

AUM CAPITAL MARKET PRIVATE LIMITED

POLICY ON

**"KNOW YOUR CUSTOMER" STANDARDS & "ANTI MONEY
LAUNDERING MEASURES"**

PART - I :OVERVIEW

1.Introduction

Aum Capital Market Private Ltd (hereinafter referred to as the “Company”) was incorporated under Companies Act, 1956 as a Company which is registered with SEBI as Stock Broker and is also registered as Depository Participant of CDSL.

2. Back Ground

The Prevention of Money Laundering Act, 2002 (PMLA) has been brought into force with effect from 1st July, 2005. As per the provisions of the Act all the intermediaries registered under section 12 of the SEBI Act, 1992 shall have to maintain a record of all the transactions, the nature and value of which has been prescribed in the rules under PMLA. SEBI has also issued a circular no: ISD/QR/RR/AML/1/06 on Jan 18, 2006 to all intermediaries registered with SEBI under section 12 of the SEBI Act providing guidelines on Anti Money Laundering Standards. SEBI has advised all intermediaries registered with it to put in place proper policy framework on "Know Your Customer" and "Anti Money Laundering" Standards which is to be formulated and put in place with the approval of the Board of Directors. This policy document is based on the SEBI guidelines but has been amended at places to suit the specific requirements of AUM CAPITAL MARKET PRIVATE LIMITED (hereinafter referred to as "the Company") **and will be reviewed once in every Financial Year.**

3. Policies and Procedures to Combat Money Laundering and Terrorist financing

Essential Principles

As per the provisions of the Act , the management of the company is fully committed to establish appropriate policies and procedures for prevention of money laundering and terrorist financing and ensuring the effectiveness and compliance with all relevant legal and regulatory requirement. The Company has formulated a system for identifying, monitoring and reporting and reporting to law enforcement authorities about suspected transactions occurred for Money laundering and terrorist financing.

Obligations to establish policies and procedures

In light of the above, the company and its representatives adopt appropriate policies and procedures for the prevention of money laundering and terrorist financing and ensuring their effectiveness and compliance with all relevant legal and regulatory requirements. The Board of the company or any other person or a group of persons as may be asked by SEBI will:

- a. ensure that the content of these Guidelines are understood by all concerned staff members;
- b. regularly review the policies and procedures on prevention of money laundering and terrorist financing to ensure their effectiveness.

- c. adopt customer acceptance policies and procedures which are sensitive to the risk of money laundering and terrorist financing;
- d. undertake customer due diligence (“CDD”) measures to an extent that is sensitive to the risk of money laundering and terrorist financing depending on the type of customer, business relationship or transaction; and
- e. develop staff members’ awareness, vigilance to guard against money laundering and terrorist financing.

4. Written Anti Money Laundering Procedures & Policy Statement :

The company hereby adopted principles in implementing the various provisions of the Act and the Rules framed there under so as to maintain compliance of the same . In order to compile the various activities of the company in line with the provisions of this Act, this policy has been framed. The policy will be amended from time to time in line with the amendments made in the Act and the Rules framed there under and any other notifications and/or guidelines issued by SEBI.

Aum Capital Market Pvt Ltd is fully committed to combat any effort of laundering money earned through drug trafficking, terrorism and any other means of organized and serious crimes by any individual or entity. Towards this **Aum Capital Market Pvt Ltd** has put in place all such processes and procedures of internal control aimed at preventing and impeding any attempt of money laundering and terrorist financing using the services offered by the Company. The policies and procedures to Combat Money laundering cover:

1. Communication of group policies relating to prevention of money laundering and terrorist financing to all management and relevant staff that handles account information , securities transactions, money and customers record etc. whether in branches, departments or subsidiaries.
2. Customer acceptance policy and customer due diligence measures, including requirements for proper identification.
3. Maintenance of records.
4. Compliance with relevant statutory and regulatory requirements.
5. Co-operation with the relevant law enforcement authorities, including the timely disclosure of information.
6. Role of internal audit or compliance function to ensure compliance with policies, procedures and control including detecting suspected money laundering transactions, evaluating and checking the adequacy of exception reports generated on larger or irregular transaction and level of awareness of front line staff of their responsibilities in this regards.

