

Code Modification Policy of Saaketa Consultants Ltd

Code Modification will be done only under following circumstances:

1. If the punching error is reported within 30 minutes of Trade.
2. If any Trade Modification request comes after trade timings, but before Exchange reporting time, it will be entertained on case to case basis upon the discretion of compliance officer/ Risk Management and Surveillance Dept.
2. Only one leg of the Trade will be modified ie either Buy or Sell trade is to be modified.
3. Volume of Scrip vs trade qty is to be verified. Code modification trade should not be more than 5 % of the volume of the scrip for the day.
4. If there is code modification request more than once in a week from the same sub-broker/ branch it will not be entertained.

With effect from 01/08/2011

All Client Code Modifications have to be approved by Mr. T.Naveena Chandra or Mr. Ch Jagadeshwer Rao. Code modification will be approved after checking whether the error is genuine or not, if any pattern for profit or loss shifting is formed then it will not be entertained.

CODE OF INTERNAL PROCEDURE AND CONDUCT FOR PREVENTION OF INSIDER TRADING

These guidelines are applicable for all the persons dealing in securities through/for us. Meaning of various terms that should be known to the persons dealing in securities through/for us :

- a) “Act” means the Securities and Exchange Board of India Act, 1995 (15 of 1992);
- b) “body corporate” means a body corporate as defined in section 2 of the companies Act, 1956 (1 of 1956);
- c) “connected person” means any person who-
 - (i) is a director, as defined in clause (13) of section 2 of the Companies Act, 1956 (1 of 1956), of a company, or is deemed to be a director of that company by virtue of sub-clause(10) of section 307 of that Act; or
 - (ii) occupies the position as an officer or an employee of the company or holds a position involving a professional or business relationship between himself and the company and who may reasonable by expected to have an access to unpublished price sensitive information in relation to that company;
- d) “dealing in securities” means an act of buying, selling or agreeing to buy, sell or deal in any securities by any person either as principal or agent;
- e) “insider” means any person who, is or was connected with the company or is deemed to have been connected with the company, and who is reasonably expected to have access, by virtue of such connection, to unpublished price sensitive information in respect of securities of the company, or who has received or has had access to such unpublished price sensitive information;
- f) “investigating authority” means any officer of the Board or any other person, not being a firm, body corporate or an association of persons, having experience in dealing with the problems relating to the securities market and who is authorised by the Board under Chapter

III;

g) “officer of a company” means any person as defined in clause (30) of section 2 of the Companies Act, 1956 (1 of 1956) including an auditor of the company;

h) “person is deemed to be a connected person”, if such person-

(i) is a company under the same management or group, or any subsidiary company thereof within the meaning of sub-section (1B) of section 370, or sub-section (11) of section 372, of the Companies Act, 1956 (1 of 1956), or sub-clause (g) of section 2 of the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969), as the case may be; or

(ii) is an official or a member of a stock exchange or of a clearing house of that stock exchange, or a dealer in securities within the meaning of clause (c) of section 2, and section 17 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), respectively, or any employee of such member or dealer of a stock-exchange;

(iii) is a merchant banker, share transfer agent, registrar of an issue, debenture trustee, broker, portfolio manager, Investment Advisor, sub-broker, Investment Company or an employee thereof, or, is a member of the Board of Trustees of a mutual fund or a member of the Board of Directors of the Asset Management Company of a mutual fund or is an employee thereof who has a fiduciary relationship with the company;

(iv) is a Member of the Board of Directors, or an employee, of a public financial institution as defined in section 4A of the Companies Act, 1956;

(v) is an official or an employee of Self-regulatory Organisation recognized or authorized by the Board of a regulatory body;

(vi) is a relative of any of the aforementioned persons; or

(vii) is a banker of the company

i) “relative” means a person, as defined in section 6 of the Companies Act, 1956 (1 of 1956);

j) “stock exchange” means a stock exchange which is recognized by the Central Government under section 4 of Securities Contracts (Regulation) Act, 1956 (42 of 1956);

k) “unpublished price sensitive information” means any information which relates to the following matters or is of concern, directly or indirectly, to a company, and is not generally known or published by such company for general information, but which is published or known, is likely to materially affect the price of securities of that company in the market –

(i) financial results (both half-yearly and annual) of the company;

(ii) intended declaration of dividends (both interim/final);

(iii) issue of shares by way of public rights, bonus, etc.;

(iv) any major expansion plans or execution of new projects;

(v) amalgamation, mergers and takeovers;

(vi) disposal of the whole or substantially the whole of the undertaking;

(vii) such other information as may affect the earning of the company;

(viii) any changes in policies, plans or operations of the company.

