Manager	Compliance Officer
Inspite of persuasion and reminders oral or written to the client, if still the client is not able to fulfill	Trading Manager	Compliance Officer

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his financial obligations and if 48 hours have passed after giving of oral / written reminders for payment, only after explicit oral / written approval from the management of the Company, the client position is to be liquidated and/ or the stocks lying as collateral or the stocks lying in the beneficiary account of the company on behalf of the client are to be liquidated and after such an action a written / oral intimation is to be given to the management as well as the client of such any action by the Company.		
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7. POLICY OF INTERNAL SHORTAGE

WORK / AREA / PROCEDURE	PERSON RESPONSIBLE	APPROVING AUTHORITY
In case of an internal shortage of delivery, where the purchase and sale of a security is internal between two clients of the company, and if the selling client fails to deliver the security, then on the day of the pay-in of security (after the pay-in has been completed), the same quantity of security shall be bought in the client code of the selling client and on payout of this settlement, the security shall be transferred to the original purchasing client.	Demat Assistant	Demat Manager

8. TRANSFER OF TRADES

WORK / AREA / PROCEDURE	PERSON RESPONSIBLE	APPROVING AUTHORITY
Adequate care should be taken upfront, so that there is no punching error, mis-communication of client code and subsequent change of client code/s is not required. The various steps which can prevent this can be proper communication of client code to the client, mapping of authorized and active client codes in trading terminals, removal of inactive/ dormant and closed account client codes from the mapping done in trading terminals and also keeping a master list of client codes which are active near trading terminals, so that they are visible to dealers in case any client /	Trading Assistant	Trading Manager / Compliance Officer

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dealer requires any confirmation of such client codes.		
However, if there is any error in punching of client codes, if the trade is executed, the same should be transferred to an “Error Code Account” of the company and simultaneously it should be squared off in the same error code account. Also, the new trade / limit should be entered into the trading terminal for the actual trade / limit of the client. In such a situation, it should be ensured that there is no financial loss to any client, and such loss, if any, should be made good to the client in means and ways which are permitted by the stock exchange / SEBI	Trading Assistant	Trading Manager / Compliance Officer
In case of any such situation of error in punching / transfer of trades, only the authorized person of the dealing department is responsible and authorized to transfer such trades, if any and any dealer of the company shall not be permitted to do so, and the management of the Company shall be informed of the same, on the same day of such an instance happening.	Trading Assistant	Trading Manager / Compliance Officer
However, if there has been any error from the client side and the client insists to transfer such an error to the original code for which the trade was meant, upon receipt of oral / written instructions from client about this specific transfer of trade, the trade may be transferred on receipt of approval from the authorized person of the company, but only after the client agrees that any penalty that shall be levied / any other action that may be taken by the regulatory authority / stock exchange; shall be borne by him and he shall be able to satisfy the authority that the error was genuine, with no malafide intentions.	Trading Assistant	Trading Manager / Compliance Officer
In case of any transfer of trade / trade modification, the same shall be uploaded as per the rules and procedures prevailing on the exchange from time to time and it should be within the time limits prescribed by the exchange for the upload of the CLD files on the same day.	Trading Assistant	Trading Manager / Compliance Officer
In no case, the trades will be transferred in the back office (i.e. no transfer of trade is done on the exchange platform, but only done in the back office system of the Company). Also, in no case shall trades be transferred from PRO to CLIENT	Trading Assistant	Trading Manager / Compliance Officer

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or vice versa.		
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9. INVESTOR REDRESSAL MECHANISM

WORK / AREA / PROCEDURE	PERSON RESPONSIBLE	APPROVING AUTHORITY
The company shall take necessary steps to ensure that all its dealing offices / branches / sub-broker offices / main office etc. shall display a notice board which contains the name and address of the Company along with the person in charge of the respective office and telephone numbers of the office. Also all the bills and contract notes shall contain investor redressal email i.e. cdhelpcenter@gmail.com , apart from the normal name and address of the company.	Compliance Assistant	Compliance Officer
On receipt of any investor complaint, whether physically or post or through designated email id of the company, a copy of the same should be sent to Compliance Department as well as the Management of the Company. Simultaneously, the details of the same are also entered into the Register of Complaints, to be maintained by the Company.	Compliance Assistant	Compliance Officer
Based on the contents of the complaint, the same should be forwarded to the respective department of the Company and it shall be the responsibility of the Compliance department to gather the facts / data about the complaint, reasons thereof etc. in consultation with the respective department of the Company.	Compliance Assistant	Compliance Officer
An acknowledgement should be sent to the client about the receipt of his complaint within reasonable time and also a broad time frame should be specified for the redressal of the same.	Compliance Assistant	Compliance Officer
Upon redressal of the complaint, the client shall be intimated about the same and shall also be given an option that if he is still not satisfied by the redressal mechanism of the Company, he can address the complaint further to the concerned Stock Exchange.	Compliance Assistant	Compliance Officer

