# MUNI BROKING HOUSE LIMITED

**Corporate Office: The Legacy, Unit 41A/43, 25A Shakespeare Sarani, Kolkata - 700017**
**CIN - U66120WB2023PLC260758 GSTIN - 19AAQCM6975R1Z0**


# POLICY ON OUTSOURCING OF ACTIVITIES

| Last Reviewed on | Reviewed By | Approved By |
|---|---|---|
| 05-03-2026 | Compliance Officer | Management |
| | | |
| | | |
| | | |

## POLICY ON OUTSOURCING OF ACTIVITIES

Muni Broking House Limited, hereinafter referred to as Muni, is the SEBI registered Stock Broker & Depository Participant.

### MEANING

Outsourcing may be defined as the use of one or more than one third party – either within or outside the group - by a registered intermediary to perform the activities associated with services which the intermediary offers. It has been observed that often the intermediaries' resort to outsourcing with a view to reduce costs, and at times, for strategic reasons.

### PRINCIPLES FOR OUTSOURCING FOR INTERMEDIARIES

1. **Comprehensive outsourcing risk management programme –** If an intermediary seeking to outsource activities shall have in place a comprehensive policy to guide the assessment of whether and how those activities can be appropriately outsourced.
2. **Due – diligence** - The intermediary shall conduct appropriate due diligence in selecting the third party and in monitoring of its performance.
3. **Outlining Outsourcing relationship -** Outsourcing relationships shall be governed by written contracts / agreements / terms and conditions as deemed appropriate**.**
4. **Confidentiality of the information outsourced -** The intermediary shall take appropriate steps to require that third parties protect confidential information of both the intermediary and its customers from intentional or inadvertent disclosure to unauthorized persons**.**
5. **Concentration of outsourced services in the hands of a select few third parties -** Potential risks posed where the outsourced activities of multiple intermediaries are concentrated with a limited number of third parties.

### RISKS INVOLVED IN OUTSOURCING OF ACTIVITIES

- Operational risk
- Reputational risk
- Legal risk
- Country Risk
- Strategic Risk
- Exit- Strategic Risk
- Counter Party Risk
- Concentration and Systematic Risk

### PRECAUTIONS TO BE TAKEN IN CASE ANY ACTIVITY IS OUTSOURCED

The intermediaries desirous of outsourcing their activities shall not, however, outsource their core business activities and compliance functions. As for instance in case of a share broker execution of orders and monitoring of trading of activities of clients, dematerialization of securities in case of depository participants are the core business activities.

Regarding Know Your Client (KYC) requirements, the intermediaries shall comply with the provisions of SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 and Guidelines issued thereunder from time to time.

The intermediary shall ensure that outsourcing arrangements neither diminish its ability to fulfill its obligations to customers and regulators, nor impede effective supervision by the regulators**.**

The intermediary and its third parties shall establish and maintain contingency plans, including a plan for disaster recovery and periodic testing of backup facilities.

## ACTIVITIES THAT CAN BE OUTSOURCED BY THE COMPANY

Following activities can be outsourced by the company:

- Data entry and opening of trading accounts
- Scanning and storage of account opening forms
- Printing and dispatch of welcome kits and dispatch of quarterly transaction statements
- Customer services
- Dispatch of contract notes
- Stock brokers acting as distributors for Mutual Funds schemes - distribution, maintenance of nomination details by distributors for the various schemes of Asset Management Companies, etc.

## ACTIVITIES THAT SHOULD NOT BE OUTSOURCED BY THE COMPANY

The following activities not to be outsourced by the company:

- Creation of user id/login id, password generation for internet clients
- Order management
- Operation of trading terminals
- Operations & Monitoring of Bank A/Cs & DP A/Cs
- Pay in / pay out of funds and securities
- Generation & dispatch of contract notes, quarterly statement of accounts, daily marginstatement and monitoring of the said activities.
- Control of servers and online trading platform
- Maintenance & monitoring of client database & client financial information
- Surveillance function
- Allotment / surrender of trading terminals, opening & closing of branches
- Implementation of PMLA policies
- Risk Management system (which includes margins, trading limits, scrip / terminal enablement, etc.
- IT Technology Infrastructure
- Printing of contract notes

**APPLICABILITY & CONCLUSION**

The company presently does not outsource any core/ operational activities. Hence guidelines as discussed by the board are not applicable at the moment.

**APPROVAL AUTHORITY AND REVIEW POLICY**:

This policy is approved by the Board of MUNI BROKING HOUSE LIMITED.

This policy may be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change the policy due to business needs.

**POLICY COMMUNICATION:**

A copy of this policy shall be made available to all the relevant staff/persons such as: compliance officer / department in-charge /authorized persons.

Further, a copy of this policy has to be displayed on our website.