(A)Prevention of Money Laundering

1. Offense of money – laundering

Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime shall be guilty of offence of money laundering.

2. Punishment for money – laundering

Whosoever commits the offence of money laundering shall be punishable as defined under the act and guidelines.

(B)Customer Due Diligence

Obtaining sufficient information in order to identify persons who beneficially own or control securities account. Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the clients, that party will be identified using client identification and verification procedures. The beneficial owner is the natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement.

Verify the customer's identify using reliable, independent source documents data or information.

Identify beneficial ownership and control. i.e. determine which individually (s) ultimately own(s) or control(s) the customer and/or the person on whose behalf a transaction is being conducted.

Verify the identity of the beneficial owner and / or the person on whose behalf a transaction is being conducted, corroborating the information .

Conduct ongoing due diligence and scrutiny i.e. perform ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transaction being conducted are consistent with the registered intermediary's knowledge of the customer, its business and risk profile, taking into account, whose necessary, the customer's source of funds.

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

i. It 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, it is clarified that the registered intermediary shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable.

(C) Policy for acceptance of clients:

As a measure of customer acceptance policies and procedures that aim to identify the types of customers that are likely to pose risk of money laundering or terrorist financing following safeguards are to be followed while accepting the clients.

As a measure of customer acceptance policies and procedures the following safeguards are to be followed while accepting the clients:

- a. No account is opened in a fictitious / benami or an anonymous basis.
- b. Ensure that an account is not opened where the company is unable to apply appropriate client due diligence measures through KYC Registration Agency(KRA) / KYC policies. This may be applicable in cases where it is not possible to ascertain the identity of the client, information provided to the company is suspected to be non genuine, perceived non cooperation of the client in providing full and complete information. The company will not continue to do business with such a person and file a suspicious activity report.
- c. The client will be identified by the company by using reliable sources including documents / information. The company will obtain adequate information to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship.
- d. Necessary checks and balance to be put into place before opening an account so

as to ensure that the identity of the client doesn't match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide.

- e. The person acting for/on behalf of the clients shall have an authority / consent letter. Adequate verification of a person's authority to act on behalf the client will also be carried out by the compliance department.
- f. Factors of risk perception (in terms of monitoring suspicious transactions) of the clients are clearly defined having regard to client's location (registered office address, correspondence addresses and other addresses if applicable), nature of business activity, turnover etc and the manner of making payment for transaction undertaken.
- g. Documentation requirement and other information to be collected in respect of different classes of clients depending on perceived risk and having regard to the requirement to the Prevention of Money Laundering Act 2002, guidelines issued by SEBI from time to time.
- h. Wherever any employee of Aum Capital Market Pvt Ltd dealing with the client or a prospective client has a reason to believe that the client will be categorized as "high risk" client and therefore needs a higher degree of due diligence, he shall bring the same to the notice of the principal officer.
- i. The "Know your client's (KYC) policy will clearly spell out the client identification procedure to be carried out at different stages i.e. while establishing the company – client relationship, while carrying out transactions for the client or when the company has doubts regarding the veracity or the adequacy of previously obtained client identification data.
- j. In order to further strengthen the KYC norms and identify every participant in the securities market with their respective PAN there by ensuring sound audit trail of all the transactions, PAN has been made sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction.
- k. Where the client is a politically exposed person (PEP), we shall take approval from the senior management before establishing any kind of business relationship with such person. Where such a client has been accepted and the client or beneficial owner is subsequently found to be or subsequently become PEP, the approval of the senior management would be obtained to continue the business relationship.

Additionally reasonable measures to verify the source of funds of the client identified as PEP, would be taken.

- l. Failure by prospective client to provide satisfactory evidence of identify will be noted and reported to the higher authority within the company.
- m. As a policy, Aum Capital Market Pvt Ltd. shall not accept cash from any client.
- n. Each original document will be seen prior to acceptance of a copy.

