

CONTROLOVER INSIDER TRADING

Subject to Regulation 3 B of SEBI Prohibition of Insider Trading Regulations, 1992, Insider Trading is prohibited as described in Regulation 3-A. Also under Regulation 12 of SEBI Prohibition of Insider Trading Regulation, 1992 all the intermediaries registered u/s 12 of SEBI Act shall frame a code of Internal Procedure and conduct to control Insider Trading. As required under said Regulations, Company's Internal Control and Procedures to prohibit Insider Trading is as under:

1. There will always be a Compliance Officer to comply with Model Code of Conduct for prevention of Insider Trading.
2. The Employees and Officers of the Company are made aware of information's, which are sensitive in nature.
3. They are also educated not to disclose any unpublished information's, which may have effect on price of shares of companies being traded.
4. Any Officer/ Employee of the Company who may be in possession of some important information will not disclose the same except in normal discharging of his/her duties.
5. Confidential information are not accessible to all. Company will be maintaining proper security of Login and Password in its Back Office record. Employees/ Officers in possession of confidential/ sensitive information are educated / advised not to communicate information to other.
6. Quarterly confirmations are being obtained from the employees stating that they would not indulge in speculative transactions.
7. Employees of the company are not allowed to participate in auction process.
8. Employee/ Officers/ Directors of the Company will not recommend any purchase or sale of securities.
9. Company has different Departments and information of one Department will not be passed on to other except on "Need to Know Basis".
10. Officers/ Employees of the Company will inform in advance to Compliance Officer the name and numbers of shares which he/ she intends to deal within next one week. Recommended period for holding is one month as investment. This period can be waived off by Compliance Officer under exception circumstances.
11. Compliance Officer, if he thinks that it is right to do so, may disallow to deal in shares for which permission is being sought after considering the greylist or any other circumstances, which warrant such disallowance.
12. Relatives of Broker/ Sub-brokers are not appointed/ posted in Departments such as Market Operations, Surveillance, Margin, EDP, Clearing & Settlement or any other Department, which has a possibility of leakage of information of sensitive nature.
13. Penalties are to be imposed and disciplinary action is to be taken against Employees/ Officers of the Company for violating Internal Code of procedures for prohibiting Insider Trading.

For Ludhiana Commodities Trading Services Ltd



Director

PROCESS FLOW CHART

A. CLIENT REGISTRATION PROCEDURE

1. It is mandatory for every person to get himself/ herself / itself registered as client to start trading and to fill Client Registration Form in latest prescribed format by Exchange.
2. Client will come personally to KYC Department and Officials of Company should verify the PAN Proof, DP Proof, ID Proof, address proof with Original.
3. Duplicate copy of Client Registration Form's and Client master (containing the details of UCC, Bank Account, Email-ID) is to be sent to new clients after the registration. A delivery dispatch proof is to be maintained for sending the Client Registration Form's and Client Master. Same can be obtained by old clients on request also. Company has started all the detail to send through email also so UCC detail, Bank Account detail, Demat Account detail, Contact Number all to be sent to clients on email id provided in KYC Form.

B. ALLOTMENT OF TERMINALS

1. New terminal will be allotted on written request of sub-broker
2. Before allotting terminal, documents such as NOC, certification, rent agreement, ownership proof and location is to be checked by Surveillance and Internal Control Department.
3. Location of terminals/ trading terminals are granted only at Trading Members' Registered Office, Branch Office and their Registered Sub-brokers' Offices.
4. After allotment details of terminals are to be uploaded with respective Stock Exchange.
5. Regular Inspections and surprise checks are to made to Control unauthorized use of terminals.
6. Details of terminals, broker, Sub-broker, SEBI Registration Number etc. are to be affixed at the place of operation of terminals.

C. EXPOSURE LIMITS

Ludhiana Commodities Trading Services Limited shall allow its sub brokers a gross exposure trading limit up to such times of Security Deposit and Additional Security Deposit as may be decided by the Board of Directors / risk Management Committee from time to time. The Board of Directors/ Committee or CEO along with Directors authorized for this purpose may reduce / increase the trading limits as a Risk Management measure.

For Ludhiana Commodities Trading Services Ltd



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In case of increase in trading limits sought during the market hours, either the sub broker or their clients shall transfer funds to the accounts of Ludhiana Commodities Trading Services Limited on line and requests for such increase, in writing either through logic, e-mail, fax or letter.

Additional capital deposited by the sub broker / client will be refunded only on request from the respective sub broker/ client. On reaching 100% of the permissible limits, the trading terminal of the concerned sub brokers shall be automatically be put in the square off mode. Only on the additional Security Deposit in the form and proportion prescribed by Ludhiana Commodities Trading Services Limited, the concerned sub broker will be allowed to trade.

ISSUANCE OF CONTRACT NOTES/ STATEMENT OF ACCOUNTS

Contact Notes for trades executed are to be sent to each and every client within 24 hours of trade execution either physically or electronically if client opts to receive the Contract Notes through email. The Contract Notes to be sent through email are necessarily to be digitally signed.

The Contract Notes to be issued are to be auto numbered and are to be stored in soft form in Back Office as well as written on Compact Disc. Logs and records of sending are also to be maintained.

