



COMPLIANCE REPORTS

KAMAL KUMAR JALAN SECURITIES PRIVATE LIMITED

THE BOMBAY STOCK EXCHANGE (BSE)

Capital, Derivatives & Currency Derivatives Market Segments

Membership code: 361

CENTRAL DEPOSITORY SERVICES LTD. (CDSL)

DP ID: 12035600

SEBI Regn No.:

INB 010994737 (Capital) ,INF 010994737 (Derivatives) INE 010994737 (CDX)

IN-DP-CDSL-264-2004 (CDSL)

Policy Framed and adopted by, Principal and Compliance Officer Mr. Nikhil Jalan

Policy Framed: 2006

Last Reviewed Date: **01/03/2015.**

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Risk Management and Collections Policy

EXPOSURE

1. Clients will be given an intraday exposure of 4 times their credit/deposit with us. There will be consideration for goodwill clients based on their past track record and subject to the information provided to the H.O. by the branch/sub-broker/associate, by email only.

STOCK

1. Stock purchased by the client will be transferred to their DP accounts on/after T+3 day. Stock that the client holds with us would not account for increase in exposure limits and attract a holding charge (Rs.100/- per month and Rs.18/- per ISIN on sale of the security as we are being charged the same).

2. If the branch/sub-broker/associates wish to hold a stock of a particular client, for risk containment purposes, they must open a DP account with **Kamal Kumar Jalan Securities Pvt. Ltd.** (with POA)

3. All BTST trades done by the clients in the cash segment would be at their own risk. If there is shortage from the market, H.O. would adjust the shares but would not be under any obligations for the same. Also all BTST trades would attract a charge of Rs.18/- per ISIN.

FUNDS

1. Funds would be accepted only by the way of cheques/DD payable at Mumbai.

2. No post-dated cheques would be accepted.

3. In case of direct deposit, the branch/sub-broker/associates are required to follow the following procedure –

a. Mail the details of the cheques received, in the specified format, to the H.O. at the end of the day. (In case of crisis/market crashes, you may be required to mail the details multiple times in a day)

b. Deposit cheques received the same day and send a copy of the acknowledged deposit slip to H.O. by fax. (Alternatively you can scan and mail the same.)

c. The client account will be credited the same day only if the above steps are followed properly; otherwise client account will be credited only when the credit is received in our bank account.

4. In case of dishonor of a client's cheque, the client a/c would be suspended, further exposure would be denied to the client, cheque would not be represented and payment towards the outstanding debit would be accepted by the way of a DD\Pay Order. The client account would be re-activated only after consideration of the management.

5. A client may be having a credit in one segment and a debit in another segment. It is required that the client clears his debit by way of cheque or by requesting a fund transfer. It will be the responsibility of the Branch/Sub-broker/Associate to request the fund transfer by way of e-mail and provide the necessary letters (Annexure-1) for the same by courier/fax/scanned and mailed. Only on receipt of the letters the funds can be transferred from one exchange to another. Inter-client fund transfers are not permitted by law.

MARGINS

1. In case of Derivatives segment (BSE\NSE), before taking any position, the clients need to have clear credit in his account, for the purpose of initial margin, for the positions he intends to take.

2. The client will have to pay his MTM losses on the daily basis, failing to which the positions would be squared off to the extent of the shortfall.

3. Clients can provide shares as collateral for margin. Only the shares in the exchange approved list would be accepted and valued after the applicable hair-cut. The shares would be required to be transfer to our margin account (Annexure-II) and the Branch/Sub-broker/Associate would be required to inform the H.O by e-mail to accept and credit the shares to the respective client account.

COLLECTIONS

1. Keeping in mind the nature of our business, all branch/sub-broker/associates are required to be proactive in collections.

2. It is specified in exchange laws that funds of the client should have been credited in the broker's account, on the pay-in day, for the broker to meet his pay-in obligations. In other

words, on T+2 day the broker should have received the credit for the client's cheques that were received\deposited for the trades done for him on the T- day. Hence collections should start at the earliest and not on T+2 day.

3. Bills not received by the client should not be an excuse for non-payment. In such case you are requested to confirm the debit amount from the H.O., telephonically or by mail, and report such incidences to the concerned department at H.O.

4. Outstanding debits in the cash segments are in violations to the exchange laws. Client accounts having outstanding debits are reported to the exchange on a monthly basis as per exchange norms. The exchange has the authority and is entitled to have an enquiry for the clients having debits. The clients would be solely responsible for the implications of action taken by the exchange or SEBI against him.

5. All the trading systems are purely technical in nature and are dependent on various connectivity modes, over which we as brokers do not have control. Any interruption in connectivity would not be accepted as an excuse for not squaring intraday positions. In such situations the branch/subbroker/ associates are expected to call H.O for assistance in squaring up the positions.

Policy for Collection and Maintenance of margins

1. Up-front margins are collected from the client for trades done in the derivatives segment.
2. These margins are maintained in a separate account and constitute for the initial and exposure margins applicable for the position of the client.
3. Any margin shortfall is communicated to the client through his bills and also telephonically.

Policy for Collection and release of payments to the clients

Collections from the clients -

1. All the cheques received by the accounts department are entered in the system and are banked.
2. All cheques received from the clients are banked in a separate account.
3. Any amount due from a client is called for by the collection department by communicating the same to the client telephonically (reminder call).
4. List of pay-in defaulters is sent to the risk management department for further action.

Release of payments –

1. Accounts department receives requests for payment release from the clients\relationship managers.
2. These requests are forwarded to the risk management department.
3. Payments are made for the clients authorized for pay-out of funds by the risk management department by the way of cheques.
4. Acknowledgment copies\ proof of deliveries are maintained for records.

**KAMAL KUMAR JALAN SECURITIES PRIVATE LIMITED
COMPLIANCE REPORT**



Annexure - I

From: _____

Date: _____

To,

KAMAL KUMAR JALAN SECURITIES PVT. LTD.

R-404, Rotunda Bldg.,

Mumbai Samachar Marg,

Fort,

Mumbai - 400001.

Sub – Request to transfer funds from my BSE Cash account to NSE Derivatives account.

Dear Sir,

I/We are client of the above mentioned companies having Client code _____

I/We request you to kindly transfer an amount of Rs. _____

(_____ in words) from my BSE Cash account to my
NSE Derivatives account with you.

Kindly do the needful and oblige.