(D) Risk-based Approach

Risk assessment to identify ,assess and take 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. shall be carried out. 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>) as per the clause 5 Part II of SEBI master circular CIR/MIRSD/1/2014 dated March 12, 2014 and CDSL Communique 4309 and as per SEBI Master circular on Anti Money Laundering CIR/ISD/AML/3/2010 dated December 31, 2010 and CDSL Communique 2236.

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.

The level of Money Laundering (ML) risks that the Company is exposed to by an investor relationship depends on:

- ~ Type of the customer and nature of business
- ~ Type of product / service availed by the customer
- ~ Country where the customer is domiciled.

Based on the above criteria, the customers may be classified into two money. laundering risk levels, viz., High Risk and Low Risk.

i) High Risk Clients

All the **clients of special category** as mentioned below are expected to be High risk as per the suggested guidelines:

- 1) Non resident clients
- 2) High networth clients
- 3) Trust, Charities, NGOs and organizations receiving donations
- 4) Companies having close family shareholdings or beneficial ownership
- 5) Politically exposed persons (PEP) of foreign origin
- 6) Current / Former Head of State, Current or Former Senior High profile politicians and connected persons (immediate family, Close advisors and companies in which such individuals have interest or significant influence)
- 7) Companies offering foreign exchange offerings
- 8) Clients in high risk countries (where existence / effectiveness of money laundering controls is suspect, where there is unusual banking secrecy, Countries active in narcotics production, Countries where corruption (as per Transparency International Corruption Perception Index) is highly prevalent, Countries against which government sanctions are applied, Countries reputed to be any of the following – Havens / sponsors of international terrorism, offshore financial centers, tax havens, countries where fraud is highly prevalent. While dealing with high risk countries where the existence / effectiveness of money laundering control is suspect, intermediaries apart from being guided by the Financial Action Task Force (FATF) statements that identify countries that do not or insufficiently apply the FATF recommendations, published by the FATF on its website (www.fatf-gafi.org), shall also independently access and consider other publicly available information.
- 9) Non face to face clients
- 10) Clients with dubious reputation as per public information available etc.

ii) Low Risk Clients

All customers that are not high risk are Low Risk Customers.

The company envisages the risk to systematic and structure the input, processing and proper analyzing of the relevant data in pursuance to PMLA recommendation through appropriate softwares. The company strongly believes that the process is dynamic and needs constant review for improvement and modifications to achieve the goal both in front end and back end software.

An updated list of individuals and entities which are subject to various sanction measures such as freezing of accounts and funds, financial assets or economic resources or related services ,denial of financial services as can be accessed from designated websites to

counter check before opening the account. Details of accounts bearing resemblance with any of the individual in the list should be immediately reported to FIU.

Client identification procedure :

I. IDENTIFICATION INFORMATION

a) Identification of the investor is done by recording the information provided by him covering the elements of his /her /its identity: An individual's identity comprises his/her name, recent photograph, signature, date of birth and the residential address at which he/ she can be located. In case of non individuals, identification is established with the help of registration number, copies of incorporation documents, location, address of head office and identity of authorized signatories.

b). Identification evidence should be verified for:

- i) The person in whose name the investment is registered
- ii) Any principal beneficial owner of securities / funds being invested who is not the named investor
- iii) Power of Attorney holders

II IDENTIFICATION PROCEDURE

The Company shall at the time of opening an account or executing any transaction with it, verify and maintain the record of identity and current /permanent address of the Client :

Self attested copy of PAN card is mandatory for all clients, including Promoters/Partners/Karta/Trustees and whole time directors and persons authorized to deal in securities on behalf of company/firm/others

Proof of Identity (POI): - List of documents admissible as Proof of Identity:

1. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph.
3. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/Debit cards issued by Banks.

Proof of Address (POA): - List of documents admissible as Proof of Address:

(*Documents having an expiry date should be valid on the date of submission.)

1. Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy.

