

KASAT SECURITIES PVT LTD

INTERNAL CONTROL POLICY - GENERAL

There is an adequate internal control system in our organization. Registration of Clients is done through duly filled Client Registration Forms, agreements, KYC along with relevant annexures and receiving a copy of Client's PAN Card. A data is maintained in excel regarding all the clients and the agreements are kept under lock & key with limited with access to authorized persons. A code is allotted to the clients vide an e-mail on the registered email id and they can start trading through us by placing orders with the dealers either through phone, e-mail or fax. The clients are given confirmations via SMS when the trades are executed and contracts note are issued to them within 24 hours of the trade. Brokerages are charged within limits specified by the exchange. Funds are collected from the clients before the Pay-in day and payments are made to them after receiving the payout on T+2 day. We do not collect cash margins from our clients for trading in NSE through us but shares are collected as margins towards positions in Derivatives segment. Securities sold by the clients are received in our pool account before the pay-in time and securities bought through us are delivered to the clients in their beneficiary accounts after receiving the payout of securities by us. All the stock exchange compliances are done by us from time to time without any default on our part. If we receive any dividend on behalf of our client, which happens in the case when the shares remain in our pool account as on the record date or the shares are kept as margin with us, we credit the clients' account with the dividend amount as soon as we receive dividend advice and trace the owner of the shares.

INTERNAL CONTROL POLICY FOR CLIENT CODE MODIFICATION (Applicable for all Segments)

On Line Modification:

- Genuine punching errors in client codes while placing orders shall be allowed to be modified.
- Client code modification facilities shall be disabled from all the dealer terminals.
- Client code modification shall be carried out only from the corporate manager ID.
- While carrying out code modification, genuineness of the punching errors shall be verified against corroborative circumstantial evidences like similarities of codes, trades in Immediately preceding codes, square off trades without holdings or position or any such other evidences shall have to be taken into account.
- Complete records of daily online trade modifications shall be maintained in soft form.

Off Line back office modification:

- Genuine punching errors in client code, if detected after the end of post-closing sessions may be allowed to be modified subject to the verification of genuineness as narrated above.

- For F&O segment, as far as possible, the errors would be rectified by reversal trade in next trading session and the rate differences shall be set off by passing a JV entry in the ledgers of affected clients. In case the client do not agree to keep such wrong trade record in his account, such trades may be rectified by moving both legs of the trades to the account of actual client instead of settling it though JV entry.
- For Cash segment any such errors would be rectified after verifying genuineness.
- Any such back office client code modification shall be carried out by either of the Directors viz. Mr. Rajesh Kasat or Mr. Suraj Kasat.
- A register containing required details shall be maintained for all such modifications.

INTERNAL CONTROL POLICY FOR CIRCULATION OF UNAUTHENTICATED NEWS

As per code of conduct for Stock Broker in SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 and SEBI circular Cir/ISD/1/2011 dated March 23, 2011, all SEBI registered market intermediaries are required to have proper internal code of conduct to govern the conduct of its Employees. In view of same, KASAT SECURITIES PVT LTD implements code of conduct for communicating through various modes of communication. Employees/temporary staff/voluntary workers are prohibited from:

1. Circulation of unauthenticated news related to various scripts in blogs/chat forums/e-mail etc.
2. Encouraging or circulating rumors or unverified information obtained from client, industry, any trade or any other sources without verification.
3. Forwarding any market related news received either in their official mail/personal mail/blog or in any other manner except after the same has been seen and approved by the Compliance Officer.

If an employee fails to do so, he/she shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liable for actions. The Compliance Officer shall also be held liable for breach of duty in this regard.

Access to Blogs/Chat forums/Messenger sites etc. has been restricted by KASAT SECURITIES PVT LTD and access is not allowed.