



PREVENTION OF MONEY LAUNDERING POLICY

Goodwill Wealth Management Pvt Ltd.

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Prevention of Money Laundering Act 2002. (PMLA)

Pursuant to the recommendations made by the Financial Action Task Force on anti- money laundering standards, SEBI had issued the Guidelines on Anti Money Laundering Standards vide their notification No.ISD/CIR/RR/AML/1/06 dated 18th January 2006 and vide letter No.ISD/CIR/RR/AML/2/06 dated 20th March 2006 had issued the obligations of the intermediaries registered under Section 12 of SEBI Act, 1992. As per these SEBI guidelines, all intermediaries have been advised to ensure that proper policy frameworks are put in place as per the Guidelines on Anti Money Laundering Standards notified by SEBI.

What is Money Laundering?

Money Laundering can be defined as engaging in financial transactions that involve income derived from criminal activity, transactions designed to conceal the true origin of criminally derived proceeds and appears to have been received through legitimate sources/origins.

This is done in three phases - Placement Phase, Layering Phase & Integration Phase.

Prevention of Money Laundering Act, 2002

Prevention of Money Laundering Act, 2002 (PMLA 2002) forms the core of the legal framework put in place by India to combat money laundering. PMLA 2002 and the Rules notified there under came into force with effect from July 1, 2005.

The PMLA 2002 and Rules notified there under impose an obligation on intermediaries (including stock brokers and sub-brokers) to verify identity of clients, maintain records and furnish information to the Financial Intelligence Unit (FIU) - INDIA

Financial Intelligence Unit (FIU) - INDIA

The Government of India set up Financial Intelligence Unit-India (FIU-IND) on November 18, 2004 as an independent body to report directly to the Economic Intelligence Council (EIC) headed by the Finance Minister.

FIU-IND has been established as the central national agency responsible for receiving, processing, analyzing and disseminating information relating to suspect financial transactions. FIU-IND is also responsible for coordinating and stretching efforts of national and international intelligence and enforcement agencies in pursuing the global efforts against money laundering and related crimes.

1.Objective & Policy

Primary objective of our firm would be 'Prevention of money laundering through designated brokers, intentionally or unintentionally by criminal elements'. It is the policy of our firm to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities.

2. Principal Officer appointment & duties

Our firm has designated Mr. S.ChinnaDurai as the principal officer and intimated the authority vide letter dtd. 20/12/2014, thereby complying with the procedure of designating a sufficiently senior person as 'Principal Officer' as required under the Prevention of Money Laundering Act. The principal officer will promptly notify Financial Intelligence Unit (FIU) of any change to the details of our firm. The principal officer will also ensure maintenance of proper records and filing of records with FIU, whenever required.

3. Appointment of Director:

(Director – Mr R Baskaran appointed on 26/07/2016 by the company)

i) In addition to the existing requirement of designation of a principal officer, the registered intermediaries shall also designate a person as a "Designated Director". In terms of Rule 2 (ba) of the PMLA 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 rules and includes:

- The managing director or a whole time director duly authorized by the board of directors if the reporting entity is a company
 - The managing partner if the reporting entity is a partnership firm
 - The proprietor if the reporting entity is a proprietorship firm
 - The managing trustee if the reporting entity is a trust
 - A person or individual as the case maybe, who controls and manages the affairs of the reporting entity is an unincorporated association or a body of individuals, and
 - 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.
- (ii) In terms of Sec 13(2) of the PMLA act (as amended by the PMLA Act -2012) the director, FIU-IND can take appropriate action, including levying of monetary penalty, on the Designated Director for the failure of the intermediary to comply with any of its AML/CFT obligations.
- (iii) Registered intermediaries shall communicate the details of the designated Director, such as, name, designation, and address to the office of the Director, FIU-IND.

