

SW CAPITAL PRIVATE LIMITED

POLICIES AND PROCEDURES

THE PREVENTION OF MONEY LAUNDRING ACT, 2002

Introduction:

The Prevention of Money Laundering Act, 2002 (PMLA) was brought into force with effect from 1st July 2005. Necessary Notifications / Rules under the said Act were published in the Gazette of India on July 01, 2005. Subsequently, SEBI issued necessary guidelines vide circular no. ISD/CIR/RR/AML/1/06 dated January 18, 2006 and vide letter No. ISD/CIR/RR/AML/1/06 dated 20th March, 2006 to all securities market intermediaries as registered under Section 12 of the SEBI Act, 1992. These guidelines were issued in the context of the recommendations made by the Financial Action Task Force (FATF) on anti-money laundering standards. Compliance with these standards by all intermediaries and it has become imperative for all the countries for international financial relations. As per the provisions of the Prevention of Money Laundering Act, we, SW Capital Pvt. Ltd. (herein after referred as "SWCPL") 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. Such transactions include:

1. All cash transactions of the value of more than Rs 10 lakhs or its equivalent in foreign currency.
2. All series of cash transactions integrally connected to each other which have been valued below Rs. 10 lakhs or its equivalent in foreign currency where such series of transactions take place within one calendar month.
3. 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.

It may, however, be clarified that for the purpose of suspicious transactions reporting, apart from 'transactions integrally connected', 'transactions remotely connected or related' shall also be considered. In case there is a variance in CDD/AML standards prescribed by SEBI and the regulators of the host country, branches/overseas subsidiaries of intermediaries are required to adopt the more stringent requirements of the two.

The detailed procedure incorporating the manner of maintaining information and matters incidental thereto under the prevention of Money Laundering Act, 2002 were adopted by in 2006 and a policy made in this regard.

The Master circular issued on 19th December, 2008, consolidates all the requirements/obligations issued with regard to AML/CFT till December 15, 2008.

Further additional requirements In addition to the obligations contained in the Master Circular, dated 18th December, 2008 to be fulfilled or the clarifications with regard to existing requirements, following areas are more specifically ascertained to be cautious and a detailed policies in addition to the existing PMLA policies to be adopted/amended and intimation of such is to be sent to FIU-IND, New Delhi.

We have formulated/amended our policies with respect to followings areas and more particularly described as under:

A. CLIENT DUE DILIGENCE POLICY:

The CDD measures comprise the following:

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

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- (2) Verify the client's identity using reliable, independent source documents, data or information;
- (3) Identify beneficial ownership and control, i.e. determine which individual(s) ultimately own(s) or control(s) the client and/or the person on whose behalf a transaction is being conducted;

Identification of Beneficial Ownership:

1. For clients other than individuals or trusts:

- i) Where the client is a person *other than an individual or trust*, viz., company, partnership or unincorporated association/body of individuals, SWCPL shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the following information:
 - a. The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest.
Explanation: Controlling ownership interest means ownership of/entitlement to:
 - a. more than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
 - b. more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
 - c. more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.
 - ii) In cases where there exists doubt under clause 1 (i) above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the juridical person through other means.
Explanation: Control through other means can be exercised through voting rights, agreement, arrangements or in any other manner.
 - iii) Where no natural person is identified under clauses 1 (i) or 1 (ii) above, the identity of the relevant natural person who holds the position of senior managing official.

2. For client, which is a trust:

- i) Where the client is a *trust*, SWCPL shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

3. Exemption in case of listed companies:

- i) Where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

4. Applicability for foreign investors:

- i) In case of foreign investors' viz., Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors, may be guided by the clarifications issued vide SEBI circular CIR/MIRSD/11/2012 dated September 5, 2012, for the purpose of identification of beneficial ownership of the client.
- (4) Verify the identity of the beneficial owner of the client and/or the person on whose behalf a transaction is being conducted, corroborating the information provided in relation to (3);
 - (5) Understand the ownership and control structure of the client;
 - (6) 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

