

## **Internal Controls Policy**

RAJSONS SECURITIES LIMITED is a Stock Broker is registered with SEBI and with Exchanges Namely, NSE. To ensure internal controls pertaining to various areas of operations, we follow these steps:

- √ We maintain records of all the transactions.
- √ We do not take cash from our clients.
- √ We have appointed the “Principal Officer” and the said Principal Officer is responsible for ensuring compliance of the bye laws, rules and regulations of the exchange.
- √ We have issued a statement of policies and procedures, on a group basis wherein applicable, for dealing with clients and the current statutory and regulatory requirements. The policy has been communicated to the staff that handles account information, securities transactions, money and customer records etc. whether in branches, departments.
- √ We have made a Customer acceptance policy and have taken customer due diligence measures, including requirements for proper identification.
- √ Customer due diligence (“CDD”) measures comprises of the following:
  - (a) Obtaining sufficient information in order to identify persons who beneficially own or control securities account party and the same is identified using client identification and verification procedures.
  - (b) Verification of the customer’s identity using documents, data or information:
  - (c) Identifying beneficial ownership and control, i.e. determining which individuals(s) ultimately own(s) or control(s) the customer and/or the person on whose behalf a transaction is being conducted;
  - (d) Verifying the identity of the beneficial owner of the customer and/or the person on whose behalf a transaction is being conducted, corroborating the information provided in relation to” and
  - (e) Conduct ongoing due diligence and scrutiny, i.e. perform ongoing scrutiny of the transaction and account throughout the course of the business relationship to ensure that the transaction being conducted are consistent with our knowledge of the customer, its business and risk profile, taking into account, where necessary, the customer’s sources of funds.

√ **Policy for acceptance of clients:**

The following safeguards are followed while accepting the clients:

- a) No account is opened in a fictitious / benami name or on an anonymous basis.
- b) In terms of monitoring suspicious transaction of the client and lower the factors of risk perception we note the clients' location (registered office address, correspondence addresses), nature of business activity, trading turnover etc. and manner of making payment for transactions undertaken. The parameters enable classification of clients into low, medium and high risk.
- c) We ensure that an account is not opened wherein we are unable to apply appropriate clients due diligence measure / KYC policies wherein it is not possible to ascertain the identity of the client, information provided to us is suspected to be non genuine, perceived non cooperation of the client in providing full and complete information.
- d) The circumstances under which the client is permitted to act on behalf of another person / entity is clearly laid down and identity proof with relevant resolution / authorization should be provided. It is specified in what manner the account shall be operated, transaction limits for the operation, additional authority required for transaction exceeding a specified quantity / value and other appropriate details.
- e) Necessary checks and balance to be put into place before opening an account as necessary checklists are made so as to ensure that the identity of the client does not match with any person having known criminal background or is not banned in any other manner.

√ **Client identification procedure:**

- a) The 'Know your Client' (KYC) policy is clearly jotted and the

checklists for the client identification procedure to be carried out at difference states i.e. while establishing the Broker – client relationship, while carrying out transactions for the client or when we have doubts regarding the veracity or the adequacy of previously obtained client identification data.

- b) The client is identified by us by using only **original** documents / information. We obtain adequate information to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship i.e. Address proof, ID proof and PAN is mandatory for every Client.