

WALLFORT PMS AND ADVISORY SERVICES LLP

CIN- INP000006192

ANTIMONEY LAUNDERING POLICY

Pursuant to the recommendations made by the Financial Action Task Force (formed for combating money laundering), Government of India had notified the Prevention of Money Laundering Act in 2002. 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. The objective of the SEBI guidelines is that a registered intermediary and any of its representatives should implement, identify and discourage any money laundering or terrorist financing activities. The overriding principle is that the registered intermediary should be able to satisfy themselves that the measures taken by them are adequate, appropriate and follow the spirit of these measures and the requirements as enshrined in the Prevention of Money Laundering Act, 2002 (PMLA) and the Government of India Notification dated 1 July, 2005.

The PMLA has been further amended vide notification dated March 6, 2009 and inter alia provides that violating the prohibitions on manipulative and deceptive devices, insider trading and substantial acquisition of securities or control as prescribed in Section 12 A read with Section 24 of the Securities and Exchange Board of India Act, 1992 (SEBI Act) will now be treated as a scheduled offence under schedule B of the PMLA.

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

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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.

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.

Obligation under the Act

The Registered Intermediaries should:

- Issue a statement of policies and procedures, on a group basis where applicable, for dealing with money laundering and terrorist financing reflecting the current statutory and regulatory requirements.
- Ensure that the content of these Guidelines is understood by all staff members.
- Regularly review the policies and procedures on prevention of money laundering and terrorist financing to ensure their effectiveness. Further in order to ensure effectiveness of policies and procedures, the person doing such a review should be different from the one who has framed such policies and procedures.
- Adopt customer acceptance policies and procedures which are sensitive to the risk of money Laundering and terrorist financing.
- 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 develop staff members’ awareness and vigilance to guard against money laundering and terrorist financing.
- Role of internal audit or compliance function to ensure compliance with the policies, procedures, and controls relating to the prevention of ML and TF, including the

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testing of the system for detecting suspected money laundering transactions, evaluating and checking the adequacy of exception reports generated on large and/or irregular transactions, the quality of reporting of suspicious transactions and the level of awareness of front-line staff, of their responsibilities in this regard

Policies and Procedures to Combat Money Launder and Terrorist Financing

1. Creation of Team

- a) Appointment of Designated Director: Mr. Vijay Bharadia partner of the company has been appointed as the Designated Director of the company for PMLA related activities who supervises the work of the Money Laundering team. The Information on appointment of Vijay Bharadia as a Designated Director has been submitted to FIU-IND.
- b) Appointment of Principal Officer: Mr. Vijay Bharadia, has been appointed as the Principal Officer. Mr. Vijay Bharadia with his team ensures that the provisions of PMLA, as specified in the Act, Rules and various circulars / guidelines issued by the Regulators, are the implemented. The Information on appointment of Mr. Vijay Bharadia as a Principal Officer has been submitted to FIU-IND.
- c) The Principal Officer will ensure that:
 - a) The data generated based on set parameters is downloaded timely to enable us to analyze the data and report transactions of suspicious nature to FIU-IND directly.
 - a) The Company responds promptly to any request for information, including KYC related information maintained by us, made by the regulators, FIU-IND and other statutory authorities.
 - b) The employees are trained to address issues regarding the application of the PMLA.
 - c) The Staff selection and training process complies with the PMLA Policy.

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- d) Any other responsibilities assigned by top management or any other Official authorized by top management from time to time.

2. CLIENT DUE DILIGENCE

The Customer Due Diligence Process includes three specific parameters:

- a) 2.1 Policy for Acceptance of Clients
- b) 2.2 Client Identification Procedure
- c) 2.3 Suspicious Transactions identification & reporting

2.1 Policy for Acceptance of Clients:

- i. In case of individuals, basic documents pertaining to proof of identity and proof of address are be collected. Such documents include:

Proof of Identity (POI)	Proof of Address
PAN card with photograph	Utility bills
Aadhaar/ Passport/Voter ID card/Driving License	Bank Account Statement/Passbook- Not more than 3 months old.
Identity card/documents with application's Photo issued by Government and Regulators	Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts

- ii. PAN is mandatory in all the cases except in the following cases:
 - People residing in the state of Sikkim provided such set of people submit sufficient documentary evidence proving the veracity of the claim. (MRD/DoP/Cir-02/2007).
 - Officials appointed by Central Government, State Government and the Court for transacting in the securities market. (MRP/DoP/Cir-20/2008)
 - UN entities/multilateral agencies exempt from paying taxes/filing tax returns in In- dia.

