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V. P. Consultants Pvt. Ltd.

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*Policy for Prevention of Money Laundering*

Version: 1.2

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To prevent and control Money Laundering, we have appointed **Mr. Vijit Gupta, Director** as a “**Principal Officer**” in terms of Money Laundering Act, 2002 for all segments and the same were intimated to FIU-DIRECTOR, Chanakyapuri, Delhi and uploaded to FIU web site.

We have appointment **Mrs. Aparna Gupta, Director**, V.P. Consultants Pvt. Ltd. as **Designated Director** in terms of Money Laundering Act, 2002 for all segments and the same were intimated to FIU-DIRECTOR, Chanakyapuri, Delhi and uploaded to FIU web site.

We have adopted the following four specific parameters, pursuant to the latest SEBI Master circular no. ISD/AML/CIR-1/2008 dated 19-Dec-2008, which are related to the overall ‘Client Due Diligence Process’:

- a) Policy for acceptance of clients
- b) Procedure for identifying the clients of special category
- c) Transaction monitoring and reporting especially Suspicious Transactions Reporting (STR)
- d) Employees’ Hiring / Employee’s Training / Investor Education

**(a) Policy for acceptance of clients**

We are taking following safeguards while accepting the clients:

1. We take clients by reference only.
2. We have instructed our account opening section not to open any account in a fictitious / benami name or on an anonymous basis in any circumstances in respect of NSE and BSE.
3. We have not been allowing any account to be opened, where it is unable to apply appropriate clients due diligence measures / KYC policies.

4. We have been regularly updating KYC profile of “clients of special category” defined under Money Laundering Act 2002, if any.

5. We have been properly complying documentation requirement and other information in respect of different classes of clients depending on perceived risk and having regard with the requirement to the Prevention of Money Laundering Act 2002, guidelines issued by RBI and SEBI from time to time.

6. We have not been allowing any client to act on behalf of another person / entity.

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### **(b) Procedure for identifying the clients**

1. The ‘Know your Client’ (KYC) policy is clearly defined and adopted under the supervision of Principal Officer.

2. We have been identifying the clients by using reliable sources including documents / information.

3. We have seen each original document prior to acceptance of a copy. The information collected by us is enough to satisfy competent authorities (regulatory / enforcement authorities) in future that due diligence was observed by us in compliance with the Guidelines.

4. We sort out the clients of special category and update the same after detailed analysis of financial information furnished by the client and his trades involving higher volume on daily basis. We always ensure that in respect of these clients proper care is taken in respect of financial transactions. For monitoring the funds received by the respective clients we have proper system to get the thorough check by matching the bank details with the data base available with us. If there is any mismatch then we give the credit of the amount only when he updates the bank account details with us and same is updated in our data base also.

### **(c) Transaction monitoring and reporting especially Suspicious**

#### **Transactions Reporting**

1. We have been taking close surveillance, where transaction amounting to Rs. 10 Lacs or more.

2. We have not been allowing any cash transaction with client. Apart from this there is also proper system to generate, monitor and report the suspicious transaction report.

#### **1. Generation of STR**

We monitor the client’s transaction on daily basis for all the client and have adequate system to get STR files generated on weekly basis and we keep the log of the same for our records

## **2. Monitoring of STR**

Once we received the STR files we check and verify the details of each and every client with the records available with us in respect of bank account and volume of transactions by means of their financial capabilities.

For monitoring the funds received by the respective clients we have proper system to get the thorough check by matching the bank details with the data base available with us. If there is any mismatch then we give the credit of the amount only when he updates the bank account details with us and same is updated in our data base also. For monitoring the large volumes done by the clients we at the end of day scrutinize and analyze the volumes of each and every client with the help of trail balance of the particular trade date and assess his financial capabilities based on the financial information provided by them to us. If there is any discrepancy found then we call the client and take the reasons and source of funds for these trades for our satisfaction.

## **3. Reporting of STR**

As we verify the STR in detail and same is found not suspicious and hence 'NIL' record is kept by us and there is no need to report the same to FIU-India. The Principal Officer would act as a central reference point in facilitating onward reporting of suspicious transactions and for playing an active role in the identification and assessment of potentially suspicious transactions.

### **(d) Employees' Hiring/Employee's Training/ Investor Education** **Hiring of Employees**

There is proper system of screening procedures to ensure high standards when employees are hired for the position vacant with the organization. Especially the employees in the category of senior executive level and accounts head are selected who are highly competent to ensure and comply the provisions of PMLA Act, 2002 and rules made there under in true sense.

#### **Employees' Training**

We have policy for ongoing employee training programme so that the total staffs of our company completely aware of the provisions of AML and CFT procedures and amendments thereof. These training programs are totally focused for frontline staff, back office staff, compliance staff, risk management staff and staff dealing with new customers as it is very crucial that all those concerned fully understand the rationale behind these guidelines, obligations and requirements, implement them consistently and are sensitive to the risks of their systems being misused by unscrupulous elements, if there is any lapse on the part of any staffs of the company.

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### **Investors Education**

To implement AML/CFT provisions in true sense there is need to get certain information from investors which may be of personal nature or which has hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records etc. To satisfy the investors on these aspects so that they can easily provide the information to us we have made them aware of PMLA provisions by way of literature formulated by us for all the investors

### **(e) Other parameters**

#### **Retention of Records**

We have observed the following document retention:

- a. We have bound to maintain all necessary records, if any, on transactions, both domestic and international 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. We have also bound to kept records, if any, 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 for the same period. In situations where the records relate to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, they must be retained until it is confirmed that the case has been closed.

#### **Risk Categorization**

1. If daily transaction / debit of a client is less the 50,000/- . The client is termed as **Low Risk Client**.
2. If daily transaction /debit of a client is in between Rs. 1 Lakh to 5 Lakh. The client is Categorized as **Medium Risk Client**.
3. Any HNI client or client with transaction/Debit more than 5 Lakh and less than equal to 10 and having net worth are more than 1 crore is categorized in **Low Risk client**.

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#### **Review of PMLA Documents**

We do review of document annually for new PMLA policy or as and when major changes Suggested by SEBI.