

RMS & INTERNAL CONTROL POLICY

1. The Company has proper RMS department at its Corporate office situated at **Walia Complex 1st Floor Cinema Road Golghar, Gorakhpur**
2. The Company has the system to provide limits for trading based on the margin of the client available with the company in the form of funds / securities.
3. For the purpose of opening of trading limits, 20 -50 % haircut is taken on the value of securities according to the group of securities.
4. Full value of the funds of the clients available with the company is considered for the purpose of opening of the trading limits.
5. Sometimes limits are given to the clients on the basis of uncleared cheques on case to case basis depending on the financial health / previous track record of the client.
6. In cash segment an intra-day limit of 5-8 times of the margin available is given to the client.
7. In case of delivery transactions, funds is required to be deposited by the client equal to the amount of delivery on T+2 basis.
8. For F & O transaction, the company takes proper margin from clients as per stock exchange norms in the form of funds/Securities and report the same to the exchange in due course.
9. For online monitoring of F&O transactions V-Tech software is installed, which gives clear indications of the M to M losses client wise.
10. In F& O Segment trading M to M and Margin on the outstanding positions are informed to the clients on daily basis through SMS / E-mail.
11. Clients will be intimated as soon as MTM loss reaches 50% of the available funds. In this case company demands the additional margin from the client failing which it may reduce the position.
12. The Company has dedicated staff to online monitor all M to M profits / losses of the client. If the RMS head sees that the M to M losses of the client are 80% or more of the Fund / Securities of the clients, the F & O position/s of the client is/are squared off with proper intimation to the client.
13. Contract Notes / margin statements for the transactions executed by the clients are sent to them through e-mail on daily basis.
14. All the outstanding positions of the previous day are taken in back office & V-Tech software at the beginning of the day.
15. Payment control Report for debit recovery from the clients is made on daily basis and follow-up for the payment on regular basis done by RMS department.
16. All sticky client codes are brought in the knowledge of management regularly. The employees who are directly involved in trading activities of the company are not allowed to trade on his/her own account. But sometimes if an employee wish to take delivery of security, he/she is allowed only after prior approval of the management.

For Shanu Investment

Compliance Officer: Santosh Pal