

## **Internal Control Policy:**

### **1.0 Objectives:**

- To ensure that the company and its various departments are run in accordance with management policies
- To ensure that the company does not suffer any losses due to lack of controls
- To plug the loopholes that could lead to revenue leakages

### **2.0 Policy:**

#### **2.1 Reporting Authorities:**

Company has following functional divisions/ departments.

Staff in following departments would report to their respective function heads as under:

<b>Department</b>	<b>Department Head</b>
Dealings BSE cash	Chirag Merchant
Internet Dealing [FOW]	N.A.
Compliance	Manoj Pandya
Accounts & Finance	Manoj Pandya
Back Office	Manoj Pandya
Back Office Software	Spark – BSE Technologies
Administration & HR	Chirag Merchant

All functional heads would report to Board of Directors (Mr. Chirag Merchant, Mr. Ravi Cunha, Mrs. Daksha Merchant & Mrs. Sweta Merchant). In particular, matters relating to Compliances or High value transactions should be reported to Director, Mr. Chirag Merchant

#### **2.2 Maker - Checker Policies:**

All divisions will have maker-checker system in place

There would be two levels of controls exercised. All transactions would be authorized by respective department heads. High value transactions (above 5 lakhs) would require additional authorization of directors.

Cheque signing authority would be restricted to following persons

	<b>Signing Authorities</b>
Client Payout Cheques	Daksha Merchant Sweta Merchant Chirag Merchant
Expenses (Non- Client) Cheques	Daksha Merchant Sweta Merchant Chirag Merchant

Delivery Instruction slips signing authority would be restricted to following persons:

- Chirag Merchant
- Ravi Cunha

Further following activities would require approval of directors

- Changes in brokerage master
- Changes in depository charges
- Capital Expenditure

### **2.3 Internal Audit:**

The company would be subjected to internal audit. Internal audit would be conducted by independent CA firm S.K. Rathi & Co.

Internal auditors would audit various departments as per audit program agreed mutually with the management.

Internal auditors would directly report to Board of Directors.

Client Registration, Documents maintenance:

KYC sent to the Clients through our Head/registered/corporate office who introduce new clients. We will not entertain the direct clients without knowing their past history & the financial details.

We have a proper & well trained staff who does the entire KYC activity.