

Introduction – Jambuwala Commodities Private Limited is full-service broking houses, which are a Trading Member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), Multi Commodity Exchange Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) Bearing SEBI Registration No. INZ000056036 and a Depository Participant with CDSL SEBI Reg. IN – DP – 527 – 2020.

Policy on Internal Controls

- This Note is for use by all staff members at Mumbai Office and other Branches
- Purpose of this Note is to make aware everyone concerned of the current regulations/requirements and our Company's practice/procedures to comply with these requirements.
- In case of doubts or need of clarification please contact **Mr. KAMAL PRANLAL SHAH**

Registration of Clients

This is ongoing process and we regularly receive applications for registration as Client for broking business.

At HO and Branches experienced persons are entrusted with the work of Registering New Clients. New Forms received to be checked by one person and to be rechecked by another and then submitted to the Authorized Person to sign the documents. At present all the directors are authorized to approve the Application and sign the documents in this connection.

Our Client Registration Forms are combined Form for Registration of Clients for BSE/NSE Cash segment and Derivatives/F&O segments. With complete Notes and instructions for how to fill up the Form.

However, we reproduce below relevant part from the Form for ready reference.

Check List / Enclosures to be submitted and Instructions to fill in the CAF

1. Originals of the Documents submitted are required for Due Verification at the time of submission of the CAF
2. Copy of Annual Reports and Balance Sheets for Last 2 Financial Years and Income Tax Return for last 2 Financial Years (Copies Annual Reports & Balance Sheets to be submitted every Year) (for Non-Individuals)
3. Copy of Latest Shareholding Pattern including List of all those (including their Photographs) holding more than 5% in the Share Capital of the Company and Persons authorized to deal in Securities / Contracts, duly certified by the Managing or Whole time Director or Company Secretary (updated Shareholding Pattern to be submitted every Year) (for Corporate)
4. Copy of the Partnership Deed (for Partnership Firms), Copy of Memorandum and Articles of Association and copy of the Board Resolution approving Participation in Equities / Derivatives Trading and naming Authorized Persons for Dealing in Securities (for Corporate)

5. Copy of MAPIN UIN Card / PAN Card / Passport / Driving License / Voter's Identity Card (for Individual / Proprietor / Partners / Directors / Karta / Trustees / Authorized Persons as the case may be as a Proof of Identity)
6. Copy of Passport / Driving License / Voter's Identity Card / Ration Card / Bank Passbook / Rent Agreement / Flat Maintenance Bill / Telephone Bill / Electricity Bill (for Individual / Proprietor / Partners / Directors / Karta / Trustees / Authorized Persons as the case may be as a Proof of Address)
7. Copy of a Cancelled Cheque Leaf / Bank Statement / Bank Passbook containing Name of the Client
8. Details of all the Demat Accounts held by the Client must be mentioned using separate Sheet of Paper. Furnish the Demat Account Detail in which Client wish to receive Securities in Pay-out for the Purchase of Securities in the Space Provided in Client Registration Form
9. Copy of Demat Account Statement / Account Opening Letter for all the Demat Accounts for which Details are furnished
10. Any Overwriting, Corrections, Deletions shall be countersigned and CAF should be filled in Capital Letters only
11. Annexure may be used if the Information does not fit within the space provided
12. Please fill separate CAFs for each Person, ie Individuals, Corporate, Firms, etc
13. While filling in Details of Demat Account, make Sure you enter First 8 Characters of BO Id as DP Id and Last 8 Characters of BO Id as BO Id in the Space provided in CRF for Demat Accounts held with CDSL
14. Sign at place applicable to you wherever marked as "X"
15. Annexure to CRF must be strictly on A4 Size Paper and not on part thereof
16. Do not use Stapler anywhere in the Form or to attach Photograph or to attach Enclosures and / or Annexure.
17. Forms incomplete in any respect are liable to be rejected, so please be careful while filling up the Form and seek Guidance of Company Official near you, who will help you filling up the Form correctly

Additional Information Required

SEBI Circular No. SEBI / MIRSD / DPS-1 / Cir-31 / 2004 dated 26th August 2004 has prescribed Uniform Documentary Requirements for registration as a client for trading on the Stock Exchanges/s. As per this Circular (a) Client Registration Form (b) Member Client Agreement (c) Tripartite Agreement among broker, sub broker and client where ever applicable and (d) Risk Disclosure Document are required for registering as client.

