Internal control

1. Details

> Date of starting of business :
> Background of company : **Ramaniklal Mohanlal Capital Markets Pvt. Ltd.,** a Mumbai based Corporate Member of The Stock Exchange, Mumbai came into existence in February 1998, as Stock Broking entity with SEBI registration No. INB 010990839 with clearing No. 609, with experienced and skilled staff, broad based clientele which include NRI Clients, Corporates and Individuals. Prior to that, M/s Ramaniklal Mohanlal a partnership firm was active in the Stock Broking Business since 1946. Before 1946, Late Mr. Ramaniklal Mohanlal, founder of the firm was engaged in the stock broking activity for more than twenty years. The early partners of the firm were Late Ravindra R. Jhaveri, Samir R. Jhaveri and Anjana S. Jhaveri. After the demise of senior partner Late Ravindra R. Jhaveri in 1997, the stock broking activity of BSE was converted into a corporate entity.

2. Client Code Modification:

We are operating only from head office and all trades are executed from same place. The trades are punched either by our own employee or registered remisier for their client. At most care is been taken while entering client code while execution.

In case of any client code modification a details reason for the same is been obtained from the respective employee or remisier and the same is been duly reviewed by the Director's himself in consultation with compliance officer and after their approval modification is permitted.

The employee and remisier are duly informed about the above procedure and asked to ensure zero modification and in case of any such modification the penalty thereof is duly recovered from them.
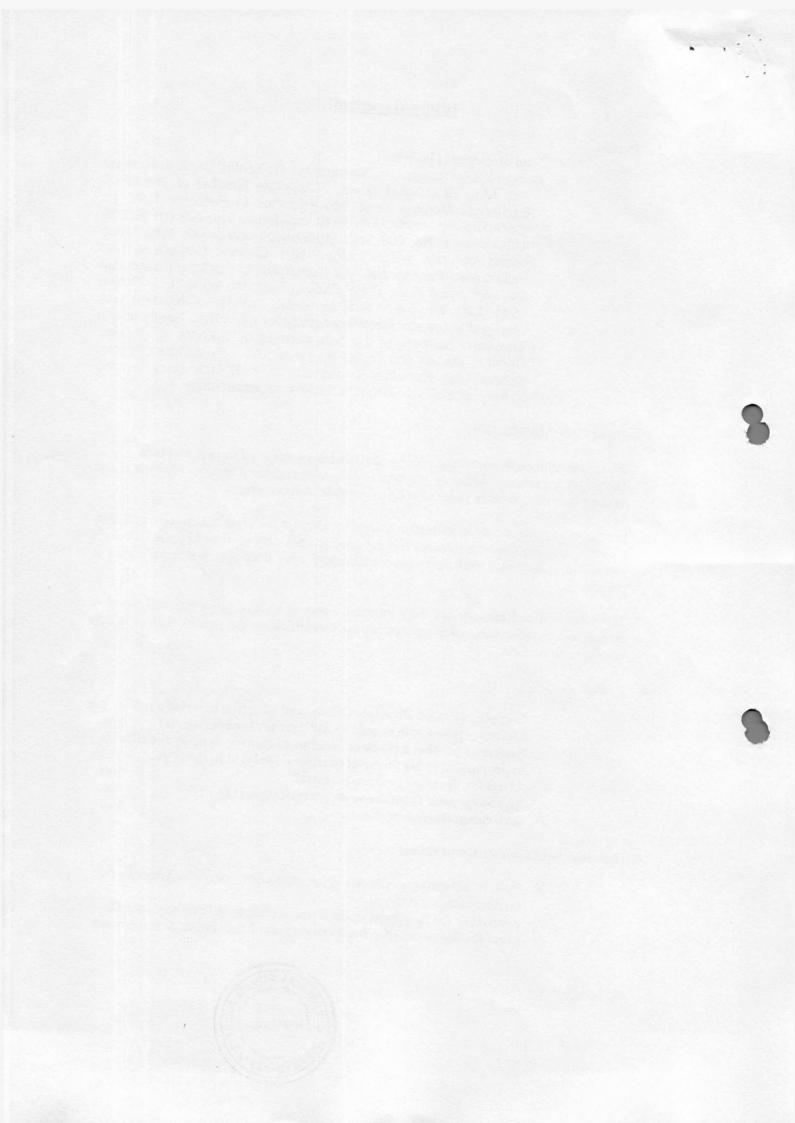
3. PMLA