Yours truly,

(Signature as per specimen recorded in the KYC form)

Name:

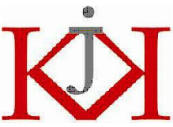
Client Code:

SEBI REGN NO. INB /F/E 010994737

POLICY FRAMED AND REVIEWED BY : MR. NIKHIL JALAN (COMPLIANCE OFFICER)

GRIEVANCE ID: GRIEF@KKJSEC.COM , WWW.KKJSEC.COM . CONTACT: 09833915980

**KAMAL KUMAR JALAN SECURITIES PRIVATE LIMITED
COMPLIANCE REPORT**



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Date: _____

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R-404, Rotunda Bldg.,

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Sub – Request to transfer funds from my NSE Derivatives account to BSE Cash account.

Dear Sir,

I/We are client of the above mentioned companies having Client code _____

I/We request you to kindly transfer an amount of Rs. _____

(_____ in words) from my NSE Derivatives account to my BSE Cash account with you.

Kindly do the needful and oblige.

Yours truly,

(Signature as per specimen recorded in the KYC form)

Name:

Client Code:

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COMPANY GUIDELINES FOR ANTI MONEY LAUNDERING

KAMAL KUMAR JALAN SECURITIES PVT. LTD. (KKJSPL)

RECORD TO BE MAINTAINED IN RESPECT OF CLIENTS DOMESTIC OR NRI/PIO/COMPANIES/FIRMS

- Cash transactions of the value more than Rs. 10 lakhs or its equivalent in foreign currency
- All series of cash transaction integrally connected to each other which are below 10 lakhs or its equivalent in foreign currency in one month
- If there is suspicion about certain transactions of the clients (whether integrally or remotely connected or related) made in cash or otherwise including the debits and credits in the ledgers of the clients (domestic or NRI/PIL/Companies/firms) in respect of non monetary accounts such as dmat account, security account should be separately maintained.
 - ❖ Policies and procedures
 - Policy of acceptance of clients
 - Procedure for identifying the clients
 - Transaction monitoring and reporting
 - Suspicious transaction reporting
 - Customer due diligence
 - ❖ Policy and procedure of identifying /acceptance of clients
 1. The clients such as individuals, HUF's, Firms (registered or unregistered), Private Limited Companies, Non Resident Indians, Persons of Indian Origin, Foreign Investment Companies, Overseas Corporate Bodies, Trusts (Private or Public) are getting registered with the company.
 2. The Guidelines for registration as client in the respective stock exchange/segment of stock exchanges are being formulated and will be submitted shortly.
 3. The highlights of the some of the guidelines are as under:
 - The company will not allow benami or fictitious accounts where the client is desirous of keeping his/its identity confidential or secret.

- The company will not allow multiple client accounts with transposition of the names of the clients or in short forms.
- The clients will have to give a declaration in writing that they are not having any funds which are connected or earned through illegal activities such as arms supply, drugs, terrorist funds, etc. and also give declaration about the connection with the politically exposed persons, relatives in the central and state government in high posts and holding posts of governor, MP, MLA, MLC, IPS, IAS, IRS, etc.
- The company will not allow client accounts based on the demat accounts opened a particular client.
- The client having minimal transactions of less than 1 lakh in a month and more than 1 crore in a month will be monitored and their payment and receipt and demat details will be scrutinized by the internal auditors and if there is any deviation or suspicion arising in the fund flow of the client or any third party securities are received or intimated by any regulatory authorities, the client will be question and may also suspend the business of the client till clarification is received from the client in writing within 10 days of receipt of the letter from the company.
- The clients will transaction less than 10 lakhs transaction per day will be under the low risk category, more than 10 lakhs and less than 1 crore will be under the medium risk and more than 1 crore transaction on a single day will be high risk category.
- The High Networth Clients account will be specifically monitored and having more than 5 crores transactions per day and separate watch will be kept on the flow of funds, securities, the trail of funds etc.

❖ Transaction/suspicious transactions Monitoring and Reporting

1. creating a system with parameters such as volume of the clients, scrip wise, turnover wise, pattern of transactions, in the stock market and regular activity of the similar pattern and payment patterns, demat inflow and outflow and taking confirmations from the client on regular basis and declaration about the funds that are received from client ad clean, clear, unencumbered, legitimate funds of the client.
2. off the floor transactions, block deals in various scrips, illiquid scrips, will be specifically monitored.
3. NRI/PIO, foreign investment companies deals will be watched and appropriate undertakings and declaration will be obtained.
4. ramdom verification of client transactions with low to medium dealing on the exchange and the pattern of transactions or skeletal transactions but possibility of outside the trading floor transactions being carried out by the clients of low or medium risk categories

5. suspicious transactions will be reported to the Exchange and SEBI immediately and the details of the clients will be provided to the regulatory authorities from time to time by the compliance department.

❖ Customer due diligence

- The clients will be admitted after physical verification of the client residence/office address and confirmation with the documents submitted by the client
- Client verification check list is being prepared
- Client demat account details and declaration about number of demat account will be obtained
- Client will give declaration that no third party transaction or demat transfers will be accepted and if inadvertently takes place the same shall be reported in writing and shall be intimated to the company within 2 days.
- The client account will be monitored and if there are no transactions for more than 6 months or 5 trades in six months such client account will be suspended and appropriate letter will be sent to the client intimating suspension of trading of client code due to no trading or less than 5 trades.
- The client will be sent letter to intimate the change of name, address, bank, dp account and status change and the income details and any legal action against the client either civil or criminal for any other laws violation.

INTERNAL CONTROLS

- **Registration of Clients.**

Clients are registered by the traditional way of filling in the KYC forms along with the documented set as prescribed by the Exchange and Regulatory body (Enclosed Form format). Once forms received are verified and entered into the Exchange UCC Upload facility and a UCC generated which is allotted to the clients for further references.

- **Receiving, validating & entering the orders of clients in the trading platform.**

Mostly 99% clients are available and present in own or sub brokers office while placement of orders. Facilitation is also given for placing of orders via fax and email / Messenger, verified by a unique password given to clients and placed by a NCFM/BCDE passed trader.

Furthermore Camera and telephone recording and Caller Id security is also installed for vigilance and surveillance.

- **Collection and Release of Payments to clients**

Clients are intimated about their debits / Credits on day of Trade via telephone , Email or Back office accounting over the Internet portal www.kkjsec.com. Further they are required to make payments before the scheduled pay in. Likewise their credits are disposed off to them after pay out received by us from the exchange.