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10. ALLOTMENT / SURRENDER OF TRADING TERMINALS, OPENING & CLOSING OF BRANCHES

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For any allotment / surrender of trading terminals, the same shall be approved either in written or on oral basis by the Head of the Operations / Dealing Department.	Trading Manager	Director
For allotment of trading terminal, details such as NCFM certificate, other personal details of the dealer, location of terminal, unique terminal ids as per the specifications given by the stock exchange from time to time, shall be gathered. Only after successful upload of such addition / deletion of trading terminals on the Stock Exchange Database, as per the procedures being followed from time to time by the stock exchanges, shall the actual trading terminal be installed / removed.	Trading Manager	Compliance Officer
For opening and / or closing of branches of the Company, once the management approves the same, it is to be intimated to the stock exchange as per the rules from time to time, if prior approval is required from the stock exchange, the same is to be obtained, if the stock exchange is only to be informed, the same shall be done, and only after such procedure the actual action of opening or closing of a branch can be done.	Compliance Officer	Director
All the compliances, policies and procedures as prescribed by stock exchange / SEBI from time to time are to be followed during the period any such branch is in operation and the till the time any such branch has been closed.	Compliance Assistant	Compliance Officer

11. BRANCHES / SUB-BROKER, AUDITS

WORK / AREA / PROCEDURE	PERSON RESPONSIBLE	APPROVING AUTHORITY
The company shall undertake sub-broker audit of atleast 10% of its sub-brokers, every year. The broad guidelines for audit of sub-broker shall contain points like : infrastructure and facilities	Compliance Assistant	Compliance Officer

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provided to clients is upto the service standards of the company, proper maintenance of books of accounts, other records of the sub-broker, no unauthorized work is going on at the sub-broker premises, proper display of notice board at sub-broker premises and any other audit points as may be mentioned by stock exchange / SEBI should be covered in the scope of audit.		
For any of the branch opened by the company, the company may decide on the periodicity of branch audit / branch visit based on the business volume of the branch, but each branch should be visited and audited (from compliance point of view) atleast once in a year.	Compliance Assistant	Compliance Officer

12. POWER OF ATTORNEY

WORK / AREA / PROCEDURE	PERSON RESPONSIBLE	APPROVING AUTHORITY
As a matter of policy, the company shall not accept any POA, from any client, to trade / invest on behalf of the client. The company is not into any kind of Portfolio Management Services.	Compliance Assistant	Compliance Officer
The company is a DP of NSDL, so the DP division does have POA from clients having their beneficiary accounts with the DP, but that is purely for auto pay-in of securities only, when they sell the securities which are to be delivered into the Company's pool account.	Compliance Assistant	Compliance Officer

13. POLICY ON PRE FUNDED INSTRUMENTS AND ELECTRONIC FUND TRANSFER

If the aggregate value of pre-funded instruments is Rs. 50,000/- or more from client per day per client, we may accept the instruments only if the same are accompanied by the name of the bank account holder and number of the bank account debited for the purpose, duly certified by the issuing bank. And the mode of certification may include the following either:

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- a. Certificate from the issuing bank on its letterhead or on a plain paper with the seal of the issuing bank.
- b. Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument.
- c. Certified copy of the passbook/bank statement for the account debited to issue the instrument.
- d. Authentication of the bank account-number debited and name of the account holder by the issuing bank on the reverse of the instrument.

14. DISSEMINATION OF MARKET RELATED INFORMATION

- a. The Company follows following steps for Dissemination of Market Related Information
- b. The employees of the company are not allowed to spread any rumor about market as a whole or about any shares or about anything that may affect the market.
- c. Internet access policy well in place and employees are only given to access to the internet through user id control mechanism. Also employees' access to messenger services is restricted from the server and access to blogs is restricted or monitored.
- d. Any news or market related information received is first verified by the Compliance Officer and then circulated outwards.
- e. Logs of any circulation of market related information is maintained.

