

Policy for Client Identification Procedure

To obtain information from clients as per “know your client” norms laid down by SEBI to ensure proper awareness about the client. Separate requirements for individuals, firm, body corporate etc. as laid down by SEBI must be strictly observed before opening the account.

In addition to above to obtain necessary information to assess financial strength of the client.

In case of Corporate, Trust & Partnership Firms to obtain the copy of Balance Sheet and if the accounts are audited, the copy of the audited Balance Sheet.

If there is any doubt or suspicion, then the account should not be opened.

To obtain the signed statement of accounts quarterly from the clients.

The principal officer of the company will inform to the Directors, Financial Intelligence Unit – IND regarding following transaction if any: -

- (a) All cash transaction of the value of more than Rs. Ten Lacs or its equivalent in foreign currency.
- (b) All series of cash transactions integrally connected to each other which have been valued below Rs. Ten Lacs or its equivalent in foreign currency where such series of transaction have taken place within a month.
- (c) Any transaction below Rs. Ten Lacs to defeat the provisions of the Section 12(1) of the Prevention of Money Laundering Act, 2002 will also be informed to Financial Intelligence Unit by the principal officer.

The company will maintain the following records for suspicious transactions: -

- (i) The nature of transaction
- (ii) The amount of 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

Policy Approved

For PFIL Securities Ltd.

(G.P. Aggarwal)
Director

Policies & Procedures under PMLA

The Customer due diligence measures comprise the following:

- a) Obtaining sufficient information in order to identify persons who beneficially own or control securities account. Whether it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party should 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.

We take DP proof from the client. We collect the delivery from clients from their DP a/cs only. The delivery payout be directly transferred by exchange to their a/c only.

- b) Verify the customer's identity using reliable, independent source documents, data or information

While registering a new client take care to check his identity like PAN No. etc. and verify on NSDL/Income tax website.

- c) 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;

Take written instructions from clients for order. However if clients give written undertaking that the order may be taken verbally from clients or person authorized by them, and in such cases verbal instructions be accepted.

- d) Verify the identity of the beneficial owner of the customer and /or the person on whose behalf a transaction is being conducted, corroborating the information provided in relation to (c); and-

We confirm his name & UCC while placing the order

- e) 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, taking into account where necessary, the customer's source of funds.

We check delivery/fund of clients must come from their respective D.P./Bank account only on weekly basis.

Policies & Procedures under PMLA

Clients of special category (CSC):

Such clients include the following: -

- a. Non resident clients

We take In person verification by Indian Empassy.

- b. High networth clients,

In case of corporate, trust, partnership firm to obtain the copy of Balance sheet and if accounts are audited then copy of audited balance sheet.

- c. Trust, Charities, NGOs and organizations receiving donations

We take proof of identity/ address of Trust, charities, NGO.

- d. Companies having close family shareholdings or beneficial ownership

We take shareholding pattern at the time of opening of account.

- e. Politically exposed persons (PEP) of foreign origin

We do not entertain such clients.

- 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)

We do not entertain such clients.

- g. Companies offering foreign exchange offerings

We do not entertain such clients.

- 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.

We do not entertain clients from such countries.

- i. Non face to face clients

We do not entertain such clients.

- j. Clients with dubious reputation as per public information available etc.

We do not entertain such clients.

ANTI – MONEY LAUNDERING

Compliances

Complied (Y/N)

Know Your Client.

1. I D Proof.
Y
(PAN Card)
2. Address Proof – Any one
Y
 - Voter ID Card, Driving Licence, Passport, Bank Statement, Telephone Bill, Ration Card, Rent agreement, Insurance Policy, Electricity Bill, Flat Maint. Bill
3. Bank Details – Any one
Y
 - Cancelled Cheque, Bank Statement
4. D.P. Details – Any one
Y
 - Cancelled D.P. Slip, D.P. Statement.
5. Financial Status – Income Range per annum mentioned in KYC
Y
 - Below 1 Lakh
 - 1 Lakh to 5 Lakh
 - 5 Lakh to 10 Lakh
 - 10 lakh to 25 Lakh
 - Above 25 Lakhs
6. Occupation Details.
Y
 - Business, Professional, Housewife, Employed, Self employed.
7. In Case Of Company / Partnership Firm / Trust (Additional Requirement)
Y
 - MOA / Partnership Deed /Trust deed
 - Audited B/S for last 2 yrs.
 - Board Resolution.
 - Take Audited Balance Sheet every year.
8. See the original documents, in case of client is through sub-broker the original documents should be verified by him.
Y
9. Not to take payment through cash.
Y
10. Take payment / delivery from his account only.
Y

11. Personal verification of clients.

Y

12. Not to take payment through Demand Draft for amount exceeding Rs. 10000/- unless a Covering letter personally signed by sub-broker explaining the reason is given. This is total value of all Demand Drafts in a month.

