



**INTERNAL CONTROLS POLICY TO BE ADHERED BY ALL CURRENT AND
FUTURE EMPLOYEES.**

Founded in 1994, Rosy Blue Securities is a broking arm of Rosy Blue (I) Pvt. Ltd. (formerly B. Arunkumar), one of the largest and renowned diamond & jewellery company in the world.

1. The Know Your Client (KYC) form & Member- client agreement to be all obtained from all prospective clients along with all the mandatory documentation/proofs.
 - Basis of accepting as client - References of the Promoters, Directors, Registered clients and employees.
 - Verification of original PAN card and residential proof, barred entity list available on websites of the SEBI and the Stock Exchanges, and financial status.
 - In-person verification of clients and maintenance of proof for the same, specifically in respect of out station clients.
 - If all of the above is done "Yes" then Unique Client Code (UCC) of the client will be activated and comply with the UCI requirements of respective exchanges. A copy of the completed KYC and agreeemnt to be provided to the client.
 - Trading to start if all the above is complied with subject to day to day compliances.
2. Fund, Securities and Margins
 - System of pay in and pay out of funds from / to clients:
 - Separate client account and own account to be maintained exchange wise.
 - All the clients to be informed on the T day for their pay in obligations to be met by them on T+1 day. The pay-out cheques to be issued on T+2 day once the client delivers the securities, if any and on receipt of payout from the exchanges. In case of margin short-fall, client will be informed immediately.
 - Source of pay in and pay out of funds in case of own trading will be from existing limits with banks and from loans from associates
 - Collaterals collected if any are entered in the system
 - Credit / transfer of dividend to the clients - by passing credit note vouchers on the date of the receipt of dividend in the bank



***Rosy Blue Securities
Private Limited***

154 / C, Mittal Court,
Nariman Point,
Mumbai - 400 021.
Te! : 67681111 Fax: 67681199

- account. Allocation to be confirmed by the Back office for the same.
- No third party payments to be accepted or to be made. Family transfers to be permitted if a letter received from both parties to the effect.
 - Cash will not be accepted from clients against their obligations
 - Without adequate margin from client, orders will not be punched on trading terminals.
- System of pay in and pay out of Securities from / to clients:
- Separate client beneficiary account and own beneficiary account to be maintained exchange wise.
 - All the clients to be informed on the T day for their pay in obligations to be met by them on T+1 day. The pay-out to be issued 24 hrs of receipt of payout from the exchanges.
 - Off market receipt of securities to be accepted in the client beneficiary account only in case of margins or in some extreme circumstances.
 - Client wise segregation of securities to be maintained The system gives us the track of the entire transaction and it is segregated client wise and script wise
 - Third Party Pay-in shares will not be accepted or pay-out to third party will not be given. Procedure for check on third party security transfer - DP record available of the client. The system does not allow any third party acceptance as the receipts in pool and beneficiary accounts crossed checked with client DP records available with us. DP Id of the client and the client ID is mapped only after thorough verification of the ownership of the account
 - Client's securities not to be mis-utilised for own purposes or for any other client. The DP System does not allow any manual entries for movement of securities with respect to the client account ids or change of client names. All slips are generated by the system without any manual interface for entering the account ids to transfer the securities
 - Statement of accounts to be issued physically from the registered office for funds and securities to be issued to the clients on monthly/quarterly basis as per the written preference of the client received.



3. Terminal Operations

- Procedure of accepting & placing of orders:
 - The dealers are authorized to place the orders up to the limits as prescribed on an ongoing basis above which they will take approvals from the directors. The factors determining the trading limit for each client is as per the risk profile of the client. Payment history and cheque bounces are the main criteria's
 - Trade changes from one client to other client will be permitted only in unavoidable circumstances and with management's approvals. In case the dealers punch in the wrong client code, the error needs to be rectified with the approval of mentors or directors in the post closing session or through file upload to the respective exchanges. In case if the same is noticed after the post closing session or after the timeline to upload the files to the exchanges, a fax to that effect to be sent to the exchanges. Trade changes of transferring profit/loss to client will not be permitted
 - Client's grievances should be resolved immediately.
 - Dealers will not disclose client's balances or open positions to any other person except client or its authorized representatives.
 - Punching errors will be taken to company's account with approval of mentors or directors.
 - Control over operator to ensure that he is entering authorized trades only.
 - The clients accounts will be freezed pending inquiry and closed if found to indulging in unfair trading synchronized trades. Dealers to be vigilant and if found abetting and executing synchronized trades will be terminated from service immediately.
 - 15% of trading volume limit will be given for B2, T, and Z group scrip for a client. The same can be increased with prior approval of directors