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consistent with the SWCPL's knowledge of the client, its business and risk profile, taking into account, where necessary, the client's source of funds; and

- (7) SWCPL shall periodically update all documents, data or information of all clients and beneficial owners collected under the CDD process.

a) Customer Acceptance Policy (CAP):

SWCPL will be in a better position to apply client due diligence on a risk sensitive basis depending on the type of client business relationship or transaction. In a nutshell, the following safeguards are to be followed while accepting the clients:

1. No account is opened in a fictitious / benami name or on an anonymous basis.
2. Factors of risk perception (in terms of monitoring suspicious transactions) of the client are clearly defined having regard to clients' location (registered office address, correspondence addresses and other addresses if applicable), nature of business activity, trading turnover etc. and manner of making payment for transactions undertaken. The parameters shall enable classification of clients into low, medium and high risk. Clients of special category (as given below) may, if necessary, be classified even higher. Such clients require higher degree of due diligence and regular update of Know Your Client (KYC) profile.
3. Documentation requirements and other information to be collected in respect of different classes of clients depending on the perceived risk and having regard to the requirements of Rule 9 of the PML Rules, Directives and Circulars issued by SEBI from time to time.
4. Ensure that an account is not opened where the intermediary is unable to apply appropriate CDD measures/ KYC policies. This shall apply in cases where it is not possible to ascertain the identity of the client, or the information provided to the intermediary is suspected to be non - genuine, or there is perceived non - co-operation of the client in providing full and complete information. The market intermediary shall not continue to do business with such a person and file a suspicious activity report. It shall also evaluate whether there is suspicious trading in determining whether to freeze or close the account. The market intermediary shall be cautious to ensure that it does not return securities of money that may be from suspicious trades. However, the market intermediary shall consult the relevant authorities in determining what action it shall take when it suspects suspicious trading.
5. The circumstances under which the client is permitted to act on behalf of another person / entity shall be clearly laid down. It shall be specified in what manner the account shall be operated, transaction limits for the operation, additional authority required for transactions exceeding a specified quantity/value and other appropriate details. Further the rights and responsibilities of both the persons i.e. the agent- client registered with the intermediary, as well as the person on whose behalf the agent is acting shall be clearly laid down. Adequate verification of a person's authority to act on behalf of the client shall also be carried out.
6. Necessary checks and balance to be put into place before opening an account so as to ensure that the identity of the client does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide.
7. The CDD process shall necessarily be revisited when there are suspicions of money laundering or financing of terrorism (ML/FT).

B. RISK-BASED APPROACH:

It is generally recognized that certain clients may be of a higher or lower risk category depending on the circumstances such as the client's background, type of business relationship or transaction etc. As such, SWCPL shall apply each of the clients due diligence measures on a risk sensitive basis. The basic principle enshrined in this

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approach is that SWCPL shall carry out enhanced client due diligence process for higher risk categories of clients. On other hand, a simplified client due diligence process may be adopted for lower risk categories of clients. In line with the risk-based approach, the type and amount of identification information and documents that registered intermediaries shall obtain necessarily depend on the risk category of a particular client.

Risk Assessment:

- a. SWCPL shall carry out risk assessment to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk with respect to its clients, countries or geographical areas, nature and volume of transactions, payment methods used by clients, etc. The risk assessment shall also take into account any country specific information that is circulated by the Government of India and SEBI from time to time, as well as, the updated list of individuals and entities who are subjected to sanction measures as required under the various United Nations' Security Council Resolutions (these can be accessed at the URL - http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml and <http://www.un.org/sc/committees/1988/list.shtml>)
- b. The risk assessment carried out shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. The assessment shall be documented, updated regularly and made available to competent authorities and self-regulating bodies, as and when required.
- i. Low Risk customer: individuals (other than High Net Worth) and entities whose identities and sources of wealth can be easily identified and transactions by whom by and large conform to the known profile may be categorised as low risk.
- ii. Medium Risk Customer : Customers that are likely to pose a higher than average risk should be categorised 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.
- iii. High Risk Customer: Customer of special category clients, Politically exposed clients, those clients who have been debarred by Regulatory Authority and further the debarred period expires or revoked by the regulatory authority, those clients who's transactions are not in parity of their financial recorded with SWCPL and the client is unable to explain his/her/its source of funds for his/her/its transactions etc.
- iv. Clients of special category (CSC): Such clients shall include the following:
 - a. Non - resident clients
 - b. High net-worth clients,
 - c. Trust, Charities, Non-Governmental Organizations (NGOs)and organizations receiving donations
 - d. Companies having close family shareholdings or beneficial ownership
 - e. Politically Exposed Persons (PEP) are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. The additional norms applicable to PEP as contained in the subsequent point shall also be applied to the accounts of the family members or close relatives of PEPs.
 - f. Companies offering foreign exchange offerings
 - g. 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