Similarly Daily Margin Statements and Quarterly Statement of Accounts are to be sent to clients.

D. COLLECTION OF MARGIN

The Authorized person and clients will have to pay initial exposure margins, span margins and any other margin as specified by the relevant authority from time to time on real time basis. If at any point of time applicable margins in account of any applicant reaches 100% of limit allowed , system will not accepts fresh orders from that user and terminal will be in squaring off mode. Under these circumstances AP/Client will have to square off his positions or deposit additional margins. Margins can be deposited in the shape of cash, FDR and approved securities and that deposit is to be made in prescribed ratio of cash and non cash components.

At present it is 50:50 for clients, i.e. 50% cash and 50% non cash component. Here FDR will be considered as Cash equivalent for calculating the above said ratio.

CONTROL OVER MTM

The Company will keep Real time check on unrealized MTM Loss and if unrealized MTM Loss of any AP/Client at any point of time reaches at 60% of total margins available in account of that AP/Client then terminal of that client/ AP will be put to square off mode and 50% of loss is to be deposited immediately else positions will have to be squared off.

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E. PAY-IN/ PAY-OUT OF FUND/ SECURITIES

The pay-in obligations of funds are to be met on T+1 day and that also with in the time specified by the Company. So sub brokers/ APs/ Clients having pay-in obligations are required to maintain balance against their pay-in obligations with in prescribed time failing of which their terminals are put to squaring mode followed by suspension of trading till the time pay-in obligations are met out. Positions can also be squared off depending upon the circumstances.

SYSTEM OF SETTING OF TRADING LIMIT

Ludhiana Commodities Trading Services Limited shall allow its sub brokers a gross exposure trading limit up to such times of Security Deposit and Additional Security Deposit as may be decided by the Board of Directors / risk Management Committee from time to time. The Board of Directors/ Committee or CEO along with Directors authorized for this purpose may reduce / increase the trading limits as a Risk Management measure.

In case of increase in trading limits sought during the market hours, clients shall transfer funds to the accounts of Ludhiana Commodities Trading Services Limited on line and requests for such increase, in writing either through logic, e-mail, fax or letter.

Additional capital deposited by the sub broker / client will be refunded only on request from the respective sub broker/ client. On reaching 100% of the permissible limits, the trading terminal of the concerned sub brokers shall be automatically be put in the square off mode.

For Ludhiana Commodities Trading Services Ltd



Director

NORM FOR THE REGULATIONS OF TRANSACTIONS BETWEEN LUDHIANA COMMODITIES TRADING SERVICES LIMITED AND ITS CLIENTS.

a. CLIENT'S EXPOSURE LIMIT

Exposure available to Clients will be based on Upfront Margins and deposits available with Ludhiana Commodities Trading Services Limited

b. BROKERAGE RATE

Brokerage is to be charged inclusive of transactions charges but exclusive of Statutory Levies and subject to maximum brokerage permissible as per the rules, regulations of the Exchanges and SEBI.

c. SELLING/CLOSING OF THE CLIENTS' POSITION WITHOUT PRIOR INTIMATION TO THE CLIENT

Ludhiana Commodities Trading Services Limited reserves the right (without affecting right to impose penalties as pointed out in point e) to close out positions of the clients without giving notice to the client, if there is a default in payment of dues, limited to the extent of debit obligations whether of pay-in or margin.

PENALTIES/DELAYED PAYMENT IN CASE OF SETTLEMENT/MARGIN OBLIGATIONS.

If there is delay in payment of margin or settlement obligations i.e. margins/credit balances lying in credit of the client are not transferred within one working day of the request by the client similarly debit balances in client accounts are not cleared within three working days of the notice to clear the same, penalty @1.5% for every failure or part thereof is to be imposed on either party by other party. Trading and further exposure will be barred till clearance of debit balance along with penalty.

e. LIQUIDATION/CLOSE OUT POSITIONS.

Ludhiana Commodities Trading Services Limited shall be entitled to close out all or any clients' position for non payment of margins or any other dues, in the event of death of the client, insolvency of the client or otherwise barred by any regulatory authorities like SEBI, MCX, PMLA regulations or any government authorities etc and at any point of time the client indulges in any manipulative or illegal activities. Further clients will not be allowed to take fresh positions.

f. TEMPORARILY SUSPENDING OR CLOSING A CLIENT'S ACCOUNT AT THE CLIENT'S REQUEST.

On the written request of the client the trading will be suspended temporarily or account will be closed within 24 hours.

g. DEREGISTERING A CLIENT.

Within 24 hours, on receiving the written request from the client and sub broker provided all dues are cleared. If the request is received from one party for the deactivation, then sending 30 days notice to the other party for confirmation and then account will be deactivated on receiving confirmation or expiry of 30 days whichever is earlier.

h. INACTIVE ACCOUNTS

If the client is inactive for the continuous period of six months that client's account will be considered as dormant account.

It will be activated on written request of the sub broker, if the above said period is less than two years and if period is more than two years, it will be activated on written request of the client only. Assets of those accounts will be transferred immediately on clients' request after clearance of dues, if any.

X _____
(Client Signature)

(AUTHORISED SIGNATORY)
For Ludhiana Commodities Trading Services Limited

For Ludhiana Commodities Trading Services Ltd



Director