Client Registration Form containing the documents mentioned above which is required to be completed.

Please note that as per SEBI's/Exchange's requirements only these four documents namely

1. Client Registration Form
2. Member Client Agreement
3. Tripartite Agreement among broker, sub broker and client where ever applicable
4. Risk Disclosure Document are mandatory.

Further any additional documents submitted to us for the purpose of registration as a client for trading on the Stock Exchanges/s are voluntary and at Client's and our discretion.

The following the documents which are required to be executed by the Clients and submitted to be submitted voluntary and the Client need not execute these document/s if the Client do not wish to use/avail this particular facility. In case at future date the Client decide not to avail any particular facility he/she can terminate the document signed and submitted by them by giving written request/notice and on receipt of their written request that document will be cancelled and facility granted by us may be withdrawn.

1. Consolidated Letter of Authority
2. Consent letter for Electronic Contract Note (ECN) and Addendum to the Agreement.
3. Special Consent letter with reference to Tripartite Agreement.

Special Instructions -

1. Under no circumstances incomplete Form is to be accepted
2. All copies must be verified with the original documents
3. As this is permanent record signatures/initials to be obtained as per instructions
4. Proper witnessing wherever required to be done.
5. Stamp Paper date etc. must be verified.

Receiving, validating and entering the orders of Clients in the Trading Platform

In all offices we have authorized persons who are TERMINAL operators. This TERMINAL operator who attends to Clients' Orders has been assigned Clients and Clients have been advised to contact particular person for placing/modifying/canceling their sales/purchase Orders.

Every TERMINAL operator would first ensure that person contacting personally/over phone is client or his/her authorized representative. Then he will clearly understand the instruction –buy or sell, name of the scrip, code number quantity and rate at which to be done. If it is market, it should be done instantly and confirmed to the Client. Otherwise after entering the Order as per Client's instructions, it is must to inform the Client. Care to be taken about name of the scrip and quantity etc.

No sauda to be entered at unrealistic rates even if instructed by the client. In case of mistake/s in making entry matter to be rectified immediately and brought to the notice of the superior.

All passwords used in operating TERMINAL are strictly confidential and not to be divulged to anybody.

Collection and Release of Payments to Clients

Collection: - Person authorized to collect dues from clients (at HO it is Accounts Assistant and at branches it is Branch Managers) would review outstanding to be received on continuous basis based on Client wise records kept in computers. By looking at Bill Summary they would

know from which clients' amounts are due. It is imperative that amounts are to be collected on due dates. In case of delay by any client or in case of cheque bouncing Senior Accountant / Branch Manger to be informed and necessary actions to be taken. All cheque bouncing to be viewed seriously and client to be warned.

If necessary, TERMINAL operator assigned to Client to be instructed not to accept fresh positions.

Release of Payments: - All Clients to be paid on due date without fail. However, those clients who have given Running Account Letter and do not want payments for their convenience need not be paid. Payments to the clients are to be made electronically. All concerned persons will ensure that adequate balance is there in the Bank account before releasing the payments.

Extreme care is to be taken to ensure that cheque/s issued by the Company do not bounce due to carelessness. If it happens it would be viewed very seriously.

Collection and maintenance of Margins

As and when Margin is applicable to be collected from the Client concerned and his/her account to be credited accordingly. Details of the Margin amounts received to be maintained.

Collection and Delivery of securities to the Clients

Collection:

In Demat Form: - All clients who have Demat Account with our DP division and given Power of Attorney there is no problem. Those Clients who have Demat account with others to get their securities in time concerned person will ensure that it is received in time for Pay-In and where necessary will inform the Client to arrange for giving instructions to his DP.

In Physical Form: - Person concern will collect the shares with properly filled up Transfer Form duly signed and witnessed. Receipt to be issued to clients for shares received. Details of shares received to be maintained for this purpose. These securities then to be delivered to BSE Clearing house.

