

# **INTERNAL CONTROL PROCEDURE** **ADOPTED BY NEW AGE WEALTH MANAGEMENT**

## **INTRODUCTION**

This is a policy document for guiding the operations of the organization

## **CLIENT REGISTRATION**

This is first stage of contact with the client it is very important to take adequate details from the clients to maintain a record of the details of the clients is obtained i.e.

- A. Name of client which is used for identify the client.
- B. Residential Address is taken with the address proof which is the document specified by exchange i.e. Ration card, Pass port, Voter id, Driving License.
- C. Also taking photo identity proof of Passport, voter id and Driving License copy
- D. Photograph of client
- E. For corporate client board resolution, Memorandum of association & article of association of company, share holding pattern, details of authorized persons and directors.
- F. Pan card copy of all client
- G. Bank details of the client along with the proof of the same i.e. Xerox of the bank pass book or canceled cheque with sign so that company can keep track of the third party payment i.e. amount paid through other persons account
  
- H. Demat account details which are to giving & taking delivery of securities. Proof of the DP account holder name will be taken. This is also for not third party delivery of securities i.e. security of client given to other persons account.

## **CLIENT IDENTIFICATION**

The following procedure should be adopted for identification of Client

- . No clients will be registered without personal contact.
  
- . In addition to personal contact, for client identification, proper address and identity proof

As prescribed by SEBI as per Uniform Documentary Requirement will be obtained from The client.

. PAN number and a Copy of PAN card will be compulsorily obtained from the client. No Trading will be allowed unless the proof of PAN proof is submitted by the client.

. All the documents collected will be verified with original by the Client Registration Department and a stamp "Verified with Original will be affixed and signed 'by the Person verifying it.

. In person verification should be carried out by staff member.

### **BROKER CLIENT AGREEMENT**

Client broker agreement is executed at the time of client registration. It is as per the prescribed by the exchange. This will cover all the responsibilities, Right & Liabilities of client & member.

### **RISK DISCLOSURE DOCUMENT**

Trading in securities market involves risks of various natures. Client need to be educated and informed about the risks involved and the company as a policy will issue the RDD to all clients.

### **ISSUANCE OF CONTRACT NOTES**

As a trading Member of Exchange, We are required to issue contract notes to all our constituents for all trades executed by them in the format as may be prescribed by the Exchange/SEBI from time to time with all relevant details as required therein to be filed in, and issued in such manner and within such time as specified by the exchange.

It is be ensured that the contract notes are issued within 24 hours of the execution of the contract this contract note is issue to the client through the ECN on their respective E-mail ID as consent received from the same. In case of clients who does not opt for ECN facility than the Contract note is to be either handed over or posted to their respective address.

A contract notes shall be numbered with unique running serial number commencing form one which shall be reset only at the beginning of every financial year

We are having Trading Codes in Contract Notes – which consist of individual client code as per UCI.

Contract Notes will indicate total brokerage charged to the Client.

If authorized by the client contract notes may be issued by us in electronic form, in such format as may be prescribed by the Exchanges from time to time, duly authenticated by means of a digital signature's as specified in the information Technology Act 2000 and the Rules made there under.

While issuing Contract Note ECN log for the same is maintain along with the delivery report. In case of contract note send physically than duplicate copy of the same is maintained along with POD.

## **STATEMENT OF ACCOUNTS**

The statement of account will be sent to the client on a quarterly basis.

## **ISSUE OF TRADING TERMINAL**

The guidelines laid down by the Exchange for Approved User and Location of trading Terminal will be strictly followed. It would be made sure that there is no issue of trading Terminals to unauthorized persons or at unauthorized locations.

The data regarding new user as well as modification in existing user should be Immediately uploaded and documented on modification or issue to the new user as the Case may be.

## **MARGIN COLLECTION**

Any exposure to the client will be subject to the collection of adequate margins from the Clients.

The margins collected would be as per the requirements of the Exchange.

Margins collected would be in the form of Securities, Cash or bank draft.

In cash segment margin would be collected at the discretion of management.

## **PLACEMENT OF ORDER**

. The orders will be placed by the respective Dealer as per the instructions from the clients.

. However, it should be made sure that the priced put up should not be unrealistic or not Representing the correct market price.

. Generally before execution of order a final confirmation of the entire order should be Made to the client.

. The clients should not be induced to either Buy or sell.

## **COLLECTION AND RELEASE OF PAYMENT TO CLIENTS**

On shortage of Margin / pay-in clients are informed on T day and payments are Collected accordingly.

On nonpayment of Margin/Pay-in, clients are not allowed to trade.

Generally clients are authorizing us to hold their payout through running account letter.

However, on specific request of clients payout is made on T+2 basis.

## **COLLECTION AND DELIVERY OF SECURITIES TO THE CLIENT**

On shortage of securities for Pay-in, clients are informed on T + 1day and securities are Received on T+1 day. On non receipt of securities for Pay-in, clients are informed for Shortage and auction.

Generally clients are authorizing us to hold their securities through running account letter.

However, on specific request of clients security payout is made on T+2 basis.

## **OPERATIONS AND COMPLIANCE REQUIREMENT**

Generally exchange/SEBI byelaws, rules, regulations and circulars received from time To time for conducting operations and following compliance stipulated by exchanges/SEBI Will be followed.

Annual compliance requirement of NSE will be submitted regularly.

All the compliance requirements will be submitted in time to all the exchanges.

## **PAYMENT OF DIVIDEND**

Dividend received for the shares in Beneficiary account, should be passed on to the Client within 30 days from receipt of the Dividend.

## **OTHER AREAS**

Complete confidentiality of Client information should be maintained. No client information would be given except if required by law.

Proper records as required by various statutes will be maintained.

The above internal control procedures should be reviewed periodically in the light of recent changes.

Back ups - The back up of the following files should be taken on a daily basis and should be stored on local.

- a. Trade files
- b. Back office data base
- c. Event logs such as connection logs etc.

Back ups need to be tested on a regular basis. It will be the responsibility of IT department to test the back up on a regular basis.

**For New Age Wealth Management**

**Authorized signatory**