- **Collection and maintenance of Margins.**

Clients and Sub Brokers maintain margins with us in either of the Exchanges by ways of cash deposits in their respective accounts or Pledging of shares kept in the pool account.

- **Collection and delivery of Securities to the clients.**

We follow the direct pay in and pay out facility wherein securities are debited and credited into the client accounts directly by the Depository.

- **Monitoring of Branches / Sub-Brokers /DP Operations etc.**

Internal Audit carried out every year, as well as surprise checks by our directors ensure smooth functioning. We have also set up a grievance cell where in clients from anywhere around the world can interact with the company directors on a one to one basis.

- **Operations & Compliance Requirements.**

As required by the Regulators and Exchange, We keep ourselves updated with all compliance requirements as furnished, and delegate operations to our Skilled back office staff who carry out their delegated work swiftly and efficiently.

- **Payment of Dividend etc.**

Dividends payable are directly paid to clients by ways of ECS, however if Dividend is received in physical form, clients are intimated and paid subsequently.

If any dividend or payment disputes arise in future, they are well taken care off and looked into by the directors themselves and disposed off as required.

- **Continuity planning / Alternate plan in case of disasters etc.**

In case of disasters and stock market crashes, Clients are well informed and Early pay in of cash / Securities is requested.

CODE OF CONDUCT FOR TRADING IN SECURITIES FOR DIRECTORS/EMPLOYEES.

I. KAMAL KUMAR JALAN SECURITIES PVT. LTD. - POLICY FOR TRADING IN SECURITIES:

The Board of Directors at their meeting held on 13/04/07 have examined the provisions of the said Securities and Exchange Board of India (Insider Trading) (Amendment) Regulations, 2002 and have implemented the code of trading in securities which would be applicable for all the Directors/Employees.

For the purposes of implementation of the code for trading in securities by employees, definitions along with explanations where thought necessary are given as under:

II. DEFINITIONS:

"**Insider**" means any person who, is or was connected with the company or is deemed to have been connected with the company, and who is reasonably expected to have access, by virtue of such connection, to unpublished price sensitive information in respect of securities of the listed companies, or who has received or has had access to such unpublished price sensitive information;

"**Compliance Officer**" means a senior officer(s) of the Company who is/are appointed as Compliance Officer(s) for overseeing the compliance with Prohibition of Insider trading.

Explanation: **KAMAL KUMAR JALAN SECURITIES PVT. LTD.** may appoint one or more persons as compliance officers. As of now Mr Nikhil Jalan is appointed as compliance officer for the said purpose. Any change in compliance officers may be intimated to the employees from time to time.

"Dealing in securities" means an act of buying, selling or agreeing to buy, sell or deal in any securities by any person either as principal or agent; and the

- (i) "securities", as defined in section 2 (h) and 2(d) respectively of the Securities Contracts (Regulation) Act, 1956 as amended from time to time; and
- (ii) "Derivatives" and "options in securities", as defined in section 2 (aa) and 2(d) respectively of the Securities Contracts (Regulation) Act, 1956 as amended from time to time; and
- (iii) such other securities or forms of derivatives and/or instruments (if any) that are permitted to be dealt with on the Exchange from time to time by SEBI and introduced by the relevant Stock Exchanges in accordance with the Rules, Bye-Laws and Regulations of the relevant Exchanges.

This would also include transactions pertaining initial public offers (IPOs) or rights issue, private placements, open offers and any schemes of buy back or arrangement or reconstruction through book building route or otherwise.

"Designated Employees" means

"Designated Employee(s)" mean/(s) any employee (including employees on contract basis, whether temporary or not) designated by the compliance officer or such other employee who is likely to (be) exposed to unpublished price sensitive information related to any company/bodies corporate.

Further, the following shall also be treated as Designated Employees:

- a) Statutory Auditors
- b) Internal Auditors

c) Consultants appointed by Kamal Kumar Jalan Securities Pvt. Ltd. .

"Unpublished price sensitive information" means any information which relates to the following matters or is of concern, directly or indirectly, to a company, and is not generally known or published by such company for general information, but which if published or known, is likely to materially affect the price of securities of that company in the market -

- Periodical financial results of the company;
- Intended declaration of dividends (both interim and final);
- Issue of shares by way of public rights, bonus, etc.;
- Any major expansion plans or execution of new projects;
- Amalgamation, mergers and take-over, buyback etc.
- Disposal of the whole or substantially the whole of the undertaking;
- Such other information as may affect the earnings of the company.
- Any changes in policies, plans or operations of the company.

Dependent persons include "**relatives**" as defined in section 6 of the Companies Act, 1956 (1 of 1956) as follows:

LIST OF RELATIVE AS PER SCHEDULE 1-A OF SECTION 6 OF THE COMPANIES ACT. 1956.

1. Spouse (Husband/Wife)
2. Members of HUF (if any)
3. Father
4. Mother (including Step-mother)
5. Son (including Step-Son)
6. Son's Wife
7. Daughter (including Step-daughter)
8. Father's father
9. Father's mother
10. Mother's father
11. Mother's mother
12. Son's son
13. Son's son's wife
14. Son's daughter
15. Son's daughter's husband
16. Daughter's husband
17. Daughter's son

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18. Daughter's son's wife
19. Daughter's daughter
20. Daughter's daughter's husband
21. Brother (including step-brother)
22. Brother's wife
23. Sister (including step-sister)
24. Sister's husband

III. Basic procedures for personal investments:

Need to know: Price Sensitive Information is to be handled on a "need to know" basis, i.e. Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

Limited access to confidential information: Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word, etc.

Preservation of misuse " Price Sensitive Information " Directors / designated employees shall maintain the confidentiality of all Price Sensitive Information. Directors / designated employees must not pass on such information directly or indirectly by way of making a recommendation for the purchase or sale of securities. Directors / designated employees shall not use Price Sensitive Information to buy or sell securities of any sort, whether for their own account, their relative's account, Company's account or a client's account.

Chinese Wall

To prevent the misuse of confidential information the company shall adopt a "Chinese Wall" policy which separates those areas of the company which routinely have access to confidential information, considered "inside areas" from other department providing support services, considered "public areas"

- Following departments will be considered as **Inside Areas**:
 - Institutional and retail equity Dealing Department
 - Institutional and retail Derivative Dealing Department
 - E broking Department-cash and derivatives.
 - Research Department
 - EDP Department
 - Institutional support Department
 - Risk Management Department
 - Compliance Department

- Departments other than above will be called as **Public Areas**

- The employees in the inside area shall not communicate any Price Sensitive Information to anyone in public area.
- The employees in inside area are physically segregated from employees in public area.
- In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the compliance officer.

