

Anti-Money Laundering Policy

Alice Blue Financial Services Pvt. Ltd.

SEBI Reg. No: INZ000156038

Trading Member ID—NSE-90112|

BSE- 6670 CDSL DP ID - 12085300, IN

- DP -

364-2018

Ver.1.3.2
Review Date: 11/04/2022

PMLA Policy

Background:

Pursuant to recommendations made by Financial Task Force on Anti Money Laundering standards, SEBI and FMC has advised its intermediaries to comply with the laws enacted by providing guidelines vide notifications. Also the intermediaries are asked to ensure that proper policies are framed.

Money Laundering:

Money laundering involves disguising financial assets so that they can be used without detection of the illegal activity that produced them. Through money laundering, the laundered transforms the monetary proceeds derived from criminal activity into funds with an apparently legal source.

As per Section 3 of the Prevention of Money Laundering Act, 2002 enacted in the January 2003 and came to force on 1st July, 2005 defines Money Laundering as under:

Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money laundering.

Overview of Financial Intelligence Unit:

Financial Intelligence Unit — India (FIU-IND) was set by the Government of India vide O.M. dated 18th November 2004 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 strengthening efforts of national and international intelligence, investigation and enforcement agencies in pursuing the global efforts against money laundering and related crimes. FIU-IND is an independent body reporting directly to the Economic Intelligence Council (EIC) headed by the Finance Minister.

Policy of Alice Blue

Implementation of this policy

Mr. K Rajesh, The Principal Officer is responsible for

- Compliance of the provisions of the PMLA & AML guidelines.

- Act as central reference point and play an active role in identification & assessment of potentially suspicious transactions.
- Ensure that ABS discharges its legal obligation to report its suspicious transactions to the concerned authorities.

The objective of KYC (Know Your Customer) and CDD (Customer Due Diligence) guidelines is to enable the managers to examine and assess their customer's financial dealings from anti-money laundering perspective.

The main aspect of Customer Due Diligence Process means:

- Obtaining sufficient information about the client in order to identify who is the actual beneficial owner of the securities or on whose behalf transaction is conducted.
- Verify the customer's identity using reliable, independent source document, data or information.
- Conduct on-going due diligence and scrutiny of the account/client to ensure that the transaction conducted are consistent with the client's background/financial status, its activities and risk profile
- The same process will be followed for our existing clients 6 months time periodically for obtaining client's financial and the occupational details.

The Customer Due Diligence Process includes four specific parameters:

- Policy for Acceptance of Clients
- Client Identification Procedure
- Monitoring of transactions
- Tracking and reporting Suspicious Transactions

Customer Acceptance Policy (CAP)

a) The following Customer Acceptance Policy indicating the criteria for acceptance of customers shall be followed in by the broker. The dealers shall accept customer strictly in accordance with the said policy:

- No account shall be opened in anonymous or fictitious/benaminame(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 called Level I, Level II and Level III respectively; Customers requiring very high level of monitoring e.g., Politically Exposed Persons (PEPs) may be categorized as Level IV.

- 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 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.

b) 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.

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

» **Low Risk (Level I):**

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 (Level II):**

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 (Level III):**

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 who is classified as special category 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.

The persons requiring very high level of monitoring may be categorized as

Special Category.

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.

The persons requiring very high level of monitoring may be categorized as Special category.

We are obtaining approval from higher authority before activating the above category clients.

Customer Identification Procedure {CIP} (FOR NEW CLIENTS)

The objective is to have a mechanism in place to establish identity of the client along with firm proof of address to prevent opening of any account which is fictitious / benami / anonymous in nature.

- Documents which can be relied upon:

PAN Card: PAN card is mandatory and is most reliable document as only one card is issued to an individual and we can independently check its genuineness through IT website.

AADHAAR Card:

Amendment to PML (Maintenance of Records) Rules, 2005 - Requirement of Aadhaar Number from clients

The central government in consultation with the Reserve Bank of India has made the amendments to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 and has issued Gazette Notification No. 439 dated June 1, 2017.