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international terrorism, offshore financial centers, tax havens, countries where fraud is highly prevalent. While dealing with clients in high risk countries where the existence/effectiveness of money laundering control is suspect, intermediaries apart from being guided by the Financial Action Task Force (FATF) statements that identify countries that do not or insufficiently apply the FATF Recommendations, published by the FATF on its website (www.fatf-gafi.org), shall also independently access and consider other publicly available information.

- h. Non face to face clients
- i. Clients with dubious reputation as per public information available etc.

The above mentioned list is only illustrative and the intermediary shall exercise independent judgment to ascertain whether any other set of clients shall be classified as CSC or not.

C. CUSTOMER IDENTIFICATION PROCEDURE (CIP):

The policy approved by the Management Committee of SWCPL clearly spells out the Customer Identification Procedure to be carried out at different stages i.e.

SWCPL shall be in compliance with the following requirements while putting in place a Client Identification Procedure (CIP):

1. SWCPL shall proactively put in place appropriate risk management systems to determine whether their client or potential client or the beneficial owner of such client is a politically exposed person. Such procedures shall include seeking relevant information from the client, referring to publicly available information or accessing the commercial electronic databases of PEPS. Further, the enhanced CDD measures as outlined shall also be applicable where the beneficial owner of a client is a PEP.
2. SWCPL is required to obtain senior management approval for establishing business relationships with PEPs. Where a client has been accepted and the client or beneficial owner is subsequently found to be, or subsequently becomes a PEP, SWCPL shall obtain senior management approval to continue the business relationship.
3. SWCPL shall also take reasonable measures to verify the sources of funds as well as the wealth of clients and beneficial owners identified as PEP.
4. The client shall be identified by SWCPL by using reliable sources including documents / information. SWCPL shall obtain adequate information to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship.
5. The information must be adequate enough to satisfy competent authorities (regulatory / enforcement authorities) in future that due diligence was observed by the Company in compliance with the directives. Each original document shall be seen prior to acceptance of a copy.
6. Failure by prospective client to provide satisfactory evidence of identity shall be noted and reported to the higher authority within the Company.

SEBI has prescribed the minimum requirements relating to KYC and taking into account the basic principles enshrined in the KYC norms which have already been prescribed or which may be prescribed by SEBI from time to time, SWCPL shall frame their own internal directives based on their experience in dealing with their clients and legal requirements as per the established practices.

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Further, SWCPL shall conduct ongoing due diligence where it notices inconsistencies in the information provided. The underlying objective shall be to follow the requirements enshrined in the PMLA, SEBI Act and Regulations, directives and circulars issued thereunder so that the Company is aware of the clients on whose behalf it is dealing.

SWCPL shall formulate and implement a CIP which shall incorporate the requirements of the PML Rules Notification No. 9/2005 dated July 01, 2005 (as amended from time to time), which notifies rules for maintenance of records of the nature and value of transactions, the procedure and manner of maintaining and time for furnishing of information and verification of records of the identity of the clients of the banking companies, financial institutions and intermediaries of securities market and such other additional requirements that it considers appropriate to enable it to determine the true identity of its clients.

