

Anti-Money Laundering (AML) Policy

I, Mr. Dev Ashish, registered with SEBI under SEBI Investment Advisor Regulations, 2013 vide Registration Number: INA100005241, hereafter referred to as Investment Adviser shall have the following AML policy.

INTRODUCTION:

1. The Prevention of Money Laundering Act, 2002 (PMLA) has been brought into force with effect from 1st July, 2005. Necessary Notifications /Rules under the said Act have been published in the Gazette of India on 1st July 2005 by the Department of Revenue, Ministry of Finance, Government of India.
2. As per PMLA, every banking company, financial institution (which includes Chit Fund company, a co-operative bank, a housing finance institution and non-banking financial company) and Intermediary (which includes stock-broker, sub-broker, share transfer agent, banker to an issue, trustee to a trust deed, registrar to an issue, merchant banker, underwriter, Portfolio Manager, **Investment adviser** and any other intermediary Associated with securities market and registered under section 12 of the Securities and Exchange Board of India Act, 1992) shall have to maintain a record of all the transactions, the nature and value of which has been prescribed in the Rules notified under the PMLA. For the purpose of PMLA, transactions include:
 - All cash transactions of the value of more than Rs.10 lakhs or its equivalent in foreign currency.
 - All series of cash transactions integrally connected to each other, which have been valued below Rs.10 lakhs or its equivalent in foreign currency, such series of transactions 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, security account maintained by the registered intermediary.

For the purpose of suspicious transactions reporting apart from `transactions integrally Connected', `transactions remotely connected or related need to be considered.

“Suspicious Transactions” 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 circumstances of unusual or unjustified complexity; or
 - Appears to have no economic rationale or bonafide purpose.
3. The Anti-Money Laundering Guidelines provides a general background on the subjects of money laundering (ML) and terrorist financing (TF) in India and provides guidance on the practical implications of the PMLA. The PMLA Guidelines sets out the steps that a registered intermediary and any of its representatives, need to implement to discourage and identify any money laundering or terrorist financing activities.

1. Description of Business Activities

Dev Ashish is an Investment Advisor registered with SEBI in terms of Section 12 of Securities and Exchange Board of India Act, 1992.

2. AML philosophy of Dev Ashish:

The AML philosophy of Dev Ashish is to prevent Investment Advisor from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. The objective of this policy is also to enable the Investment Advisor to know / understand its customers and their financial dealings better which in turn will help Investment Advisor to manage its risks prudently.

It is important that the Investment Advisor views “money-laundering prevention” and “knowing your customer” as part of the risk management strategies and not simply as stand-alone requirements that are being imposed by legislation/regulators’.

Hence the objective of the policy is to –

- 1) To have a proper Customer Due Diligence (CDD) process while registering clients.
- 2) To monitor / maintain records of all cash transactions of the value of more than Rs.10 lacs.
- 3) To maintain records of all series of integrally connected cash transactions within one calendar month.
- 4) To monitor and report suspicious transactions.
- 5) To discourage and identify money laundering or terrorist financing activities.
- 6) To take adequate and appropriate measures to follow the spirit of the PMLA.

3. Why “Know Your Customer”?

One of the best methods of preventing and deterring money laundering is a sound knowledge of a customer’s business and pattern of financial transactions. The adoption of procedures by which financial institutions “know their customer” is not only a principle of good business but is also an essential tool to avoid involvement in money laundering. Investment Advisor shall adopt appropriate KYC procedures and internal controls measures to:

- i. Determine and document the true identity of the customers who establish relationships, open accounts, or conduct significant business transactions and obtain basic background information on customers;
- ii. Assess the money laundering risk posed by customers’ expected use of Investment Advisors’ products and services;
- iii. Protect Investment Advisor from the risks of doing business with any individual or entity whose identity cannot be determined or who refuses to provide information, or who have provided information that contains significant inconsistencies which cannot be resolved after due investigation.

4. Customer/Client Acceptance Policy:

- i. No account shall be opened in anonymous or fictitious / benami name(s). PAN shall be mandatory for each account.
- ii. The parameters of risk perception 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 shall be captured to enable categorization of customers into low, medium, and high risk.

For the purpose of risk categorization, individuals/entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile, shall be categorized as low risk. Illustrative examples of low risk customers are as follows:

- Salaried employees whose salary structures are well defined;
- Professionals such as doctors
- Government Departments and Government owned companies;
- Regulators and statutory bodies; etc.

Customers that are likely to pose a higher than average risk to Investment Advisor shall 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. Investment Advisor shall apply Customer 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.

Once the client signs up, a Customer Due Diligence (CDD) sheet or the information sheet is prepared for all accounts (individual / non individual). The CDD sheet captures in detail the profile of the customer, especially the expected transaction pattern of the account.