**PROHIBITION ON DEALING, COMMUNICATING OR
COUNSELING Prohibition on dealing, communicating or counseling on
matters relating to insider trading.**

- (i) either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange on the basis of any unpublished price sensitive information; or
- (ii) communicate any unpublished price sensitive information to any person, with or without his request for such information, except as required in the ordinary course of business or under any law; or
- (iii) counsel or procure any other person to deal in securities of any company on the basis of unpublished price sensitive information.

Violation of provisions relating to insider trading.

Any insider who deals in securities or communicates any information or counsels any person dealing in securities in contravention of the provisions of regulation 3 shall be guilty of insider trading. Obligation of insider on investigation by the Board

- (i) It shall be the duty of every insider, who is being investigated, to produce to the investigating authority such books, accounts and other documents in his custody or control and furnish the authority with the statements and information relating to the transactions in securities market within such time as the said authority may require.
- (ii) The insider shall allow the investigating authority to have reasonable access to the premises occupied by such insider and also extend reasonable facility for examining any books, records, documents and computer data in the possession of the stock-broker or any other person and also provide copies of documents or other materials which, in the opinion of the investigating authority are relevant.
- (iii) The investigating authority, in the course of investigation, shall be entitled to examine or record statements of any member, director, partner, proprietor and employee of the insider.
- (iv) It shall be the duty of every director, proprietor, partner, officer and employee of the insider to give to the investigating authority all assistance in connection with the investigation, which the insider may be reasonably expected to give.

Directions by the Board

On receipt of the explanation, if any, from the insider under sub-regulation (2) of regulation 9, the Board may without prejudice to its right to initiate criminal

prosecution under section 24 of the Act, give such directions to protect the interest of investors and in the interest of the securities market and for due compliance with the provisions of the Act, rules made there under and these regulations, as it deems fit for all or any of the following purposes, namely :

- (a) directing the insider not to deal in securities in any particular manner;
- (b) prohibiting the insider from disposing of any of the securities acquired in violation of these regulations ;
- (c) restraining the insider to communicate or counsel any person to deal in securities.

Write up on Investor Complaint mechanism

- ❖ How Complaint can be registered: **The Complaints which we receive either by post or hand delivery or through the Exchange, the same being maintained in the Complaint register which we maintain in both physical as well as in softcopy.**

The format which we maintain in the following format:

Sr No.	Exchange	Date	Recd Date	Last Date	Client Code	Client Name	Branch	Nature of Complaint	Remark	Reply Date
--------	----------	------	-----------	-----------	-------------	-------------	--------	---------------------	--------	------------

- ❖ What are steps taken once complaint is received?
Once we receive the complaint, we enter the same in the complaint register and then we send the scan copy of the complaint to the respective branch or concern person for comments on the Complaint and then we try to understand the nature of complaint.

Simultaneously, our director scrutinizes the complaint at their end and prepare the draft reply.

After receiving the views from the concerned person or branch, we finalize the reply and send the same to the client or the respective branch.
- ❖ Who monitors status of complaint on ongoing basis?
Director
- ❖ Is there any time line set for resolving the complaint?
In practice, we resolve the complaint within seven (7) days after receiving the notice.
- ❖ Briefly explain status of pending complaint as on date.
No complaints are received or pending as on date.

LIMIT SETTING POLICY OF SAAKETA CONSULTANTS LIMITED

The following shall be policy on setting up of limits of clients.

1. All clients shall be initially enabled only cash market segment.
2. They will be allotted a margin of Rs 25000 to start with.
3. Further increase limit shall be considered depending the funds brought in by the client
4. Futures and Options shall be allowed depending on the track record of the client
5. All clients whose debits are pending for more than T+2+5 days shall not be allowed any further exposure. However, they will be allowed to sell their existing holdings.

Prohibition on circulation of unauthenticated news

As per code of conduct for Stock Broker in SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 and SEBI circular Cir/ISD/1/2011 dated March 23, 2011, all SEBI registered market intermediaries are required to have proper internal code of conduct to govern the conduct of its Employees. In view of same, Saaketa Finstock Private Limited implements code of conduct for communicating through various modes of communication. Employees/temporary staff are prohibited from:

1. Circulation of unauthenticated news related to various scrip's in blogs/chat forums/e-mail etc.
2. Encouraging or circulating rumors or unverified information obtained from client, industry, any trade or any othersources without verification.
3. Forwarding any market related news received either in their official mail/personal mail/blog or in any other manner except after the same has been seen and approved by the Compliance Officer.