4. Know Your Customer Standards

Our KYC policy incorporates the following four elements:

- **Customer Acceptance Policy (CAP)**
- **Customer Identification Procedures (CIP)**
- **Monitoring of Transactions; and**
- **Risk Management**

5. Record maintenance: Record keeping/ Retention of records/Freezing of Records

I. Customer Acceptance Policy (CAP)

The following points are kept in mind before accepting the KYC form of a probable client

- No account shall be opened in anonymous or fictitious/benami name(s)
- Parameters of risk perception shall be clearly defined in terms of the nature of business activity, location of customer and his clients, mode of payments, volume of turnover, social and financial status etc., to enable categorization of customers into low, medium and high risk; Customers requiring veryhigh level of monitoring e.g., Politically Exposed Persons (PEPs) may be categorized under Very High Risk.

The risk to the customer shall be assigned on the following basis:

Low Risk

Individuals (other than High Net Worth) and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile may be categorized as low risk. The illustrative examples of low risk customers could be salaried employees whose salary structures are well defined, people belonging to lower economic strata of the society whose accounts show small balances and low turnover, Government Departments and Government owned companies, regulators and statutory bodies etc. In such cases, only the basic requirements of verifying the identity and location of the customer shall be met.

Medium Risk

Customers that are likely to pose a higher than average risk to the broker may be categorized as medium or high risk depending on customer's background, nature and location of activity, country of origin, sources of funds and his client profile etc; such as

- Persons in business/industry or trading activity where the area of his residence or place of business has a scope or history of unlawful trading/business activity.
- Where the client profile of the person/s opening the account, according to the perception of the branch is uncertain and/or doubtful/dubious.

High Risk

The dealers may apply enhanced due diligence measures based on the risk assessment, thereby requiring intensive 'due diligence' for higher risk customers, especially those for whom the sources of funds are not clear. The examples of customers requiring higher due diligence may include

- a) Non Resident Customers,
- b) High Net worth individuals
- c) Trusts, charities, NGOs and organizations receiving donations,

- d) Companies having close family shareholding or beneficial ownership
- e) Firms with 'sleeping partners'
- f) Politically Exposed Persons (PEPs) of foreign origin
- g) Non-face to face customers, and
- h) Those with dubious reputation as per public information available, etc.

Very High Risk- PEP

Politically Exposed Persons (PEPs)

Clients of special category (CSC)

Such clients include the following

- a. Non resident clients
 - b. High net worth clients
 - c. Trust, Charities, NGOs and organizations receiving donations
 - d. Companies having close family shareholdings or beneficial ownership
 - e. Politically exposed persons (PEP) of foreign origin
 - f. 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)
 - g. Companies offering foreign exchange offerings
 - h. 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.
 - i. Non face-to-face clients
 - j. Clients with dubious reputation as per public information available etc.
- The above-mentioned list is only illustrative and we have to exercise independent judgment to ascertain whether new clients should be classified as CSC or not.

- The dealers shall collect documents and other information from the customer depending on perceived risk and keeping in mind the requirements of AML Act, 2002 and guidelines issued by RBI from time to time.
- The dealers shall close an existing account or shall not open a new account where it is unable to apply appropriate customer due diligence measures i.e., branch is unable to verify the identity and/or obtain documents required as per the risk categorization due to non cooperation of the customer or non reliability of data/information furnished to the branch. The dealers shall, however, ensure that these measures do not lead to the harassment of the customer. However, in case the account is required to be closed on this ground, the dealers shall do so only after permission of Senior Official of their concerned Offices is obtained. Further, the customer should be given a prior notice of at least 20 days wherein reasons for closure of his account should also be mentioned.
- The dealers shall make necessary checks before opening a new account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations etc. RBI has been circulating lists of terrorist entities notified by the Government of India so that brokers exercise caution against any transaction detected with such entities. The dealers shall invariably consult such lists to ensure that prospective person/s or organizations desirous to establish relationship with the

broker are not in any way involved in any unlawful activity and that they do not appear in such lists.

- The dealers shall prepare a profile for each new customer based on risk categorization. The broker has devised a revised Composite Account Opening Form for recording and maintaining the profile of each new customer. Revised form is separate for Individuals, Partnership Firms, Corporate and other legal entities, etc. The nature and extent of due diligence shall depend on the risk perceived by the dealer. The dealers should continue to follow strictly the instructions issued by the broker regarding secrecy of customer information. The dealers should bear in mind that the adoption of customer acceptance policy and its implementation does not become too restrictive and should not result in denial of brokering services to general public, especially to those, who are financially or socially disadvantaged.

