JAMNADAS MORARJEE SECURITIES LTD.

CORPORATE MEMBER,
THE STOCK EXCHANGE : MUMBAI
(SINCE 1862)

204, STOCK EXCHANGE TOWERS,
2ND FLOOR, DALAL STREET, FORT,
MUMBAI - 400 001.

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Internal control

Sr. No	Particulars	Reply/Remarks
1	**Details**	
➢	Date of starting of business	The Company is incorporated on 9/10/1997 and received letter for Commencement of Business from BSE Ltd dated 24/6/1998 to start the business w.e.f. 29/6/1998.
➢	Background of company	Jamnadas Morarjee Securities Ltd is formed under the scheme of Corporatisation of Membership of BSE by converting the earstwhile Firm M/s Jamnadas Morarjee & Co in the year 1997-98. It is promoted by Late Shri Mahendra N. Kampani, Shri Hemant N. Kampani and Shri Chandresh M. Kampani.
2	**Client code modification**	
➢	Reason for the modification of client codes	punching error/typing error of client codes. trade entered for wrong client code/name are similar to each other.
➢	Ratio of modification of client codes done at Head office vis-à-vis other offices	We have no branch office.
➢	Details of authorized representatives for approval of client code modification w.r.t. error trades.	Client code modification issues should be reported to director and can be done only after getting approval.
➢	Measures taken to reduce the modification of client codes.	We educate the dealer and create awareness among them about this policy.
➢	Whether the trades have been modified only for the objective criteria allowed by the Exchange?	YES

➢	Whether securities taken into ERROR A/c are liquidated in the same A/c?	YES
3	**PMLA**	
➢	Compliance w.r.t. Principal Officer, appointment of Designated Director under PMLA and adoption of written policy.	YES
➢	Whether KYC and AML policies have been reviewed in line with SEBI Guidelines?	YES
➢	Measures taken with regard to Anti money laundering Act	YES
➢	System of keeping a check on Volume of trading done by the client is in proportion to his financial details as disclosed in the KYC.	YES
➢	Alerts for the same generated or not?	YES
➢	Any Suspicious Transaction Report (STR) sent to FIU.	NO
➢	Risk categorization of clients.	**We are doing the Risk Categorization of the Clients.**
➢	Enumerate the steps taken to verify the identity of persons who beneficially own or control the securities?	N.A.
4	**Introduction/Registration of Clients**	
➢	Basis of accepting as client	Before accepting as client we verify the creditability from various sourses.
➢	Procedure for In-person verification of clients and maintenance of proof for the same, specifically in respect of out station & sub-broker clients.	We send our person for doing in person verification to client office or residance. we also verifiy the original documents of the clients. we do not have any out station client.

➢	Whether Client Registration Documents (CRD) given to new clients & to existing clients, on demand. Also, whether UCC & email ID communicated to clients on CRD or separate letter, and proof for the above.	YES
➢	Do you outsource client registration modalities?	NO
➢	Do you entertain walk in clients? If yes, what are risk mitigation measures taken in dealings with such client.	No we do not entertain walk in client.
➢	Process of record keeping and retrieval of client registration document.	Yes Binding of Client Registration Documents. (KYC)
5	**Funds**	
➢	System of pay in and pay out of funds from / to clients	The securities/funds are paid-in/paid-out on T+2. we Settle the clients account within to days from the end of the settlement.
➢	System & source of pay in and pay out of funds in case of Own trading	The source of own trading pay on pay out funds is from our OD account.
➢	Procedure of Margin collection, if any from clients & maintenance of records thereof	No margin is collected and no funding to the clients is done.
➢	Any funding is done to the clients	NO
➢	Credit / transfer of Dividend to the clients / own dividend	Separate ledger is maintained for transfer of dividend etc.
➢	Procedure followed in case of default by client/ sub broker's client	We do not have any Sub-broker
➢	Payment to sub brokers / remisiers	Payment to remisiers at fixed percentage of the brokerage earned from the clients introduced is made.
➢	Any third party transfer of funds? If yes , policy in this regard	No third party transfer of funds takes place.