> **Compliance w.r.t. Principle Officer and adoption of written policy. Yes**
> **Measures taken with regard to Anti money laundering Act   Yes**
> **System of keeping a check on Volume of trading done by the client is in proportion to his financial details as disclosed in the KYC . Yes**
> **Alerts for the same generated or not?**   **Yes**
> **Any Suspicious Transaction Report (STR) sent to FIU**   **No.**
> **Risk categorization of clients.**   **Yes**

4. Introduction/Registration of clients

> **Basis of accepting as client** : We accepts clients only client refer by our existing clients, employee.
> **Procedure for In-person verification of clients and maintenance of proof for the same, specifically in respect of out station & sub-broker**

clients: Either our representative visits to the clients place or we call clients to our office.

> **Whether Client Registration Documents (CRD) given to new clients & to existing clients, on demand. Also, whether UCC & email ID communicated to clients on CRD or separate letter, and proof for the above.** Yes
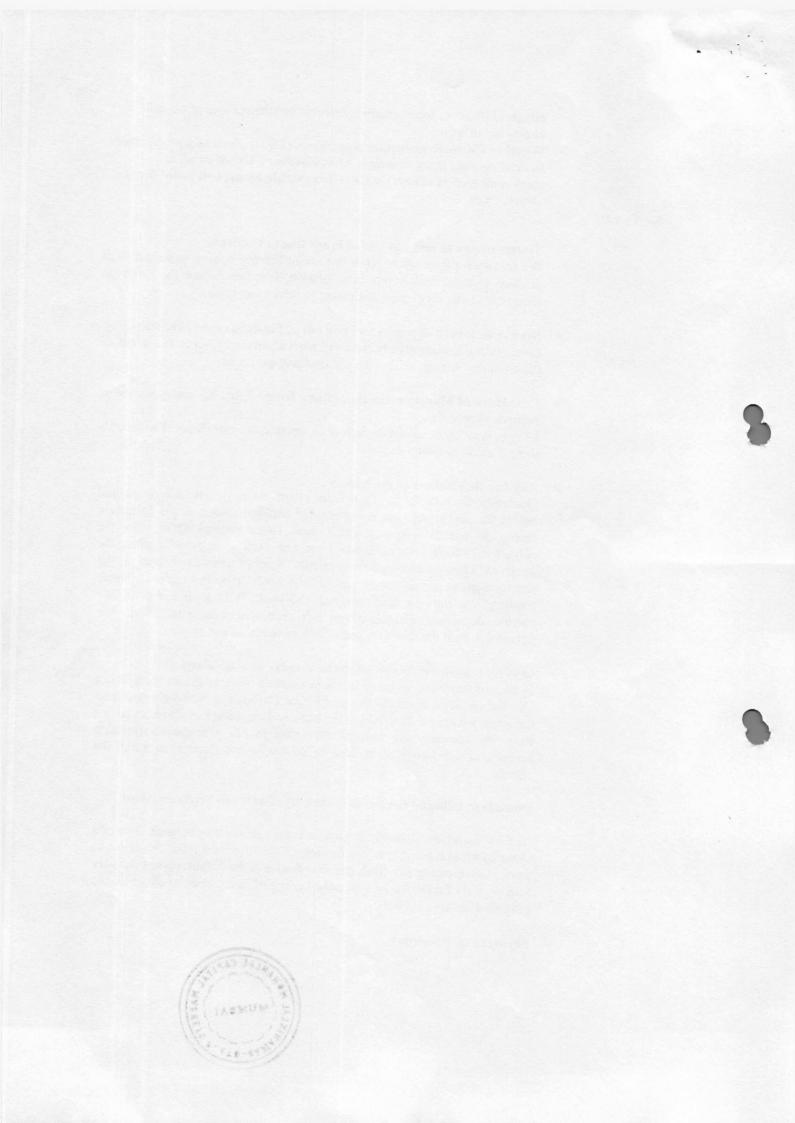
5. Funds:

