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Financial Services

Sr. No. : **8225**

INTERNAL CONTROL POLICY

Date:

1. Details

i. Date of starting of business 27-10-1998

Pankaj Mangaldas Securities Private Limited is in corporate under the Companies Act1956 (no 1 of 1956)

ii. Background of company

Paankaj Mangaldas Securities Private Limited is a securities firm providing financial services. The company was founded by Mr Pankaj M Thakkar & Mr Atul M Thakkar.

The Company is doing Brokerage Business. The firm's philosophy is entirely client centric, with a clear focus on providing long term value addition to clients, while maintaining the highest standards of excellence, ethics and professionalism. The entire firm activities are divided across distinct client groups: Retails, HNIs, Corporate and Institutions.

The organization finds its strength in its team of young, talented and confident individuals. Qualified professionals carry out different functions under the able leadership of its promoters, Mr Pankaj M Thakkar & Mr Atul M Thakkar.Stringent employee selection process, focus on continuous training and adoption of best management practices drive the quest to achieving our Core Purpose and Values.

2. PMLA

ANNEXURE 11 IS ATTACHED

3. Introduction/Registration of clients

Basis of accepting as client
We shall not accept account-opening forms in anonymous or fictitious/benami name(s).   Adequate due diligence is a fundamental requirement for establishing the identity of the customer. Identity generally means a set of attributes which together uniquely identify a natural person or legal entity. In order to avoid fictitious and fraudulent applications of the customers, and to achieve a reasonable degree of satisfaction as to the identity of the customer, Broker shall conduct appropriate basic due diligence. The nature and extent of basic due diligence measures to be conducted by the Broker at the time of establishment of account opening/relationship, would be dependent upon the risk category of the customers and involve the collection and recording of information by using reliable independent documents, data or any other information.

🤝 Deep rooted relationships.   💡 Timely Ideas.   ⚕ Immutable Ethics.   🔍 Efficient Execution.

This may include identification and verification of the applicant and wherever relevant, ascertaining of occupational details, legal status, ownership and control structure and any additional information in line with the assessment of the ML risks posed by the applicant

Appropriate Enhanced Due Diligence measures shall be adopted for customers, with a high-risk profile, especially those for whom the sources of funds are not clear, and customers who are Politically Exposed Persons (PEPs) resident outside India and their family members/close relatives. Politically Exposed Persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g. Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc.

Procedure for In-person verification of clients and maintenance of proof for the same, specifically in respect of out station & sub-broker clients

In person verification should be done by concerned Officer. In case of out station Client in person verification should be done through web camera. Copy of Pan is to be tally with income tax Department & also with SEBI, NSE, and BSE for any action to be taken by any authority for violation of securities laws/other economic offences in previous days for that Investor. The set of KYC is fully filled and duly executed by Client Only.

Whether Client Registration Documents (CRD) given to new clients & to existing clients, on demand. Also, whether UCC & email ID communicated to clients on CRD or separate letter, and proof for the above.

A complete set of KYC and Account opening letter is given to client it contains all details of client like trading code of client (UCC) DP/Bank account number, client's phone number, email id etc registered with us. Further if client asked same details for second time we will again furnish the same as per client's request.

4. Funds:

System of pay in and pay out of funds from / to clients

The cheques from the clients will only be accepted from the accounts for which the client has submitted the proof to the company. In case of any receipt from the accounts for which the proof is not available the same will be demanded from the clients. Third party cheques will only be accepted from the parties related to the

clients after taking due authorization from both the client and the person making payment.

Payments for the payouts will only be made to the clients and not to any third party.

System & source of pay in and pay out of funds in case of Own trading
In case of proprietary trade Pay in and pay out transactions are done through companies own Account only.

Procedure of Margin collection, if any from clients & maintenance of records thereof
In case of Capital Market segment the margin will normally not be levied under normal circumstances but the company may collect the Margins depending on the Market Scenario and Client Profile.

In case of F&O the Company will collect the SPAN margin from the clients and if need be the company may collect additional margins for the safety depending on the Market Scenario and Client Profile. Pankaj Mangaldas Securities Pvt. Ltd. shall maintain appropriate documentation on their client relationships and transactions to enable reconstruction of any transaction.

The records shall be maintained as per applicable regulations. Further, in case of the any litigation, investigations by enforcement authorities, the records should be maintained until the case decides.

Any funding is done to the clients
        N.A

Credit / transfer of Dividend to the clients / own dividend
As and when we receive the dividend from our bank we verify the client position in our back office and dividend credit should done to respective clients and effects will shown in ledger for client's information. In case of own dividend shall be credited to companies own Account.

Procedure followed in case of default by client/ sub broker's client
The client shall ensure timely availability of funds in form and manner at designated time and in designated bank for meeting his/her pay in obligation of funds. Any and all losses and financial charges on account of such liquidation closing out shall be charged to & born by the client.

Payment to sub brokers / remisier
Payment to remisier shall be settled on monthly basis through cheque payment. Cash transaction is strictly prohibited

Any third party transfer of funds? If yes, policy in this regard

Third party payments are strictly not allowed. In extreme cases we will consider only be accepted from the parties related to the clients after taking due authorization from both the client and the person making payment. Payments for the payouts will only be made to the clients and not to any third party.

