INTERNAL CONTROL POLICY AND SYSTEM

Registration of clients

1. Client should be registered only after receiving KYC, risk disclosure and other required documents duly completed and filled up with all supporting.
2. Verify the documents given by the clients with original documents.
3. Verify the PAN detail from the site of Income Tax Department/NSDL.
4. Verify the Bank details from penny drop facility.
5. Verify whether client name appearing in RBI/CIBIL Black & defaulter list.
6. Client have to do the re-kyc on periodic basis and submit the financial details along with all supporting.
7. Client should be introduced by Director, any existing client, Authorised Person or employee of the company.

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

1. Order from client may be received on phone, fax or in physical presence of clients.
2. Order should be received directly from clients or person authorized by him for giving order.
3. In case of big order the after consultation with Compliance officer the same is reconfirm with the clients before placing the order.
4. All orders are received on recorded phone lines

Collection and Release of Payments to clients

1. Cheques against purchase should be received from the client's Bank A/c and no third party cheques will be accepted.
2. Payment should be made only in the clients Name and only to his account.
3. No cash payment will be made to any client.
4. Payment should be made after pay-out by the exchange only.
5. Pay-out to client should be made after confirming that client has delivered the commodities in pay-in.

Collection and Maintenance of Margins

1. Margin from client may be collected in the form of cash, fixed deposits, bank guarantee.
2. We collect upfront margin from clients.

Monitoring of Branches / Authorised Persons etc.

1. Authorized Person should not be allowed to register the clients directly.
2. Authorized Person can be allowed to execute the trade only after client registration with us and exchange.
3. Limit should be set for every users.
4. We inspect the Authorized Persons at regular interval, so that each Authorized Person/Sub-broker will be covered at least once in three year.

Operations & Compliance Requirements

1. The Compliance officer monitors all the routine compliances.
2. Compliance officer should go through all the circulars and directives of Exchanges /SEBI and direct to implement it with immediate effect.
3. Compliance officer will do the rekyc at any point of time and stop the transaction if they found anything suspicious and report the same to Exchanges and FIU.
4. Compliance officer will ensure to comply with the directive of Exchanges / SEBI within time frame set by the exchange.
5. Compliance Officer have all right to stop client transaction or hold the fund and Securities if they get any enquiry forExchange, relevant authority or any complaint.
6. As part of our ongoing security measures and commitment to ensuring the safety of our clients, we are conducting a verification process via email/call before processing Account closer.
7. If verification process not completed within 60 days, PSPL have rights to reject or cancel the modification / closer request.

Risk Management System

1. Collect the margin from clients in cash, fixed deposits, bank guarantee.
2. Limit should be set for all users.
3. BSE Notice No. 20180515-39 dated May 15, 2018, and Notice no. 20200830-1 dated Aug 30, 2020 NSE circular No NSE/INVG/39647 and NSE circular No NSE/INVG/40175, cautioning on unsolicited messages being circulated by unregistered / unauthorized entities and advising Profitmart will carry out necessary due diligence before releasing the pay-out to their clients.
4. Set the value of order and quantity limit of all users to avoid the big losses from errors.
5. In case of trading in Abnormal / Non-Genuine Transactions / SMS stock or making profit and loss by abnormal / non-genuine transactions profitmart will hold the fund & securities for next three years.
6. If profitmart found any trade suspicious or Abnormal on that case, profitmart can hold the fund / Securities for next three or till investigate complete or whichever is higher.
7. Due to peak margin implementation Current Day MTM Profit will be not used to new / fresh trades.
8. If Current Day MTM is used for any fresh / new trades, exchange Peak margin plenty will be pass to Client.
9. Clients should not be allowed to take huge position without collecting sufficient upfront margin.

10. We Manage the Risk as per the policy of Risk Management.
11. In case of clients fail to pay Additional Margin, MTM Losses, Delivery margin or any other margin apart from Initial or VAR Margin, exchange plenty will be pass to Client only.

Settlement of Clients Accounts

1. As per Exchange circular we have to settle our client's accounts every quarter.
2. As per Exchange circular if client is not active in 30 days on that case we have to do Monthly settlement.
3. The clients who have open position on quarterly settlement date we retain the 225% of margin required.

Trade Confirmation of Offline Trade

1. If any offline client is not responding to system generated Trade confirmation call or we foundanything suspicious on that company can temporary suspend or block the trading until we get theclarification.
2. We will intimation to Client and his Branch via email or sms if trading code is Temporary suspension or block the trading account if we get the satisfactory reason we will unblock the trading code on immediate basis.
3. Temporary suspension or blocked trading account client can square off his open position.
4. Temporary suspension or blocked trading account client can't place any fresh order.