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- SIP of Mutual Funds up to Rs. 50, 000- p.a.
 - In case of institutional clients, namely, FIs, 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.
- iii. In case of non-individual additional documents to be obtained over and above the POI and POA as mentioned below:

CORPORATE/PARTNERSHIP FIRM/TRUST /HUF

- Copy of the balance sheets for the last 2 financial years (to be submitted every year).
- Copy of latest share holding pattern, 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 and individual promoters holding control- either directly or indirectly.
- Copies of the Memorandum and Articles of Association and certificate of incorporation I Certificate of Registration (Trust and Partnership firm).
- Copy of Trust deed/ Partnership deed.
- Copy of the Board Resolution for investment in securities market.
- Authorized signatories list with specimen signatures.

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

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- Proof of Existence/Constitution document. Resolution of the managing body and 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 authorized to act as authorized signatories with specimen signatures.
- True copy of Society Rules and Bye Laws certified by the Chairman/Secretary

- iv. In person verification is mandatory in case of Individuals and HUFs except in the following circumstances:
 - Individuals whose KRA is verified
 - E-KYC service offered by UIDAI
- v. No account is opened in a fictitious / benami name or on an anonymous basis.
- vi. No account will be opened where appropriate Customer Due Diligence/KYC policies cannot be applied

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- vii. Do not accept clients with identity matching persons known to have criminal background
- viii. Be careful while accepting Clients of Special category (CSC). SEBI guidelines classify CSC as 'high risk' category clients that require a higher degree of due diligence and regular update of KYC profile.

An illustrative list of the various categories included in CSC is as follows:

- Non-resident clients
 - High net worth clients
 - Trusts, charities, NGOs and organizations receiving donations
 - Companies having close family shareholdings or beneficial ownership
 - Companies offering foreign exchange offerings
 - Clients with dubious reputation as per public information sources, etc.
 - Non-face-to-face clients
 - Clients in high risk countries
 - Politically Exposed Persons (PEP)
- ix. Clients posing a higher risk of money laundering are required to undergo an Enhanced Due Diligence process, which typically means escalation to Level III due diligence requirements pursuant to the CDD Requirements.
 - x. Few Illustrative Scenarios Where Enhanced Due Diligence are applied:
 - ✓ For activation of Non-individual accounts, identification of beneficial owners is mandatory. In cases where multiple layers are to be verified for identification of UBO, the same is done before activation of the account.
Process - Collecting details like SHP, Management, Related Entities etc. to identify the UBO in case of Non-Individual Accounts. In case of any suspicion, background verification as mentioned above are conducted for these clients.
 - ✓ In cases where surveillance alerts are generated by Exchanges, Depositories or our RMS, we obtain clarification from the clients along with relevant supporting depending upon the nature and type of alerts.

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Process - Verify the details submitted by the client thoroughly and cross check the details with various documents obtained like source of income. If required, ask for any additional details like salary slips, etc. to satisfy yourself whenever there is a doubt.

General Guidelines

- I. For scrutiny I background checks of the clients, websites such www.watchoutinvestors.com should be referred. Also, information available on www.sebi.gov.in, www.nseindia.co.in and RBI Defaulters Database available on www.cibil.com can be checked. The UNSC Press Releases containing Sanction Lists are as also stored and the client data is reviewed against the list on a periodic basis.
- II. Verify the forms submitted by the client thoroughly and cross check the details with various documents obtained like source of income. If required, ask for any additional details like salary slips, etc. to satisfy yourself whenever there is a doubt.
- III. Review the above details on-going basis to ensure that the transactions being conducted are consistent with our knowledge of customers, its business and risk profile, considering, where necessary, the customer's source of funds.
- IV. Few Sample Parameters being used for risk categorisation:
 - Customer's background, type of business relationship or transaction etc.
 - Client trading pattern and historical records, risk appetite of the client's base on its net-worth and financial position, Percentage of margin utilisation by clients etc.
 - Clients such as NRI, PEP or having exposure to foreign currency.
 - Clients residing in countries or regions which are not the Members of FATF or are classified as grey list countries or high-risk jurisdiction

These are merely sample parameters and are modified from time to time as per the guidelines issued by various agencies like SEBI, FATF, RBI etc.

