



## Compliance Policy

Document Title: Compliance Policy of Siddhartha Commodities Pvt.Ltd.

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Approval: Director - Ajay Gangwal

Prepared by : Amit Kumar

Date : 05-04-2024

### 1.Objective

The objective of this Compliance Policy is to ensure that Siddhartha Commodities Private Limited adheres to the legal, regulatory, and operational requirements set forth by the National Stock Exchange (NSE), Multi Commodity Exchange (MCX), and other relevant authorities. This policy will guide all compliance-related activities, ensuring the Company meets all obligations in its operations as a Stock Broking firm.

### 2. Scope

This policy applies to all staff, operations, and activities within Siddhartha Commodities Private Limited involved in securities trading, risk management, reporting, client interaction, and record-keeping. It applies specifically to the Company's dealings with the NSE and MCX, and extends to all internal and external compliance procedures for regulatory adherence.

### 3. Compliance Requirements

As a Stock Broking firm dealing with the NSE and MCX, the Company must adhere to the following key regulatory requirements:

#### 1. Exchange Rules & Regulations:

NSE & MCX Compliance: Ensure adherence to all operational, trading, and settlement regulations of both exchanges.

Market Conduct: Ensure all activities, including trading practices, are fair, transparent, and aligned with the exchange's market conduct rules.


#### 2. Know Your Customer (KYC):

- KYC requirements must be fulfilled for every client before the initiation of trading activities.
- Maintain records of client KYC documentation as per SEBI guidelines.

#### 3. Anti-Money Laundering (AML) Compliance:

- The Company must monitor and report any suspicious transactions as per the AML regulations.

For Siddhartha Commodities Pvt. Ltd.

  
Director

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CIN: U51109RJ2004PTC019795

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Conduct periodic reviews of client transactions and activities to detect potential financial crimes.

4. Surveillance & Monitoring:

- Surveillance systems must be implemented to track trading activities, ensuring no fraudulent or market manipulation activities take place.

5. Risk Management :

- The Company must have proper risk management practices to identify, monitor, and mitigate risks associated with trading, including market, credit, and operational risks.

6. Client Fund Handling & Segregation:

- Ensure segregation of client funds from the Company's operational funds.
- Ensure that client funds are transferred and settled as per regulatory guidelines.

7. Disclosure & Reporting:

- Ensure that all required disclosures and reports are submitted accurately and timely to the NSE, MCX, and SEBI.
- Reports include, but are not limited to, financial statements, trade reports, transaction reports, and audit reports.

8. Internal Audits and External Audits:

- Conduct regular internal audits to assess compliance with policies and regulatory requirements.
- Prepare for periodic external audits as required by SEBI and exchanges.

4. Compliance Team and Roles

Director: Ajay Gangwal

- Oversee the overall compliance strategy of the Company.
- Ensure adherence to all regulatory requirements.
- Approve all compliance reports and ensure they are filed with the appropriate authorities.

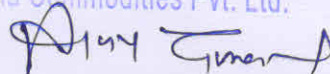
Compliance Officer: Amit Kumar

- Responsible for day-to-day compliance monitoring.
- Ensure compliance with exchange regulations (NSE, MCX) and government laws (SEBI).
- Submit regulatory filings, disclosures, and reports as required.
- Keep track of regulatory updates and ensure the Company's policies are up-to-date.

Risk Manager: Arpit Gangwal

- Identify, evaluate, and mitigate any potential risks related to market operations.
- Develop strategies to minimize financial, operational, and reputational risk.

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Work with the Compliance Officer to ensure risk management policies are compliant with SEBI and Exchange regulations.

Operations & Trading Team: Naman Gangwal and Vinod Prajapati

- Ensure that all trading operations follow prescribed regulatory guidelines.
- Report any suspicious or non-compliant activities to the Compliance Officer immediately.
- Maintain records of all trading activities, transactions, and communications as per the required retention period.

Internal Audit Team:

- Conduct internal audits of all compliance activities and report any discrepancies or risks to the Director and Compliance Officer.
- Ensure all trading activities, client transactions, and internal processes are in line with regulatory requirements.

## 5. Compliance Reports

The Company is required to maintain accurate and timely reports to meet regulatory requirements. Below is a summary of the key compliance reports to be maintained for NSE and MCX:

### 1. Trade Reports:

- \*\*NSE & MCX Trade Reports\*\* : All transactions executed during the day should be captured and reported to the respective exchange.
- Reports must contain details like trade time, trade value, contract details, price, and quantity.

