

## **G. DAS Policy with reference to the guidelines for market intermediaries on Anti Money Laundering Standards Issued by SEBI**

Money laundering (converting illegal money into legal money) is recognised world over as a threat to the financial systems and to the integrity and sovereignty of the countries. In this context SEBI and NSE want intermediaries also (Share Broker, Sub Broker, Share Transfer Agent, Portfolio Manager, etc) to comply with their circulars, guidelines, Prevention of Indian Money Laundering Act 2002 and the rules issued there under for prevention of money laundering and terrorist financing.

In terms of the Act we the intermediaries have to maintain and preserve for ten years (from the date of cessation of transactions) the records of the following transactions and to report them to specified authorities within the prescribed time schedules.

\* All suspicious transactions whether or not made in cash and including, inter-alia, credits or debits into from any non-monetary account such as demat account, Security account maintained by the registered intermediary.

We have to maintain and preserve the following information in respect of the transactions referred to earlier.

- (i) The nature of the transactions:
- (ii) The amount of the transaction and the currency in which it was denominated
- (iii) The date on which the transaction was conducted; and
- (iv) The parties to the transaction.

### **OUR POLICY**

1. To adopt strictly the customer acceptance policies and procedures which are sensitive to the risk of money laundering and terrorist financing (following strictly the guidelines issued by SEBI | NSE| GOVT of INDIA).
2. To undertake customer due diligence measures to an extent that is sensitive to money laundering.
3. To develop staff members` awareness and vigilance to guard against money laundering and terrorist financing.
4. To regularly review the policies and procedures followed in this regard and change or add that is required depending upon the needs.

### **PROCEDURES**

With regard to the policy for acceptance of clients we shall ensure that

- A) No account is opened in a fictitious | benami name on an anonymous basis.
- B) Details such as registered office address, correspondence address, other address, name of business activity, trading turnover, manner of making payment etc or thoroughly checked on an going basis.
- C) Clients are classified as low, medium and high-risk clients.
- D) Higher degree of due diligence and regular update of KYC profile is exercised and done.

- E) We collect all documents, information's from clients as per guidelines received from SEBI | NSE.
- F) No account is opened when we are not able to identify the client or there is no co-operation from the client in providing full information or information provided is suspected to be non genuine.
- G) Evaluation is done to find out whether there is any suspicious trading and to decide whether to freeze or close the account.
- H) No securities of money are returned if they are from suspected suspicious trading
- I) No client having criminal background or banned in any other manner in terms of criminal or civil proceedings by any enforcement agency worldwide opens an account with us.
- J) We collect full information's about clients from the date of opening the account till the account is continued, periodically.
- K) We adopt enhanced due diligence process for higher risk categories of customers, such as special categories of customers as under.
  - 1. Non-resident clients.
  - 2. High net worth clients.
  - 3. Trust, charities, NGO's and organisations receiving donations.
  - 4. Companies having close family share holdings or beneficial ownership
  - 5. Politically exposed persons 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. Clients in high-risk countries (or example – Countries active in narcotics production, off shore financial centres)
  - 8. Non face-to-face clients
  - 9. Clients with dubious reputation.

**We exercise customer due intelligence as under.**

- A) By obtaining sufficient information to identify and verify who beneficially own or control securities account | control the client.
- B) By verifying the customer's identity using reliable independent source, data document etc.
- C) By conducting an on going due intelligence and scrutiny throughout the course of business relationship to ensure that the transactions conducted are genuine.

**REPORTING**

All Suspicious transactions identified by any one in branch or in head office are to be reported immediately to the Principal officer at head office, By means of a private and confidential letter for his scrutiny and for taking appropriate action.

Under no circumstances the matter under investigation process is to be revealed to the clients concerned.

Principal officer will give appropriate directions depending upon the nature and background of transactions to the branch officials concerned.

In short all staff should be alert and vigilant enough to identify if there are any abnormal transactions taking place in their area of operations and to report the same to Principal officer, ANTI-Money Laundering cell at the Head office and seek his guidance.

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