2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
3. Bank Account Statement/Passbook -- Not more than 3 months old.
4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
5. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/Scheduled Co-Operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary public/Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.
6. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostilled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

D. Exemptions/clarifications to PAN

*(*Sufficient documentary evidence in support of such claims to be collected.)*

1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
2. Investors residing in the state of Sikkim.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. SIP of Mutual Funds upto Rs 50, 000/- p.a.
5. In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

E. List of people authorized to attest the documents:

1. Notary Public, Gazetted Officer, Manager of a Scheduled Commercial/ Co-operative Bank or Multinational Foreign Banks (Name, Designation & Seal should be affixed on the copy).
2. In case of NRIs, authorized officials of overseas branches of Scheduled Commercial Banks registered in India, Notary Public, Court Magistrate, Judge, Indian Embassy /Consulate General in the country where the client resides are permitted to attest the documents

In case of Non-Individuals, additional documents to be obtained for identification from non-individuals, over & above the POI & POA, as mentioned below:

Types of entity

Documentary requirements

Corporate

Copy of the balance sheets for the last 2 financial years (to be submitted every year).

Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/Whole time director/MD (to be submitted every year).

Photograph, POI, POA, PAN and DIN numbers of whole time directors/two directors in charge of day to day operations.

Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly.

Copies of the Memorandum and Articles of Association and certificate of incorporation.

Copy of the Board Resolution for investment in securities market.

Authorised signatories list with specimen signatures.

Partnership firm

Copy of the balance sheets for the last 2 financial years (to be submitted every year).

Certificate of registration (for registered partnership firms only).

Copy of partnership deed.
Authorised signatories list with specimen signatures.

Photograph, POI, POA, PAN of Partners.

Trust

Copy of the balance sheets for the last 2 financial years (to be submitted every year).

	Certificate of registration (for registered trust only).
	Copy of Trust deed.
	List of trustees certified by managing trustees/CA.
	Photograph, POI, POA, PAN of Trustees.
HUF	PAN of HUF.
	Deed of declaration of HUF/ List of coparceners.
	Bank pass-book/bank statement in the name of HUF.
	Photograph, POI, POA, PAN of Karta.
Unincorporated association or a body of individuals	Proof of Existence/Constitution document.
	Resolution of the managing body & Power of Attorney granted to transact business on its behalf.
	Authorized signatories list with specimen signatures.
Banks/Institutional Investors	Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years.
	Authorized signatories list with specimen signatures.
Foreign Institutional Investors (FII)	Copy of SEBI registration certificate.
	Authorized signatories list with specimen signatures.
Army/ Government Bodies	Self-certification on letterhead.
	Authorized signatories list with specimen signatures.

Registered Society

Copy of Registration Certificate under Societies Registration Act.

List of Managing Committee members.
Committee resolution for persons authorised to act as authorised signatories with specimen signatures.

True copy of Society Rules and Bye Laws certified by the Chairman/Secretary

Record Keeping & Retention

The company is maintaining records as per SEBI Act, 1992, Rules and Regulations made thereunder, PML Act, 2005 as well as other relevant legislation, Rules, regulations, Exchange, Bye laws and circulars. Record keeping as well as accounting system has to be improved as and when required. We ensure that sufficient information is available to reconstruct individual transactions.

Special attention be given to track and deal properly with the following transactions:

- Cash transactions of all values
- Possibility of knowing that the beneficial owner of the transactions are other than the client doing the transactions with us. If yes, the magnitude thereof.

Records evidencing the identity of its clients and beneficial owners as well as account files and business correspondence shall be maintained and preserved for a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later.

Records of information reported to the Director, Financial Intelligence Unit - India (FIU-IND): Company shall maintain and preserve the record of information related to transactions, whether attempted or executed, which are reported to the Director, FIU-IND, as required under Rules 7 & 8 of the PML Rules, for a period of five years from the date of the transaction between the client and the intermediary.

The records mentioned in Rule 3 of PML Rules are to be maintained

1. All cash transactions of the value of more than Rs 10 lakhs or its equivalent in foreign currency.
2. All series of cash transactions integrally connected to each other, which have been valued below Rs 10 lakhs or its equivalent in foreign currency where such series of transactions take place within one calendar month.
3. All suspicious transactions (as defined under Rule 2 of the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the

Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005) whether or not made in cash and including inter alia, credits or debits into from any non monetary accounts such as demat account , security account maintained by us.