6	**Bolt terminal**	
➢	Procedure of accepting & placing of orders	We accept the orders on Telephone or by Fax
➢	Factors determining the trading limit for each terminal / client	We put the trading limit of every clients
➢	Control over operator to ensure that he is entering authorized trades only	YES
➢	In case where terminals have been located abroad, then Opening of terminal abroad is in compliance with SEBI Guidelines	N.A.
7	**Contract notes**	
➢	Whether printing of contract note is centralized? If not, Place from which CN are printed.	Contract note is printed from our registered office
➢	Procedure for printing CN in case of outstation clients / sub broker clients	We do not have sub broker clients.
➢	Basis of numbering	Numbering on contract note is generated by computer
➢	System for maintaining duplicates & acknowledgement for CNs	We take Acknowledgement on duplicate copies of contract note.
➢	Whether consent for change in e-mail id is obtained through physical letter from the clients?	YES
8	**Securities**	
➢	System of pay in and pay out of securities from / to clients	Pay in from and pay out to clients within 24 hours of the deal and pay out by the BSE. We do direct payout in the clients account.
➢	Separate Own Beneficiary Account maintained or not	Separate Own Beneficiary Account is maintained
➢	Separate Client beneficiary account maintained or not	Separate Client beneficiary account is maintained

➢	Client wise segregation of securities maintained or not	Segregation of securities client wise maintained
➢	Whether Clients' securities maintained with Member	NO
➢	Procedure for check on Third party security transfer/ acceptance	NO
➢	Policy to ensure that client's securities are not mis-utilised for own purposes or for any other client.	Yes we are doing the needful
9	**Statement of accounts**	
➢	Whether statement of accounts for funds and securities are issued on monthly or quarterly basis.	Statement of accounts for funds and securities are sent by email on quarterly basis.
➢	Whether statement of accounts is issued from the branches/sub-broker's office/authorized person's office. If yes, the procedure followed for issuance and the maintenance of the duplicates and proof of delivery.	N.A.
➢	Whether statement of accounts are issued physically or digitally?	Statement of accounts are issued by digitally
10	**Execution of POA (Power of attorney) (if applicable)**	
➢	Please specify in whose name POA has been taken (trading member, its employees or representatives or sub-brokers)	N.A.
➢	Process adopted for execution of POA	N.A.

11	**Opening & closing of branches**	
➢	Procedure adopted for opening & closing of branches	We do not have branches
➢	In case of closure of branches, how and when do you communicate existing clients?	We do not have branches
12	**Closure of client accounts / dormat account**	
➢	What type of documentation (both inward and outward) undertake for closure of account.	If any client wish temporarily suspend operation in his/her account, or wish to close his/her account, he/she may intimate in writing or through email.
➢	In case of dormant account (six month), what extra caution taken before execution of trade in such account	If the client wants to make the account "ACTIVE" after 11 continuous months or after providing the required documents supporting the financial status, the client needs to submit a request to reactivate his/her account. After proper verification of the updated/ revised details and approval from the compliance officer/ or concerned department in-charge of registration of clients, the account can be made "ACTIVE" and transaction can take place.
➢	Procedure adopted in case of very old dormant account (2 years old)	If there is no transaction (buy / sell) entered into by the account holder for more than 11 continuous months, the account will be marked as "INACTIVE/DORMANT"
13	**Receiving and Execution of Orders**	
➢	Mode of order acceptance at HO/Branches/Sub-brokers office/AP's offices	Register office only
➢	Any document is maintained for the clients who personally walk into the office and place the order?	NO
➢	System for identifying authenticity of caller when the order is placed through telephone.	YES

➢	Mechanism put in place to limit the cumulative value of unexecuted orders from the terminals?	N.A.
14	**Portfolio manager**	
➢	Whether Trading Member acting as a portfolio manager?	N.A.
➢	Procedure for client registration, order execution, contract notes issuance and settlement mechanism followed for the same.	N.A.
➢	Whether any of the client of the TM is acting as a portfolio manager?	N.A.
15	**Brokerage charged**	
➢	Brokerage schemes provided to the clients?	N.A.
➢	Elaborate on the schemes provided?	N.A.
16	**Client Margin Information**	
➢	Client margin collected in what forms?	N.A. (We receive full Payment from the Clients)
➢	Client margin when collected?	N.A.
➢	Client margin collection and reporting process	N.A.
➢	Process for evaluating exposure to be given to the clients?	The company will allow exposure to the clients keeping in mind the payment capacity of the client. As all the clients are known to the dealers the dealers will decide whether to allow the exposure and if allowed then to what extent.
➢	Whether client margin information is sent to the clients?	YES
➢	Whether it contains all the required information as prescribed in the circular?	YES
➢	What is the mode of informing to clients?	By hand delivery or by courier
➢	Whether proof of delivery/dispatch is maintained for the above purpose?	YES