Pre-clearance of trades and Threshold limit: All Directors / designated employees of the Company who intend to deal in the securities of the listed company shall pre-clear the transactions if the expected transaction's during the day is going to exceed:

- Upto Manager-Rs 1,00,000/- or more
- Above Manager and upto Senior Vice-President-Rs 3,00,000/- or more
- Above Senior Vice-President -Rs 5,00,000/ or more

Technical Call :

Notwithstanding the above norms, it is the discretion of the Compliance Officer or CEO/CMD to reject the pre-clearance of trade to an employee/designated employee and the said decision of the Compliance Officer/CEO/CMD shall be intimated in writing and binding on the employee/designated employee and no questions shall be raised at any point of time.

An application will be made as per the enclosed format as **Annexure "A"** to the Compliance officer.

Time Limit for Execution of transactions: The approval given by the Compliance Officer shall be valid for a period of 7 calendar days after which a fresh approval will have to be obtained. The approval has to be prior to execution of transactions.

Transactions only through Kamal Kumar Jalan Securities Pvt. Ltd. : All Employees should do all their transactions only through Kamal Kumar Jalan Securities Pvt. Ltd. .

Tipping

If an employee's/Designated employee's family or friends ask for advice about buying or selling company stock, the employee/Designated employee should not provide it. SEBI Guidelines and Regulations and Company policy also prohibits the employee/designated employee from "tipping" family or friends regarding material, non-public information that the employee/designated employee learns about listed securities in the course of employment. The same penalties apply, regardless of whether the employee derives any benefit from the trade.

Prohibited Transactions

The following transactions are prohibited for all Employees/ Designated Employees (even if not aware of material non public information):

"Short" sales of listed securities, (i.e. where a person borrows listed securities, sells them and then buys listed securities at a later date to replace the borrowed securities, or where a person already has sufficient shares of listed securities to sell, but does not deliver them until a later date).

Buying or selling puts or calls of listed securities. A put is a right to sell a specific security at a specific price prior to a set date, and a call is a right to buy a specific security at a specific price prior to a set date. Call options are purchased when a person believes that the price of a security will rise, whereas put options are purchased when a person believes that the price of a security will fall.

All purchase transactions should result in delivery..

Front Running transactions are strictly prohibited.

Front running means transacting in a security knowing fully well that Kamal Kumar Jalan Securities Pvt. Ltd. or client of Kamal Kumar Jalan Securities Pvt. Ltd. also intends to transact in the same security.

No passing of price sensitive information: Directors / designated employees / dependent persons are prohibited from passing on information to anybody inducing him/her to buy/sell securities, which are bought/sold by KKJSPL or client of KKJSPL.

Post-Employment Trading

This Insider Trading Policy continues to apply to a employee/designated employee transactions in listed securities even after the employee/designated employee employment or service with KKJSPL has terminated. employee/designated employee who are aware of material non public information when their employment or service terminates may not trade in those listed securities or disclose the information until the information has become public or is no longer material.

Restricted/Grey list Securities: Security of a listed company shall be put on the *restricted/grey list* under the following circumstances:

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- If the Company is handling any assignment for the listed company or is preparing appraisal report or is handling credit rating assignments or preparation of valuation report and is privy to Price Sensitive Information.
- Any security, which is being purchased or sold or is, being, considered for purchase or sale by the Company on behalf of its clients/ schemes of mutual funds or which is given as a mandate by the said client.

Analysts, if any, employed with the organisation / firm while preparing research reports of a client company(s) shall disclose their share holdings/ interest in such company(s) including the holding/interest of KKJSPL and/or its subsidiaries to the compliance officer. Analysts who prepare research report of a listed company shall not trade in securities of that company 15 days before and 15 days after the date of release of such report.

Heads of Research and Dealing department are required to provide to compliance officer restricted/grey list on daily basis. As the restricted list itself is highly confidential information it shall not be communicated directly, or indirectly to anyone outside the Company. Compliance Officer shall maintain the Restricted List.

When any securities are on the Restricted List, dealing in these securities by all Directors/ designated employees may be blocked or may be dis-allowed at the time of pre-clearance.

General Restrictions:

1. All Directors / designated employees shall hold their investments for a minimum period of 7 days in order to be considered as being held for investment purposes. The holding period shall also apply to purchases in the primary market (IPOs). In the case of IPOs, the holding period would commence when the securities are actually allotted.
2. In case the sale of securities is necessitated by personal emergency, the compliance officer may waive the holding period after recording in writing his/her reasons in this regard. (The application for waiver of minimum holding Period is as per the format attached and marked as **Annexure "B"**).
3. In case any employee leaves KKJSPL, he/she shall be required to give an undertaking that he/she will not deal with any transaction on the basis of unpublished price sensitive information acquired during the employment of KKJSPL.

IV. Reporting Requirements for transactions in securities:

1. All Directors / designated employees of the organisation shall be required to forward following details of their securities transactions including the statement of dependents (as defined by the Company) to the Compliance officer: -
 - a) All holdings in securities by all Directors / designated employees (including their dependent) at the time of joining the Company as per the format attached and marked as– **Annexure “C”**
 - b) Half-yearly statement of any transactions in securities by all Directors/ designated employees (including their dependent) of the Company including transactions for trades where pre-clearance has been taken is also required to be given as on 30th September and 31st March every year by 10th October and 10th April respectively as per the format attached and marked as– **Annexure “D”**.
2. The Compliance officer shall maintain records of all the declarations given by the Directors/ designated employees in the appropriate form for a minimum period of one year.
3. The Compliance officer shall place before the Managing Director/Chief Executive Officer or a committee notified by the Company, on a monthly basis all the details of the dealing in the securities by Directors/ designated employees of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

Waivers

Waiver of any provision of this Code of Conduct in a specific instance may be authorized in writing by the Compliance officer or the Designated Director/s and shall be publicly disclosed by KKJSPL.



Penalty for contravention of code of conduct

Any Directors/Designated employees/dependent persons who trades in securities or communicates any information or counsels any person trading in securities, in contravention of this code of conduct may be penalised and appropriate action may be taken against him which may include disciplinary action by the company, which may include wage freeze, suspension, etc.

The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.