Risk based approach:

Classify both the new and existing clients into high, medium or low risk category depending on parameters such as the customer's background, type of business relationship, transactions etc. Members should apply each of the customers due diligence measures on a risk sensitive basis and adopt an enhanced customer due diligence process for high-risk categories of customers and vice-á-versa.

Customer Identification Procedure (CIP)

The following table will be referred for customer identification and verification procedure:

Client's- Constitution	Proof of identity	Proof of Address	Others
Individual	1. Pan card	2. Copy of bank Statement etc	3. N.A
Company	4.Pan card 5.Certificate of Incorporation 6. Memorandum & Articles	8. As Above	9. Proof of Identity of Directors/others authorized to trade
Partnership Firm	10. Pan Card 11. Registration certificate 12. partnership deed	13. As above	14. Proof of Identity of partners/others authorized to trade
Trust	15. Pan Card 16. Registration certificate 17. Trust deed	18 As above	19. Proof of Identity of trustees/others authorized to trade
AOP/BOI	20 Pan Card 21. Resolution of Management 22. Certificate of	23 As above	24 Proof of Identity of persons/others authorized to trade

Notes:

- All Pan cards to be verified from Income Tax/ NSDL sites before the account is opened
- If a potential customer refuses to provide the above details or willfully provides misleading details, then our firm will not open the trading account.
- Client records will be maintained for 5 years after closure of Trading account of any client
- Reluctance on the part of the client to provide necessary information or cooperate in verification process could generate a red flag for the member for additional monitoring.

Necessary checks and balance to be put into place before opening an account so as to ensure that the identity of the client does not 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.

(g) The CDD process shall necessarily be revisited when there are suspicions of money laundering or financing of terrorism (ML/FT).

The client should be identified by the intermediary by using reliable sources including documents / information. The intermediary should obtain adequate information to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship.

6. Record maintenance: Record keeping/ Retention of records/Freezing of Records:

The principal officer should maintain such records that are sufficient to permit reconstruction of individual transactions (including the amounts and types of currencies involved, if any) so as to provide, if necessary, evidence for prosecution of criminal behavior.

Should there be any suspected drug related or other laundered money or terrorist property, the competent investigating authorities would need to trace through the audit trail for reconstructing a financial profile of the suspect account. To enable this reconstruction, registered intermediaries should retain the following information for the accounts of their customers in order to maintain a satisfactory audit trail:

- (a) the beneficial owner of the account;
- (b) the volume of the funds flowing through the account; and
- (c) for selected transactions:
 - the origin of the funds;
 - the form in which the funds were offered or withdrawn, e.g. fund, cheques, etc.;
 - the identity of the person undertaking the transaction;
 - the destination of the funds;
 - the form of instruction and authority.

Registered Intermediaries should ensure that all customer and transaction records and information are available on a timely basis to the competent investigating authorities. Where appropriate, they should consider retaining certain records, e.g. customer identification, account files, and business correspondence, for periods which may exceed that required under the SEBI Act, Rules and Regulations framed there-under PMLA 2002, other relevant legislations, Rules and Regulations or Exchange bye-laws or circulars.

More specifically, all the intermediaries shall put in place a system of maintaining proper record of transactions prescribed under Rule 3, notified under the Prevention of Money Laundering Act (PMLA), 2002 as mentioned below:

- (i) All fund transactions of the value of more than rupees ten lakh or its equivalent in foreign currency;
- (ii) All series of fund transactions integrally connected to each other, which have been valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds rupees ten lakh;
- (iii) All fund transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place;
- (iv) All suspicious transactions whether or not made in fund and by way of as mentioned in the Rules. Intermediaries are required to maintain and preserve the following information in respect of transactions

referred to in Rule 3 of PMLA Rules:

- I. the nature of the transactions;
- II. the amount of the transaction and the currency in which it denominated;
- III. the date on which the transaction was conducted; and
- IV. the parties to the transaction.