> **System of pay in and pay out of funds from / to clients**
> We on request from client retain the credit balance against expected fresh position to meet his/her pay in obligation. Else we release the funds on request made by them from settlement to settlement basis.

> **System & source of pay in and pay out of funds in case of Own trading**
> Own trading is been mainly rendered from accounted reserve & surplus of the company & from selling the old shares & positions.

> **Procedure of Margin collection, if any from clients & maintenance of records thereof**
> Margin is either collected in cash or in collaterals from shares. The records thereof are maintained in system.

> **Any funding is done to the clients**
> Generally we receive the fund from client either in advance or on and before the pay in obligation. Further, the banking system & the collection timing do not co-ordinates which some times compel us to meet the obligation which is been made from our own sources or against the uncleared cheques received from clients' account towards obligation, the arrangement is temporary in nature & is been reported under clients funding. We time to time approach the bank TOD against the unclear cheques & against pledging of our own securities or introduce fund. We never/ever fund the client to create fresh position on out of our fund.

> **Credit / transfer of Dividend to the clients / own dividend**
> In case of receiving dividend of client's shares towards shares lying in our DP. On credit of dividend trough ECS or Physical dividend cheque from company we assure the credit in the bank and on receipt of dividend advice from the company we transfer the same to client account's (running account in our book) or in case of otherwise we issue cheques to the clients.

> **Procedure followed in case of default by client/ sub broker's client**

> In case the client defaults in payment we recover the balance from the share of brokerage of remiser, further, as stated we do force the client to pay before creating any fresh position & also if the default persist for very long period of time, we may stop the trading of that particular client till the time all dues are paid fully.

> **Payment to Remisiers**

We always pay their share of brokerage on and before 10th of every month or we retain their share till his clients clear the pay in obligation for the month.