APPLICATION FOR PRE-CLERANCE

To: The Compliance Officer

From: Name:

Designation:

Department:

THROUGH DIVISION / DEPARTMENT HEAD

With reference to the copy for Insider Trading Regulation of, I seek your approval to subscribe to / agree to subscribe to / purchase / sell / deal in securities/ derivative instruments the detail of which are as follows:

Client name & Trading Code	Relationship with employee	Name of the Company	Description of security/ derivatives (equity share, debenture, bond, futures, options etc.)	Buy / Sale or Call/ Put	Quantity	Market rate/limit	DP id & client id	Date of purchase (if sale order given)

I hereby declare the following:

1. I/dependent shall take delivery of the security being purchased. For sale transactions, I/dependent am/is holding these securities for a period of more than 7 days.
2. As on date, I/dependent am/is not aware that Kamal Kumar Jalan Securities Pvt. Ltd. intends to transact in the same security and believe that the transaction being incurred by me/dependent will not amount to front running.



3. The transaction being incurred by me/dependent is not based on access to or receipt of any price sensitive information by virtue of my office till the signing of this undertaking and believe that the same will not amount of self dealing.
4. In case, I/dependent have access to or receive "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction I/dependent shall inform the Compliance Officer of the change in my/dependent position and I/dependent would completely refrain from dealing in the securities of the client company till the time such information becomes public.
5. I/dependent have not contravened the code of conduct for prevention of insider trading as specified by Kamal Kumar Jalan Securities Pvt. Ltd. from time to time.
6. I/dependent have made full and true disclosure in the matter.
7. I/dependent undertake to complete the said transaction on or before _____
(date) that is within 7 days from today.

Name and Signature of the employee

Date:

Approved / Not Approved

Signature of the Compliance Officer

Date:

Remarks of the Compliance Officer, if any



ANNEXURE "B"

APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD

The Compliance Officer,

Through Division / Department Head

Date: _____

Dear Sir,

I request you to grant me waiver of the minimum holding period of 7 days as required under the code for prohibition of insider trading with respect to Shares of the company held by me / dependent (name of dependent) singly / jointly acquired by me//dependent on (Date). I/dependent desire to deal in the said shares on account of (give reasons).

Thanking you,

Yours faithfully,

(Name)

(Designation)

(Department)

Date:

Signature of the Compliance Officer

Remarks of the Compliance Officer:

ANNEXURE "C"

Form for initial disclosure of details of Shares held by Director / Designated Employees

To: The Compliance Officer

Date : _____

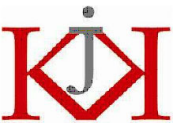
I. DETAILS OF SHAREHOLDING OF DIRECTOR / DESIGNATED EMPLOYEES HELD IN THEIR OWN NAME

Name	Designation	Department/ Date of Joining	Name of security	No. of Shares held	Date of Acquisition	Folio No/ DP ID / Client ID

II. DETAILS OF SHARES HELD BY DEPENDENT FAMILY MEMBERS

Name of Relative	Relationship	Name of security	No. of Shares held	Date of Acquisition	Folio No/DP ID/ Client ID

**KAMAL KUMAR JALAN SECURITIES PRIVATE LIMITED
COMPLIANCE REPORT**



Signature: _____

To: The Compliance Officer

Date : _____

I. PERIODIC STATEMENT OF SHAREHOLDINGS OF DIRECTORS / DESIGNATED EMPLOYEES:

Name	Designation/ Department	Name of security	No. of Shares Held on 1 st April/1 st Oct.	No. of Shares Bought During the half year	No. of Shares Sold during the half year	No. of Shares held on 30 th Sept./31 st Mar.	Folio No / DP ID / Client ID

II. DETAILS OF SHARES HELD BY DEPENDENT FAMILY MEMBERS

Name	Relationshi p	Name of security	No. of Shares Held on 1 st April/1 st Oct.	No. of Shares Bought During the half year	No. of Shares Sold during the half year	No. of Shares held on 30 th Sept./31 st Mar.	Folio No / DP ID / Client ID

Signature: _____

Company Policies TOWARDS Blogging & Web Surfing

We have implemented internal code of conduct and control to ensure that proper checks and balances are placed to govern web surfing by the employees.

Our policy consists following:

1. We have prohibited our employees to encourage /circulate /rumors/unverified information.
2. We strictly prohibit to access blogs/chat/forum and messenger sites and personal mails.
3. We don't encourage client code modification and have restricted the same at all dealers end and access in only available with the Director / Compliance officer.

Policy Towards Client Code Modification

1. Objective

To frame the guidelines for modification to client codes post trade execution and reporting of such Client Code Modifications.

2. Brief about Client Code Modification:

Client Code Modification means modification / change of the client codes after execution of trades.

Stock Exchanges provide a facility to modify any client code after the trade has been executed to rectify any error or wrong data entry done by the dealers at the time of punching orders. However, such Client Code modification is subject to certain guidelines as to the time limit within which the client code modification is to be carried out, terminal / system on which such modifications can be done etc. The facility is mainly to provide a system for modification of client codes in case genuine errors in punching / placing the orders. It is to be used as an exception and not a routine. To prevent misuse of the facility Stock Exchanges levy penalty / fine for all non-institutional client code modifications.

3. Scope of the Policy:

This policy covers all the Client Code Modifications carried out / to be carried out in any of the client accounts controlled by HO, subject to the guidelines issued by the SEBI / Stock Exchanges from time to time, in any segment of any exchange for which PMF is a member broker.

4. "Error Trades" means the trades which will be modified / to be modified / allowed, to be modified subject to guidelines of the SEBI / Stock Exchanges and this policy. For the purpose of this Policy, only the following types of trades shall be modified / allowed to be modified:

In case of NSE (NOTE: no consistent pattern in such modifications):

i. client code/name and modified client code/name are similar to each other but such modifications are not repetitive. ii. Family Code (spouse, dependent parents, dependent children and HUF)

In Case of BSE:

i. Punching error / typing error of client codes due to any genuine error or mistake in order entry, while punching the order, by any of dealer.

ii. Trade entered for wrong client due to any miscommunication from the client / authorized representative of the client.

iii. Modification within family members

iv. Institutional trades modified to broker error/pro account

In Case of MCX-SX

i. Punching error / typing error of client codes due to any genuine error or mistake in order entry, while punching the order, by any of dealer.

ii. Trade entered for wrong client due to any miscommunication from the client / authorized representative of the client.

5. General Conditions:

(i) The facility for Client Code Modification can be used only in case of Error Trade.

(ii) The Client Code Modification shall be carried out only on the designated system and / or as per the process as may be prescribed by SEBI / Stock Exchange.



