K.M.Jain Stock Brokers Pvt Ltd

INDEX OF POLICIES

K.M.Jain Stock Brokers Pvt Ltd
Policies created by: Anand Jain
Policies reviewed by: Madhulika Jain
Policies reviewed on: 24th April 2026
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Policies approved on: 24th April 2026

POLICIES AND PROCEDURES – RAASB (Research Analyst Administration and Supervisory Body)

Reference SEBI (Research Analysts) Regulations, 2014 and SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2025/004 dated January 08, 2025, issued guidelines for Research Analysts ("RAs").

01. Investor grievances policy

All investors are free to communicate their grievances through our dedicated investor grievances email id: grievances@kmjpl.com or through our investor grievances register kept in all our offices at convenient accessible place. Investors will be assured prompt reply and resolution to their grievances. We, as RA are bound by SEBI (Research Analysts) Regulations, 2014 and SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2025/004 dated January 08, 2025, issued guidelines for Research Analysts ("RAs") **for redressal mechanism. The process for prompt redressal would entail the following steps:**

- Nature of grievance- whether monetary, documentary requirement or otherwise
- If monetary- then the cause and the veracity needs to be established. If the veracity is established by our back office then the client can expect quick dissipation. If veracity is denied by our back office, then the client would be duly informed with facts and figures.
- If non-receipt of a document- then the back office manager would ensure that the documents are despatched immediately or a duplicate copy is forwarded to the client.
- Other grievances- solution to be decided only after collating the details.
- If the client remains dissatisfied with managerial decision then he can contact the investor grievance cell of RAASB (Research Analyst Administration and Supervisory Body). The contact details are displayed at all offices as well as in KYC form.

For any grievance/dispute, clients can contact head office of K. M. JAIN STOCK BROKERS PVT. LTD. Or correspond with the RAASB (Research Analyst Administration and Supervisory Body) on the given below Email Ids.

E-mail ID for investor grievances: grievances@kmjpl.com

BSE RA - Investor Grievance Cell
Tel. No. : 022 2272 8016/97
E-mail Id : is@bseindia.com

02. Policy for prevention of unauthentic news in circulation by staff

General rules as laid down under SEBI circular no Cir/ ISD/1/2011 dated March 23, 2011and addendum thereof:

Our company discourages circulation of unauthentic news and hearsays by our staff, through emails, SMS, Whatsapp, any social interaction site or printed material. All research news is handled only by our sole research department active in our Mumbai head office. Any news not bearing our research department approval shall have no bearing and may be considered false. All the printed material emanating from our research department, in Mumbai Head office will always be based on facts and /or permissible scientific assumptions.

Exchanges have been publishing on their websites and on trading terminals from time to time providing names of companies in which unsolicited messages were found to be circulated advising the market participants to carry out necessary due diligence while dealing in such securities. We as a Research Analyst are bound by SEBI guidelines pertaining to unauthenticated news in circulation: refer SEBI circular no Cir/ ISD/1/2011 dated March 23, 2011 that deals with the subject: Surveillance Action w.r.t dealing with unsolicited videos and messages circulated in social media.

Market participants may note that Surveillance Action w.r.t dealing with unsolicited videos and messages circulated in social media framework shall be in conjunction with all other prevailing surveillance measures being imposed by the Exchanges from time to time. Further, it may also be noted that the shortlisting of securities under Surveillance Action w.r.t dealing with unsolicited videos and messages circulated in social media framework is purely on account of market surveillance, and it should not be construed as an adverse action against the concerned company / entity.

Code of Conduct for Employees:

As directed by SEBI, the intermediaries should have a code of conduct for their employees, which inter-alia, should cast responsibility on the employees that they should refrain from originating or spreading unauthenticated market related news or rumors.

The employee while referring to the ‘unauthenticated market related news or rumours’ should clearly state that it is an unauthenticated market related news or rumour and has no discernible basis. Further, employees should be directed that any ‘unauthenticated market related news or rumours’ received by them either in their official mail / personal mail / blog or in any other manner, should be forwarded only after the same has been seen and approved by the concerned Intermediary’s Compliance Officer.