> **Any third party transfer of funds? If yes , policy in this regard**
No we never ever transfer the third party transfer. Also instructed client not to request any such request
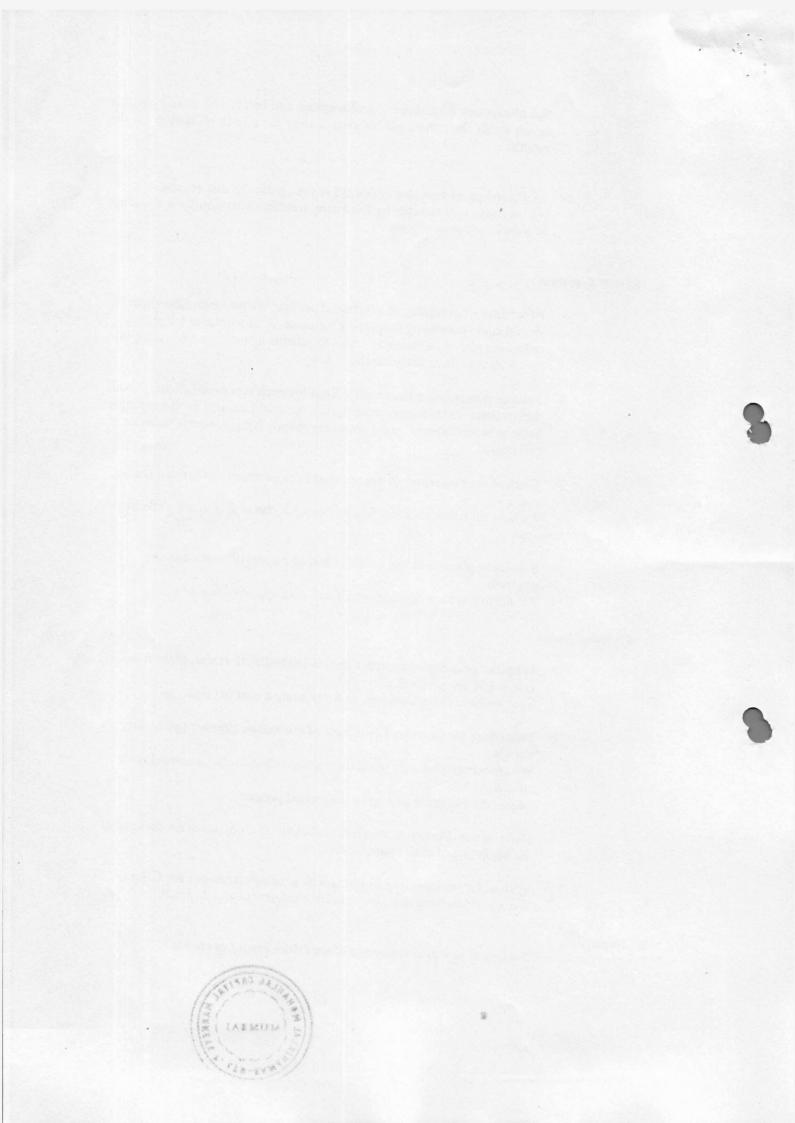
6. BOLT Terminal

> **Procedure of accepting & placing of orders**: We prefer that the client should come personally for placing the order. Also whenever telephonic orders are placed its ensured   that the clients themselves are placing the orders as the clients are generally   known.

> **Factors determining the trading limit for each terminal / client:**   All the purchase trades are executed against the credit balance in clients ledger balance or are covered by the securities already lying in clients' account as collaterals.

> **Control over operator to ensure that he is entering authorized trades only:**
We have all terminals according to Remisier vise and   watching admin terminal.

> **System in place to check certification of approved users has not expired:**
We manual system to check certification of approved users.

7. Contract Notes

> **Whether printing of contract note is centralised? If not, Place from which CN are printed. :**
Yes' we have centralized system for printing a contract note

> **Procedure for printing CN in case of outstation clients / sub broker clients**
We are printing contract notes daily and sending to clients same day by courier,
Personally pickup or pickup by authorized person.

> **Basis of numbering:** Contract notes bearing running serial no. initiated at the beginning of each financial year.

> **System for maintaining duplicates & acknowledgement for CNs:**
We are maintaining register for acknowledgement and dispatch.

8. Securities:
> **System of pay in and pay out of securities from / to clients**

We sell only those share are with us and We are transfers those share to clients account when client clears his account.

- ➤ **Separate Own Beneficiary Account maintained or not**
  Yes we have our own account shares in same beneficiary account.
- ➤ **Separate Client beneficiary account maintained or not**
  Yes we have only one beneficiary account
- ➤ **Client wise segregation of securities maintained or not**
  Yes we are maintaining.
- ➤ **Whether Clients' securities maintained with Member**
  Yes
- ➤ **Procedure for check on Third party security transfer/ acceptance**
  Yes
- ➤ **Policy to ensure that client's securities are not mis-utilised for own purposes or for any other client.** Yes

