



Internal Control

1. Details

Manu Stock Broking Private Limited was established in 2005 by Mr. Ravindra Sanghai, having the vast & valuable experience in Capital, Derivative and Commodity Market to provide financial services to Retail, High Net worth Individuals, Non-Individuals clients.

It acquired membership of National Stock Exchange of India Ltd. (NSE), Bombay Stock Exchange Ltd. (BSE), United Stock Exchange Ltd (USE) and Central Depository Services (India) Ltd. (CDSL). Manu Stock Broking Private Limited holds registration from Securities and Exchange Board of India (SEBI) to trade, both in Equity and Derivatives segment of BSE w.e.f 01/04/2010. We started trading on BSE since April, 2010 onwards.

2. PMLA:

We have a Policy pertaining to Prevention of Money Laundering Act & also implemented according to Procedure written in the Policy.

3. Introduction/Registration of clients:

Account Opening Process - Most of the Clients are introduced through intermediaries. However some clients also approached directly through the branches. We have broadly categorised the clients into two segments:

Individuals: This category of accounts are opened and operated by Individuals.

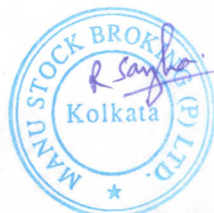
Non -Individual: Non-individual include HUF, Partnership Firms and Corporate and Trust.

Collection of KYC by client:

The branches as well as direct clients collect KYC forms from the company.

Receipt of Client Registration Application Forms

Client Registration Application Forms duly filed along with supporting are received directly from the client by company /branches. In person verification is checked at this stage.



Checking of Application Forms and information capturing in the system.

The forms are checked for their completeness and correctness with the supporting documents, by the Account Opening Staff and the key fields are entered into system. A Unique Client Code (Trading Code) is allotted to the clients. Allocation of Client code is systemized so that the same code is not allotted to another clients.

Re-checking of Forms

Forms are checked with the key Information entered into the system and any discrepancy observed is corrected immediately.

Final checking of Forms

Forms are once again re-checked with the information captured in the system.

Documentation of Forms

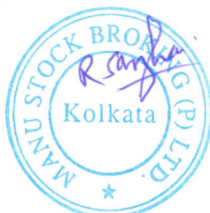
Forms are then sent for documentation.

When forms are received, the same are required to be checked by the responsible person for completeness of Forms. After checking of forms the information is captured in the system by the account opening team. The form contains a checklist regarding the particulars and documents required. The forms also contain the space for initials of the account opening team to fix the responsibility of the person who has checked the forms.

Dispatch of KYC Kit – We send the KYC, MCA, RDD, UCC detail, email id & all other documents as executed by clients along with the welcome letter to the clients directly so that the client should have a copy of the documents signed with the company.

4. Bolt Terminal

We have a Risk Management system that is responsible for determining the trading limit for each terminal / client. We receive the order from clients manually as well as telephonically. We executed order telephonically after confirming the client identification by asking some personal information from the clients for ensuring that only authorised trades is executed. After market hours the dealer inform to all clients regarding their transaction in the market. In later stage after processing of back office, contract note and trade confirmation sent to the clients. We have a proper system to check the validity of approved user and ensure that certificate of approved users has not expired.



5. Contract Notes

Contract Note is the confirmation of trade(s) done on a particular day for and on behalf of a client. We have printed contract notes on centralized basis and issued it to all clients for trades (purchase/sale of securities) executed with all relevant details as required there in. Contract Notes bear running serial no initiated at the beginning of each financial year. Acknowledgment copy of contract notes is maintained as proof of delivery. Dispatch register is maintained for contract notes sent to outstation clients.

6. Funds & Securities

As per Exchange norms and the policy of the company, the pay-in and payout of funds and securities takes places on the second business day (i.e., excluding Saturday, Sundays and bank and BSE trading holidays) of the day of the execution of the trade. Company does not extend any credit to the clients. In compliance with the exchange requirement company collect margin from the clients before executing any transaction. Margin/MTM/Pay-in is collected on day-today basis from client. However in case of any mis-happening which may lead to loss of the client more than the margin available with us, we recover the amount due from the client from their margin account (margin available in form of Cash/ Shares etc.). If any amount falls short, then we request the client to discharge his/her obligation. If any client disputes the payment then we issue letter to the client requesting him to make payment. We are segregating our funds/securities in respect of client and own. Any obligation arise in our own account are strictly pay-in out of our own fund/securities only. We are not engaged in any fund base activities. We are maintaining two separate beneficiary accounts, one for client securities and another for own securities. We have not mis-utilized client securities for own purposes or for any other client purpose. We have received client funds only from the respective client account same as issued the client payment only in the name of respective client. We have adopted a proper system in place to ensure compliance in this regard. Client margin beneficiary account has been tagged with client bank account. So any dividend received on behalf of clients are passed on to the respective clients ledger.

7. Internet Trading

Not Applicable - The member does not provide Internet trading facility.

8. Execution of POA (Power of Attorney)

The member has not obtained any POA (Power of Attorney) of its clients.



9. Opening and Closing of branches/ sub broker offices

The member conducts proper survey before opening of branches and only after proper satisfaction, the decision of opening of branches are taken and also all the procedure / requirements as prescribed by BSE/SEBI are complied with beforehand.

The member conducts proper survey before closing of branches and before closure we informed all the constituents of that branch about such closure via-emails, telephone etc. so that they can settle their payments/securities due to or due from our us.

10. Closure of client account/ Dormant Account

For the closure of account, we accept a formal written request letter from the client and thereafter we did an exercise at our end like to find whether there is any debit or credit balance standing in the account of such account, if there is no such balance, then we forward the confirmation letter to those respective clients.

For dormant account, before execution of any transaction in their account, asked for some details like updation of clients financial and others etc. and if think fit that such transaction can be done without any risk than we allow them to do trade in their account.

11. Receiving and Execution of Orders

We receive the order from clients manually as well as telephonically. We executed order telephonically after confirming the client identification by asking some personal information from the clients for ensuring that only authorised trades is executed. After market hours the dealer inform to all clients regarding their transaction in the market. In later stage after processing of back office, contract note and trade confirmation sent to the clients. We have a proper system to check the identity of the clients who personally walk into the office and place the order.

For Manu Stock Broking Private Limited

R. Sangha

Ravindra Sanghai
Director