Logs for usage of those Blogs/Chat forums/Messenger sites etc. made available to the employees by the intermediary shall be treated as records and the same should be required to be maintained as specified under the respective Regulations which govern the concerned intermediary.

Role of Compliance officer:

The Compliance Officer shall

[a] put in place adequate systems which shall make best efforts to prevent the spreading of unauthenticated market related news or rumors by employees of the intermediary.

[b] Formulate clear and transparent policies on handling unauthenticated market related news or rumors etc. and communicating the policies to all employees.

[c] Document appropriate training policies and programs reasonably designed to ensure that employees comply with their responsibilities and obligations.

[d] Ensure affirmation of these policies by each employee periodically.

[e] Conduct periodic monitoring to ensure compliance with the laid down policies and take action in case an employee is found violating the laid down policy.

[f] Report the same to SEBI in terms of extent Regulations

03. Policy for personal dealing and insider trading for research staff

A policy for personal dealing and insider trading for research staff, often based on SEBI Regulations (like Regulation 16), prohibits research staff from trading company securities while in possession of Unpublished Price Sensitive Information (UPSI), and restricts their trading through Trading Window closure periods. Such policies typically involve pre-clearance for trades, strict adherence to a "Conflict of Interest Policy," and restrictions on sharing UPSI with anyone outside the company's legitimate business needs.

Key Provisions of a Personal Dealing/Insider Trading Policy for Research Staff

Prohibition on Trading with UPSI:

- Research staff who possess UPSI cannot directly or indirectly trade in the company's securities.
- They also cannot trade in securities of other companies while in possession of UPSI related to those companies.

Trading Window and Pre-Clearance:

- No employee or director of the company should be allowed to trade in the stock, 30 days before and 5 days after, form the date of publication of Research report of that Stock.
- Trades are restricted till the un-published information appears in public domain. ie sensitive information related to a company's result, or any such of price sensitive nes of a company on which the Analysts are working.
- At times, trades may require formal approval from the Compliance Officer before execution.

Handling UPSI:

- Research staff must not disclose UPSI, in any form, to anyone outside the company unless it's for a legitimate business purpose and is immediately made public.
- There's a strict prohibition against providing trading advice concerning other companies.

Conflict of Interest:

- All research analysts must adhere to the company's Conflict of Interest Policy. – Ref Policy No. 06 of Organizational Policies.
- The policy for research staff can be detailed in an internal document for brevity, but it should be understood and complied with alongside the overarching policy.

Monitoring and Reporting:

- Personal trading activities of research staff will be monitored and recorded.
- Any violations of the policy can result in disciplinary actions, up to and including termination.

Trading Plans:

- An insider may formulate a Trading Plan for future trades in company securities to be approved by the Compliance Officer.
- This plan helps ensure that trades are executed in accordance with the regulations and do not involve trading while in possession of UPSI

Prevention of “Price Sensitive Information”

Employees / Directors shall maintain the Confidentiality of all Price Sensitive Information & must not pass such Information directly or indirectly by way of making a Recommendation for the Purchase or Sale of Securities

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 KMJPL, 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.

All Files of KMJPL, containing Confidential Information shall be kept Secure & all computer files must have Adequate Security of Login and Password, etc

To prevent the Misuse of Confidential Information, KMJPL separates those Areas which routinely have access to Confidential Information, considered "Inside Areas" from those Areas which deal with Sale / Marketing / Investment Advice or other Departments providing Support Services, considered "Public Areas".

The Employees in Inside Area may be physically segregated from Employees in Public Area.

The Employees in the Inside Area shall not communicate any Price Sensitive Information to anyone in Public Area.

Prevention of Misuse of Price Sensitive Information

Employees / Directors shall not use Price Sensitive Information to Buy or Sell Securities of any sort, whether for their Own Account, their Relative’s Account, KMJPL’s Account or a Client's Account. The Trading Restrictions shall apply for Trading in Securities.