It may be noted that irrespective of the amount of investment made by clients, no minimum threshold or exemption is available from obtaining the minimum information/documents from clients as stipulated in the PML Rules/ SEBI Circulars (as amended from time to time) regarding the verification of the records of the identity of clients. Further no exemption from carrying out CDD exists in respect of any category of clients. In other words, there shall be no minimum investment threshold/ category-wise exemption available for carrying out CDD measures by SWCPL.

Reliance on third party for carrying out Client Due Diligence (CDD):

SWCPL may rely on a third party for the purpose of

- a) identification and verification of the identity of a client and
- b) Determination of whether the client is acting on behalf of a beneficial owner, identification of the beneficial owner and verification of the identity of the beneficial owner. Such third party shall be regulated, supervised or monitored for, and have measures in place for compliance with CDD and record-keeping requirements in line with the obligations under the PML Act.

Such reliance shall be subject to the conditions that are specified in Rule 9 (2) of the PML Rules and shall be in accordance with the regulations and circulars/ guidelines issued by SEBI from time to time. Further, SWCPL shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable.

Customer Identification Requirements – Indicative Checklist of Special Categories of Clients inter alia, includes following:

a. Transactions by Trust/Nominee or Fiduciary Customers

There exists the possibility that trust/nominee or fiduciary relationship can be used to circumvent the customer identification procedures. It is to be verified and determine whether the customer is acting on behalf of another person as trustee/nominee or any other intermediary. If so, insist on receipt of satisfactory document of identity of the intermediaries and of the persons on whose behalf they are acting, as also obtain details of the nature of the trust or other arrangements in place. While undertaking a transaction for a trust, we have to take reasonable precautions to verify the identity of the trustees and the settlers of trust (including any person settling assets into the trust), grantors, protectors, beneficiaries and signatories. In all

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cases beneficiaries should be identified with reference to necessary documents. In the case of a 'foundation', steps should be taken to verify the founder managers/ directors and the beneficiaries.

b. Transactions by companies and firms

SWCPL is to be vigilant against business entities being used by individuals as a 'front' for undertaking transactions with SWCPL. We should examine the control structure of the entity, determine the source of funds and identify the natural persons who have a controlling interest and who comprise the management. These requirements may be moderated according to the risk perception e.g. in the case of a company that is listed on a recognized stock exchange, it will not be necessary to identify all the shareholders.

c. Transactions by Politically Exposed Persons (PEPs)

Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. We should gather sufficient information on any person/customer of this category intending to undertake a transaction or establish a business relationship and check all the information available on the person in the public domain. We should verify the identity of the person and seek information about the source of wealth and source of funds before accepting the PEP as a customer. The decision to undertake a transaction with a PEP should be taken at a senior management level which is clearly spelt out in Customer Acceptance Policy. It should also subject to such conditions to enhanced monitoring on an ongoing basis.

The above norms may also be applied to transactions with the family members or close relatives of PEPs.

The above norms may also be applied to customers who become PEPs subsequent to establishment of the business relationship.

On receipt of information that a customer subsequently becomes PEP after a business relationship has already been established, enhanced CDD should be performed on such customers and decision to continue business relationship with the PEP should be taken at a sufficiently higher management level.

Customer Identification Requirements – Indicative Checklist of Compilation.

- i. Some close relatives, e.g. wife, son, daughter and parents, etc. who live with their husband, father/mother and son, as the case may be, may find it difficult to undertake transactions with SWCPL as the utility bills required for address verification are not in their name. Therefore, it is clarified that in such cases, we can obtain an identity document and a utility bill of the relative with whom the prospective customer is living along with a declaration from the relative that the said person (prospective customer) wanting to undertake a transaction is a relative and is staying with him/her. We can use any supplementary evidence such as a letter received through post for further verification of the address. While issuing operational instructions to the branches on the subject, we should keep in mind the spirit of instructions issued by the Exchange and other relevant authorities and avoid undue hardships to individuals who are, otherwise, classified as low risk customers.

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- ii. We also should introduce a system of periodic updation of customer identification data (including photograph/s) if there is a continuing business relationship.
- iii. An indicative list of the nature and type of documents/information that may be relied upon for customer identification is given below. It is further clarified that correct permanent address, as referred to in below means the address at which a person usually resides and can be taken as the address as mentioned in a utility bill or any other document accepted by the SWCPL for verification of the address of the customer.

