



Internal Controls

Registration of clients

1. Client should be registered only after receiving KYC, Member Constitution Agreement & risk disclosure documents duly completed and filled up with all supporting.
2. Verify the documents given by the clients from original documents.
3. Verify the PAN detail from the site of Income Tax Department.
4. Verify whether client name appearing in SEBI / RBI Black & defaulter list.
5. Client should be introduced by any existing client or employee of the company or any other person personally known to top management.

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

1. Order from client may be received on phone.
2. Order should be received directly from clients or person authorized by him for giving order.
3. In case of big order i.e. more than Rs. 10.00 lacs, reconfirm the clients before placing the order.
4. Trades executed for a client have not been subsequently transferred to another client.

Sending Contract Notes, Quarterly Statement of Accounts, etc.:

1. The contract notes are issued on daily basis to clients / authorized persons of the clients after completion of trading hours.
2. The acknowledgement / counterfoil of the issued contract notes are maintained.
3. The quarterly statements of accounts are issued to client within twenty days after the end of related quarter.

Collection and Release of Payments to clients

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



Monitoring of debit balances - Complete details of procedure adopted:

1. The debit balances are periodically monitored.
2. In case there is a debit balance in the clients account on the day of Pay-out of securities, then the shares are withheld to our beneficiary account till such time the debit balance gets regularized. In such cases, when corporate action takes place with respect to the said shares, the benefit is passed over to the respective clients.
3. In case of debit balances, we inform our sub broker / client that the related account is suspended for further trade. Further such account is enabled only after the recovery of the said debit balances.

Collection and Maintenance of Margins

1. Margin from client may be collected in the form of cash or security.
2. If client gives big order, which have some risk in the opinion of Management, then upfront margin should be collected from client.

Collection and delivery of Securities to the clients

1. Security should be received from client's Demat A/c only for margin as well as for pay-in obligation.
2. Security should be given to client in his/ her Demat A/c only. Security should not be delivered to third party on behalf of clients.
3. Security to client should be released only after receiving the funds / dues, except in certain cases where management does not feel any risk.
4. In case of internal shortage of pay-in in NSE / BSE, the consideration amount are debited & credited to both the clients account at prevailing market rate of very next day.

Monitoring of Sub-Brokers

1. Sub-broker should not be allowed to register the clients.
2. Sub-broker can be allowed to execute the trade only after client registration procedure is completed.
3. Limit should be set for users of Sub-brokers.
4. Inspect the Sub-broker at regular interval, so that each Sub-broker will be covered at least once in five year.
5. Sub brokers will not be allowed to print contract in their office.

Allotment, Surrender of trading terminals:



1. Allotment of trading terminals (CTCL) is made only to SEBI registered sub brokers.
2. Such trading terminals are allotted & enabled only after submission of related information to the Exchange.
3. The sub broker or his employee shall compulsorily pass the NCFM examination.
4. As soon as we receive the letter of surrender of trading terminals, the related information is given to the Exchange & all the necessary procedures for surrender of trading terminal is followed.

Closing of sub-broker offices:

1. As soon as we receive the letter of surrender of SEBI Registration from sub brokers, the related information is given to the SEBI & Exchange & all the necessary procedures for surrender of sub brokers SEBI registration is followed.

Operations & Compliance Requirements

1. The Compliance officer who is responsible for all the routine compliance.
2. Compliance officer should go through all the circulars and directives of exchange s/ SEBI.
3. Compliance officer will be responsible to comply with the directive of exchange / SEBI with in time frame set by the exchange.

Payment of Dividend etc.

1. Dividend should be credited in client A/c to which share belongs.
2. Dividend should be credited in client A/c as soon as it comes to the knowledge of company (SGSSL). Knowledge could be either through advice received from the company or amount received in bank or by way of Bank Reconciliation.

Closure of Client accounts/ Dormant accounts:

1. An account is closed only after receipt of the application to close the account & after verifying the dues & other necessary obligations, if any.
2. In case of dormant account (one year), we inform our sub broker / client that the related account is suspended for further trade. Further such account is enabled only after the receipt of a request letter from the related client.
3. In case of dormant account (more than one year), we request him to please follow the procedure of KYC once again before execution of any trade in such account.

Continuity planning / Alternate plan in case of disasters etc



1. SGSSL should keep the back-up of all critical system i.e. back office operation, IML / CTCL server and trading terminal to handle the unforeseen circumstance.
2. Back-up should be taken daily and kept at safe place out side the office premises.
3. Incase of power failure company should have a UPS with capacity of 5 to 6 hours so that trading will not be suffered.
4. In case of IML / CTCL server goes down company should have back-up server, which can be replaced within 10 minutes.
5. Most of the important trading terminal should be applied for dual lock system from the exchange, so that if any of the connectivity is lost. Terminal can be immediately shifted to the other connectivity.

Risk Management System

1. Collect the margin from clients in cash or securities.
2. Limit should be set of all users of sub-brokers.
3. Set the value of order and quantity limit of all users to avoid the big losses from errors.
4. Payment to client should be made only after pay-out and confirm that the securities have received from clients in pay-in.
5. Clients should not be allowed to take huge position without collecting sufficient upfront margin.

Investor Redressal Mechanism:

1. Register of complaints is centrally maintained. Further Clients are informed about the e-mail for redressal of investor grievances through our every correspondence.
2. Compliance officer monitors the investor complaints and redressal.
3. We do not allow the employees to trade either self or on behalf of the clients.