Further to the existing requirements for client registrations and Prevention of Money-laundering (Maintenance of Records) Rules, 2005, following important requirements as mentioned in the notification are highlighted to the members as under;

Where the client is an individual, who is eligible to be enrolled for an Aadhaar number, he shall submit to the reporting entity the Aadhaar number issued by the Unique Identification Authority of India;

Where the client is a company/Partnership firm/trust/ unincorporated association or body of individuals, they shall submit to the reporting entity certified copies of **Aadhaar Numbers**; Issued to managers, officers or employees in case of company and the person in case of partnership firm/trust/unincorporated association or a body of individuals holding an attorney to transact on behalf of the client entity.

Any reporting entity, at the time of receipt of the Aadhaar number under provisions of this rule, shall carry out authentication using either e-KYC authentication facility or Yes/No authentication facility provided by Unique Identification Authority of India.

In case the client eligible to be enrolled for Aadhaar are registered on or after June 1, 2017 does not submit the Aadhaar number, at the time of commencement of an account based relationship with a reporting entity, the client shall submit the same within a period of six months from the date of the commencement of the account based relationship

In case of existing clients eligible to be enrolled for Aadhaar already having an account based relationship with reporting entities prior to date of this notification i.e. June 1, 2017, the client shall submit the Aadhaar number .

In case the client fails to submit the Aadhaar number within the aforesaid time limits the said account shall cease to be operational till the time Aadhaar number is submitted by the client.

In case the identity information relating to the Aadhaar number submitted by the client does not have current address of the client, the client shall submit an officially valid document to the reporting entity

IDENTITY Proof: PAN Card itself can serve as proof of identity. However, in case PAN card carries an old photograph of the holder, which does not match current facial features of the client; we should take other identity proof in form of Voter's Identity card, Passport, Ration Card or any Government/PSU/Bank issued photo identity card.

ADDRESS Proof: For valid address proof we can rely on Voter's Identity Card, Passport, Bank Statement, Aadhaar Letter, Ration card and latest Electricity/telephone bill in the name of the client.

❖ Documents to be obtained as part of customer identification procedure for new clients:

a. In case of individuals, one copy of the following documents has to be obtained:

- As PAN is mandatory, verify its genuineness with IT website and cross verify the PAN card copy with the original. Please put “verified with original” stamp as proof of verification.
- Other proofs for identity are Voter’s Identity card, Passport, Ration Card or any Government/PSU/Bank issued photo identity card or any other document prescribed by the regulatory authorities.
- Address proof in the form of Voter’s Identity Card, Passport, Bank Statement, Ration card and latest Electricity/telephone bill in the name of the client or any other document prescribed by the regulatory authorities.

b. In case of corporate, one certified copy of the following documents must be obtained:

- Copy of the Copy of the Registration/ Incorporation Certificate
- Copy of the Memorandum & Articles of the Association
- Copy of the PAN card and the Director Index No. (DIN)
- Copy of the latest audited Annual Statements of the corporate client
- Latest Net worth Certificate
- Latest Income Tax return filed.
- Board Resolution for appointment of the Authorized Person who will operate the account.
- Proof of address and identity of Authorized Person

c. In case of partnership firm one certified following must be obtained:

- Registration certificate
- Partnership Deed
- PAN card of partners
- Authorization letter for the person authorized to open and operate the account
- Proof of identity and address of the authorized person
- Annual statement/returns of the partnership firm

d. In case of a Trust, one certified copy of the following must be obtained:

- Registration certificate
- Trust Deed
- PAN card
- Authorization letter for the entity authorized to act on their behalf
- Officially valid documents like PAN card, voters ID, passport, etc of person(s) authorized to transact on behalf of the Trust.

e. In case of unincorporated association or a body of individuals, one certified copy of the following must be obtained:

- Resolution of the managing body of such association or body of individuals PoA in favor of person authorized to transact.
- Officially valid documents like PAN card, voters ID, passport, etc of the person(s) authorized to transact.
- Any document required by ABC to establish the legal existence of such an association or body of individuals.

f. In case of an NRI account – Repatriable/non-repatriable, the following documents are required:

- Copy of the PIS permission issued by the bank
- Copy of the passport
- Copy of PAN card
- Proof of overseas address and Indian address
- Copy of the bank statement
- Copy of the demat statement
- If the account is handled through a mandate holder, copy of the valid PoA/mandate

List of Designated Individual / Entity

We are checking SEBI Debarred list before opening the account also checking UNRC Resolution through <http://www.un.ore/sc/committees/1267/>. If any client's name appearing in the above enclosed list then such account will not be opened with us.