5. BOLT Terminal

Procedure of accepting & placing of orders
Orders are received from our clients through phone executed properly and confirmation also sent with return call after execution of order.

Factors determining the trading limit for each terminal / client
We regularly monitor trading volume trading pattern trading behavior and payment systems and monitory position of relative terminal/client and accordingly we determine the trading limit of terminals & clients.

Control over operator to ensure that he is entering authorized trades only
Our operators are regulatory told to see that they donate put trades in liquid script or not to indulge UN authorized trades.

System in place to check certification of approved users has not expired
We have made a chart of expiry date in our system and reminders also set in our back office system.

7. Contract Notes

Whether printing of contract note is centralized? If not, Place from which CN are printed.
CN are printed from H.O on the trade day itself.

Procedure for printing CN in case of outstation clients / sub broker clients
Contracts of outstation clients are dispatched through courier and POD slips are maintained in records.

Basis of numbering
On first April of each financial year the Serial number of contract starts from number one and it will continue throughout the year.

System for maintaining duplicates & acknowledgement for CNs
Contract notes shall be issued on the end of trading day itself and dispatch the registered address of client through courier only. POD proofs are properly maintained as acknowledgement in our records. Many CN are given hand delivery also.

7. Securities:

System of pay in and pay out of securities from / to clients

The shares from the clients will only be accepted from the accounts for which the client has submitted the demat proof to the company. In case of any receipt from the accounts for which the proof is not available the same will be demanded from the clients.

Separate Own Beneficiary Account maintained or not
We have maintained separate Own Beneficiary Account.

Separate Client beneficiary account maintained or not
We also maintained separate Client beneficiary account.

Client wise segregation of securities maintained or not
In our back office we have maintained Client wise segregation of securities. We do not keep clients
Share with us.

Whether Clients' securities maintained with Member
NO

Procedure for check on Third party security transfer/ acceptance
Delivery for the payouts will only be made to the clients and not to any third party. In our back office software we have a system to identify the client's registered DP and it will never allow to us to transfer the securities to any other third party.

Policy to ensure that client's securities are not mis-utilised for own purposes or for any other client.
In our entire process we have the sufficient steps to check out the same and in our policies we have mentioned same.

8. **Internet Trading**
    Prior Approval taken or not?
    Yes.

    ITORS agreement entered into with clients or not
    Yes.

9. **Execution of POA (Power of attorney) (if applicable) –**

    Yes.

10. **Opening & closing of branches**

    Till today there is no instant of closer of branch
    In case of closure of branches, how and when do you communicate existing clients? NA

11. **Closure of client accounts / dormat account**

In case of closer of accounts
Or dormant account, trading again we taken care that client has paid old dues,
shares & securities are received & given to his\her a/c only.
In case of very old dormant account. We intimate client by Phone.

12. Receiving and Execution of Orders

Procedure of accepting & placing of orders

In all offices we have authorized persons who are BOLT operators. These BOLT
operators who attend to Clients' Orders have been assigned Clients and Clients
have been advised to contact particular person for placing/modifying/canceling
their sales/purchase Orders.

Every BOLT operator would first ensure that person contacting personally/over
phone is client. Then he will clearly understand the instruction –buy or sell, name
of the scrip, code number quantity and rate at which to be done. If it is market it
should be done instantly and confirmed to the Client. Otherwise after entering the
Order as per Client's instructions after entering the Order as soon it is done you
must inform the Client. Care to be taken about name of the scrip and quantity
etc.

No Sauda to be entered at unrealistic rates even if instructed by the client. In
case of mistake/s in making entry matter to be rectified immediately and brought
to the notice of the superior.

All passwords used in operating BOLT are strictly confidential and not to be
divulged to anybody.

Orders of Clients received personally / by phone for buying/selling shares are
executed promptly and when done clients are informed accordingly. In case of
Orders with "Limits" clients are kept informed about the movements in prices etc
.and instructions modified if desired by the Client.

Clients can place Orders with specific instructions whether it is [I] End of Session
Order – which get cancelled if not executed [ii] End of Today - which get
cancelled after special extended period if not executed [iii] Batch Order – with
specific price which continues till executed at the price and by the days indicated
by the Client –if not executed by that time it gets cancelled.

Control over operator to ensure that he is entering authorized trades only

In our back office software we have a system to verify each and every trade for
observation. Our Officers' are taking utmost care of each and every client's for
perfection. Further strict observation on trade activities of our dealers was
maintained by management as per SEBI and Exchange Rule.

System in place to check certification of approved users has not expired

We have set reminders in our Microsoft Outlook well in advance before the expiry of user certificates. Wherever alert gets generated, we intimate respective user to give exam for certificate renewal.

ALL POLICIES IS ACCEPTED BY BOARD OF DIRECTORS AND SAME   HAS BEEN APPROVED BY BOARD OF DIRECTOR.

For PANKAJ MANGALDAS SEC PVT LTD

Atul M Thakkar(Director)