9. **Internet Trading**

   - ➤ **Prior Approval taken or not?** N.A.
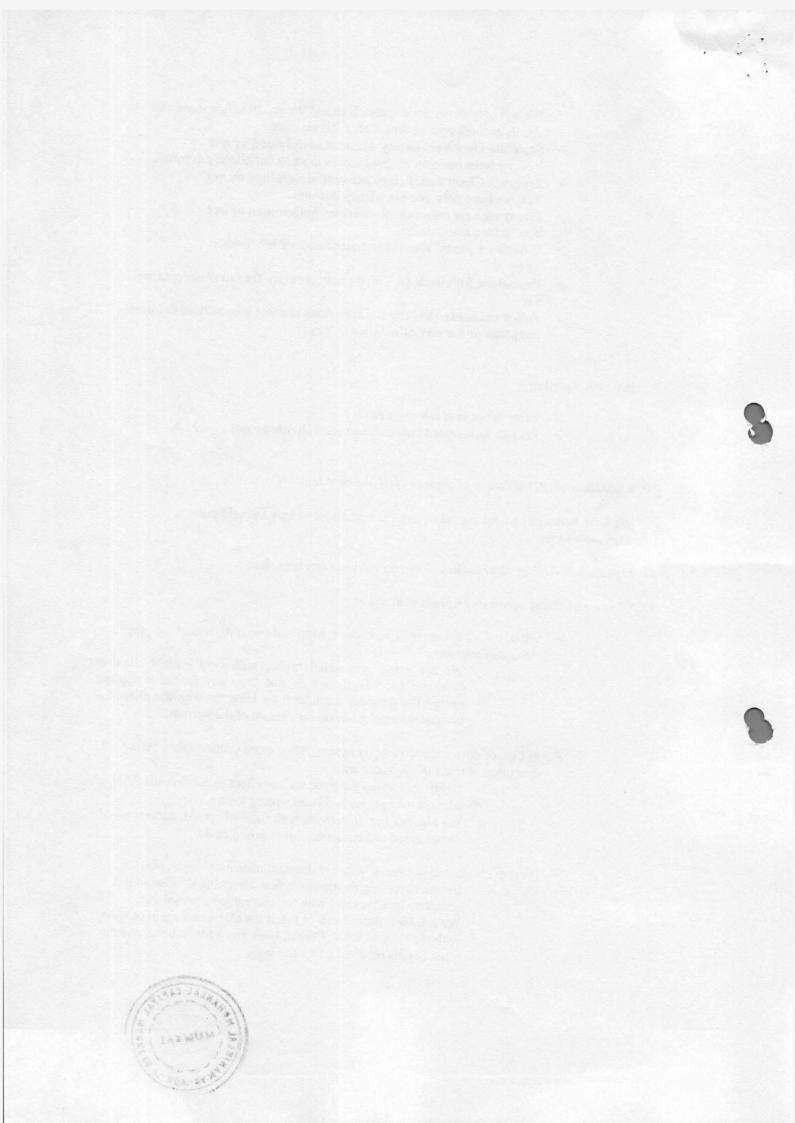   - ➤ **ITORS agreement entered into with clients or not** N.A.

10. **Execution of POA(Power of attorney) (if applicable) -**

   We have neither executed nor taken any POA and accordingly the said point is not applicable to us.

11. **Opening & closing of branches** - We do not have any branches.

12. **Closure of client accounts / dormant account**

   - ➤ What type of documentation (both inward and outward) undertaken for closure of account;
     - o We are being very small broker with very limited clientele base and accordingly we do not have any formal procedure except the personal discussion by Director with the client for understanding the reason for closure of the account.

   - ➤ In case of dormant account (six month), what extra caution taken before execution of trade in such account
     - o Before executing the trade we ask client to confirm his PAN, address over phone before accepting the trade if any.
     - o We also ask him to provide with the PAN proof, address proof, demat proof and bank proof in required cases.