CDD shall include the following measures –

- Before/while registering client, obtain Antecedent information. Verify independently information submitted by client but not limited to his identity, registered office address, correspondence address, contact details, occupation, Promoters/Directors, source of income, experience in securities market, PAN no, SEBI registration Number, (if any), MAPIN Number (if any) etc, by verification or original documents or such related processes.
- In-person verification is to be carried out as per the requirements of the regulators. Further check would be done for actual beneficial ownership and control of the particular account. The investment advisor needs to obtain the details with respect to Shareholders, promoters from the non-individual clients and wherever possible such details must be verified independently. Also verify the sources of funds for funding the transaction. The investment advisor shall also take care at the time of settlement regarding nature of transaction, movement/source of transaction, etc. Periodically to ask for clients' financial details to determine the genuineness of transaction. Special care would be taken in case of non-individual accounts such as corporate, partnership firms etc, where the ownership structure is opaque.
- For this purpose, "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. Sufficient information shall be obtained in order to identify persons who beneficially own or control security account.
- In case, under the extant regulations, a KYC carried out by a third party is allowed to be accepted as a valid KYC for on boarding a client the same shall be accepted provided due process in relation to the same under the regulations are followed.
- For on boarding of NRI / FII / FPI clients, in case there is any connection with any country which has been observed by the FATF to be non-compliant with its requirements, the account shall be rejected which shall mean the following –

- i. Person has provided a residential / correspondence address of such country
- ii. Directions for the operating of the account are received from the said country
- iii. The POA holder of the account is connected in the above manner what that country

5. Mode of Transaction with Clients:

All the transaction of the Investment Advisor in the ordinary course of business with the clients shall conducted through net banking facility or any other mode permitted by SEBI.

6. Ongoing due diligence and scrutiny:

Investment Advisor shall conduct periodic due diligence and scrutiny of client's transaction and accounts to ensure that transactions are being conducted in knowledge, to find out the risk profile, source of funds, etc. At regular interval, ongoing due diligence and scrutiny needs to be conducted 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 Investment Advisors' knowledge of the client, its business and risk profile, taking into account, where necessary, the customer's source of funds. Investment Advisor shall also review the details of the clients including their financial details periodically and shall also ensure that the client's details are relevant and updated.

7. Customer Identification Procedure:

Customer identification procedure means verifying the identity of the customer by using reliable, independent source documents, data, or information. Investment Advisor needs to obtain sufficient information necessary to establish, to its satisfaction, the identity of each new customer, whether regular or occasional, and the purpose of the intended nature of relationship. Investment Advisor must also be able to satisfy the regulators that due diligence was observed based on the risk profile of the customer in compliance with the extant guidelines in place.

8. Monitoring of Transactions

Ongoing monitoring is an essential element of effective KYC procedures. Investment Advisor can effectively control and reduce their risk only if he/she has an understanding of the normal and reasonable activity of the customer so that they have the means of identifying transactions that fall outside the regular pattern of activity.

Investment Advisor shall have in place a comprehensive transaction monitoring process from AML perspective. Investment Advisor shall put in place strong transaction alerts which will provide proactive signals on suspicious transactions and possible money laundering.

9. 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 behaviour.

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, the Investment Adviser 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:
 - 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.

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

10. Retention of Records:

The following document retention terms should be observed:

- a. All necessary records on transactions, both domestic and international, should be maintained at least for the minimum period of 5 years (5) from the date of Cessation of the transaction.
- b. 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 from the date of cessation of the transaction.
- c. Records shall be maintained in hard and soft copies.

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.

11. Principal Officer Designation and duties:

Dev Ashish shall be responsible 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.



Dev Ashish
(Principal Officer/ Investment Advisor)
SEBI Registration No. INA100005241

No.	Particular	Comments
1.	Details of your associates dealing as clients through you	N.A. (Kindly Refer Point No.4)
2.	Details of business carried out other than in securities market, if any	Kindly Refer Point No.1
3.	Whether continuous due diligence and scrutiny is being conducted for the clients?	Yes (Kindly Refer Point No.1)
4.	Whether clients' details including financial details are reviewed periodically and updated?	Yes (Kindly Refer Point No.6)
5.	Whether sufficient information is obtained in order to identify persons who beneficially owns or control security account?	Yes (Kindly Refer Point No.4). Primarily work with individual investors.
6.	Instances of cash/DD acceptance, if any	No (Kindly Refer Point No.5)
7.	Name of the clients for whom KYC has not been maintained	N.A. (Kindly Refer Point No.3)
8.	Name of the clients for whom in-person verification has not been done	N.A. (Kindly Refer Point No.3)
9.	Detail regarding third party payments/ receipts of fund, viz. name of client, value involved, date, and account from/ to transferred and reason for the same	No third party payments/ receipts