- xi. Implementation of UNSC Resolutions, UAPA orders, FCRA orders and FATF Public Statements

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Our Company is very selective in accepting clients who are non-Indian residents. In case we register such clients, Enhanced Due Diligence methods as specified above are followed. Our Team keeps a track of UNSC Resolutions, UAPA orders, FCRA orders and FATF Public statements published from time to time. Any foreign national or entities proposed to be registered as our client firstly be evaluated on the basis of above guidelines from their respective websites. At present we do not have any clients falling under these parameters. However as per our policy all the applicable orders, resolutions, public statements will be verified before accepting any clients who are non-Indian residents.

For this purpose, list of high-risk jurisdiction and grey list countries are obtained from <http://www.fatf-gafi.org/>; Additionally, the list provided by different national / international agencies are taken into record.

xii. Implementation of Sanction List Screening

Sanction Lists are verified from the respective websites. Whenever the new list is updated on respective websites, existing clients are tallied with such list. However, till date no such incidents have been observed.

xiii. Internal ML/TF Risk Assessment

Client Due Diligence is conducted at the time of registration of any new client and periodically thereafter. Clients ID proofs and financial details are the mandatory requirements for every client. In case on non-individual clients, identification of beneficial owner is mandatory. Regular financial updation are done for clients trading in derivative segment. Clarifications are sought from the clients for all kinds of alerts generated by the system.

In addition to the procedures mentioned in point 1, the company always ensures that the receipts and payments from clients are transacted only via banking and demat channels from the registered bank and demat accounts of

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the client. While registering any new bank or demat account for any client, it is ensured that the accounts belong to the same client. The accounts of clients are immediately blocked / freezed in case such directions are received from any judicial or quassi-judicial bodies. Additional due diligence is applied for any clients who are not residing within the territorial jurisdiction of India.

All the individual/HUF clients are registered only after conducting in-person and background verification. The list provided by different agencies are taken into record by our RMS teams.

As per the policy of the Company, in case of requirement, the information pertaining to KYC, AML & CFT will be shared with FATF and other agencies in their group to the extent permitted by Law. The company follows the standard KYC procedure as prescribed by the Regulator. The company does not have any foreign branches and subsidiaries.

2.2 Client Identification Procedure

- (a) Verify the customer's identity using reliable, independent source documents, data or information;
- (b) Identify beneficial ownership and control, i.e. determine which individual(s) ultimately own(s) or control(s) the customer and/or the person on whose behalf a transaction is being conducted;

The beneficial owner is the natural person or persons who ultimately own, control or influence a client and/or person on whose behalf a transaction is being conducted, and includes a person who exercises ultimate effective control over a legal person or arrangement

For clients other than Individuals and Trust, viz., Company, Partnership, or un-incorporated association/body of individuals, Wallfort PMS should identify the beneficial owners of the client and take reasonable measures to verify the identity of the person through following information:

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- the identity of the Beneficial person/natural person who is acting alone or together or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest of more than

a) 25% of shares or capital or profits of the juridical person, where juridical person is a Company.

b) 15% of shares / property or capital or profits of the juridical person, where juridical person is a partnership firm/Unincorporated association or body of individuals.

Control can be exercised through voting rights, agreement, arrangements or any other manner. Where no natural person identified in the aforesaid paras the identity of relevant natural person who holds the position of senior managing official shall be considered as beneficiary.

