

Internal Control Policy

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About ATS

ATS is promoted by young and dynamic entrepreneurs who have years of proven experience in international derivative markets like NYMEX and worked with several FORTUNE 500 companies. We are a full spectrum investment management house. We are one of the leading stock broking companies in India. ATS is a registered member of MCX, BSE, NSE, and CDSL

We have our corporate office located at- 1st Floor, Tower B (2gethr), Mantri Commercio, Near Sakra World Hospital, Outer Ring Road, Deverabisanahalli, Bellandur, Bengaluru, Karnataka, 560103

Please reach out to us at support@adityatrading.in or +917667273344

Client Registration Policy of ATS

- Client needs to fill and submit the KYC form along with Supporting Documents and Proofs to ATS after the in-person verification and original verification. Trading is only permitted after successful review of all relevant documentation, and upload of the unique Client Code with the Exchange, KRA (CVL) and CKYC.
- Once the Account is opened successfully, we will send a welcome Mail mentioning your Trading Code, Demat Account Number, Registered Bank to which Pay-out amount will be transferred, your registered mobile number to which trading alerts will be send and your registered mail id, to which Contract note, account statements, etc. will be send.
- Client can trade with us via online, mobile, or through contacting any of our branches. These multiple platforms make your trading experience highly convenient and hassle-free.
- Contact details of our Customer Support, Compliance Officer and the Login Details to access our 24*7 online Back office is also mentioned in the Welcome Letter.
- Additional documents will be asked to submit for Registration of Non individual Clients and Specially Category Clients like NRIs, HNIs, Trusts, Politically Exposed Persons, etc.
- Clients Trading in Derivative segments will be required to submit the documents supporting Income Status or Net worth every year to comply with exchange requirements.
- ATS will charge brokerage as per the agreement made by the client in the KYC and it should be within the limit of maximum brokerage permitted by the exchange
- ATS can revise the brokerage at any time after give prior intimation to the client.
- ATS reserves the right to hold the registration of those clients, where documents submitted are incomplete or mismatch of information is found between KYC Form and Proofs submitted, or if the Client Name matches with Debarred List of SEBI or other regulatory bodies, and where In Person Verification could not be successfully completed.
- ATS reserves the right to suspend or close the Trading or Demat Account opened with it without any prior notice, if client is found to be involved in violation of any Exchange rules, or when client fails to fulfil its payment obligations due to ATS or if found client has misrepresented the facts at the time of account opening or on receiving such instructions from any court of law or other competent authority.
- ATS collects Rs.100 plus GST as KRA/CKYC Registration charges from new clients.

Policy on Pay In of Funds

- Clients should always transfer funds for trading margin only from the Registered Bank Accounts with ATS. Any fund received from unregistered bank accounts or third-party Bank Accounts will not be considered for margin limit and the same will be paid back to the source account.
- Funds will be credited to the client trading Account, only after verifying the source Bank Account from where the funds were transferred to ensure it has come from registered account only. On deposit of margin Money, clients should provide necessary documents to help ATS to verify the source of funds for smooth and easy credit of margin limit.
- Margin Money can be deposited through Cheques, Online Fund Transfers, and through Payment Gateway option in our trading platform.
- DD or P.O will be acceptable only if the same are accompanied by the name of the bank account holder and account number of the bank account debited for the purpose, duly certified by the Bank and certificate on banker's letter head.
- ATS do not accept margin money in cash. Cash deposited to ATS client bank account is refunded to client on receiving the necessary supporting documents. ATS will levy Rs.500/- as processing fees while refunding such cash deposited to its back account.

Policy on Pay-out of Funds

- Pay-out requests are processed and funds transferred to client bank accounts in 1 business day of raising the pay-out request, if sufficient cleared funds are available at the time of processing the request.
- Online Requests can be raised by the client from their back office or trading login. All requests made before 8.30 am will be processed the same day and requests placed after 8.30 am will be processed on the next working day. Clients can also mail or call to our customer support to raise a pay-out request in case of emergencies.
- Pay-out amount will be transferred online to Client's Registered Primary Bank Account only.

Client Code Modification Policy

Client Code Modification means modification / change of the client codes after execution of trades. Stock Exchanges provide a facility to modify any client code after the trade has been executed to rectify any error or wrong data entry done by the dealers at the time of punching orders. However, such Client Code modification is subject to certain guidelines as to the time limit within which the client code modification is to be carried out, terminal / system on which such modifications can be done etc. The facility is mainly to provide a system for modification of client codes in case genuine errors in punching / placing the orders. It is to be used as an exception and not a routine.