Features	Documents
<p><i>Transactions with individuals</i></p> <p>- <i>Legal name and any other names used</i></p> <p>- <i>Correct permanent address</i></p>	<p>(i) Passport (ii) PAN card (iii) Voter's Identity Card (iv) Driving licence (v) Identity card (vi) Aadhar Card</p> <p>(subject to the members satisfaction)</p> <p>(i) Telephone bill (ii) Bank account statement (iii) Voter's Identity Card (iv) Electricity bill (v) Ration card (vi) Letter from employer (subject to satisfaction of the member) (vii) Driving licence (viii) Aadhar Card.</p> <p>(any one of the documents, which provides customer information to the satisfaction of the SWCPL will suffice).</p>
<p><i>Establishment of business relationship- corporates</i></p> <p>- <i>Name of the corporate</i></p> <p>- <i>Principal place of business</i></p> <p>- <i>Mailing address of the corporate</i></p> <p>- <i>Telephone/Fax Number</i></p>	<p>Certified copy each of the following documents.</p> <p>(i) Certificate of incorporation (ii) Memorandum & Articles of Association (iii) Resolution of the Board of Directors for undertaking transactions with the SWCPL (iv) Power of attorney granted to its managers, officers or employees to conduct transactions on behalf of the corporate and their identification. (v) PAN Card (vi) Form-18/INC-22 /Telephone Bill</p>
<p><i>Establishment of business relationship- partnership firms</i></p> <p>- <i>Legal name</i></p> <p>- <i>Address</i></p>	<p>One certified copy each of the following:</p> <p>(i) Registration certificate, if registered (ii) Partnership deed</p>

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<p>-Names of all partners and their addresses</p> <p>-Telephone/ Fax numbers of the firm and partners</p>	<p>(iii) Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf</p> <p>(iv) Any officially valid document identifying the partners and the persons holding the Power of Attorney, their addresses and their signatures.</p> <p>(v) Telephone bill in the name of firm/ partners</p> <p>(vi) Pan card of partners.</p>
<p>Establishment of business relationship- trusts and foundations</p> <p>-Names of trustees, settlers, beneficiaries and signatories</p> <p>-Names and addresses of the founder, the managers/directors and the beneficiaries</p> <p>-Telephone/ Fax numbers</p>	<p>One certified copy of each of the following :</p> <p>(i) Registration certificate, if registered</p> <p>(ii) Power of Attorney granted to transact business on its behalf</p> <p>(iii) Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney, founders/ managers/ directors and their addresses</p> <p>(iv) Resolution of the managing body of the foundation/ association</p> <p>(v) Telephone bill</p>

Additional checks at the time of account opening / account modifications:

1. In case of corporate clients, we shall validate and confirm the CIN, registered address and directors of the corporate, as provided in the KYC form with the information freely accessible on the Government portals such as MCA (Ministry of Corporate Affairs) before opening the account.
2. Similarly at the time of intimation by the corporate entity regarding change in directors or address, similar verification will be done by the account opening team with details on MCA / ROC portals before effecting such changes.
3. In case no satisfactory explanation of the discrepancy is obtained and the discrepancy is not resolved and it is felt that there are suspicious reasons for the same, the matter along with reasons for suspicion should be brought to the notice of the principal Officer (FIU) and principal Officer shall file an STR with FIU regarding such account.
4. In case of accounts of partnership firms, account opening team shall check the Partnership Deed of the entity to ensure no HUF is a partner in the firm. In case an HUF is a partner in the firm, the account shall not be opened.
5. In case of accounts of LLPs, accounts opening team shall check the Deed of the LLP and the list of partners of the LLP to ensure no HUF is a partner. In case an HUF is a partner in the LLP, the account shall not be opened. (Ref. MCA Circular dated 29.07.2013)

General Guidelines to Relation Managers and persons involved in client acquisition and registration