6. Place for Client Code Modification:

Any Client Code Modification shall, subject to compliance of this policy, be carried out by RMS at HO of all the Error Trades happened in Capital Market Segment of NSE,BSE and MCX-SX.

7. Penalty

The penalty or fine, if any, levied on PMF for any wrong trade occurred due to any miscommunication from the client / authorized representative of the client shall be borne by the client.

CLIENT Categorization on RISK

The Clients are segregated in two categories :

1. Low Risk
2. Medium Risk
3. High Risk

Low Risk :

- Low Risk clients are clients defined to be personally known to the promoters/ Directors of the company .
- Have Sound Financial Stability.
- Regular Pay in of Funds and Securities before pay in time.
- No Criminal or Civil breach of trust pending with any courts of Law / SEBi or Exchanges.

Medium Risk

- Clients registered through sub brokers and third parties , having good record and regular pay in and pay out of funds , however empanelled with other Depository participants.
- No Criminal or Civil breach of trust pending with any courts of Law / SEBi or Exchanges.

High Risk :

- High Risk clients are categorized as clients coming via contact or by introduction from Third parties.
- These Clients need financial check for the first one year of trading and are approved of Low Risk category if they meet all requirements within one year of Registration.

Policy on Limit Setting

The stock broker may from time to time impose and vary limits on the orders that the clients can place through the stock brokers trading system (including exposure limits, turnover limits, limits as to number, value and / or kind of securities in respect of which orders can be placed. The client is aware and agrees that the stock broker may need to vary or reduce the limits or impose new limits urgently on the basis of the stock brokers risk perception and other factors considered relevant by the stock broker including but not limited to limits on account of exchange / SEBI directions / limits (such as broker level / market level limits in security specific / volume specific exposures etc. and the stock broker may be unable to inform the client of such variation, reduction or imposition in advance.

The Client agrees that the stock broker shall not be responsible for such variations, reduction or imposition of client's inability to route any order through the stock brokers trading system on account of such variation, reduction or imposition of limits. The client further agrees that the stock broker may at any time, at its own discretion and without prior notice, prohibit or restrict the clients ability to place orders or trade in securities through the stock broker or it may subject any order placed by the client to a review before its entry into the trading systems and may refuse to execute / allow orders. The client agrees that the losses if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

We have margin based RMS System. Total Deposits of the clients are uploaded in the system and the clients may take exposure basis of margin applicable for respective security as per VAR based margining system of the stock exchange and / or margin defined by the RMS based on its risk perception. Client may take benefit of "Credit for sale" i.e. benefit of shares held as margin by selling the same by selecting Delivery option through order entry window on the trading platform. The value of shares sold will be added the the value of deposit and on the basis of that client may take fresh exposure.

In case of exposure taken on the basis of shares margin the payment is required to be made before the exchange pay in date otherwise it will be liable to square off after the payin time or any time due to shortage of margin.

POLICY FOR PRE-FUNDED INSTRUMENTS

It's a Master Policy of the Company for the acceptance of Pre-funded Instruments. This policy is subject to the rules and regulations of the SEBI and Exchanges from time to time. The objective of the policy is to prevent acceptance of third party funds and to prescribe process to deal with instruments issued by third party when received. As a part of our internal control policy we are strictly restricting Demand Drafts/Pay Orders/Banker's Cheques for the receipt of funds from the clients to avoid third party pay-in to client accounts. In any exceptional case of payment by Demand Drafts /Pay Order/Banker's Cheque, self declaration from the clients is not sufficient. Such funds from the clients through pre-funded instruments shall be accepted after the following conditions as per SEBI circular no. CIR/ MIRSD/03/2011 dated 9th June 2011 & NSE circular no. NSE/INSP/2011/118 dated 9th June 2011 has been complied:

In case of acceptance of pre-funded instruments of Rs.50,000/- or more, per day per client, such as, Pay Order, Demand Draft, and Banker's Cheque etc shall be accompanied by Bank's Certification .

The mode of certification shall be as follows:

- i. Certificate from the issuing bank on its letterhead or on a plain paper with the seal of the issuing bank.
- ii. Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument.
- iii. Certified copy of the passbook/bank statement for the account debited to issue the instrument.
- iv. Authentication of the bank account-number debited and name of the account holder by the issuing bank on the reverse of the instrument.

Only the Executive Director or Managing Director can give the approval for acceptance Pre-funded Instruments and only then credit should be given.

Investor Grievance Mechanism

Investors can write to us by our designated Email id grief@kkjsec.com, Nikhil@kkjsec.com, nikhiljalan@hotmail.com, made available on our Company website (www.kkjsec.com) and KYC forms while opening of client account. They can also visit any of our offices and write a complaint in the Complaint Book made available on the reception of every Branch or sub broker office.

The mails are directly sent to our Director/ Compliance officer, Mr. Nikhil Jalan, who looks into the matter personally and a resolution towards the same is attained within 48 hours from receipt of the said complaint. In case of more time is required for resolving the said grievance, the applicant is well informed vide an email / phone call.

Policies related to Inactive account

Clients who have not traded for more than six months will be treated as dormant account or inactive client account and will be activated on the request of Head Office – Compliance officer / Branch Manager / Regional Head / Sub broker / Remisier / Authorized person , on the completion of the following documents and letter from the respective client . The duly signed documents along with necessary annexure should be forwarded to the KYC department for reactivation and KYC Team Will request to ADMIN team for the reactivation in Front end and back end software.

ACCOUNT RE-ACTIVATION FORM

Kamal Kumar Jalan Sec. Pvt. Ltd.

R-404, Rotunda Bldg., M.S Marg, Fort, Mumbai-400001.

(To be filled by the client)

Client Code	
Client Name	
Branch Code	
Reason for Reactivation	
Introduced by / Name of the Sub broker	

I/We hereby request you to please reactivate my /our account and treat this form as intimation for re-opening of the account. I/We hereby confirm that all the information's provided to you with initial account opening are the same , and / /We do agree to abide by the exchange rules and notifications issued till date.



