

Libord Brokerage Pvt. Ltd.

Internal Control Policy

1. Registration of clients:

New Clients introduced are verified in – person. Subsequently, KYC in prescribed form for individual and non -individual and completed and duly signed KYC is checked by the staff. After satisfactory identification, client is registered and activated and provided with a unique client code. Further, Welcome Letters are sent to respective clients informing them their client codes.

The unique client code of each client is then mapped on the respective terminal and trading limits are allocated as per the respective credits and deposits available.

2. Collection and release of payments:

Subsequent to the trades executed by respective clients, obligation payments are collected by cheques / D.D. / RTGS /NEFT from clients and same is deposited into designated client account of Libord Brokerage Pvt. Ltd. Payment are made via account payee cross cheque / RTGS /NEFT in favor of respective clients as per their request. No cash collections and /or payments are undertaken or permitted.

3. Collections and maintenance of margins:

Initial margin is collected through cash or collaterals and accordingly Margin limit for trading as per defined rules is provided to the client.

Subsequent to the trading activities of the clients, Margin requirement of each client is confirmed and collected from the respective client.

Credits so received are posted into respective client ledger / margin statement accordingly.

4. Collection and delivery of Securities to the Client:

Securities so sold in the market are called for Pay-in obligation from each respective client.

Delivery of securities is done as per request to the designated client Beneficiary Account.

Routine / Periodic Internal Inspections and Audits are conducted to maintain and control business activities and functions.

5. Operation and compliance requirement:

Unique client code allocated to the client is uploaded to BSE via UCC.

Compliance Dept. ensures that Books, records and registers are kept and maintained per prescribed rules and regulations.

All activities regarding monitoring and redressal of the grievances of the investors and compliance of rules, regulations, notifications and guidelines etc are controlled and monitored by designated Compliance Officer and is periodically reported to the Board.

6. Payment of dividends:

Credits so received with respect of the dividends on behalf of the clients for securities so kept with us for collateral are credited / posted into respective client ledger statement, on the routine basis.

7. Continuity planning / Alternate plan in case of disasters etc:

We have power backup in place in case of power failure. Routines / Specific back-up for the records and registers are kept and maintained by designated department and is retrieved at regular intervals for cross-checking its authenticity, etc.

Back-up of records is also kept at alternate site.

8. Additional checks

We cross check the clients Pan no. from the Pan no. of the list of debarred entities by SEBI to avoid doing transactions for such clients before entering into trades.

Our terminals are at the HO only, hence chances of unauthorized orders from terminals are not possible. In case the UCC in the back office does not match with which the order is executed, software gives an error by which the identity of the client can be ascertained and corrective steps can be taken.

Market Price Protection Order Limits are set in the trading terminals to avoid order away from market price.

While entering financial data the back office software alerts if the bank account no. entered is not the same as that in the client database ensuring correct client bank a/c number is entered.

The compliance officer keeps track of the expiry date of NISM/NCFM certificates.