Monitoring of Transactions

- Continuous monitoring is an essential ingredient of effective KYC procedures and the extent of monitoring should be according to the risk sensitivity of the account. Dealers shall pay special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose. Transactions that involve large amount of cash inconsistent with the size of the balance maintained may indicate that the funds are being 'washed' through the account. High risk accounts shall be subjected to intensive monitoring.
- The Compliance Department shall ensure adherence to the KYC policies and procedures. Concurrent/Internal Auditors shall specifically check and verify the application of KYC procedures and comment on the lapses if any observed in this regard. The compliance in this regard shall be put up before the Meeting of the Board on quarterly intervals. All staff members shall be provided training on Anti Money Laundering. The focus of training shall be different for frontline staff, compliance staff and staff dealing with new customers.

Risk Management

➤ Risk Management Team

Risk Management Team (RMT) gives exposure to clients based on margin available in the system and clean exposure to selected clients based on recommendations of the Business Managers. It is also the duty of RMT to validate such exposures with the financial details provided by the client in KYC forms. Where there is a trading activity of the client, which is not commensurate with the financial details declared by the client, it should be analyzed and referred to the Principal Officer with reasons of suspicion.

- The broker's KYC policies and procedures covers management oversight, systems and controls, segregation of duties, training and other related matters. For ensuring effective implementation of the broker's KYC policies and procedures, the dealers shall explicitly allocate responsibilities within the branch. The Branch Dealer shall authorize the opening of all new accounts. The dealers shall prepare risk profiles of all their existing and new customers and apply Anti Money Laundering measures keeping in view the risks involved in a transaction, account or brokering/business relationship.
- Training encompassing applicable money laundering laws and recent trends in money laundering activity as well as the broker's policies and procedures to combat money laundering shall be provided to all the staff members of the broker periodically in phases.
- The Accounts Department shall be empowered to prescribe threshold limits for a particular group of accounts and the dealers shall pay particular attention to the transactions which exceed these limits. The threshold limits shall be reviewed annually and changes, if any, conveyed to dealers for monitoring

Submission of Suspicious Transactions Reports:

Submission of such reports shall be made within the time limit prescribed as follows:-

- Suspicious transaction reports shall be submitted in writing or by fax or electronic mail within three working days from the date of occurrence of the transactions.
- Notifications issued by SEBI require STR to be reported within 7 working days of establishment of suspicion at the level of Principal Officer

Report shall be submitted in the form specified as follows:

Suspicious Transaction Reports in Manual Format consists of following forms:

Form	Information	To be submitted by
Suspicious Transaction Report	Details of suspicious transactions, accounts and persons/entities linked to such Transactions.	Principal officer of the Intermediary
Individual Detail Sheet	Identification details of Individual	Reporting branch
Legal Person/ Entity Detail Sheet	Identification details of legal person/entity	Reporting branch
Account Detail Sheet	Details of the account, Account holder and related persons.	Reporting branch

Any suspicion transaction needs to be notified immediately to the "Designated Principal Officer"

The notification may be done in the form of a detailed report with specific reference to the client's transactions and the nature or reason of suspicion. However, it should be ensured that there is continuity in dealing with the client as normal until told otherwise and the client should not be told of the report or suspicion.

In exceptional circumstances, consent may not be given to continue to operate the account, and transactions may be suspended, in one or more jurisdictions concerned in the transactions, or other action taken.

The same reporting to

The Director, FIU-IND

Financial Intelligence Unit-India

6th Floor, Hotel Samrat, Chanakyapuri, New Delhi- 110021.

Record Keeping:

For the purpose of the record keeping provision, we should ensure compliance with the record keeping requirements contained in the SEBI Act, 1992, Rules and Regulations made there-under, PLM act, 2002 as well as other relevant legislation, Rules, Regulations, Exchange Bye-laws and Circulars. Records to be maintained should be sufficient to permit reconstruction of individual transactions (including the amounts and type 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 financial profile of the suspect's account. To enable this reconstruction, Organization 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.
- D. The origin of the funds;
- E. The form in which the funds were offered or withdrawn, e.g. cash, cheques, etc;
- F. The identity of the person undertaking the transaction;
- G. The destination of the funds;
- H. The form of instruction and authority.

Organization should ensure that all client and transaction records and information are made available on a timely basis to the competent investigating authorities.

