



Policy framed based on Prevention of Money Laundering Act, 2002, the Rules framed there under and Circulars issued by Regulatory Authorities.

As per the requirement of Prevention of Money Laundering Act, 2002, a Designated Director has been appointed and informed to FIU. Designated Director will ensure overall compliance with the obligations imposed under chapter IV of the Act and the Rules.

B. Principal Officer

As per the requirement of Prevention of Money Laundering Act, 2002, a Principal Officer has been appointed and informed to FIU. Principal Officer will be responsible for reporting any transactions covered under Prevention of Money Laundering Act, 2002.

C. Risk Assessment

We are carrying risk assessment to identify, assess and are taking effective measures to mitigate its money laundering and terrorist financing risk with respect to its clients, countries or geographical areas, 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 (these 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, updated regularly and made available to competent authorities and self regulating bodies, as and when required.

Reliance on third party for carrying out Client Due Diligence (CDD)

1. 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.
2. 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, it is clarified that we shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable.

D. Customer Due Diligence

1. New customer acceptance procedures adopted include following processes:

An updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) can be accessed in the United Nations website at <http://www.un.org/sc/committees/1267/consolist.shtml>. Before opening any new account, it



will be ensured that the name/s of the proposed customer does not appear in the list. Further, continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list. Full details of accounts bearing resemblance with any of the individuals/entities in the list should immediately be intimated to SEBI and FIU-IND

- Customer identification and verification depending on nature /status of the customer and kind of transactions that are expected by the customer. Also at the time of commencement of an account-based relationship, identify its clients, verify their identity and obtain information on the purpose and intended nature of the business relationship.
- One certified copy of an 'officially valid document' containing details of his identity and address, one recent photograph and such other documents including in respect of the nature of business and financial status of the client.
- False / incorrect identification of documents
- Client should remain present for registration personally
- Compliance with guidelines issued by various regulators such as SEBI, FIU, RBI etc.
- Establishing identity of the client, verification of addresses, phone numbers and other details.
- Obtaining sufficient information in order to identify persons who beneficially own or control the trading account. Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by entity other than the client
- Verification of the genuineness of the PAN provided by the client such as comparing with original PAN, checking details on the Income tax website etc.
- Checking original documents before accepting a copy.
- Asking for any additional information as deemed fit on case to case basis to satisfy about the Genuineness and financial standing of the client.
- Whether the client has any criminal background, whether he has been at any point of time been associated in any civil or criminal proceedings anywhere.
- Checking whether at any point of time he has been banned from trading in the stock market

In all other cases, verify identity while carrying out:

- Transaction of an amount equal to or exceeding rupees fifty thousand, whether conducted as a single Transaction or several transactions that appear to be connected, or
- Any international money transfer operations

Identify the beneficial owner and take all reasonable steps to verify his identity ongoing due diligence with respect to the business relationship with every client and examine the transactions in order to ensure that the same is consistent with closely knowledge of the customer, his business and risk profile.

Member shall keep any anonymous account or account in fictitious names

2. For existing clients processes include:

- Review of KYC details of all the existing active clients in context to the PMLA 2002 requirements.
- Classification of clients into high, medium or low risk categories based on KYC details, trading activity etc for closer monitoring of high risk categories.
- Obtaining of annual financial statements from all clients, particularly those in high risk categories.