For the purpose of suspicious transactions reporting, apart from transactions integrally connected, transactions remotely connected or related are also to be considered.

Monitoring of transactions

- a) Regular monitoring of transactions is vital for ensuring effectiveness of the Anti Money Laundering procedures. This is to be done by considering the normal activity of the client to identify the deviant transactions/activities.
- b) The company will pay special attention to all complex, unusually large transactions/ patterns which appear to have no economic purpose. The company has prescribed internal threshold limit for each class of client accounts and pay special attention to the transactions which exceeds these limits. The background including all documents / office records/memorandums/clarifications and purpose thereof will be examined and recorded in writing. Further such transactions and purpose thereof will be examined. Further such findings, records and related documents will be made available to auditors and also to stock Exchanges/FIU-IND/other relevant authorities, during audit, inspection or as and when required. These records will be preserved for five years from the date of transaction between the client and intermediary as is required in PMLA 2002.
- c) The company will ensure a record of transaction is preserved and maintained in terms of section 12 of the PMLA 2002 and that transaction of suspicious nature or any other transaction notified under section 12 of the act is reported to the appropriate law authority. Suspicious transaction will also be regularly reported to the Principal Officer /higher authorities / head of the department.
- d) Further the compliance cell of the company will randomly examine a selection of transaction undertaken by clients to comment on their nature i.e. whether they are in the suspicious transaction or not.

Suspicious Transaction Monitoring & Reporting

The company has taken appropriate steps to enable suspicious transactions to be recognised and has appropriate procedures for reporting suspicious transactions. The company has made a list of circumstances, which may be in the nature of suspicious transactions as given below. This list is only illustrative and whether a particular transaction is suspicious or not will depend upon the background, details of the transactions and other facts and

circumstances:

- a. Clients whose identity verification seems difficult or where client appears not to cooperate
- b. Clients in high-risk jurisdictions or
- c. Substantial increases in business without apparent cause ;

Any suspicion transaction will be informed to the Principal Officer or any other designated officer within the company. The notification is done in the form of a detailed report with specific reference to the clients, transactions and the nature /reason of suspicion. It is ensured that there is continuity in dealing with the client in normal course until told otherwise and the client should not be told of the report/suspicion. In exceptional circumstances, consent may not be given to continue to operate the account, and transactions may be suspended, in one or more jurisdictions concerned in the transaction, or other action taken.

Regular monitoring of transaction is vital for ensuring effectiveness of Anti-money Laundering procedure. Those transactions which appear to have no economic purpose should be paid special attention and notice.

In some cases where transactions are abandoned/aborted by customer on being asked to give some details or to provide relevant documents ,in those cases such reports to be reported as STR irrespective of the amount of transactions.

List of Designated Individuals/Entities

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 the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) be accessed at its website at <http://www.un.org/sc/committees/1267/consolist.shtml>. The Company ensures that accounts are not opened in the name of anyone whose name appears in said list. The Company ensures to 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 shall immediately be intimated to SEBI and FIU-IND.

Procedure for freezing of funds, financial assets or economic resources or related services

Under The Unlawful Activities (Prevention) Act, 1967 (UAPA), for the prevention of, and for coping with terrorist activities, the company has to prevent designated persons from conducting financial transactions and has to file a Suspicious Transaction Report (STR) with FIU-IND covering all transactions in the accounts carried through or attempted as per the prescribed format.

Reports to Financial Intelligence Unit- India

In terms of the PMLA rules, the company will report information relating to cash and suspicious

transactions to the director, Financial Intelligence unit India (FIU – IND) at the following address:

Director, FIU – IND
Financial Intelligence Unit India
6th floor, Hotel Samrat
Chanakyapuri
New Delhi – 110021

The company will carefully go through all the reporting requirements and formats as per the provision of PMLA

- a. The principal officer will be responsible for timely submission of CTR and STR to FIU-IND
- b. Utmost confidentiality will be maintained in filling of CTR and STR to FIU- IND. The reports will be transmitted by speed/registered post/fax at the notified address.
- c. No nil reporting will be made to FIU-IND in case there are no cash/suspicious transaction to be reported.