Retention of Records

Intermediaries should take appropriate steps to evolve an internal mechanism for proper maintenance and preservation of such records and information in a manner that allows easy and quick retrieval of data as and when requested by the competent authorities. Further, the records mentioned in Rule 3 of PMLA Rules have to be maintained and preserved for a period of five years from the date of cessation of the transactions between the client and intermediary.

As stated in para 5.5, intermediaries are required to formulate and implement the client identification program containing the requirements as laid down in Rule 9 and such other additional requirements that it considers appropriate. The records of the identity of clients have to be maintained and preserved for a period of ten years from the date of cessation of the transactions between the client and intermediary.

Thus the following document retention terms should be observed:

- (a) All necessary records on transactions, both domestic and international, should be maintained at least for the minimum period prescribed under the relevant Act (PMLA, 2002 as well SEBI Act, 1992) and other legislations, Regulations or exchange bye-laws or circulars.
- (b) Records on customer identification (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents), account files and business correspondence should also be kept for the same period. In situations where the records relate to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, they should be retained until it is confirmed that the case has been closed.

7. 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) can be accessed at its website at <http://www.un.org/sc/committees/1267/consolist.shtml>. Registered intermediaries are directed to ensure that accounts are not opened in the name of anyone whose name appears in said list. Registered intermediaries shall 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 shall immediately be intimated to SEBI and FIU-IND.

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

Section 51A, of the Unlawful Activities (Prevention) Act, 1967 (UAPA), relating to the purpose of prevention of, and for coping with terrorist activities was brought into effect through UAPA Amendment

Act, 2008. In this regard, the Central Government has issued an Order dated **August 27, 2009** detailing the procedure for the implementation of Section 51A of the UAPA. Under the aforementioned Section, the Central Government is empowered to freeze, seize or attach funds and other financial assets or economic resources held by, on behalf of, or at the direction of the individuals or entities listed in the Schedule to the Order, or any other person engaged in or suspected to be engaged in terrorism. The Government is also further empowered to prohibit any individual or entity from making any funds, financial assets or economic resources or related services available for the benefit of the individuals or entities listed in the Schedule to the Order or any other person engaged in or suspected to be engaged in terrorism. The obligations to be followed by intermediaries to ensure the effective and expeditious implementation of said Order has been issued vide SEBI Circular ref. no: **ISD/AML/CIR-2/2009** dated **October 23, 2009**, which needs to be complied with scrupulously.

9. Monitoring & Reporting of Suspicious Transactions:

Ongoing monitoring of accounts is an essential element of an effective Anti Money Laundering framework. Such monitoring should result in identification and detection of apparently abnormal transactions, based on laid down parameters. Members should devise and generate necessary reports/alerts based on their clients profile, nature of business, trading pattern of clients for identifying and detecting such transactions. These reports/alerts should be analyzed to establish suspicion or otherwise for the purpose of reporting such transactions.

A list of circumstances, which may be in the nature of suspicious transactions, is 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:

- i) Clients whose identity verification seems difficult or clients appear not to cooperate
- ii) Substantial increase in activity without any apparent cause
- iii) Large number of accounts having common parameters such as common partners / directors / promoters / address / email address / telephone numbers / introducers or authorized signatories;
- iv) Transactions with no apparent economic or business rationale
- v) Sudden activity in dormant accounts;