- Always check original documents before accepting the copies
- Obtain the latest photograph of account holder/ authorized person(s)
- Check for latest IT return of the client/ Net worth Certificate for ascertaining the financial status of the client to know the client suitability of the product being sold to the client

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- *Review the above details on- going basis to ensure that the transactions being conducted are consistent with our knowledge of customers, its business and risk profile, taking into account, where necessary, the customer's source of funds.*
- *Scrutinize the forms submitted by the client thoroughly and cross- check the details with various documents obtained like source of Income .If required, ask for any additional details like salary slips, etc. to satisfy yourself whenever there is a doubt.*
- *For scrutiny / background check of the clients, websites such as www.watchoutinvestors.com should be referred. Also, Prosecution Database / List of Vanishing Companies available on www.sebi.gov.in and RBI Defaulters Database available on www.cibil.com can be checked.*
- *Keep watch on the welcome kits returned with reason - undelivered Business Head Should be alerted, client be contacted immediately on telephone and the trading, if suspected, should be suspended*
- *Employee of SWCPL should not preferably sign as witness on the CRF*
- *If Employee of SWCPL introduces the client, exact relation of the client with such employee should be documented.*
- *The RM / Dealer / BM should meet the client in person at least once before opening the accounts at the address given by the client. In the process he may reasonably verify the living standards, source of income, financial status, etc. of the client and ensure that the details mentioned in the CRF (Client Registration Form) matches with the actual status.*
- *If the client is a 'walk-in client', then the concerned branch official should make independent verification about the background, identity and financial worthiness of the client.*
- *All mandatory proofs of identity, address and financial status of the client must be collected as prescribed by the regulatory authorities, from time to time. The proofs so collected should be verified with the originals. If the prospective client is refusing to provide any information do not forward his/ her account opening form to Ho.*
- *In person verification should be done only by authorized employees or registered Authorized Persons / Sub broker for their client where ever applicable*
- *The Concerned regional head or branch head has to be completely satisfied about the background, genuineness and financial status of the client before recommending for opening the account, if required, the regional head or branch head may seek additional information/ documents from the client.*
- *If the account is to be handled by a POA /authorized representative then find out what is the relationship between the client and the POA/authorized representative, establish the identity and background of the client and the POA/ authorized representative.*
- *In case of a corporate account, the branch officials should ensure that the authorized person has got the required mandate by way of Board Resolution. Also, the identity and background of the authorized person has to be established by obtaining the additional documents if required*

D. RECORD KEEPING:

1. SWCPL shall ensure compliance with the record keeping requirements contained in the SEBI Act, 1992, Rules and Regulations made there-under, PMLA as well as other relevant legislation, Rules, Regulations, Exchange Bye-laws and Circulars.
2. SWCPL shall maintain such records as are sufficient to permit reconstruction of individual transactions (including the amounts and types of currencies involved, if any) so as to provide, if necessary, evidence for prosecution of criminal behavior.
3. Shall 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 a financial profile of the

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suspect account. To enable this reconstruction, SWCPL shall retain the following information for the accounts of their clients 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:
 - the origin of the funds;
 - the form in which the funds were offered or withdrawn, e.g. cheques, demand drafts etc.
 - the identity of the person undertaking the transaction;
 - the destination of the funds;
 - the form of instruction and authority.
4. SWCPL shall ensure that all client and transaction records and information are available on a timely basis to the competent investigating authorities. Where required by the investigating authority, they shall retain certain records, e.g. client identification, account files, and business correspondence, for periods which may exceed those required under the SEBI Act, Rules and Regulations framed there-under PMLA, other relevant legislations, Rules and Regulations or Exchange bye-laws or circulars.
5. More specifically, SWCPL shall put in place a system of maintaining proper record of transactions prescribed under Rule 3 of PML Rules as mentioned below:
- a. all cash transactions of the value of more than ten lakh rupees or its equivalent in foreign currency;
 - b. all series of cash transactions integrally connected to each other which have been individually valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds an amount of ten lakh rupees or its equivalent in foreign currency;
 - c. all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or a document has taken place facilitating the transactions;
 - d. All suspicious transactions, whether or not made in cash and by way of as mentioned in the Rules.

