

# INTERNAL CONTROL PROCEDURES

ADOPTED BY  
GIRIRAJ STOCK BROKING PRIVATE LIMITED  
MEMBER: BSE LTD  
NSE LTD



## Internal Control

### 1. Details

- Date of starting of business – 02/09/2011
- Background of company– Giriraj Stock Broking Private Limited was originally incorporated in the name of Giriraj Agencies Private Limited on 02.02.2005. During 2011, the company decided to step into the business of stock broking and therefore, subsequently changed its name to Giriraj Stock Broking Private Limited. In the same year, the company acquired the membership of The Calcutta Stock Exchange Ltd. Thereafter, the company went into CSE-BSE arrangement to facilitate its clients trading on BSE platform followed by CSE-NSE arrangement too. During the financial year 2012-13, the company acquired the membership of United Stock Exchange of India Ltd to provide its clients with the platform for trading on Currency Derivative Exchange. The Company further in the year 2013-14 became a member of BSE Ltd & a member of NSE Ltd. in the year 2023-24. Currently, it is also a registered AP of Econo Broking Pvt. Ltd. Giriraj Stock Broking has surrendered its CSE membership in the year 2019 and membership of USE has been merged with BSE.  
With a positive outlook to serve its clients, Giriraj Stock Broking Private Limited aims to make a remarkable name for itself in the stock broking business.

### 2. Client Code Modification: For details, please refer policy

- Reasons for the modification of client codes: Yes
- Ratio of modification of client codes done at Head office vis-à-vis other offices: N.A
- Details of authorized representatives for approval of client code modification w.r.t. error trades. N.A
- Measures taken to reduce the modification of client codes: Proper steps are taken
- Whether the trades have been modified only for the objective criteria allowed by the Exchange? N.A
- Whether securities taken into ERROR A/c are liquidated in the same A/c? N.A

### 3. PMLA: For details, please refer policy

- Compliance w.r.t. Principal Officer, appointment of Designated Director under PMLA and adoption of written policy. Yes
- Whether KYC and AML policies have been reviewed in line with SEBI Guidelines? Yes
- Measures taken with regard to Anti money laundering Act: Yes
- 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: Yes
- Alerts for the same generated or not? Yes
- Any Suspicious Transaction Report (STR) sent to FIU: N.A
- Risk categorization of clients: Yes
- Enumerate the steps taken to verify the identity of persons who beneficially own or control the securities? Yes.

### 4. Introduction/Registration of clients: For details, please refer policy

- Basis of accepting as client: As per policy



- Procedure for In-person verification of clients and maintenance of proof for the same, specifically in respect of out station & Authorized Person's clients: Yes
- 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: Yes
- Do you outsource client registration modalities? No
- Do you entertain walk in clients? If yes, what are risk mitigation measures taken in dealings with such client: No
- Process of record keeping and retrieval of client registration document: Yes

**5. Uploading of KYC documents to KRA:**

- Specify the name of the KYC Registration Agency ('KRA'): CVL KRA
- Procedure followed for uploading the details of KYC to KRA. Also, furnish a copy of operational manual, if available, in this regard: Yes
- Clients account opened based on the client's details downloaded from KRA system? In such case of download of KYC from KRA system, how the responsibility for KYC of clients is met as per Regulation 16 of SEBI (KRA) Regulations, 2011. Yes
- As regards foreign investors, furnish the status of compliance along with supporting data/facts regarding compliance of the following circulars: SEBI circular no. CIR/MIRSD/ 11 /2012 dated September 5, 2012 and CIR/MIRSD/ 07 /2013 dated September 12, 2013 N.A.

**6. Funds:**

- System of pay in and pay out of funds from/to client: Through Client Bank A/c
- System & source of pay in and pay out of funds in case of Own trading: N.A.
- Procedure of Margin collection, if any from clients & maintenance of records thereof: Upfront
- Any funding is done to the clients: No
- Credit/transfer of Dividend to the clients/own dividend: Yes
- Procedure followed in case of default by client/authorized person's client: N.A.
- Payment to authorized persons/remises: N.A.
- Any third party transfer of funds? If yes, policy in this regard: N.A.

**7. Terminal: For details, please refer policy**

- Procedure of accepting & placing of orders: As per policy
- Factors determining the trading limit for each terminal/client: As per policy
- Control over operator to ensure that he is entering authorized trades only: Yes
- In case where terminals have been located abroad, then opening of terminal abroad is in compliance with SEBI Guidelines N.A.