All Directors / Employees of KMJPL, who intend to deal in the Securities of listed Companies where KMJPL has some assignments shall pre-clear the Transactions as per the pre-dealing Procedure as described here below.

An Application may be made in such form as specify by KMJPL in this regard, to the Compliance Officer indicating the Name and Estimated Number of Securities that the Employees / Director intends to deal in with details of Demat DP with which he has a Security Account, the Securities in such Depository Mode and any other details as may be prescribed by KMJPL in his rule & regulations.

An Undertaking shall be executed in favor of KMJPL by such Employees / Directors incorporating, the following Clauses, as may be applicable

That the Employees / Director do not receive any "Price Sensitive Information" at the time of signing the Undertaking

That in case the employees / director / partner receive "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance officer of the change in his position and that he/she would completely refrain from dealing in the securities of listed companies.

That he / she has not contravened the Code of Conduct for prevention of Insider Trading as specified by KMJPL.

That he / she has made a Full and True Disclosure in the matter

Restricted / Grey List

In order to monitor above Procedures and Trading in Client Securities based on Inside Information, KMJPL shall restrict dealing Trading in certain Securities and designate such List as Restricted / Grey List.

Security of a Listed Company shall be put on the Restricted / Grey List if KMJPL is handling any Assignment for the Listed Company or preparing Appraisal Report.

Any Security, which is being purchased or sold or is being considered for Purchase or Sale by KMJPL on behalf of its Clients shall be put on the Restricted / Grey List

As the Restricted List itself is a Highly Confidential Information it shall not be communicated to anyone outside KMJPL. The Restricted List shall be maintained & kept by Compliance Officer

04: POLICY FOR - CODE OF BUSINESS CONDUCT AND ETHICS

Introduction

This Code of Business Conduct and Ethics covers a wide range of business practices and procedures. It sets out basic principles to guide all employees of the firm. It is supplemented by our Policies, Guidelines and Procedures, which, collectively, provide a framework for prudent decision-making.

All of our employees must conduct themselves in accordance with this Code and seek to avoid even the appearance of improper behavior. In this respect, our tradition is that we will engage in no business or political arrangement that would be embarrassing to us if it were published on the front page of the local paper.

A Firm can create a more restrictive policy if the partners believes such a policy would enhance the spirit and intent of this policy.

This Code also should be provided to and followed by the firm's agents and representatives, including consultants.

If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation.

Employees who violate the standards in this Code will be subject to disciplinary action. *If you are in a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described in Section 11 of this Code*.

1. Compliance with Laws, Rules and Regulations

Obeying the law, both in letter and in spirit, is the foundation on which this firm's ethical standards are built. All employees must respect and obey the laws of the cities, states and countries in which we operate. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. The firm holds information and training sessions to promote compliance with laws, rules and regulations, including insider trading laws.

2. Conflicts of Interest

A "conflict of interest" exists when a person's private interest interferes in any way with the interests of the firm. A conflict situation can arise when an employee, officer or partner takes actions or has interests that may make it difficult to perform firm work objectively and effectively. Conflicts of interest also may arise when

(a) an employee, officer or partner, or family member, receives personal benefits from third parties as a result of his or her position in the firm. For example, loans or guarantees of obligations of loans to employees and their family members may create conflicts of interest.

(b) It is almost always a conflict of interest for a firm employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or board member.

(c) Any employee who wishes to perform consulting services of any kind must inform and obtain prior approval from the partners. In no event may an employee perform consulting services for a competitor. Additionally, outside consulting is viewed as a conflict of interest for salaried employees who are expected to devote their professional efforts solely to the firm. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf.

(d) Acceptance of gifts in a business relationship can also result in a conflict of interest. No gift or entertainment should ever be accepted by any firm employee, directly or indirectly through a family member or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate. Any gift given or received that is valued in excess of Rs.1000 must be reported to the Compliance Officer.

Conflicts of interest are prohibited as a matter of firm policy, except under guidelines approved by the Partners. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management. Any employee, officer or partner who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section 11 of this Code.