Client's Signature and Date

FOR OFFICE USE ONLY

Client Code	
Client Name	
Date of Last transaction	
Date of Activation	
Are all account documents are complete	
Checked and updated by	

ADDENDUM

ADDENDUM FOR CLIENTS OPTING FOR EQUITY Y TRADING

Applicant Status	Individual / Non Individual		
Form Number			
Further to the KYC already signed with you , I have to submit the following additional details			
Name of the applicant / Entity			
Net Worth			
Pan No.			
Address :			
Telephone/Mobile no.			
Email id :			
Financial Details along with supporting documents : Tick		Below Rs.1,00,000	Rs.1,00,000 to 5,00,000
		Rs. 5,00,000 to 10,00,000	Rs.10,00,000 to 25,00,000
		Above Rs.25,00,000	
Name of supporting document			
Details of any action taken by SEBI/FMC/Stock Exchange /Commodity Exchange/ any other authority			

The details furnished by me/us are true to the best of my/our knowledge and belief, and I/we undertake to inform you of any changes therein immediately in writing. In case if any of the above information is found to be false or untrue then I am /we are to be held liable for it.

I/we further undertake that i/we shall indemnify and keep indemnified **M/s Kamal Kumar Jalan Sec. Pvt. Ltd.** or its Directors or its employees from and against any loss, claims, liabilities, obligations, damages, deficiencies, actions, suits , proceedings or liability suffered or fastened due to any incorrect , wrong , false , misleading representations provided /disclosed by me/us to **M/s Kamal Kumar Jalan Sec. Pvt. Ltd.**



Client's Signature, Name, Place and Date

REVISION & UPDATION OF POLICY

Anti Money Laundering Policy

The Government of India has serious concerns over money laundering activities, which are not only illegal but anti-national as well. As a market participant, it is evident that strict and vigilant tracking of all transactions of suspicious nature required.

Accordingly, the Company has laid down following policy guidelines:

Designated Director Mr. Nikhil Jalan is appointed as the Designated Director for PMLS on **12/12/2014. For PMLA**

Principal Officer: Mr. Nikhil Jalan is appointed as the Principal Officer. He/She will be responsible for implementation of internal controls & procedures for identifying and reporting any suspicious transaction or activity to the concerned authorities.

Purpose & Scope: As a Financial Market Intermediary we need to maintain a record of all the transactions; the nature and value of which has been prescribed in the Rules under the PMLA. Accordingly, all the back office, DP and trading staff are instructed to observe the following safeguards:

1. No Cash transactions for trading in securities shall be allowed from any client in the normal course of business.

2. Maintain a record of all the transactions; the nature and value of which has been prescribed in the Rules notified under the PMLA. Such transactions include:
3. Cash transactions of the value of more than Rs 10 lakhs or its equivalent in foreign currency.
4. All series of cash transactions integrally connected to each other, which have been valued below Rs 10 lakhs or its equivalent in foreign currency where such series of transactions take place within one calendar month.
5. All suspicious transactions whether or not made in cash.
6. Frequent off Market transfers from one BO account to another shall be scrutinized and asked for. In absence of valid reason case or found suspicious, it shall be brought to the notice of Principal Officer.
7. Trading beyond ones declared income: The turnover of the clients should be according to their declared means of income. Any abnormal increase in client's turnover shall be reported to Principal Officer. The Back Office staff should take due care in updating the clients' financial details and shall periodically review the same.

Policies and Procedures

Customer due Diligence Process (CDD)

The main aspect of this policy is the Customer Due Diligence Process, which means:

1. Obtaining sufficient information about to the client in order to identify who is the actual beneficial owner of the securities or on whose behalf transaction is conducted.
2. Verify the customer's identity using reliable, independent source document, data or information.
3. Conduct on-going due diligence and scrutiny of the account/client to ensure that the transaction conducted are consistent with the client's background/financial status, its activities and risk profile.

The Customer Due Diligence Process includes following parameters:

- Client Identification Procedure
- Policy for Acceptance of Clients
- Suspicious Transactions identification & reporting

Client identification procedure:

A. The Know Your Client Policy

While establishing the intermediary – client relationship:

No account shall be opened unless all the KYC Norms as prescribed from time to time by the SEBI / Exchanges are duly complied. All the information as required to be filled in the KYC form (including financial information, occupation details and employment details) is actually filled in and the documentary evidence in support of the same presented by the client.

Moreover, all the supporting documents should be verified with originals and client should sign the KYC & MCA in presence of our own staff and an existing clients or the known reference should introduce the client.

The information provided by the client should be checked through independent source namely the income tax website for PAN

Address must be verified by sending Welcome Letter / Qtrly Statement of Account, and in case any document returned undelivered the client should be asked to provide his new address proof before doing any further transaction.

Documentation requirements and other information is to be collected in respect of different classes of clients depending on the perceived risk and having regards to the requirements of Rule 9 of the PML Rules, Directives and Circulars issued by SEBI from time to time.

We must exercise additional due diligence in case of the Clients of Special Category, which include but not limited to

- Non resident clients
- High networth clients (i.e. the clients having networth exceeding 1000 Lakhs and doing the intra day trading volume of more than 50 Crore and daily delivery volume more than Rs 25 crores)
- Trust, Charities, NGOs and organizations receiving donations
- Companies having close family shareholdings or beneficial ownership
- Politically exposed persons (PEP) of foreign origin
- Current / Former Head of State, Current or Former Senior High profile politicians and connected persons (immediate family, Close advisors and companies in which such individuals have interest or significant influence)
- Companies offering foreign exchange offerings
- Clients in high risk countries where
 - existence / effectiveness of money laundering controls is suspect
 - there is unusual banking secrecy
 - there is active narcotics production
 - corruption (as per Transparency International Corruption Perception Index) is highly prevalent
 - government sanctions are applied
 - there is suspicion that such countries are Havens / sponsors of international terrorism, offshore financial centers, tax havens etc.
 - fraud is highly prevalent
- Non face to face clients
- Clients with dubious reputation as per public information available etc.
- Such Other persons who as per our independent judgment may be classified as CSC.

In case we have reasons to believe that any of our existing / potential customer is a politically exposed person (PEP) we must exercise due diligence, to ascertain whether the customer is a PEP, which would include seeking additional information from clients and accessing publicly available information etc.

The dealing staff must obtain senior management's prior approval for establishing business relationships with Politically Exposed Persons. In case an existing customer is subsequently found to be, or subsequently becomes a PEP, dealing staff must obtain senior management's approval to continue the business relationship.

We must take reasonable measures to verify source of funds of clients identified as PEP.

The client should be identified by using reliable sources including documents / information and we should obtain adequate information to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship.

The information should be adequate enough to satisfy competent authorities (regulatory / enforcement authorities) in future that due diligence was observed by the intermediary in compliance with the Guidelines. Each original documents should be seen prior to acceptance of a copy.

Failure by prospective client to provide satisfactory evidence of identity should be noted and reported to the higher authority.