- (c) In case of Trust beneficial owner or the natural person could be the settler of the trust, the trustee, the protector or the beneficiaries with more than 15% interest and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership. Such indemnification of beneficiary is not mandatory in case of listed companies or majority owned subsidiary of such Company.
- (d) 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 transactions being conducted are consistent with the registered intermediary's knowledge of the customer, its business and risk profile, considering, where necessary, the customer's source of funds.
- (e) Updation of all documents, data or information of all clients and beneficial owners collected under the CDD process.
- (f) The CDD process should necessarily be revisited when there are suspicions of money laundering or financing of terrorism (ML/FT).
- (g) Procedure for identifying politically Exposed Persons (PEP)

Politically Exposed Persons' (PEP) are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments,

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senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc.

Hence Besides obtaining declaration from the client on the KYC form about his PEP status where ever possible the concerned person responsible for acquiring clients should independently check the antecedents of the clients and verify whether they fall into the category of PEP as per the definition given in Para (a)

In case of the clients who are PEP or subsequently found to be PEP or become PEP, the concerned Team or any other person should obtain the approval of Partners or Business Head for continuing the business relationship with such client.

Categorization of clients

(Low, Medium, High risk and special category)

All the data collected by the compliance division from different division are being used to categorize the clients: - New clients: - Based on the initial data and comment received by the KYC division, a new client is put into a category (provisional), after tracking the transaction of the client for at least three months a permanent category is allotted to the client.

The general basis on which the clients are categorized are discussed below: -

Risk Category	Indicative List of Clients*
High Risk	1. Non-Assisted Online clients. 2. Non-resident clients (NRI); 3. High Net worth clients (HNI) 4. Trust, Charities, NGOs and organizations receiving donations. 5. Companies having close family shareholdings or Beneficial Ownership. 6. Politically Exposed Persons (PEP). 7. 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); 8. Companies offering Foreign Exchange offerings; 9. Clients in

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	high risk Countries (where existence / effectiveness of money laundering controls is suspect, Countries reputed to be any of the following -- Havens / sponsors of international terrorism, offshore financial centers, tax havens, countries where fraud is highly prevalent; 10. Non-face to face clients; 11. Clients with dubious reputation as per public information available etc.
Medium Risk	Individual and Non-Individual clients falling under the definition of Speculators, Day Traders and all clients trading in Futures and Options segment
Low Risk	The clients who are not covered in the high & medium risk profile are treated as Low risk Profile client.

*This list is indicative. The risk profile also depends on trading pattern, payment pattern, financial status and background of the client. Wallfort PMS shall put in place system of periodical review of risk categorization of accounts and should exercise on independent judgment to ascertain whether new clients should be classified as special category or not.

2.3 Monitoring and Reporting of Transactions to the Management.

Transactions shall be monitored on a regular basis. Special attention shall be given to all complex, unusually large transactions / patterns which appear to have no economic purpose. Suspicious transactions shall also be regularly reported to the higher authorities / Head of the department. Further the compliance cell of Wallfort PMS shall randomly examine a selection of transaction undertaken by clients to comment on their nature i.e. whether they are in the suspicious transactions or not. 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 should be made available to auditors and also to SEBI /Stock Exchanges/FIU-IND/Other relevant Authorities, during audit, inspection or as and when required.

TRANSACTION MONITORING AND REPORTING ESPECIALLY SUSPICIOUS TRANSACTIONS REPORTING (STR)

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In order to monitor and analyze suspicious transaction we should understand what suspicious transaction is: Suspicious transaction means transactions, whether or not made in cash, which a person acting in good faith –

1. Gives rise to reasonable ground of suspicion that it may involve the proceeds of crime
or
2. Appears to be made in circumstance of unusual or unjustified complex, or
3. Appears to have no economic rationale or bone fide purpose

Reason for suspicious:

a) Identity of client

1. False identification documents, documents not properly verified
2. False address proof
3. Documents received back undelivered from the client's address
4. In person verification not properly done
5. Doubt over the real beneficiary of the account
6. A/c opened with names very close to other established business entity.

b) Client having Suspicious or Criminal Back ground.

c) Multiple Account

1. Large number of accounts having a common parameter such as common partners/ directors/ promoters/ address /email/ telephone no/ introducer/ or authorized signatory.
2. Unexplained transfer between such multiple accounts.

d) Activity in Account

1. Unusual activity compared to past transaction.
2. Use of different accounts by client alternately.
3. Sudden activity in dormant accounts.
4. Actively inconsistent with what would be expected from the declared business.
5. Account used for circular trading.