3. Insider Trading

Employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the firm should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. If you have any questions, please consult the firm's Compliance Officer.

4. Corporate Opportunities

Employees, officers and partners are prohibited from taking personal gain through the use of firms property, information or position without the consent of the partners. No employee may use firms property, information or position for improper personal gain, and no employee may compete with the firm, directly or indirectly. Employees, officers and partners owe a duty to the firm to advance its legitimate interests when the opportunity to do so arises.

5. Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee should endeavor to respect the rights of and deal fairly with the firm's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

To maintain the firm’s valuable reputation, compliance with our quality processes and safety requirements is essential. In the context of ethics, quality requires that our products and services be designed and produced to meet our obligations to customers. All inspection and testing documents must be handled in accordance with all applicable regulations.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships. No gift or entertainment should ever be offered, given, or provided by any firm employee, directly or indirectly through a family member of an employee or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate. Any gift given or received that is valued in excess of Rs.1000 must be reported to the partners.

6. Payments to Government Personnel

The Legal Framework prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the Indian government has a number of laws and regulations regarding business gratuities that may be accepted by Indian government personnel. The promise, offer or delivery to an official or employee of the Indian government of a gift, favor or other gratuity in violation of these rules would not only violate firm policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. The firm’s Compliance officer can provide guidance to you in this area.

7. Record-Keeping

Honest and accurate recording and reporting of information is required of all employees. Records should always be retained or destroyed according to the firm’s record retention policies. In accordance with those policies, in the event of litigation or governmental investigation please immediately consult the firm’s partners, as set forth in the firm’s legal policy. Maintain all records related to the matter until after consultation with partners.

All of the firm’s books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the firm’s transactions and must conform both to applicable legal requirements and to the firm’s system of internal controls. Unrecorded or “off the books” funds or assets should not be maintained unless permitted by applicable law or regulation and approved by the firm’s partners.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos and formal reports.

8. Confidentiality

Employees must maintain the confidentiality of confidential information entrusted to them by the firm or its customers, except when disclosure is authorized by the firm's Partners or required by laws or regulations. Confidential information includes all nonpublic information that might be of use to competitors, or harmful to the firm or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends.

9. Protection and Proper Use of firm Assets

All employees should protect the firm's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the firm's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. firm equipment should not be used for non-firm business, though incidental personal use is permitted.

The obligation of employees to protect the firm's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and distribution plans, engineering ideas, designs,databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate firm policy. It also could be illegal and result in civil or even criminal penalties.

10. Statements to the Public

No public statements may be made as a representative of the firm without prior authorization from the Partners.

Any employee who wishes to speak at a public event or submit an article for a publication in a trade magazine or other publication must obtain prior approval from the partners. While we recognize and support your right to engage in legal activities while you are not working, we also must be careful to (1) avoid the employee's position being mistaken for the position of the firm, (2) avoid an interpretation that the firm in any way endorses the employee's position, and (3) avoid a violation of any other policies of the firm, including those related to conflict of interest and confidentiality of firm property and information.

11. Waivers of the Code of Business Conduct and Ethics

Any waiver of this Code for employees may be made only by the Partners and will be promptly disclosed as required by law or the Stock Exchange rules.

12. Reporting any Illegal or Unethical Behavior

We all must work to ensure prompt and consistent action against violations of this Code. In some situations, however, it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.

- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the issue and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
- Seek help from firm resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor or where you do not feel comfortable approaching your supervisor with your question, discuss it with the partners
- You may report ethical violations in confidence and without fear of retaliation. The firm does not permit retaliation of any kind against employees for good faith reports of ethical violations.

05. NISM XV POLICY

FOR SEBI REGISTERED RESEARCH ANALYST
POLICY ADOPTED FOR OFFICERS IN CRITICAL POSITIONS

Download Ref.No.: SEBI (Research Analysts) Regulations, 2014 and SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2025/004 dated January 08, 2025, issued guidelines for Research Analysts ("RAs").

