

Anti Money Laundering Measures

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01. Introduction

The Guidelines as outlined below provides a general background on the subjects of money laundering and terrorist financing and summarizes the main provisions of the applicable anti-money laundering and anti-terrorist financing legislation in India and provides guidance on the practical implications of the Prevention of Money Laundering Act, 2002. These Guidelines/Policy/Measures is intended for use by all employees and representatives of Vardhamanglobal Sharecom Pvt Ltd. The Guidelines/Policy/Measure also sets out the steps that all employees of VARDHAMANGLOBAL and any of its representatives, are implementing to discourage and identify any money laundering or terrorist financing activities. The overriding principle is enable to satisfy them that the measures taken are adequate, appropriate and follows the spirit of the measures and the requirements as enshrined in the Prevention of Money Laundering Act, 2002 (**'PMLA'/'Act'**) The relevance and usefulness of these Guidelines/Policy/Measures are kept under review and it may be necessary to issue amendments from time to time. It is recognized that a "one-size-fits-all" approach shall not be appropriate for the Stock industry; and hence VARDHAMANGLOBAL after considering the specific nature of our business, type of clients, transactions etc. has implemented the suggested measures and procedures to ensure that they are effectively applied in letter and spirit.

02. Background

The Prevention of Money Laundering Act, 2002 came into effect from 1st July 2005. Necessary Notifications / Rules under the said Act were published in the Gazette of India on 1st July 2005 by the Department of Revenue, Ministry of Finance (Government of India). We, Vardhamanglobal Sharecom Pvt Ltd, being a Stock Broker have implemented various procedures and principals following the erstwhile SEBI guidelines to fulfill the distinguished objectives of the PMLA.

As per the provisions of the Act, VARDHAMANGLOBAL being registered intermediary shall maintain a record of all the transactions; the nature and value of which has been prescribed in the Rules under the PMLA and in these procedure document at appropriate place. Such transactions include:

- All cash transactions of the value of more than Rs 10 lakh or its equivalent in foreign currency.
- All series of cash transactions integrally connected to each other which have been valued below Rs 10 lakh or its equivalent in foreign currency where such series of transactions take place within one calendar month.
- 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, etc.

03. Objectives

Money laundering has now become one of the major concerns of international financial community. Money Laundering is not just an attempt to disguise money derived from illegal activities. Rather, money laundering is involvement in any transaction or series of transactions that seek to conceal or disguise the nature or source of proceeds derived from illegal activities, including drug trafficking, terrorism, organized crime, fraud and many other crimes. The objective is to have a system in place for preventing any money laundering financial transaction through us and also to identify, monitor, report any such transaction to appropriate authorities.

Know Your Customer (**"KYC"**) is the guiding principle behind the Anti-Money Laundering/Prevention of Money Laundering (**"AML"/"PML"**) measures. The objective of is to "have in place adequate policies, practices and procedures that promote high ethical and professional standards and prevent the Company from being used, intentionally or unintentionally, by criminal elements". KYC Standards and AML Measures would enable the Company to know / understand its customers, the beneficial owners, the principals behind customers who are acting as agents and their financial dealings better which in turn will help the Company to manage its risks prudently.

The management of the company is fully committed to establish appropriate policies and procedures for ensuring effectiveness and compliance with respect to all relevant legal requirements in respect of AML/PMLA.