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e) Nature of Transaction

1. Unusual or unjustified complexity.
2. No economic rationale or bonafide purpose.
3. Sources of funds are doubtful.
4. Third party involvement is sensed.
5. Appears to be a case of insider trading.
6. Purchase in own account transferred to third party through off market transaction through DP.
7. Transaction reflects likely market manipulation.
8. Suspicious off market transaction.

f) Value of Transaction

1. In consistent with the client's apparent financial standing.
2. Value of transaction just below the threshold amount in an apparent to avoid reporting.
3. Large sum of money being transferred from overseas payments.
4. Block deals which is not at market price or prices appear to be artificially inflated/ deflated.

g) Updation of documents of clients

1. Financial documents of client trading in derivative segment should be updated on a yearly basis
2. Financial documents of Non-individual clients in cash segment should be updated on a yearly basis
3. For Demat and individual clients trading in cash segment, client's financial data should be updated in line with value of transactions and income range mentioned by the client as and when required.

h) Alerts generated by NSDL/CDSL based on transactions in Depository Accounts.

A detailed search to be carried out to ensure that the Client is not in defaulters/negative list of regulators. (Search shall invariably be carried out on SEBI website www.sebi.gov.in, Ministry of Corporate Affairs sponsored website www.watchoutinvestors.com and UN website at http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).

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The following shall be reported to the Principal Officer:

In case of Clients of high-risk countries, including countries where existence and effectiveness of money laundering controls is suspect or which do not or insufficiently apply FATF standards, should also be subject to appropriate counter measures. These measures may include a further enhanced scrutiny of transactions, enhanced relevant reporting mechanisms or systematic reporting of financial transactions, and applying enhanced due diligence while expanding business relationships with the identified country or persons in that country etc.

Irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences STR will be filed if there is any reasonable ground to believe that the transactions involve proceeds of crime.

The Principal Officer, if thinks fit, shall report any suspicion transaction to the senior management above his next reporting level.

3. Reporting of Suspicious Transaction to FIU

Once the management decides to report the suspicious transaction to the FIU, the same is done as per the procedure provided by the exchanges and depository to report the suspicious transaction to the FIU.

a) The Cash Transaction Report (CTR) (wherever applicable) for each month shall be submitted to FIU-IND by 15th of the succeeding month.

b) The Suspicious Transaction Report (STR) shall be submitted within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, 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.

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- c) The Non-Profit Organization Transaction Reports (NTRs) for each month shall be submitted to FIU-IND by 15th of the succeeding month.
- d) The Principal Officer will be responsible for timely submission of CTR, STR and NTR to FIU-IND;
- e) Utmost confidentiality shall be maintained in filing of CTR, STR and NTR to FIU-IND.
- f) No nil reporting needs to be made to FIU-IND in case there are no cash/ suspicious/ non – profit organization transactions to be reported.

Wallfort PMS shall not put any restrictions on operations in the accounts where an STR has been made. Wallfort PMS and its Partners, 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 Wallfort PMS, 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 Wallfort PMS has reasonable grounds to believe that the transactions involve proceeds of crime.

In terms of the PMLA rules information relating to cash and suspicious transactions will be reported 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>

4. RECORD KEEPING

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1. Records will be kept as per the record keeping requirements contained in the SEBI Act, 1992, Rules and Regulations made there-under, PML Act, 2002 as well as other relevant legislation, Rules, Regulations, Exchange Bye-laws and Circulars.

2. In order to maintain an audit trail the following information for the accounts of customers shall be kept:

(a) the beneficial owner of the account;

(b) the volume of the funds flowing through the account; and

(c) for selected transactions:

(i) the origin of the funds;

(ii) the form in which the funds were offered or withdrawn, e.g. cash, cheques, etc.;

(iii) the identity of the person undertaking the transaction;

(iv) the destination of the funds;

(v) the form of instruction and authority.