   - ➤ Procedure adopted in case of very old dormant account (2 years old)
     - o Before accepting the trade we first verify his KYC as to it is complete in all respect with the current laws prevailing.
     - o We ask him compulsorily to visit the office and again provide with the copy of PAN, Demat, bank and address proof and any other details required under the law

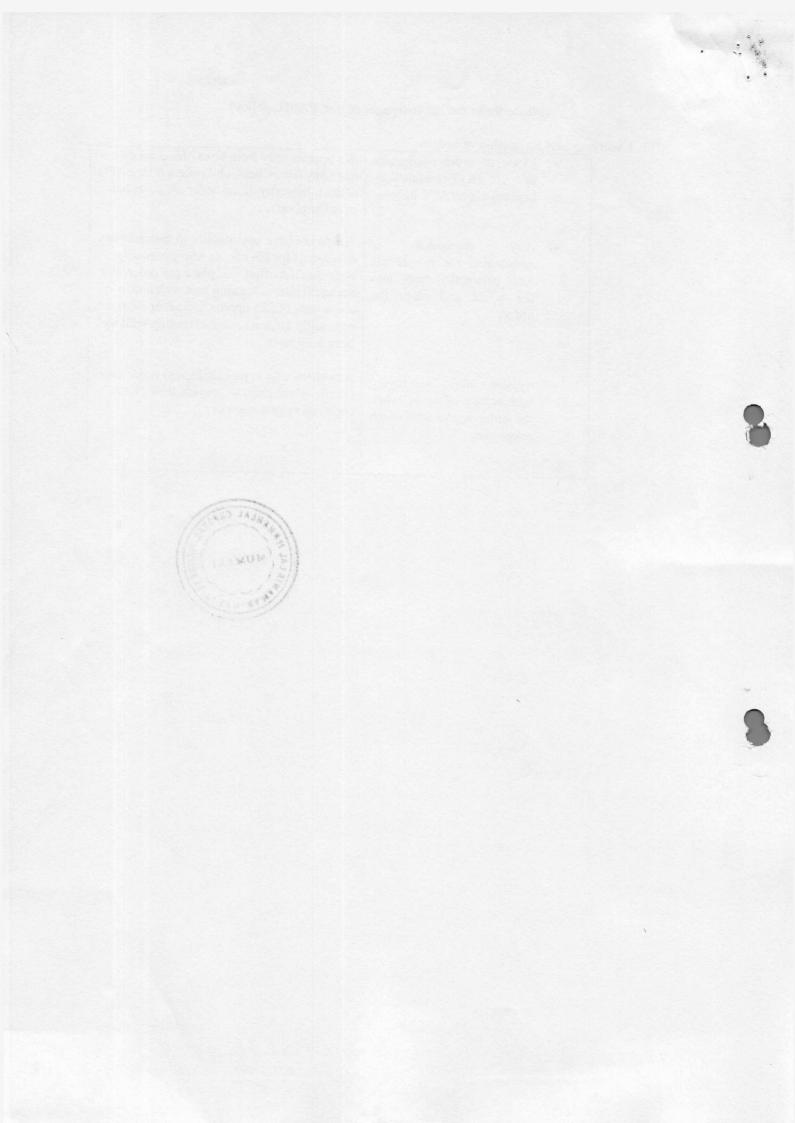(Please Refer the last two pages of our **PAML** policy)

13. Receiving and Execution of orders

• Mode of order acceptance at HO/Branches/Sub-brokers office/AP's offices.	We operate only from head office we do not have any /Branches/Sub-brokers office/AP's offices. Majority of the order are accepted over the phone.
• Any document is maintained for the clients who personally walk into the office and place the order?	We do not have any practice to maintain any documents for the clients who personally walk into the office and place the order. We are small size of broking unit with active client base of 225 approx and all of them are personally known to us and trading with us from long time.
• System for identifying authenticity of caller when the order is placed through telephone.	Any client who is placing his/her order over phone we ask them to provide their client code before placing order.

(Please Refer the last two pages of our **PAML** policy)

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14. Portfolio Manager

We are not providing PMS services to the clients.

15. Brokerage Charged

All the clients are much known to our directors. Directors decide the brokerage rate for the clients. We don't have any specific scheme for brokerage.