Detailed Policy on Client Code Modifications:

- Modification to the client code is to be done only in exceptional cases, not as a routine one.
- The reason for modification has to be ascertained and analysed and genuineness is to be established and also its impact on the clients should be studied before the modification. If voice recording is in practice, the same should be studied.
- Normally as a principle, other than for punching errors, no modification to the client codes is allowed.
- Therefore, it is imperative that the issue should be reported to the senior level Manager/Director and only with his approval, the modification should be carried after being satisfied that it is genuine, the same is required to be done to protect the interests of the client.
- Hence the facility to modify the client codes should be available only at the Corporate Manager level and should not be given to the branches/franchise/sub-brokers.
- Training program should be conducted to all the Dealers and they should be explained how code modifications can be misused and what steps should be taken to avoid the same. It also should be explained that code modifications should not be encouraged to the clients except for cases like „punching errors“/“typing errors“.
- A register is to be maintained for recording all the code modifications with details like error code, correct code, scrip name quantity, client name, the name of the dealer who punched the code, the explanation of the dealer/Branch Manager, the „analysis /study“ of the authorised Manager and his approval/disapproval for modification.
- Finally, the decision of the authorized Manager should be ratified later by the Director.

Policy on Contract Notes and Statement of Accounts-

- ATS issues contract notes to its clients within 24 hours of the trade taking place.
- ATS offers the issuance of Electronic Contract Note to clients who opt for the same and it is also available to be viewed on their respective back-office Login. Along with the Contract Note, the client shall also be furnished with a copy of the daily margin status. Also trade confirmation SMS is sent to client immediately after the trade execution.
- ATS will issue the contract note, margin statement and trade SMS to the mail IDs and mobile numbers mentioned in the Client registration Form. So kindly ensure that the correct mail IDs and mobile numbers are mentioned and submitted in the KYC form.
- The clients will be responsible to check the digital documents including Electronic Contract Notes and bring the discrepancies if any to our notice within stipulated time of such issuance of contract notes.
- Non-verification or not accessing the documents on regular basis shall not be a reason for disputing the documents at any time. It will be the responsibility of client to ensure that any change in mail id is informed to ATS urgently.

Policy on Quarterly/Monthly Settlement-

ATS takes the preference of settlement of clients" at the time of account opening through the Account Opening Form. While settling the accounts, ATS may retain the requisite securities/funds towards such obligations and may also retain the funds expected to be required to meet margin obligations for next 5 trading days, calculated in the manner specified by the exchanges.

- In respect of derivative market transactions, apart from margin liability as on the date of settlement, additional margins (maximum up-to 125% of margin requirement on the day of settlement) to take care of any margin obligation arising in next 5 days may be retained.
- In respect of capital market transactions, entire pay-in obligation of funds & securities due from clients as on date of settlement may be retained. Further, in the capital market segment, for next day's business, member may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the capital market only.
- In case of settling the accounts of regular trading clients (active clients), the Member can't retain amount of any client and transferring funds in case of non-trading over 30 days.

- The above threshold limit on retention of amount shall not be applicable in case of clients who have not traded even once during the last one month/quarter, as the case may be; i.e settlement shall be done as per the aforesaid SEBI circular, in such cases.
- ATS send a statement of Accounts to its clients along with the settlement of funds and also a Retention statement in case the funds are retained, explaining the utilization of funds to the clients" registered mail id.

Policy on Acceptance of Prefunded Instrument for trades on Exchanges

The Objective of this policy is to minimize the frequency of acceptance of Prefunded Instrument, especially Demand Draft where there is a difficulty in tracking the correct source of Issuance

The Prefunded Instruments must be accepted only in following special circumstances;

- 1) If there are Bank Holidays on the following day.
- 2) If the client does not have an account in the Client Accounts in which the company has accounts.
- 3) If the client wants to create a position immediately and has no other way of transferring funds.
- 4) If the Bank account of the client is in a cooperative bank, which may take some time for the cheque to be cleared.
- 5) If the company Bank accounts clearing branch is not available in the city/village where the client has his bank account.