The company will not put any restrictions on operations in the accounts where as STR has been made. Company and its directors, officers and employees (permanent and temporary) will be prohibited from disclosing (“tipping off”) the fact that a STR or related information is being reported or provided to the FIU-IND. Thus it will be ensured that there is no tipping off to the client at any level.

4) The company, irrespective of the amount of transaction and or the threshold limit envisaged for predicated offense specified in Part B of schedule of PMLA 2002 will file STR if it has reasonable grounds to believe that the transaction involve proceeds of crime.

Designation of an officer for reporting of suspicious transaction

PRINCIPAL OFFICER

The Company has approved the appointment of a Principal Officer who shall have

- (1) a sufficient level of seniority within the Company; and
- (2) sufficient resources, including sufficient time ,and (if necessary) support staff. Sufficient resources should include arrangements to apply in any temporary absence of the PO.

The Company shall ensure that the PO is able to -

- (1) monitor the day to day operation of its anti-money laundering policies; and ,

(2) respond promptly to any reasonable request for information made by the regulators .

The PO shall be made responsible for -

1. receiving internal suspicious activity reports
2. taking reasonable steps to access any relevant KYC information on concerned parties.
3. Making external reports as required
4. obtaining and using national and international findings concerning countries with inadequacies in their approach to money laundering prevention

5.taking reasonable steps to establish and maintain adequate arrangements for awareness creation and staff training

The Company takes reasonable steps to give its Principal Officer, or any person to whom the Principal Officer's duties have been delegated, access to any information it has about the customer or transaction(s).

Appointment of a Designated Director

- a) In addition to the existing requirement of designation of a Principal Officer, company shall also designate a person as a 'Designated Director'. In terms of Rule 2 (ba) of the PML Rules, the definition of a Designated Director reads as under:

“Designated Director means a person designated by the reporting entity to ensure overall compliance with the obligations imposed under chapter IV of the Act and the Rules and includes

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- (i) the Managing Director or a Whole-time Director duly authorized by the Board of Directors if the reporting entity is a company,
 - (ii) the managing partner if the reporting entity is a partnership firm,
 - (iii) the proprietor if the reporting entity is a proprietorship concern,
 - (iv) the managing trustee if the reporting entity is a trust,
 - (v) a person or individual, as the case may be, who controls and manages the affairs of the reporting entity if the reporting entity is an unincorporated association or a body of individuals, and

(vi) such other person or class of persons as may be notified by the Government if the reporting entity does not fall in any of the categories above."

- b) In terms of Section 13 (2) of the PML Act (as amended by the Prevention of Money-laundering (Amendment) Act, 2012), the Director, FIU-IND can take appropriate action, including levying monetary penalty, on the Designated Director for failure of the intermediary to comply with any of its AML/CFT obligations.
- c) Company shall communicate the details of the Designated Director, such as, name, designation and address to the Office of the Director, FIU-IND.

Employees' Hiring/Training and Investor Education

The company has adequate screening procedures in place to ensure high standards when hiring employees. The company will identify properly the key position within their own organization structure having regard to the risk of money laundering and terrorist financing and size of their business. The senior management level has been entrusted with the responsibility of complying with the provisions of the Act and reporting of the suspicious transactions, if any. The employees of the company have been briefed up and trained regularly with the provisions and intentions of the Act putting stress to anti money laundering and anti- terrorist financing.

I. Customer Education Programme :

The Company has furnished the provisions emanating from PML Act in the Client Registration Kit itself for clients which helps them to have knowledge of the requirement. Also the same has been cited on our Website, and also intimated through email. In addition to above our Relationship Managers create awareness to the clients.

II. Staff Education & Awareness :

All the operating and management staff should fully understand the need for strict adherence of KYC norms. Hence there should be ongoing training programme so that staff members are adequately trained for their roles and responsibilities in complying with Anti-Money Laundering guidelines and for implementing KYC policies consistently