While accepting a client the underlying objective should be to follow the requirements enshrined in the PML Act, 2002 SEBI Act, 1992 and Regulations, directives and circulars issued there under so that we are aware of the clients on whose behalf we are dealing.

Before opening, an account we shall 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, whether in terms of criminal or civil proceedings by any enforcement agency worldwide.

We shall periodically update all documents, data or information of all clients and beneficial owners collected under the CDD process.

List of Designated Individuals/Entities shall be maintained.

SEBI REGN NO. INB /F/E 010994737

POLICY FRAMED AND REVIEWED BY : MR. NIKHIL JALAN (COMPLIANCE OFFICER)

GRIEVANCE ID: GRIEF@KKJSEC.COM , WWW.KKJSEC.COM . CONTACT: 09833915980

B. While Carrying Out Transactions for the Clients

RMS department should monitor the trading activity of the client and exercise due diligence to ensure that the trading activity of the client is not disproportionate to the financial status and the track record of the client.

Payments department should ensure that payment received from the client is being received in time and through the bank account the details of which are given by the client in KYC form and the payment through cash / bearer demand drafts should not be entertained.

Policy for acceptance of clients:

The following safeguards are to be followed while accepting the clients:

No account is opened in a fictitious / benami name or on an anonymous basis. To ensure this we must insist the client to fill up all the necessary details in the KYC form in our presence and obtain all the necessary documentary evidence in support of the information filled in KYC. We must verify all the documents submitted in support of information filled in the KYC form with the originals and in- person verification should be done by our own staff. Moreover, new client should be introduced either by an existing customer or by the senior official of the company.

In case we have any doubt that the client submits in-complete / fictitious information, we must ask for such additional information so as to satisfy ourselves about the genuineness of the client and the information of the client before accepting his registration.

Factors of Risk Perception of the Client

Particulars	Factor of Bifurcation	Risk Category
Client of Special Categories as defined under Para	Special Categories	Very High Risk
Non-resident Clients (NRI)	Client`s Location	High Risk
Payment through Banker`s Cheque / Demand Draft / Cash / Chq of other bank (own) not	Manner of Making Payment	High Risk
HNI Clients (average daily turnover > Rs 5000 Lakhs or net settlement obligation > Rs 500 Lakhs)	Nature of Business	Medium Risk
Payment through A/c payee cheque from the Bank	Manner of Making	Medium Risk
Professional persons like Doctors, Lawyers, CA/CS/ICWAI/Engineers Etc	Nature of Business	Low Risk
Retail clients (average daily turnover < Rs 25 Lakhs	Nature of Business	Low Risk
Client Introduced by existing known working	Client`s Location	Low Risk
Regular payment through A/c payee cheque from the Bank A/c already manned with us	Manner of Making	Low Risk

Ensure that no account is opened where we unable to apply appropriate clients due diligence measures / KYC policies. This shall be applicable in cases where it is not possible to ascertain the identity of the client or information provided by the client is suspected to be non genuine or perceived non co-operation of the client in providing full and complete information. We should not continue to do business with such a person and file a suspicious activity report. We should also evaluate whether there is suspicious trading in the account and whether there is a need to freeze or close the account.

The CDD process shall necessarily be revisited when there are suspicions of money laundering or financing of terrorism (ML/TF).

Policy for Recruitment of personnel

The HR Department is instructed to cross check all the references and should take adequate safeguards to establish the authenticity and genuineness of the persons before recruiting. The department should obtain the following documents:

- Photographs
- Proof of address
- Identity proof
- Proof of Educational Qualification
- References
- Retention of records

Records pertaining to active clients and staff details collected for recruitment shall be kept safely.

Information to be maintained

Company will maintain and preserve the following information in respect of transactions referred to in Rule 3 of PMLA Rules for the period of 5 years.

- Client Registration Forms
- Contract Note
- the nature of the transactions;
- the amount of the transaction and the currency in which it denominated;
- the date on which the transaction was conducted; and

The parties to the
transaction.
Employees' Training

Company adopted an ongoing employee training program so that the members of the staff are adequately trained in AML and CFT procedures. Training requirements have specific focuses for frontline staff, back office staff, compliance staff, risk management staff and staff dealing with new customers. It is crucial that all those concerned fully understand the rationale behind these guidelines, obligations and requirements, implement them consistently and are sensitive to the risks of their systems being misused by unscrupulous elements.

Risk Assessment

Effective measures will be taken to mitigate its money laundering and terrorist financing risk with respect to clients, countries or geographical areas depending upon the nature and volume of transactions, payment methods used by clients, etc.

The risk assessment shall also take into account any country specific information that is circulated by the Government of India and SEBI from time to time as well as, the updated list of individuals and entities who are subjected to sanction measures as required under the various United Nations' Security Council Resolutions which can be accessed at http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml and <http://www.un.org/sc/committees/1988/list.shtml>.

The risk assessment carried out shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied.

The assessment shall be documented by the Compliance Officer, updated regularly and made available to competent authorities and self regulating bodies, as and when required.

Procedure for freezing of funds, financial assets or economic resources or related services

In the event of any suspicious activity being observed by us, post reporting of this activity to the requisite authorities, we shall block the trading account and freeze the demat account

after giving due notice. We shall avail and execute instructions given by the investigating authorities.

Investors Education

Implementation of AML/CFT measures requires back office and trading staff to demand certain information from investors which may be of personal nature or which have hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records etc. This can sometimes lead to raising of questions by the customer with regard to the motive and purpose of collecting such information. There is, therefore, a need for the back office and trading staff to sensitize their customers about these requirements as the ones emanating from AML and CFT framework. The back office and trading staff should prepare specific literature/ pamphlets etc. so as to educate the customer of the objectives of the AML/CFT program.

Reporting to FIU

As per our observations if any transaction of suspicious nature is identified it must be brought to the notice of the Principal Officer who will submit report to the FIU if required

Updating the Policy

Above said policies are reviewed by us on regular basis to keep it updated as per the various amendments in the PMLA rules or at least once in every six month.

Name : Mr. Nikhil Jalan

Member : Mr. Kamal Kumar Jalan Sec. Pvt. Ltd. - 361

Depository Participant: Mr. Kamal Kumar Jalan Sec. Pvt. Ltd. - 12035600

Policy Reviewed and Updated on : **01/03/2015**

Signature of Compliance Officer:

Name: Mr. Nikhil Jalan

Signature of Principal Officer:

Name: Mr. Nikhil Jalan