Y

13. The Principal Officer of the Company will inform to the Directors, FIU following transactions on a monthly basis within 15 days of month:

Y

- All Cash transactions of the value of more than Rs. 10 Lacs or its equivalent in foreign currency.
- All series of cash transaction integrally connected to each other which have been valued below Rs 10 Lacs or its equivalent in foreign currency where such series of transaction have taken place within a month.
- Any transaction below 10 Lacs to defeat the provision of 12(1) of the prevention of Money laundering Act 2002 will also be informed to FIU by the principal officer.

14. Action plan to identify the suspicious transactions

Short List the clients on the following basis:

Income range	Delivery Value	Jobbing +/-
Below 1 Lac	>10	>1
1 lac to 5 Lacs	>10	>1
5 Lacs to 10 Lacs	>20	>2
10 Lacs to 25 Lacs	>40	>2
Above 25 Lacs	>40	>2

If above limit crosses to check further that in a particular scrip the delivery is > Rs. 2 Lacs or Jobbing +/- is > Rs. 50000. Further check that in that scrip does his volume exceed 2 % of market volume on that day.

PFIL SECURITIES LTD

RISK PROFILING OF CLIENTS

Know Your Client.

1. I D Proof.
(PAN Card)
2. Address Proof – Any one
 - Voter ID Card, Driving Licence, Passport, Bank Statement, Telephone Bill, Ration Card, Rent agreement, Insurance Policy, Electricity Bill, Flat Maint. Bill
3. Bank Details – Any one
 - Cancelled Cheque, Bank Statement
4. D.P. Details – Any one
 - Cancelled D.P. Slip, D.P. Statement.
5. Financial Status – Income Range per annum mentioned in KYC
 - Below 1 Lakh
 - 1 Lakh to 5 Lakh
 - 5 Lakh to 10 Lakh
 - 10 lakh to 25 Lakh
 - Above 25 Lakhs
6. Occupation Details.
 - Business, Professional, Housewife, Employed, Self employed.
7. In Case Of Company / Partnership Firm / Trust (Additional Requirement)
 - MOA / Partnership Deed /Trust deed
 - Audited B/S for last 2 yrs.
 - Board Resolution.
 - Take Audited Balance Sheet every year.
8. See the original documents, in case of client is through sub-broker the original documents should be verified by him.
9. Not to take payment through cash.
10. Take payment / delivery from his account only.
11. Personal verification of clients.
12. Not to take payment through Demand Draft for amount exceeding Rs. 10000/- unless a Covering letter personally signed by sub-broker explaining the reason is given. This is total value of all Demand Drafts in a month.
13. The Principal Officer of the Company will inform to the Directors, FIU following transactions on a monthly basis within 15 days of month:
 - All Cash transactions of the value of more than Rs. 10 Lacs or its equivalent in foreign currency.
 - All series of cash transaction integrally connected to each other which have been valued below Rs 10 Lacs or its equivalent in foreign currency where such series of transaction have taken place within a month.

- Any transaction below 10 Lacs to defeat the provision of 12(1) of the prevention of Money laundering Act 2002 will also be informed to FIU by the principal officer.

14. Action plan to identify the suspicious transactions

Short List the clients on the following basis:

Income range	Delivery Value	Jobbing +/-
Below 1 Lac	>10	>1
1 lac to 5 Lacs	>10	>1
5 Lacs to 10 Lacs	>20	>2
10 Lacs to 25 Lacs	>40	>2
Above 25 Lacs	>40	>2

If above limit crosses to check further that in a particular scrip the delivery is > Rs. 2 Lacs or Jobbing +/- is > Rs. 50000. Further check that in that scrip does his volume exceed 2 % of market volume on that day.