- vi) Source of funds are doubtful or inconsistency in payment pattern; vii) Unusual and large fund deposits made by an individual or business; viii) Transfer of investment proceeds to apparently unrelated third parties;
- ix) Multiple transactions of value just below the threshold limit specified in PMLA so as to avoid possible reporting;
- x) Unusual transactions by CSCs and businesses undertaken by shell corporations, offshore banks /financial services, businesses reported to be in the nature of export-import of small items.;
- xi) Asset management services for clients where the source of the funds is not clear or not in keeping with clients apparent standing /business activity;
- xii) Clients in high-risk jurisdictions or clients introduced by banks or affiliates or other clients based in high risk jurisdictions;
- xiii) Clients transferring large sums of money to or from overseas locations with instructions for payment in fund;
- xiv) Purchases made on own account transferred to a third party through off market transactions through DP Accounts;
- xv) Suspicious off market transactions; xvi) Large deals at prices away from the market.
- xvii) Accounts used as 'pass through'. Where no transfer of ownership of securities or trading is occurring in the account and the account is being used only for funds transfers/layering purposes.
- xviii) Trading activity in accounts of high risk clients based on their profile, business pattern and industry segment. Broad categories for reason of suspicion are given below:
 - Suspicious criminal background of the client
 - Multiple accounts having common account holder or introducer or authorized signatory with no rationale
 - Unusual activity in dormant accounts or in aberration to past activities
 - Source of funds are doubtful
 - Appears to be case of insider trading
 - Suspicious off-market transactions
 - Value of transaction being inconsistent to client's financial standing

The intermediary shall pay special attention to all complex, unusually large transactions / patterns which appear to have no economic purpose. The intermediary may specify internal threshold limits for each class of client accounts and pay special attention to transactions which exceeds these limits. The background including all documents/office records /memorandums/clarifications sought pertaining to such transactions and purpose thereof shall also be examined carefully and findings shall be recorded in writing. Further such findings, records and related documents shall be made available to auditors and also to SEBI/stock exchanges/FIUIND/other relevant Authorities, during audit, inspection or as and when required. These records are required to be preserved for ten years as is required under the PMLA.

10. Reporting of Suspicious Transactions to FIU IND

Processes for alert generation, examination and reporting should include

- Audit trail for all alerts generated till they are reported to FIU / closed
- Clear enunciation of responsibilities at each stage of process from generation, examination, recording and reporting
- Escalation through the organization to the principal officer designated for PMLA
- Confidentiality of STRs filed
- Retention of records

All fund transaction requiring reporting will be done in CTR format and in the manner and at intervals prescribed by FIU IND.

We will make a note of all transactions that have not been explained to the satisfaction of our principal officer and thereafter report the same to FIU IND.

Wherever we have reason to suspect any criminal activity, illegal activity, activity involving evasion of PMLA regulations and unlawful business activity, then the same would be tracked and reported promptly.

As and when any suspicious transactions or any transaction whether within the permissible regulation limits but constituting an anomaly would be tracked and reported to FIU/BSE/SEBI/CDSL or concerned regulatory bodies.

For CDSL-"Blng024900_fui" file should be monitored for abnormal DP transactions on fortnightly basis or as and when received from CDSL. Any aberrations should be noted. Possibility of fraudulent or suspicious trades should be traced, inquired for and then reported to the concerned authority.

In terms of the PML Rules, intermediaries are required to report information relating to fund 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.

Website: <http://fiuindia.gov.in>

Intermediaries shall carefully go through all the reporting requirements and formats enclosed with this circular. These requirements and formats are divided into two parts- Manual Formats and Electronic Formats. Details of these formats are given in the documents (fund Transaction Report- version 1.0 and Suspicious Transactions Report version 1.0) which are also enclosed with this circular. These documents contain detailed directives on the compilation and manner/procedure of submission of the manual/electronic reports to FIU- IND. The related hardware and technical requirement for preparing reports in manual/electronic format, the related data files and data structures thereof are also detailed in these documents. Intermediaries, which are not in a position to immediately file electronic reports, may file manual reports with FIU-IND as per the formats prescribed. While detailed instructions for filing all types of reports are given in the instructions part of the related formats, intermediaries shall adhere to the following:

The fund Transaction Report (CTR) (wherever applicable) for each month shall be submitted to FIU-IND by 15th of the succeeding month. The Suspicious Transaction Report (STR) shall be submitted within 7 days of arriving at a conclusion that any transaction, whether fund , or a series of transactions integrally connected are of suspicious nature. The Principal Officer shall record his reasons for treating any transaction or a series of transactions as suspicious. It shall be ensured that there is no undue delay in arriving at such a conclusion. The Principal Officer will be responsible for timely submission of CTR and STR to FIU-IND; Utmost confidentiality shall be maintained in filing of CTR and STR to FIU-IND. The reports may be transmitted by speed/registered post/fax at the notified address. No nil reporting needs to be made to FIU- IND in case there are no fund/suspicious transactions to be reported. Intermediaries shall not put any restrictions on operations in the accounts where an STR has been made. Intermediaries and their directors, officers and employees (permanent and temporary) shall be prohibited from disclosing ("tipping off") the fact that a STR or related information is being reported or provided to the FIU-IND. This prohibition

on tipping off extends not only to the filing of the STR and/or related information but even before, during and after the submission of an STR. Thus, it shall be ensured that there is no tipping off to the client at any level. It is clarified that the registered intermediaries, irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences specified in part B of Schedule of PMLA, 2002, shall file STR if they have reasonable grounds to believe that the transactions involve proceeds of crime. intelligence Unit (FIU) of any change to the details of our firm. The principal officer will also ensure maintenance of proper records and filing of records with FIU, whenever required.

11. AML Record keeping:

i. STR Maintenance and confidentiality

Confidentiality of STRs and other supporting documents will be maintained. Only law enforcement or regulatory authorities need be informed about it. Any request for STR information would not be entertained and request will be informed to FIU IND immediately. Separate filing for STRs will be maintained. Principal Officer will handle all requests related to it.

ii. Responsibility for AML records and SAR filing

Principal Officer will be in charge of record keeping of STRs.

iii. Records required

As part of our AML program, our firm will create and maintain STRs and CTRs and other relevant documentation about customer identity/verification. Such records will be maintained for at least ten years..

12. Hiring of Employees

The registered intermediaries shall have adequate screening procedures in place to ensure high standards when hiring employees. They shall identify the key positions within their own organization structures having regard to the risk of money laundering and terrorist financing and the size of their business and ensure the employees taking up such key positions are suitable and competent to perform their duties.

13. Ongoing training to Employees

Principal Officer would be responsible to impart necessary training to employees. Employees will be sensitized of the requirements under PMLA and the procedures laid down by the member. It will be ensured that all the operating and management staff fully understands their responsibilities under PMLA for strict adherence to customer due diligence requirements from establishment of new accounts to transaction monitoring and reporting suspicious transactions to the FIU. Annually, training programmes would be imparted wherever required for new staff, front-line staff, sub-brokers, supervisory staff, controllers and product planning personnel, etc. Training may include written materials like pamphlets, audio/video Cds, in-person lectures and professional seminars. Employees of the compliance department should be asked to attend BSE/NSE/CDSL Compliance training program.

14. Audit/Testing of Anti Money Laundering Program.

The Anti Money Laundering program will be subjected to periodic audit specifically with regard to testing its adequacy to meet the compliance requirements. An internal auditor or any qualified professional will do the audit/testing. The report of such an audit/testing

should be placed before the senior management for making suitable modifications/improvements in the AML program.

15 . Employee conduct and Accounts

Employees conduct and accounts would be subjected to scrutiny under the principal officer. Supervisors and managers performance will be annually reviewed. In turn, principal officer's accounts and performance will be reviewed by Board of directors.

16. Confidential reporting of AML non-compliance

Any violation of firm's AML program should be reported to the principal officer, unless the violation implicates Principal Officer himself, in that case, the report should be forwarded to chairman of the board. Reports should be confidential and employee will face no retaliation for doing so.

17. Investor Education

Implementation of AML/CFT measures requires intermediaries to demand certain information from investors which may be of personal nature or has hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records etc. This can sometimes lead to raising of questions by the client with regard to the motive and purpose of collecting such information.

There is, therefore, a need for intermediaries to sensitize their clients about these requirements as the ones emanating from AML and CFT framework. Intermediaries shall prepare specific literature/ pamphlets etc. so as to educate the client of the objectives of the AML/CFT programme.

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

Registered intermediaries 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. 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.

17. Review of Policy

Policy will be reviewed by the senior management officials on regular basis. the policy will be reviewed on yearly basis

Policy created by : S Chinna Durai

Policy reviewed by : Compliance Officer

Policy reviewed on : 15th May 2017