**8. Contract Notes**

- Whether printing of contract note is centralized? If not, Place from which CN are printed: N.A. as we provide Electronic Contract Notes, i.e., ECN. However, in case of request for duplicate, the process is centralized.
- Procedure for printing CN in case of outstation clients: We provide ECN.



- Basis of numbering: Serial Number
- System for maintaining duplicates & acknowledgement for CNs: Yes
- Whether consent for change in e-mail id is obtained through physical letter from the clients? Yes

**9. Securities:**

- System of pay in and pay out of securities from/to clients: Yes
- Separate Own Beneficiary Account maintained or not: Yes
- Separate Client beneficiary account maintained or not: Yes
- Client wise segregation of securities maintained or not: Yes
- Procedure for check on Third party security transfer/ acceptance: Yes
- Procedure to ensure that client's securities are not mis-utilised for own purposes or for any other client: Yes

**10. Monthly/Quarterly Settlement**

- Details regarding the policy and procedure adopted for settlement of running account: Yes
- Whether inter-client adjustments are done for the purpose of settlement of running account. No
- If the securities/funds are retained towards obligations including expected margin obligations, what are provisions in this regard followed by the stock broker? As per Exchange norms.

**11. Statements of Accounts**

- Whether statement of accounts for funds and securities are issued on monthly or quarterly basis: Quarterly
- Whether the statement explains the retention of funds/securities and the details of the pledge: Yes
- Whether statement of accounts is issued from the branches/authorized person's office. If yes, the procedure followed for issuance and the maintenance of the duplicates and proof of delivery: N.A
- Whether statement of accounts are issued physically or digitally? Physically

**12. Execution of POA (Power of attorney) (if applicable): N.A**

- Please specify in whose name POA has been taken (trading member, its employees or representatives or authorized persons)
- Process adopted for execution of POA

**13. Opening & closing of branches: N.A**

- Procedure adopted for opening & closing of branches
- In case of closure of branches, how and when do you communicate existing clients?



**14. Closure of client accounts /dormat account:** For details, please refer policy

- What type of documentation (both inward and outward) undertake for closure of account: Updation of KYC and Closure request letter from client is taken.
- In case of dormant account (six month), what extra caution taken before execution of trade in such account. As per policy
- Procedure adopted in case of very old dormant account (2 years old). As per policy

**15. Receiving and Execution of Orders**

- Mode of order acceptance at HO/Branches/AP's offices: Telephone
- Any document is maintained for the clients who personally walk into the office and place the order? Yes
- System for identifying authenticity of caller when the order is placed through telephone: Yes
- Mechanism put in place to limit the cumulative value of unexecuted orders from the terminals? Yes

**16. Portfolio Manager: N.A**

- Whether Trading Member acting as a portfolio manager?
- Procedure for client registration, order execution, contract notes issuance and settlement mechanism followed for the same.
- Whether any of the client of the TM is acting as a portfolio manager?

**17. Brokerage Charged**

- Brokerage schemes provided to the clients? No.
- Elaborate on the schemes provided? N.A

**18. Client Margin Information**

- Process for evaluating exposure to be given to the clients? Yes
- Whether client margin information is sent to the clients? Yes
- Whether it contains all the required information as prescribed in the circular? Yes
- What is the mode of informing to clients? With contract note
- Whether proof of delivery/dispatch is maintained for the above purpose: Yes

**19. Collection and reporting of margins**

- Details of the policy and procedures adopted for collection of margin from the clients and details regarding the methodology adopted (separately) for calculation of value of margins received from the clients: As per policy
- Explain the system in place to verify whether the list of collaterals which cannot be considered as margins as specified by stock exchanges are not taken in to account while calculating margins of the clients? N.A
- Give details of the process adopted for reporting of margins collected from clients to the stock exchanges viz upload of margin file, timelines for such upload, correction in margin file uploaded etc: As per policy



- Whether have a system to verify/ensure that the margin reported are actually collected and available with broker? If so give details: As per policy
- Whether a system in place to monitor the short reporting of margins from the clients and verifications / checks and balances for correct reporting of margins collected from the clients? If so give details: Yes.

**20. Risk Management policy w.r.t. Equity Derivatives , Currency Derivatives and Commodity Derivatives**

- Whether Risk Management policy is in place to check appropriate internal controls are in place and is certified by the statutory auditor? Yes.

**For Giriraj Stock Broking Private Limited**

*Vinay Jajodia*

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Compliance Officer**