4. Contract Notes and Bills

- Contract note and Bills to be printed on T day basis and to be signed by authorized personnel.
- The same to be sent to the clients within T+1 day either through hand delivery or courier



- The serial number to be reset to 1 at beginning of Financial Year.
- Duplicates to be filed serially

5. PMLA

- Compliance w.r.t. Principle Officer and adoption of written policy.
- Measures taken with regard to Anti money laundering Act
- System of keeping a check on volume of trading done by the client is in proportion to his financial details as disclosed in the KYC is manual a bit of discretion to be allowed But any unusual pattern noted is generally to be queried with.
- Suspicious Transaction Report (STR) to be sent to FIU
- Manual risk categorization of clients.

6. Closure of Client Account / In Active Accounts

- Clients accounts to be freezed in the master upon receipt of written request for client for closure. A confirmation of ledger account to be obtained up to the date of request before issuing closure letter.
- Client account will be considered as inactive if the client does not trade for period of five years.
- Calculation will be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive, the shares/ credit ledger balance if any will be transferred to the client within one week of the identifying the client as inactive.
- The client has to make written request for reactivation of their account.

7. Brokerage Charged

- The Compnay is entitled to charge brokerage within the limits imposed by exchange which at present is as under:
 - **For Cash Market Segment:** The maximum brokerage chargeable in relation to trades effected in the securities admitted to dealings on the Capital Market segment of the Exchange shall be 2.5 % of the contract price exclusive of statutory levies. It is hereby further clarified that where the sale / purchase value of a share is Rs.10/- or less, a maximum brokerage of 25 paise per share may be collected.



***Rosy Blue Securities
Private Limited***

154 / C, Mittal Court,
Nariman Point,
Mumbai - 400 021.
Te! : 67681111 Fax: 67681199

- **For Option contracts:** Brokerage for option contracts would not exceed Rs. 100/- (per lot) single side or such other rates as provided by the exchange(s)/SEBI.

The client will pay to the company, brokerage, commission, fees, all taxes, duties, levies imposed by any authority including but not limited to the stock exchanges (including any amount due on account of reassessment / backlogs etc.), transaction expenses, incidental expenses such as postage, courier etc. as they apply from time to time to the client's account / transactions / services that the client avails from the Ganpati.

8. Miscellaneous

- Employees to be taken only after reference check.
- Prior approval from mentor is required for taking leave (except certain unavoidable circumstances) and alternative arrangement should be done so that existing work should not suffer.
- The policy of POA has not been formed as the same are not accepted from clients
- The policy as to opening and closing of branches has not been formed as there are no branches and all the business and correspondence is carried out from the Registered Office.
- The policy applicable to Portfolio manager has not been formed as as the company is not a portfolio manger.

For Rosy Blue Securities Pvt. Ltd.

SD/-

**Shilpa Hirani
Director**



***Rosy Blue Securities
Private Limited***

154 / C, Mittal Court,
Nariman Point,
Mumbai - 400 021.
Te! : 67681111 Fax: 67681199

Insider Trading Policy to be adhered by all current and future dealers

1. Dealers are not allowed to disclose client positions to any other client or any other dealer or any other employee.
2. In case of institutional trade dealer will not take any positions in the scrips, cash and derivatives both.
3. Dealers will not be allowed to open accounts with any other brokerage house.

For Rosy Blue Securities Pvt. Ltd.

SD/-

**Shilpa Hirani
Director**