Prefunded Instruments with a value less than Rs. 50,000 is accepted along with a covering letter from client explaining the reasons for providing the same and also declaration of the source of funds. If the aggregate value of pre-funded instruments is Rs. 50,000/- or more from client per day per client, we may accept the instruments only if the same are accompanied by the name of the bank account holder and number of the bank account debited for the purpose, duly certified by the issuing bank.

And the mode of certification may include the following either :

1. Certificate from the issuing bank on its letterhead or on a plain paper with the seal of the issuing bank.
2. Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument.
3. Certified copy of the passbook/bank statement for the account debited to issue the instrument.
4. Authentication of the bank account-number debited and name of the account holder by the issuing bank on the reverse of the instrument.

We also maintain an audit trail of the funds received through electronic fund transfers to ensure that the funds are received from the clients only.

Policy on Opening & Closing of Branches

ATS will intimate about the opening of a new branch or the closing of any existing branches to all out existing clients through the mail id registered with ATS.

Policy on Unauthentic News Circulation

Employees / Directors shall maintain the Confidentiality of all Price Sensitive Information & must not pass such Information directly or indirectly by way of making a Recommendation for the Purchase or Sale of Securities.

Policy on Prevention of Insider Trading

The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, was amended on 22nd February 2002 (hereinafter referred to as "Regulations") in terms of which a Stock Broker is required, inter alia, to frame a Code of Conduct for Prevention of Insider Trading by employees of a Stock Broker, including its Directors.

In line with the said Regulations, the following Code of Conduct has been adopted by ATS.

- Employees / Directors shall maintain the Confidentiality of all Price Sensitive Information & must not pass such Information directly or indirectly by way of making a Recommendation for the Purchase or Sale of Securities.
- Price Sensitive Information is to be handled on a "Need to Know" basis, i.e. Price Sensitive Information should be disclosed only to those within ATS, who need the Information to discharge their Duty and whose Possession of such Information will not give rise to a Conflict of Interest or Appearance of Misuse of the Information.

Policy on Outsourcing of Activities

- 1) The guiding principles in respect of policy of outsourcing of activities are laid down by SEBI wide circular no CIR/MIRSD/24/2011 dated 15/12/2011,
- 2) No outsourcing of any activities related to trading by clients like executing of orders, monitoring of trade, assessment of risk etc.
- 3) No outsourcing any activities relating to compliance towards Exchange, SEBI, or any other authorities.

Policy for Inactive Accounts

- Any Client account(s), where no trade(s) are executed for a continuous period of twelve months is treated as Inactive Account(s) and such account(s) will be suspended from trading.
- A list of inactive clients shall be prepared from the back-office software on the last day of every month and shall be submitted to the concerned department after confirmation with the management. The management will approve a final list of inactive clients.
- The concerned department shall mark the client status as “inactive” or “dormant” in various front office software of CTCL and back-office accounting and DP software.
- No operation shall be permitted in an inactive account except collection of dividends on securities and debiting of charges, if any.
- The shares/credit ledger balance if any will be transferred to the within one week of the identifying the client as inactive.
- An inactive account may be reactivated only on written request from the client and verification of personal documents including that of PAN card copy, Address proof, latest Bank Statement, income Tax return if any etc.
- Closure of any account will take place only after receiving a written request from the client or any levies and pending from the client more than 3 months. In the second case we will send one month notice for the client for clearing levies.

Policy on Investor Grievance Resolution

ATS has a Customer Support Department to help customers resolve their doubts and grievances if any. Clients can raise their grievances through mail or phone or through our grievance section in website. Also, the contact detail of Compliance Officer of ATS is published in KYCs and Contract Notes to get a clarification on their grievances and statements.

Additionally, the contact details of Investor Service Cell of Exchanges are published in our KYC. Investors who are not satisfied with the response to their grievances received from ATS, can lodge their grievances with the Stock Exchanges or Depositories. Also clients can raise a complaint through SEBI Complaints Redress System (SCORES) platform. On registering the complaint, exchange calls both parties to discuss and resolve the grievances. All complaints which do not get resolved within fifteen days from the date of lodging the complaints with Exchange or cases where parties are aggrieved by the resolution worked out would be referred to Investor Grievance Resolution Panel (IGRP).

When one of the parties feels that the complaint has not been resolved satisfactorily either by the other party or through the complaint resolution process of the Exchange, the parties may choose the route of arbitration. Arbitration is a quasi-judicial process of settlement of disputes between Trading Member, investor, clearing member, sub-brokers etc. Arbitration aims at quicker legal resolution for the disputes.