Maintenance / Retention of the Records:

Following are the Document Retention Terms should be observed:

1. All necessary records on transactions, both domestic and international, should be maintained at least for the minimum period of FIVE YEARS (5) / 'Subject to the provisions of any other law, the participant shall preserve records and documents for a minimum period of eight years' from the date of cessation of the transaction.
2. 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 FIVE YEARS (5) / 'Subject to the provisions of any other law, the participant shall preserve records and documents for a minimum period of eight years' from the date of cessation of the transaction.
3. Records shall be maintained in hard and softcopies.

4. All necessary records on transactions, both domestic and international, should be maintained at least for the minimum period of FIVE YEARS (5) / 'Subject to the provisions of any other law, the participant shall preserve records and documents for a minimum period of eight years' from the date of cessation of the transaction.

5. 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 FIVE YEARS (5) / 'Subject to the provisions of any other law, the participant shall preserve records and documents for a minimum period of eight years' from the date of cessation of the transaction.

6. Records shall be maintained in hard and softcopies.

7. In situations where the records relate to on-going investigation 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.

Third Party Reliance

We are not relying on any third party for new client registration and all our clients are sourced and verification carried out by our own employees only.

Tracking and reporting Suspicious Transactions

All are requested to analyze and furnish details of suspicious transactions, whether or not made in cash. It should be ensured that there is no undue delay in analysis and arriving at a conclusion.

What is a Suspicious Transaction: Suspicious transaction means a transaction whether or not made in cash, which to a person acting in good faith -

- Gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or
- Appears to be made in circumstance of unusual or unjustified complexity; or
- Appears to have no economic rationale or bona fide purpose

Reasons for suspicious:

- Identity of client

False identification documents

Identification documents which could not be verified within reasonable time

Non-face to face client

Clients in high-risk jurisdiction

Doubt over the real beneficiary of the account

Accounts opened with names very close to other established business entities

Receipt back of well-come kit undelivered at the address given by the client

- Suspicious Background

Suspicious background or links with criminals

- Multiple Accounts

Large number of accounts having common parameters such as common partners / directors / promoters / address/ email addresses / telephone numbers introducer or authorized signatory

Unexplained transfers between such multiple accounts.

- Activity In Accounts

Unusual activity compared to past transactions

Use of different accounts by client alternatively

Sudden activity in dormant accounts

Activity inconsistent with what would be expected from declared business

Account used for circular trading

- Nature Of Transactions

Unusual or unjustified -

complexity

No economic rationale or bonafied purpose Source of funds is doubtful

Appears to be case of insider trading

Purchases made on own account transferred to a third party through an off market transactions through DP account

Transactions reflect likely market manipulations Suspicious off market transactions

- Value Of Transactions

Value just under the reporting threshold amount in an apparent attempt to avoid reporting

Large sums being transferred from overseas for making payments Inconsistent with the clients apparent financial standing Inconsistency in the payment pattern by client

Block deal which is not at market price or prices appear to be artificially inflated/deflated

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 29, 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, 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.

"51A. For the prevention of, and for coping with terrorist activities, the Central Government shall have power to –

- (a) 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;
- (b) 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;
- (c) prevent the entry into or the transit through India of individuals 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.

Regarding funds, financial assets or economic resources or related services held in the form of bank accounts, stocks or Insurance policies etc.

The RBI, SEBI and IRDA would issue necessary guidelines to banks, stock exchanges/depositories, intermediaries regulated by SEBI and insurance companies requiring them to-

- (i) Maintain updated designated lists in electronic form and run a check on the given parameters on a regular basis to verify whether individuals or entities listed in the schedule to the Order.
- (ii) In case, the particulars of any of their customers match with the particulars of designated individuals/entities, the banks, stock exchanges/depositories, intermediaries regulated by SEBI and insurance companies shall immediately, not later than 24 hours from the time of finding out such customer, inform full particulars of the funds, financial assets or economic resources or related services held in the form of bank accounts, stocks or Insurance policies etc., held by such customer on their books to the Joint Secretary (IS.I), Ministry of Home

Affairs, at Fax No.011-23092569 and also convey over telephone on 011-23092736. The particulars apart from being sent by post should necessarily be conveyed on e-mail id: jsis@nic.in.

