

SUNRISE GILTS & SECURITIES PVT. LTD.

PRO INTERNAL CONTROL POLICY

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Organization:	SUNRISE GILTS & SECURITIES PRIVATE LIMITED
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Document Control

Document Title Pro Internal Control Policy

Version History

Version No.	Version Date	Author	Summary of Changes
1.1	10/06/2025	PRATIK KUMAR MORE	Review and Approval of BOD

Approvals:

Name	Title	Approval Date	Version No
PRATIK KUMAR MORE	Pro Internal Control Policy	28/05/2025	1.1



PRO INTERNAL CONTROL POLICY

1. Introduction:

Sunrise Gilts & Securities Pvt. Ltd. ("the Company") carries out proprietary trading activities in various segments of the securities market. In order to ensure sound governance, effective risk management and regulatory compliance, the Company has established this PRO Internal Control Policy.

This policy defines the internal control framework for safeguarding assets, ensuring accuracy of records, preventing misuse or fraud, and maintaining compliance with SEBI and Exchange regulations.

2. Objective of the Policy:

The objectives of this policy are to:

- Establish a strong internal control environment.
- Ensure segregation of duties.
- Manage trading, financial and operational risks.
- Safeguard Company assets and data.
- Ensure compliance with applicable laws and regulations.
- Promote accountability and transparency.

3. Scope and Applicability:

This policy applies to:

- All proprietary trading activities of the Company.
- All Directors, officers, dealers, traders and employees.
- All systems, applications, processes and records.

This policy is applicable to **Proprietary Trading Only** and does not cover public client activities.

4. Governance Structure:

4.1 Board and Management Oversight:

The Board of Directors / Senior Management shall:



- Define the risk appetite of the Company.
- Approve internal control policies.
- Monitor overall compliance and performance.
- Ensure availability of adequate resources.

4.2 Roles and Responsibilities:

Role	Responsibility
Board / Director	Overall governance and approval
Risk Head	Exposure monitoring and risk control
Dealers / Traders	Execution of trades
Accounts & Finance	Settlement, accounting, reconciliation
Compliance	Regulatory reporting and compliance
IT Administrator	System and access controls

5. Segregation of Duties:

To prevent conflict of interest and misuse:

- Trading function shall be separate from accounting and settlement.
- Risk management shall be independent of dealers.
- IT administrators shall not perform trading activities.
- Compliance function shall be independent of trading.

No single individual shall have end-to-end control over any critical process.

6. Trading Controls:

The Company shall implement the following controls:

6.1 Limit Controls:

- Dealer-wise limits
- Scrip-wise limits
- Segment-wise limits
- Exposure limits
- Loss limits (daily / monthly)

6.2 System Controls:



- Trades allowed only through authorized trading systems.
- No manual trades outside approved platforms.
- System-based real-time risk monitoring.
- **Sending contract notes, and daily margin statement:**
- We don't issue the contract notes as there are no clients. The posting in the back office is done on a T-day basis.
- We ensure that the sufficient margin is in place with the exchange/clearing member and the director ensures no limit violations take place moreover the market-wide limits are not violated. We have the risk management policy which is approved by a Director we do not have any dealing with the client, therefore, late payment charges, funding to the client and dividend reconciliation are not required.

6.3 Authorization:

- Only authorized dealers can place trades.
- User IDs are unique and non-transferable.
- **Closures of client accounts and dormant accounts:** We do not have any UCC requirements as we have no dormant/Inactive accounts or any other Client account.

7. Risk Management Controls:

The Company shall monitor and manage:

7.1 Market Risk:

- Price volatility
- Concentration risk
- Stop-loss mechanisms

7.2 Credit & Settlement Risk:

- Exchange margin compliance
- Clearing corporation obligations
- Settlement timelines

7.3 Liquidity Risk:

- Adequate bank balances
- Cash flow planning

7.4 Operational Risk:

- System failures
- Human errors



- Process gaps

8. Fund & Bank Controls:

- All payments and receipts shall be routed only through Company bank accounts.
- No third-party or personal accounts shall be used, except for reimbursement as per approved policy.
- Daily bank reconciliation shall be performed.
- Dual authorization for large payments.
- Exchange margins shall be paid directly from Company accounts.

9. Accounting & Financial Controls:

- All transactions shall be recorded in the accounting system.
- Periodic reconciliation of:
 - Bank balances
 - Exchange statements
 - Ledger balances
- Proper vouchers and supporting documents shall be maintained.
- Books shall be reviewed periodically.

10. System & IT Controls:

- Unique user IDs for all users.
- Privileged access as per PIM Policy.
- Strong password controls.
- Antivirus and firewall protection.
- Regular system backups.
- Audit logs and trails maintained.

11. Information Security Controls:

- Restricted physical access to server rooms.
- No unauthorized devices allowed.
- Data encryption where applicable.
- Confidential information access on need-to-know basis.

12. Compliance & Regulatory Controls:

The Company shall ensure:

- Compliance with SEBI, Exchange and Clearing Corporation norms.
- Timely submission of regulatory reports.
- Immediate reporting of any irregularities.



- Cooperation with audits and inspections.

13. Record Keeping & Documentation:

The Company shall maintain:

- Trade records
- Bank and accounting records
- System logs
- Internal approvals
- Audit reports

Records shall be preserved for minimum **5 years** or as per regulatory requirements.

14. Internal Audit & Monitoring:

- Internal control framework shall be reviewed through:
 - System audit
 - Internal audit
 - Management review
- Audit observations shall be documented.
- Corrective and preventive actions shall be implemented.

15. Incident Management:

Any operational, financial or system incident shall:

- Be reported immediately to Management.
- Be investigated.
- Be documented.
- Root cause analysis shall be conducted.
- Preventive measures shall be implemented.

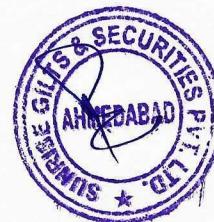
16. Training & Awareness:

The Company shall:

- Provide training to dealers and staff.
- Sensitize employees on internal controls.
- Circulate regulatory updates.

17. Violation & Disciplinary Action:

Any violation of internal controls may result in:



- Disciplinary action
- Suspension or termination
- Legal or regulatory action, if required

18. Policy Review:

This policy shall be reviewed annually or upon regulatory or system changes.

19. Approval:

This policy is approved by the Directors of Sunrise Gilts & Securities Pvt. Ltd.