"NISM-Series-XV: Research Analyst Certification Examination." as required under the SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007

As per the said guidelines mentioned in SEBI and Exchange's circulars, persons associated with a registered Research Analyst, who are involved in, or deal with, any of the below mentioned functions are required to have a valid NISM Series XV Certification:

- **Core Analysts:** Employees who prepare or author research reports, financial analysis, or buy/sell/hold recommendations.
- **Principal Officers:** The head or designated principal officer overseeing non-individual research entities
- **Partners:** Any partner in a corporate/partnership structure offering research services.
- **Junior/Assistant Analysts:** Staff members assisting in quantitative or fundamental research models that back public reports.

In view of the operational difficulties expressed by the Members, in consultation with SEBI and other Exchanges it was decided by SEBI that requirement of passing of **NISM Series XV Certification** exam would be optional for:

As on 24.04.2026 the following officers/staff have cleared NISM XV test for the organization-

1. **Anand Jain** **certificate valid till 01st January, 2028**

06. Policy regarding Conflict of Interest and Segregation of Research Analyst activities that do not conflict with other services

Reference SEBI (RESEARCH ANALYSTS) REGULATIONS, 2014 and SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2025/004 dated January 08, 2025, issued guidelines for Research Analysts ("RAs").

We at K M Jain Stock Brokers Pvt Ltd have apprised our staff as to what construes a conflict of interest in tandem with the Notices issued by Exchanges.

A "conflict of interest" exists when a person's private interest interferes in any way with the interests of the firm. A conflict situation can arise when an employee, officer or partner takes actions or has interests that may make it difficult to perform firm work objectively and effectively. Conflicts of interest also may arise when

(a) an employee, officer or partner, or family member, receives personal benefits from third parties as a result of his or her position in the firm. For example, loans or guarantees of obligations of loans to employees and their family members may create conflicts of interest.

(b) It is almost always a conflict of interest for a firm employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or board member.

(c) Any employee who wishes to perform consulting services of any kind must inform and obtain prior approval from the partners. In no event may an employee perform consulting services for a competitor. Additionally, outside consulting is viewed as a conflict of interest for salaried employees who are expected to devote their professional efforts solely to the firm. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf.

(d) Acceptance of gifts in a business relationship can also result in a conflict of interest. No gift or entertainment should ever be accepted by any firm employee, directly or indirectly through a family member or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate. Any gift given or received that is valued in excess of Rs.1000 must be reported to the Compliance Officer.

Conflicts of interest are prohibited as a matter of firm policy, except under guidelines approved by the board of directors. Conflict of interest may not always be clear-cut, so if the employees have a question, they should consult with higher levels of management. Any employee, officer or partner who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section 11 of this Code.

Further to ensure segregation of activities that do not conflict with other services being provided by us as Stock Brokers, we have formulated the following rules for our organization:

- Arm's-length relationship to be maintained between research and other activities and ensuring independence of research from other business activities.
- Research staff to be separate from sales/trading/dealing/corporate-finance staff. An analyst cannot be a dealer for Institutional and Retail clients.
- No Trading Terminal to be assigned in the name of any Research Analyst.
- IB/brokerage division cannot direct research staff on sales/marketing
- Staff and employees to be made aware of the comprehensive policy and general guidelines on conflicts of interest of intermediaries/associated persons
- Personal trading of research staff to be monitored/recorded/approved.
- Exception for significant news/personal-circumstance trades, with prior written approval.
- Mechanisms ensuring independence of research from other business activities.
- Separate Folders to be kept specifically only for Research Work and to be accessed only by Staff under Research Analyst Department.

07. Policy on outsourcing of activities by Intermediaries

Guidelines on Outsourcing of Activities:

Though our organization –" K.M.Jain Stock Brokers Private Limited" is at present, not outsourcing any major intermediary activity, none the less we have formulated the policy keeping in mind the future needs of the organization within the guidelines set by SEBI and Exchanges.