If either of the parties is aggrieved by the award, the aggrieved party may approach the Exchange with an application in the prescribed format for appeal before the appellate arbitrators, along with applicable deposit, within a period of 30 days from the date of receipt of the arbitral award or the aggrieved party can challenge the award u/s 34 of Arbitration and Conciliation Act, 1996 in the court nearest to the address provided by constituent in the KYC form or as per the change in address communicated thereafter by the constituent to the trading member.

Policy on Hiring of Employees

➤ Employees' Hiring/Employee's Training/ Investor Education

When ATS hire new employees, they will be screened for reporting of any offences related to Money Laundering in their previous companies. Suitable training programs wherever required for new staff, front-line staff, sub-brokers, supervisory staff, also will be organized.

➤ Employees' Training

The Principal Officer will provide periodical training to all employees of ATS on the policy and on reporting practices.

ATS have an ongoing employee training programme so that the members of the staff are adequately trained in AML and CFT procedures. Training requirements shall have specific focuses for frontline staff, back-office staff, compliance staff, risk management staff and staff dealing with new clients. It is crucial that all those concerned fully understand the rationale behind these directives, obligations and requirements, implement them consistently and are sensitive to the risks of their systems being misused by unscrupulous elements.

➤ Investors Education

Implementation of AML/CFT measures requires intermediaries to demand certain information from investors which may be of personal nature or has hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records etc. This can sometimes lead to raising of questions by the client with regard to the motive and purpose of collecting such information. There is, therefore, a need to sensitize their clients about these requirements as the ones emanating from AML and CFT framework.

ATS will arrange training sessions for the Investors to inform them on the requirements emanating from AML and CFT framework. The purpose of this section is to ensure that

- a) The client is made aware of; and
- b) Prepare specific literature/pamphlets so as to educate the clients about the objective of the AML Program and CFT framework.

Conflicts of Interest Policy

SEBI, vide its circular no. CIR/MIRSD/5/2013 dated August 27, 2013 has laid down the guidelines requiring registered intermediaries to establish and implement a conflicts of interest policy (hereinafter the “Policy”).

To adhere to the above guidelines, ATS Share Brokers Pvt Ltd is required to take all reasonable steps to identify, eliminate or manage conflicts of interest. The Company is committed to acting honestly, fairly and professionally and in the best interests of its clients.

This Policy is not intended to, or does not create third party rights or duties nor does it form part of any contract between the Company and any client.

Purpose- The purpose of this Policy is to set out the Company’s approach to identify and manage conflicts of interest which may arise during the course of its business activities. This Policy aims at:

1. Identifying circumstances which may give rise to conflicts of interest entailing a material risk of damage to clients’ interests,
2. Establishing appropriate procedures and systems to manage those conflicts, and
3. Ensuring the maintenance of such procedures and systems in an effort to prevent actual damage to clients’ interests through conflicts identified.

Procedures and controls to managing Conflicts of Interests

The procedures and controls that the Company follows to manage the identified conflicts of interests include the following:

1. Effective procedures to prevent or control the exchange of information in the activities involving a risk of conflict of interest where the exchange of that information is likely to harm the interest of one or more clients;
2. Measures to prevent or limit any person from exercising inappropriate influence over the way in which capital market services are carried out;
3. Chinese walls restricting flow of confidential and price sensitive information within the Company, physical separation of departments and sharing of information only on a “Need to Know Basis”. The same shall be governed by ‘Prevention of Insider Trading Policy’ applicable at ATS Group level.

4. A policy designed to limit the conflicts of interests arising from the giving and receiving of inducement, as per the gift policy applicable at ATS Group level.
5. Appointment of Independent Internal auditors to ensure that appropriate systems and controls are maintained and their effectiveness or otherwise is being reported to the Company's Board of Directors.
6. Personal account dealing requirements applicable to employees in relation to their own investments needs an approval from the Compliance Team by submission of an Investment Request Form. The same shall be governed by 'Prevention of Insider Trading Policy' applicable at ATS Group level.
7. Provisions governing access to electronic data as per the 'Mobile Phone Usage Policy' of the Company and 'Prevention of Circulation of Unauthenticated News'.
8. Periodic review of the Policy will be done at the Board Meeting of the Company. The same shall be need basis.

Disclosure

The Company reserves the right to make review and / or amend its Policy and whenever it deems appropriate