

# INMACS LIMITED

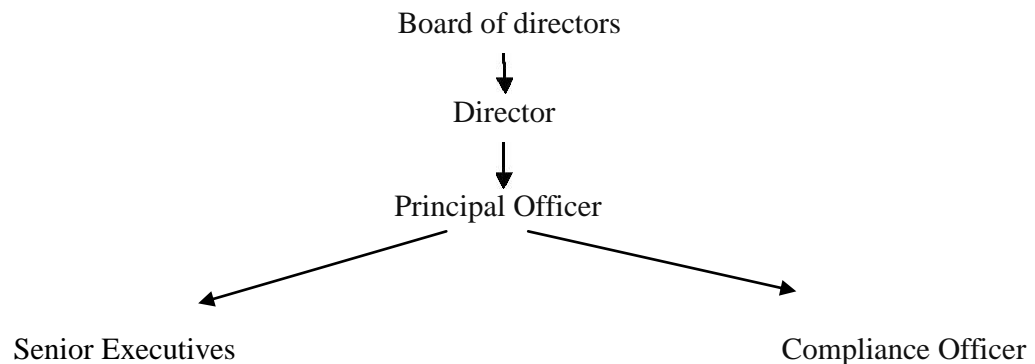
Corporate office: 909, Chiranjiv Tower , 43 , Nehru Place , New Delhi 110019

## INTERNAL CONTROL POLICIES

### Introduction

Internal Controls are to be an integral part of our organization's financial and business policies and procedures. Internal controls consists of all the measures taken by the organization for the purpose of; (1) protecting its resources against waste, fraud, and inefficiency; (2) ensuring accuracy and reliability in accounting and operating data; (3) securing compliance with the policies of the organization; and (4) evaluating the level of performance in all organizational units of the organization. Internal controls are simply good business practices.

### Responsibility



Everyone within our organization will have some role in internal control. The roles will vary depending upon the level of responsibility and the nature of involvement by an individual.

- Principal Officer , Compliance Officer, Senior Executives will establish the presence of integrity, ethics, competence and a positive control environment.
- There will be a delegation of authority to Principal Officer by Director and he will be responsible for entire operations.
- Vice President will appoint Compliance officer who will oversight responsibility for internal controls on entire organization as per his direction and control .
- Senior executives will be responsible for executing control policies and procedures on entire

organization associated with their specific job responsibilities.

We will have a duty chart for every authorised person to operate terminals and if any person moves somewhere he will put password in his system . Only authorised persons will be allowed to operate the systems.

The Internal Audit role is to examine the adequacy and effectiveness of the recommendations where control improvements are needed. However, the effectiveness of the internal controls are enhanced through the reviews performed and recommendations made by Internal Auditing.

The Board of Directors have deliberated thoroughly on the need to decide procedures for Internal control , its continuous monitoring both from SEBI/NSE and PMLA Point of view.

### **Client Registration:**

- A new client account shall be opened only after proper client identification has been done thoroughly . All the documents prescribed by SEBI/NSE shall be taken from clients . In case of PAN , counter check through Income Tax's Website is a must. Reference given by the clients shall also be contracted . His financial position shall also be studied from Risk Management point of view.
- Responsible officials shall collect required information before opening any new account such as :
  - a.PAN
  - b.Financial Details
  - c.Complete KYC form
  - d.Specifying UCC on forms
  - e.In – Person Verification
  - f. Email – id
  - g.Identification Proof
  - h.Examine client other details.
- Walk in Clients will not be entertained without proper verification. Principal Officer will meet every client personally. He will check references , financial details , employer references(if client is employed) and will ask Chartered Accountant of client about his standing (if client is not employed).
- Duly filled client registration forms (KYC – know your customer) will be properly maintained in block files for all the customers.
- Client Registration Modalities will not be outsourced.
- Records of clients documents and documents for any change in information will be kept in block files in alphabetical or serial order.
- Photocopies of KYC, Stamp paper and other documents will be provided to clients at the time of account opening through physical delivery.
- There will be no separate marketing division of the company.

### **Order Receipt and Execution:**

- In CM , the company will not take margin beyond specified limit , unless authorized by board from time to time.
- In case of purchase , hand to hand payment will be made and in case of sale , delivery will be made on the same day.

- In case Securities held in DP, hand to hand checking of physical availability of securities will be made.
- Trading of thinly traded scripts and concentrated shares will not be made beyond specified limited.
- No contribution will be made in circular trading.
- No structured trading and off market transaction will be made.
- The company will have telephonic trade confirmation system in between the trading period and at the end of each day, each client will be informed of the trades taken place in his / her account. Apart from this weekly statements / daily contract notes will be sent to clients to inform them of their trades.

### **Contract Notes , Daily Margin Statement and Quarterly Statement of Accounts.**

- Contract notes will be sent electronically. Weekly statements of trading account & margin account will be sent through courier / email as desired by the client. The quarterly statement of accounts will be sent by e-mail. Copies will be provided on request freely.
- Duplicate copies of contract notes and account statement will be maintained in software itself.

### **Closure of client accounts/dormant account**

- Account will be closed only in the personal presence of the client and not on the basis of request made telephonically.
- Application requesting closure of account will be obtained in writing, signed by the client.
- After closure of account Client will be given letter confirming therein that their account has been closed and he/she does not owe any amount to the company.
- In case of dormant accounts, new trades will be executed only when the previous balance will get executed.
- Clients will be asked to deposit the cheques before or on the day of trade for the safety of amount involved.
- Clients will not be transferred from one branch to other.

### **Internal Shortage**

- Overdraft limit will be taken from bank to overcome the situations of shortages.
- Directors will provide resources to head office in case of need.

### **Risk Management**

- Balance confirmation will be made to clients telephonically and statement of accounts will also be sent periodically.
- Constant follow up of the clients will be done.
- Cheques will be deposited in bank on time.
- No dealing in PRO Account would be there.
- No client financing will be made .
- No buying /selling on behalf of other trading member will be done.
- All money received will be deposited in client money a/c and securities in pool a/c on time.
- Dividend received will be made on the same day.
- Company will not square up positions of clients on its own. Clients will be informed to either square off or send margins if the situation warrants.

- Continuous review of business transactions and accounts will be done .
- The controls will be reviewed by Compliance Officer on monthly basis.

#### **Investor Redressal Mechanism**

- Register of complaint will be maintained centrally.
- Principal officer will monitor the pending investor complaints and redressal.

#### **PMLA**

- Regular review of of procedures and policies on money laundering will be done to ensure its effectiveness.
- Customers will be sensitized about requirements of provisions emanating from AML and CFT framework.

**For & on behalf of INMACS LIMITED**

**Sd/-**

**Vinod Jain (Director)**