15. KRA Policy

KRA is now compulsory for all the clients. The following steps for followed for KRA registration.

- a. When client come for a new account opening, he/she is asked to fill the KRA form.

- b. If he/she is already registered with KRA then he/she is asked to write the KRA registration no. on the KRA form.
- c. Alternatively Online checking on NSDL and CDSL website is done for KRA status for all the new clients.
- d. For old clients new form is filled by clients with relevant proofs.
- e. All collected forms and proofs are uploaded to KRA website and sent to KRA agency on every Saturday. And the status has been checked regularly.
- f. If the status is not approved within specified time form upload date, then client will not be allowed to trade.

16. INSIDER TRADING POLICY FOR TRADING IN SECURITIES of C. D. INTEGRATED SERVICES LIMITED

SEBI has enacted the Prohibition of Insider Trading Regulations, 2002 AND subsequent insider trading regulations 2009 which is applicable to all market intermediaries like us. Pursuant to the said regulations and amendments in the said regulations from time to time, it is necessary that we being a capital market intermediary, do comply and follow the prescribed procedures in order to prevent the misuse of price sensitive information which an employee/client/director/officer of the company may have access to.

For the purposes of implementation of the code for trading in securities by employee/clients, definitions along with explanations where thought necessary are given as under:

II. DEFINITIONS:

“Securities” include-

- a) Shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- b) Derivative;
- c) Units or any other instrument issued by any collective investment scheme to the investors in such schemes;
- d) Government securities;
- e) Such other instruments as may be declared by the Central Government to be securities; and
- f) Rights or interests in securities.

Explanation: Mutual fund units, derivative products like futures and options are also covered.

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“**Client Company**” means a listed company which has given mandate or proposes to give any mandate in relation to preparation of any research report, credit rating report, appraisal report or valuation report.

“**Compliance Officer**” means a senior officer(s) of the Company who are appointed as Compliance Officer(s) for overseeing the compliance with Prohibition of Insider trading.

“**Price Sensitive Information**” means any information which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of such company and includes-

- periodical financial results of the Company
- intended declaration of interim/final dividend
- issue of securities or buy-back of securities
- any expansion plans or execution of new projects
- amalgamation, mergers or takeovers,
- disposal of the whole or substantially the whole of the undertaking,

any significant changes in policies, plans or operations of the Company

III. Basic procedures for personal investments:

Moral conduct: Every employee/client is expected to put the interest of the Company before his/her personal interest.

Prevention of misuse of Price Sensitive Information: Employee/clients should not use price sensitive information to buy or sell securities of any sort, whether for their own account or relatives.

Transactions: All Employee/clients should do all their transactions only through C. D. INTEGRATED SERVICES LIMITED

No Speculation or short sales permitted: Employee should not speculate in shares/derivatives. All purchase transactions have to be delivery based. Selling securities for which delivery has not been taken is prohibited.

Front Running transactions are strictly prohibited. Front running means transacting in a security knowing fully well that C. D. INTEGRATED SERVICES LIMITED also intends to transact in the same security if any.

No passing of price sensitive information: Designated Employee/clients/Directors/ Dependent Persons are prohibited from passing on information to anybody inducing him/her to buy/sell securities.

Special Restrictions of Employee/clients in research department:

Designated Employee/clients/Directors working as Research Analysts for preparing research reports of a client company shall disclose their shareholding/interest in such company to the compliance officer and shall not trade in securities of such client company for a period of atleast 30 days from publication /preparation of such report. For this purpose, any employee/client in the research department should inform the company's name of which is

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preparing a report and give an undertaking in the format prescribed in Annexure

In case any employee/client leaves us, he/she shall be required to give an undertaking that he/she will not deal with any transaction on the basis of unpublished price sensitive information.

Penalty for contravention of code of conduct

Any Directors/Designated employee/clients/dependent persons who trades in securities or communicates any information or counsels any person trading in securities, in contravention of this code of conduct may be penalised and appropriate action may be taken against him which may include disciplinary action by the company, which may include wage freeze, suspension, etc.