### 2. Transaction Reports:

- Maintain and submit transaction reports detailing customer transactions, especially high-value trades, as per regulatory guidelines.
- Reports should include details of trades, deposits, withdrawals, and margins.

### 3. Client-wise Position Reports:

- Maintain detailed position reports showing the clients' trading positions across all exchanges (NSE, MCX).
- Reports should include the margin requirement, open positions, and any overdue payments.

### 4. Margin and Collateral Reports:

- Maintain daily margin and collateral reports showing clients' margin positions and any margin calls made.
- Reports should be submitted to the Exchange and SEBI as required.

### 5. KYC Compliance Reports:

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KYC records for all clients should be updated and maintained. Ensure compliance with SEBI's KYC and AML requirements.

- KYC reports must be available for review by SEBI or other regulators upon request.

**6. Risk Management Reports:**

- Maintain daily risk management reports which show risk exposures, client margin adequacy, and potential risk scenarios.
- Submit risk reports to the exchange as part of daily reporting requirements.

**7. Financial Reports:**

- Ensure submission of audited annual financial reports to SEBI and exchanges.
- Maintain detailed accounting and reconciliation reports for all financial transactions.

**8. Audit and Surveillance Reports:**

- Ensure regular audits are conducted on the Company's trading activities and client accounts.
- Surveillance reports should monitor any market manipulations or unethical trading practices.

**6. Compliance Reporting Procedure**

**1. Daily Reporting:**

- Prepare and submit daily trade reports, margin reports, and surveillance data.
- Ensure the reconciliation of trade data with NSE/MCX systems.

**2. Weekly/Monthly Reporting:**

- Review client positions, risk reports, and margin compliance on a weekly/monthly basis.
- Prepare monthly reports for senior management summarizing the compliance status.


**3. Quarterly Reporting:**

- Submit quarterly compliance reports to SEBI and the exchanges (NSE, MCX), including audited financial statements.
- Ensure all regulatory filings are completed on time.

**4. Annual Reporting:**

- File annual audit reports and full financial disclosures as per SEBI and Exchange requirements.
- Review overall compliance and risk management effectiveness for the year.

For Siddhartha Commodities Pvt. Ltd.

  
Director





## 7. Escalation Procedure

In case of non-compliance or violations, the escalation procedure is as follows:

Level 1 - Compliance Officer: Amit Kumar

The Compliance Officer will investigate minor non-compliance issues, such as delayed filings or incomplete reports, and resolve them immediately.

Level 2 - Risk Manager/Operations Team: Arpit Gangwal

If the issue relates to trading, market manipulation, or client transactions, the Risk Manager or Operations team should intervene and take corrective action.

Level 3 - Director :Ajay Gangwal

In the case of significant regulatory breaches, potential legal action, or unresolved compliance issues, the matter should be escalated to the Director for further review and resolution.

## 8. Audit & Review

The Internal Audit Team will conduct a quarterly review of the compliance activities, ensuring the Company is adhering to all regulatory requirements. Any findings from internal audits will be shared with the Director for corrective actions.

## 9. Training & Awareness

All employees, particularly those involved in trading, operations, and compliance, must undergo regular training on compliance policies, regulatory changes, and risk management practices. Annual refresher courses will be conducted for all relevant personnel.

## 10. Document Retention

- Trade Records: 9 years
- Client KYC Records: 10 years after account closure
- Compliance Reports: 5 years
- Financial Reports: 9 years
- Audit and Surveillance Logs: 5 years

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**SIDDHARTHA**  
Commodities Pvt. Ltd.

(Member : NSE & MCX)

Sebi Registration no. INZ000086139 | MEMBERSHIP NO. NSE: 90344, MCX: 31460

C-73, Adarsh Nagar, Near Police Station, Jaipur-302004

**11. Review and Update**

This policy will be reviewed annually, or more frequently if regulatory changes occur, to ensure it aligns with the latest legal requirements and best practices in the securities trading industry.

For Siddhartha Commodities Pvt. Ltd.

Director

**Approval:**

This Compliance Policy is approved by:

Director: Ajay Gangwal

Date Approved: 05-04-2024

**SIDDHARTHA**  
Commodities Pvt. Ltd.

Trade with Confidence

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