



RALLA TRADELINKS LLP

INTERNAL CONTROL POLICY

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1. Objective and Scope

This internal Control Policy is instituted to ensure a robust control environment within RALLA TRADELINKS LLP across all business verticals and operational activities. It aims to:

- Safeguard client assets and firm resources;
- Ensure compliance with applicable SEBI and Exchange regulations;
- Maintain operational integrity, transparency, and accountability;
- Mitigate risk through documented controls and periodic monitoring.

2. Governance Structure

The board of director has overall oversight of the internal control framework. The internal control structure includes:

- **Compliance officer** : Responsible of the monitoring regulatory compliance and internal processes.
- **Risk Management Head**: Oversees Trading and credit risk controls.
- **Operations Head**: Ensure procedural compliance across departments.
- **Internal Auditor**: Conducts periodic audits and reports deviations.

3. Key Control Areas

A. Client Onboarding and KYC Management

- Mandatory due diligence, including PAN, address, bank, and DP verification.
- In-person verification (IPV) conducted by authorised personnel.
- No walk-in clients or outsourcing of KYC processes permitted.
- Adoption of a maker-checker approach for KYC verification.
- Annual update of net-worth and income details for active clients.
- No promotional offers of free services extended to clients.

B. Trading Order Management

- Order accepted only from registered clients via designated channels.
- Voice recognition and call-back validation for telephonic orders,
- Order punching follows client instruction without advisory influence.
- Systemic audit trails maintained for every transaction.

C. Dormant and Closure of Accounts

- Clients inactive for 6+ months flagged as dormant—additional verification mandatory.
- Accounts with no activity for 2+ years and nil balances are closed after due procedure.
- Client approval is obtained prior to closure and residual balances are reconciled.

D. Contract Notes and Client Communications

- ECN (Electronic Contract Notes) sent via registered emails with read-receipt tracking.
- Daily margin and MTM statements shared electronically.
- Hard copy dispatch in case of ECN delivery failure.

E. Risk Management and Margin Monitoring

- Real-time monitoring of client exposures.
- Trade limits imposed for non-payment of margins/PAY IN.



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- Clients are called and positions squared off proactively during adverse market events.
- Written RMS policy displayed to clients and enforced rigorously.

F. Debit Monitoring and Liquidation

- Accounts with 15+ day debits are flagged and trading limits restricted.
- Debits over 90 days are treated as bad debts; legal/collection action initiated.

G. Internal Shortage Handling

- Sale of T+1 securities discouraged; short delivery leads to auction liability.
- Client securities not held unless payment > ₹1 lakh is outstanding.

H. Trade Modification

- No back-office trade transfers permitted except as per exchange guidelines.
- Errors due to dealing staff are documented and transferred as per SOP.

I. Investor Grievance Redressal

- Complaints to be lodged in writing and entered in a complaint register.
- Board reviews and monitors grievance redressals regularly.
- Designated contact numbers and email IDs displayed at offices and on the website

J. Terminal and Branch Management

- All CTCL IDs mapped with NISM-qualified users and uploaded on the Exchange portal.
- Surprise branch inspections conducted; reports maintained.
- Opening/closure of branches only after due diligence and board approval.

K. Funds and Securities Management

- All PAY IN/PAY OUT transactions strictly through designated client bank/DP accounts.
- Third-party cheques, cash, DDs, and stock transfers not permitted.
- Client securities only used for PAY IN purposes; no unauthorized usage.

L. System Capacity and Internet Trading

- Adequate system infrastructure maintained at HO for trading and back-office.
- Internet trading access provided with appropriate client consents and validations.

M. Anti-Money Laundering (AML) s PMLA Compliance

- Detailed PMLA policy implemented and periodically reviewed.
- Principal Officer appointed and reporting made to FIU.
- Risk-based client categorisation (Low, Medium, High).
- Suspicious transactions monitoring and reporting system implemented.



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4. Monitoring and Audit

- Quarterly internal audits conducted with findings reviewed by the Board.
- Exception reports generated and corrective action initiated promptly.
- Surprise checks and system validations performed periodically.

5. Policy Review

This policy will be reviewed annually or earlier as necessitated by regulatory updates or operational exigencies. Amendments, if any, shall be duly approved by Management.

Approval Authority:

For Ralla Tradelinks LLP

Puneet Singla
(Designated Partner)