Hence, in case of any outsourcing activity by our organization then we would keep in mind the following points while appointing a third party to overlook the functioning of the desired activity:

1. We will ensure high standards of service and exercise due diligence and ensure proper care in their operations.
2. We would outsource with a view to reduce cost substantially or for strategic reasons.
3. We would bear in mind that outsourcing activity through a third party may pose the following risks: operational risk, reputational risk, legal risk, country risk, strategic risk, exit-strategy risk, counter party risk, concentration and systemic risk. Such risks need to be mitigated to maximum possible extent.
4. We will follow the principles for outsourcing as laid down by SEBI in their Annexure I.
5. However the following activities shall not be outsourced**-** core business activities and compliance functions. A few examples of core business activities may be – execution of orders and monitoring of trading activities of clients in case of stock brokers; dematerialization of securities in case of depository participants; investment related activities in case of Mutual Funds and Portfolio Managers. Regarding Know Your Client (KYC) requirements, we shall comply with the provisions of SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 and Guidelines issued there under from time to time.
6. Other Obligations that shall be incumbent upon us will be:
i. **Reporting To Financial Intelligence Unit (FIU) -** The intermediaries shall be responsible for reporting of any suspicious transactions / reports to FIU or any other competent authority in respect of activities carried out by the third parties.
ii. **Need for Self Assessment of existing Outsourcing Arrangements** – In view of the changing business activities and complexities of various financial products, intermediaries shall conduct a self assessment of their existing outsourcing arrangements within a time bound plan, not later than six months from the date of issuance of this circular and bring them in line with the requirements of the guidelines/principles.
7. **Reliance on third party for carrying out Client Due Diligence (CDD)**
i. We may rely on a third party for the purpose of (a) identification and verification of the identity of a client and (b) determination of whether the client is acting on behalf of a beneficial owner, identification of the beneficial owner and verification of the identity of the beneficial owner. Such third party shall be regulated, supervised or monitored for, and have measures in place for compliance with CDD and record-keeping requirements in line with the obligations under the PML Act.
ii. Such reliance shall be subject to the conditions that are specified in Rule 9 (2) of the PML Rules and shall be in accordance with the regulations and circulars/ guidelines issued by SEBI from time to time. Further, we shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable.

08: Use of Artificial Intelligence (‘AI’) tools in RA services

Ref Circular # SEBI (Research Analysts) Regulations, 2014 and SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2025/004 dated January 08, 2025, issued guidelines for Research Analysts (“RAs”).

We at K M Jain Stock Brokers Pvt Ltd are not using AI tools in our working barring use of Google search on ad-hoc basis. But with the extensive use of AI in today’s world we might invariably make use of it particularly for using Research Data. Keeping in mind about its ever-increasing use for many purposes, we have formulated the policy for usage of AI for our organization:

Use of Artificial Intelligence (‘AI’) tools in RA services-

a. In terms of Regulation 24(7) of the RA Regulations, a research analyst or research entity who uses artificial intelligence tools, irrespective of the scale and scenario of adoption of such tools, for servicing its clients shall be **solely responsible for the security, confidentiality, integrity of the client data**, use of any other information or data for research services, research services based on output of Artificial Intelligence tools and compliance with any law for the time being in force.
Further, in terms of Regulation 19 (vii) of the RA Regulations, as a research analyst or research entity we shall disclose to the client the extent of use of Artificial Intelligence tools in providing research services.

b. We as research analyst or research entity shall provide the disclosure of the extent of use of artificial intelligence tools by them in providing research services to their clients at the time of disclosing the terms and conditions of the research services to the client and make such additional disclosure whenever required.

c. For the existing clients, we as research analysts shall comply with the requirements under this clause latest by April 30, 2025.

Disclosure of use of artificial intelligence by K M Jain Stock Brokers Pvt Ltd

Keeping in mind the above rules and regulations, we hereby declare that:

K M Jain Stock Brokers Pvt Ltd may utilize various Artificial Intelligence (AI) tools and/or sources in providing research services. We have robust policies, procedures, controls, and training to ensure continued compliance with all applicable rules and regulations. All recommendations contained in our research reports are made by duly qualified research analysts.