- (iii) The banks, stock exchanges/depositories, intermediaries regulated by SEBI and insurance companies shall also send a copy of the communication mentioned in (ii) above to the UAPA nodal officer of the state/UT where the account is held and Regulators and FIU-IND, as the case may be.
- (iv) In case, the match of any of the customers with the particulars of designated individuals/entities is beyond doubt, the banks, stock 4 exchanges/depositories, intermediaries regulated by SEBI and insurance companies would prevent designated persons from conducting financial transactions, under intimation to the Joint Secretary (IS.I), Ministry of Home Affairs, at Fax No.011-23092569 and also convey over telephone on 011-23092736. The particulars apart from being sent by post should necessarily be conveyed on e-mail id: jsis@nic.in.
- (v) The banks, stock exchanges /depositories, intermediaries regulated by SEBI and insurance companies, shall file a Suspicious Transaction Report (STR) with FIU-IND covering all transactions in the accounts.

Accordingly, SEBI has issued circular ref. no. SEBI/HO/MIRSD/DOP/CIR/P/2021/36 dated March 25, 2021, which outlines a revised and effective implementation of the provisions of Section 51A through an order dated February 02, 2021 superseding the earlier orders and guidelines given on the said subject.

Review of Policy

Managing Director or Chief Executive Officer or any other authorized official shall be the authority to give directions for review of the policy and to undertake additions, changes, modifications etc., Policy will be reviewed once in a year.

Employees Hiring, Employees Training and Investor Education:

Hiring of Employees: We shall 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:

A. Photographs

B. Proof of address

C. Identity proof

D. Proof of Educational Qualification

Employees' Training:

We have an ongoing employee training program conducted by our Principal Officer and Senior Management, Participation of all the Key Employees in the Seminars conducted by various Regulatory bodies from time to time, so that the members of the staff are adequately trained in AML and CFT procedures.

All the Circulars issued by various Regulatory bodies including that of PMLA, are circulated to all the staff Members and the same are also being discussed in length, in the Training Program". Training program shall have special emphasis on frontline staff, back office staff. Compliance staff, risk management staff and staff dealing with new clients. It is crucial that all those concerned fully understand the rationale behind these directives, obligations and requirements. Implement them consistently and are sensitive to the risks of their systems being misused by unscrupulous elements.

Our training will include, at a minimum: how to identify red flags and signs of money laundering that arise during the course of the employees' duties; what to do once the risk is identified; what Employees' roles are in the firm's compliance efforts and how to perform them; the firm's record retention policy; and the disciplinary consequences (including civil and criminal penalties) for noncompliance with the PMLA Act.

Monitoring Employee Conduct and Accounts:

We will subject employee accounts to the same AML procedures as customer accounts, under the supervision of the Principal Officer. We will also review the AML performance of supervisors as part of their annual performance review. The Principal Officer's accounts will be reviewed by the Board of Directors.

Investors Education:

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.

*** The above mentioned PMLA policy is in line with the SEBI master circular reference number SEBI/ HO/ MIRSD/ DOP/ CIR/ P/ 2019/113 dated October 15, 2019 and NSE circular Ref. No. 452/202, Download Ref. No. NSE/SURV/48818 dated July 01, 2021, Surveillance.

Principal Officer

Mr. K Rajesh will be the Principal Officer appointed on 07.06.2018 and same has been communicated to FIU-IND.

The Principal Officer shall maintain close liaison with enforcement agencies, brokers and any other institutions that are involved in the fight against money laundering and combating Financing of terrorism.

For further clarification The Principal Officer may be contacted

Mr. K Rajesh

Alice Blue Financial Services Pvt. Ltd.

153/2 M R B Arcade, Bagalur Main Road

Dwaraka Nagar, Yelahanka,

Bangalore- 560063

Ph.080-28478599; E. Mail: grievances@aliceblueindia.com

Appointment of Designated Director

To prevent and control Money Laundering, we have appointed "Designated Director" in terms of Money Laundering Act, 2002 and the same were intimated to FIU- DIRECTOR, Chanakyapuri, Delhi.

Designated Director

M SIDHAVELAYUTHAM

153/2 M R B Arcade

Dwaraka Nagar, Bagalur main road Yelahanka,

Bangalore 560 063

Our Designated director is responsible to ensure overall Compliance with the obligations imposed under chapter I V of the Act and the Rules.

Sidhavelayutham
Digitally signed
by
Sidhavelayutham
Mohanamoorthy
Date: 2022.04.11
17:02:21 +05'30'

M Sidhavelayutham
Designated