If an employee fails to do so, he/she shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liable for actions.

Access to Blogs/Chat forums/Messenger sites etc. has been restricted by Saaketa Consultants Limited through Firewall device and the access is granted to the authorized persons only.

SAAKETA CONSULTANTS LIMITED

POLICY ON ERROR ACCOUNT

PREAMBLE ::

Saaketa Consultants Limited is a member of NSE LIMITED AND BSE Limited with operations in Equity and derivatives segments . It is possible that there shall be some mistakes while punching orders by various dealers. In order to ensure that there is a uniformity in dealing with such situations , this policy document is being adopted.

.

These procedures must be followed by all members of staff and management.

POLICY ::

Whenever there is a punching error in respect of quantity or rate and the same is realised by the dealer or pointed out by the client, the error shall be rectified by transferring the trade to error account and reversed in the error account.

In case there is any mistake while punching the client code and the same is realised before closing of the trading the reverse trade shall be entered in the wrong code and correct trade shall be entered proper code. The loss if any, in such situations shall be borne by the company.

In case the error is realised after closure of trading, the same shall be dealt with by the management as per the situation. Signature of the director shall be obtained in all such cases.

SAAKETA CONSULTANTS LIMITED

POLICY AND PROCEDURE FOR HIRING AND TRAINING OF EMPLOYEES

PREAMBLE ::

SAAKETA CONSULTANTS LIMITED is a member of NSE and BSE Ltd with operations in Equity and Derivatives segments . In view of the nature of business and also to ensure that there are proper policies for hiring and training of employees.

This document envisages the systems and procedures to be adopted at various levels and stages for hiring and training of employees.

These procedures must be followed by all members of staff and management.

HIRING OF DEALERS ::

Only those persons who have passed the necessary examination for working as dealers on a terminal shall be hired. It shall also be ensured that those with high qualifications such as post graduates are not hired since they may not stick to the job for a long time.

To the extent possible, only those who have come from proper introduction and with good family back ground shall be hired.

HIRING OF ADMINISTRATIVE STAFF

For the purpose of administrative staff, only those who are atleast graduates are hired.

All employees shall undergo on the job training for a period of three months. Only who have successfully completed their probation shall be confirmed as employees.

All employees shall attend the training seminars conducted by the exchange / regulator from time to time.

Write up on Inactive accounts

- ❖ Which accounts are treated as inactive accounts :: Those clients in whose account there are no trades for a consecutive period of six months are treated as inactive accounts..

- ❖ What are steps taken in case a client wishes to put a trade in inactive account ::

Saaketa shall collect such documents as are necessary to establish the identity of the client and place the orders only when convinced about the identity of the client .

POLICY ON OUTSOURCING OF SAAKETA CONSULTANTS LIMITED

As a matter of policy and to contain the risk of leakage of data Saaketa Consultants Limited shall not outsource any operations of the company.

SAAKETA CONSULTANTS LIMITED

**POLICY ON PRE FUNDED INSTRUMENTS
AND ELECTRONIC TRANSFERS**

PREAMBLE ::

Saaketa Consultants Limited is a member of NSE , MSEI and Depository Participant with CDSL with operations in Equity, Derivatives and Currency Derivatives segments . In view of the nature of business and also to ensure that proper systems are in place for accepting prefunded instruments viz., Demand Drafts, Payorders and Bankers cheques from clients, , this policy document is being adopted.

.

These procedures must be followed by all members of staff and management.

POLICY ::

If the aggregate value of instruments is Rs 50,000 or less, the same may be accepted from clients after ensuring that the instrument is taken by paying cash and taking a certificate from the client to that effect.

If the aggregate value of instrument is Rs 50,000 or more, the same may be accepted by SCL if it is accompanied by any one of the following certifications from the Bankers.

1. Certificate from the Bank on its letter head or with seal stating that the instrument has been issued by debiting the client account concerned.
2. Certified copy of the requisition slip for obtaining the instrument which shall contain the account number and name of the client.
3. Certified copy of the passbook showing the respective debit entry in the passbook.

ELECTRONIC TRANSFERS ::

Will be accepted only after verifying the details with the Bank Statement and third party transfers are not accepted under any circumstances.

SAAKETA CONSULTANTS LIMITED

POLICY ON INTERNAL SHORTAGES

Saaketa will adjust the internal shortages as under.

The settlement price shall be arrived at which is the highest closing three days price. The price shall be debited to the client who is short and credited to the client who is long.

Client who has purchased the shares but given the auction credit shall have to purchase the shares once again through the market.