Delivery of securities to the Clients

In Demat Form: - Person concerned will prepare separate file for clients having Accounts with CDSL and NSDL and provide information to Concern Clearing House. Based on this information Concern clearing House will affect the Pay- out

In Physical Form: - Person concerned will collect the shares from the Concern Clearing House record details in PC put necessary rubber stamps and deliver to the Client after obtaining proper Receipt.

Monitoring of Branches/ Sub Brokers/DP Operation etc

Branches: - All Branch Managers are experienced, knowledgeable and qualified. Branch Manager is properly briefed about conducting Share Broking business and Depository Participant (DP) business. Common software programmers have been provided to Branches. All Branch Managers have been instructed to comply with guidelines/instructions of SEBI /Exchanges /CDSL and ensure best service to our clients.

Technical matters/problems of the branches are to be attended by Compliance officer and all accounting / an administrative and general matter is under supervision of the Senior Accountant. For Market Development new business and other developments, the Managing Director is to be consulted.

Branches are regularly to be visited & reviewed by the Directors and any corrective actions if necessary is taken immediately.

DP Operation: - DP operation at HO is looked after by DP in-charge and at Branches by respective Branch Manager. There is strict and clear instruction to the DP Department by the Managing Director that they must follow all instructions / rules / regulations of SEBI/CDSL and no variation to be permitted. However, they must ensure that Demat Account Holders (BOs) are not put to any inconvenience or trouble in operation their accounts. Any problem / difficulties faced by DP division is to be brought to the notice of DP – Compliance Officer.

DP operation is continuously inspected/ audited by our internal auditors and CDSL appointed inspectors/auditors Reports of these auditors/inspectors are attended/replied by DP Compliance Officer before submitting to CDSL.

Operations & Compliance requirements

Operations: -

Compliance requirements: - Our Stock Broking and Depository Participant (DP) both businesses are subject to rules and regulations by SEBI/Exchanges/Depository-CDSL. All concerned staff have been asked to pass necessary exams and have been sent to seminar etc on compliances and related subjects. Outside professional help is also available and taken when necessary.

Further all concerned staff members have been instructed to read regularly notices issued by SEBI/Exchanges/Depository-CDSL. Branches are informed about important regulation changes etc.

When necessary, inter office circulars are issued bringing important regulations to the attention of staff.

Records of Company's activities are continuously audited by internal auditors/statutory auditors/inspectors of SEBI/Exchanges/CDSL and any deficiencies noticed during this process is corrected/satisfied and instruction are issued to concerned staff for future actions.

There is clear direction from the Managing Director – Mr. Ashish Doshi that all concerned should ensure full compliance with all legal/statutory requirements and no violation should take place. Any difficulty faced by any staff in complying with legal requirements to be immediately to be brought to his attention.

Payment of Dividends Etc.

Dividend received is to be first credited to the Clients Dividend Received A/c. On basis of information received from Back Office necessary entries to be passed to debit Client Dividend Received A/c and credit respective client a/c.

Back Office will ensure that the information is provided to Accounts Department without any delay so necessary credit can be given to respective Client's account within 24 hours. The Accounts Department will ensure to pass on credit to clients' accounts immediately.

Any problem faced by the Back Office and/or the Accounts Department is to be brought to the attention of Compliance Officer.

Continuity Planning /Alternate plan in case of Disasters Etc.

Disaster recovery policy: -

Failure of power supply

1. UPS are placed centrally for critical machines which takes over automatically in case of power failure.
2. In case power does not resume within 30(Thirty) minutes all Backoffice systems will be shut down along with additional non critical machines to save power and increase backup for most critical machines and servers.
3. All remaining machines are shut off when UPS gives final alert before 2 (two) minutes of going offline.
4. Move critical machines to alternate location which is a nearby location if the need arises.

Data Backup

1. Daily database backup is taken on the hard drive automatically during night time.
2. This daily backup is copied to external portable hard disk on daily basis and given to officials for outside location storage.
4. Yearly backup is taken on DVD drive and given to top officials after financial year ends.

Policy Reviewed and Authorised by

Mr. Kamal Shah
Director