3. All customer and transaction records and information are available on a timely basis to the competent investigating authorities.

4. No Cash transaction with the clients will be entertained.

5. Following records shall be maintained and preserved for a period of five years from the date of termination of an account or business relationship.

(a) All necessary records on transactions, both domestic and international, shall 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 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

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years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later.

(c) Registered intermediaries 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.

6. In situations where the records relate to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, they shall be retained until it is confirmed that the case has been closed.

5. Freezing of funds, financial assets:

In line with directions of FIU Wallfort PMS will freeze funds, financial assets or economic resources or related services of a client on receipt of instruction from any appropriate/ regulatory authority and intimate the client after the freezing is done.

6. Re KYC:

Re KYC is integral part of PMLA policy. Re KYC for dormant account is done as and when the client request for re activation of the account

Low Risk Clients: Re KYC for low Risk client is done after seven to Ten years.

Medium Risk Clients: Re KYC for low Risk client is done after Five to Seven years.

High Risk Clients: Re KYC for low Risk client is done after Three to Five years.

Shifting of clients from their risk categorization is done based on the trading pattern and payment and receipt of funds and securities pattern. Based on the same observation is created and shifting of client from low to medium and medium to high and vice versa is done.

7. REVIEW CRITERIA OF POLICY

The policy will be reviewed by us on a yearly basis and as and when any changes are notified by FIU/SEBI/EXCHANGES/ DEPOSITORY.

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8. REPORTING- HEIRARCHY:

Principal Officer Designation and duties:

The Company has designated Mr. Vijay Bharadia, as the Principal Officer for due compliance of anti-money laundering policies. He will be responsible for implementation of internal controls & procedures for identifying and reporting any suspicious transaction or activity to the FIU – IND.

9. RECRUITMENT OF STAFF

We have adequate screening procedures in place to ensure high standards when hiring employees. Having regard to the risk of money laundering and terrorist financing and the size of the business, we ensure that all the employees taking up such key positions are suitable and competent to perform their duties. The Company HR is instructed to cross check all the references and should take adequate safeguards to establish the authenticity and genuineness of the persons before recruiting. The department should obtain the following documents:

- (i) Photographs
- (ii) Proof of address
- (iii) Identity proof
- (iv) Proof of Educational Qualification

10. STAFF TRAINING AND UP GRADATION

The Company shall provide anti-money laundering training to all its new employees at the time of joining the organization and updates would be provided on periodic basis initially half yearly / yearly basis to its all employees. The training shall review applicable money laundering laws and recent trends in money laundering activities as well as the Company's policies and procedures to combat money laundering, including how to recognize and report suspicious transactions.

11. INVESTOR EDUCATION

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As the implementation of AML / CFT measures being sensitive subject and requires us to demand and collect certain information from investors which may be of personal in nature or has hitherto never been called for, which information include documents evidencing source of funds / income tax returns / bank records etc. and 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 us to sensitize the clients about these requirements, as the ones emanating from AML and CFT framework. We shall circulate the PMLA Circulars and other specific literature/ pamphlets etc. so as to educate the client of the objectives of the AML/CFT program. The same shall also be emphasized on, in the Investor Awareness Programs conducted by us at frequent intervals of time. The importance of the same is also made known to them at the time of opening the Account.

CONCLUSION

PMLA is an act formed to protect the economy of any country. Everyone should first understand what actually the act for, the implication is if not followed in the true spirit. Then the act can be followed and implemented. At the outset it appears that the government has of loaded its responsibility on us but this is not the fact. It is impossible for them to monitor the huge transactions that are going on in the capital market. It is the responsibility of all market intermediaries to take active part in implementation of the act. We at Wallfort PMS are committed to put in our best effort for implementation of the PMLA Act We at Wallfort PMS have learned that it is firstly the procedure formed and the due diligence shown by the officers of a company are the two key factors for proper implementation of the Act. Proper coordination between divisions is also an important factor for proper implementation of the PMLA Act.

The above policy is placed before the Meeting of Partners of the Company dated 20-03-2020 and duly approved.