Information to be maintained:

SWCPL shall maintain and preserve the following information in respect of transactions referred to in Rule 3 of PML Rules:

1. the nature of the transactions;
2. the amount of the transaction and the currency in which it is denominated;
3. the date on which the transaction was conducted; and
4. the parties to the transaction.

E. RETENTION OF RECORDS:

1. SWCPL shall take appropriate steps to evolve an internal mechanism for proper maintenance and preservation of such records and information in a manner that allows easy and quick retrieval of data as and when requested by the competent authorities. Further, the records mentioned in Rule 3 of PML Rules have to be maintained and preserved for a period of five years from the date of transactions between the client and intermediary.
2. As stated above, SWCPL shall formulate and implement the CIP containing the requirements as laid down in Rule 9 of the PML Rules and such other additional requirements that it considers appropriate. Records evidencing the identity of its clients and beneficial owners as well as account files and business

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correspondence shall be maintained and preserved for a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later.

3. Thus the following document retention terms shall be observed: (a) All necessary records on transactions, both domestic and international, shall be maintained at least for the minimum period(Five Year) prescribed under the relevant Act and Rules (PMLA and rules framed thereunder as well SEBI Act) and other legislations, Regulations or exchange bye-laws or circulars. (b) SWCPL shall maintain and preserve the records of documents evidencing the identity of its clients and beneficial owners (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents) as well as account files and business correspondence for a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later.
4. In situations where the records relate to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, they shall be retained until it is confirmed that the case has been closed.
5. Records of information reported to the Director, Financial Intelligence Unit – India (FIU – IND): SWCPL shall maintain and preserve the records of information related to transactions, whether attempted or executed, which are reported to the Director, FIU – IND, as required under Rules 7 and 8 of the PML Rules, for a period of five years from the date of the transaction between the client and the intermediary.

F. MONITORING OF TRANSACTIONS:

1. Regular monitoring of transactions is vital for ensuring effectiveness of the AML procedures. This is possible only if SWCPL has an understanding of the normal activity of the client so that it can identify deviations in transactions / activities.
2. SWCPL shall pay special attention to all complex, unusually large transactions / patterns which appear to have no economic purpose. SWCPL may specify internal threshold limits for each class of client accounts and pay special attention to transactions which exceeds these limits. The background, including all documents/office records /memorandums/clarifications sought pertaining to such transactions and purpose thereof shall also be examined carefully and findings shall be recorded in writing. Further, such findings, records and related documents shall be made available to auditors and also to SEBI/stock exchanges/FIUIND/other relevant Authorities, during audit, inspection or as and when required. These records are required to be maintained and preserved for a period of five years from the date of transaction between the client and intermediary.
3. SWCPL shall ensure a record of the transactions is preserved and maintained in terms of Section 12 of the PMLA and that transaction of a suspicious nature or any other transactions notified under Section 12 of the Act are reported to the Director, FIU-IND. Suspicious transactions shall also be regularly reported to the higher authorities within the intermediary.
4. Further, SWCPL shall randomly examine a selection of transactions undertaken by clients to comment on their nature, i.e. whether they are in the nature of suspicious transactions or not.

G. SUSPICIOUS TRANSACTION MONITORING AND REPORTING:

1. SWCPL shall ensure that appropriate steps are taken to enable suspicious transactions to be recognized and have appropriate procedures for reporting suspicious transactions. While determining suspicious transactions, SWCPL shall be guided by the definition of a suspicious transaction contained in PML Rules as amended from time to time.
2. A list of circumstances which may be in the nature of suspicious transactions is given below. This list is only illustrative and whether a particular transaction is suspicious or not will depend upon the background, details of the transactions and other facts and circumstances:

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- a. Clients whose identity verification seems difficult or clients that appear not to cooperate
 - b. Asset management services for clients where the source of the funds is not clear or not in keeping with clients' apparent standing /business activity;
 - c. Clients based in high risk jurisdictions;
 - d. Substantial increases in business without apparent cause;
 - e. Clients transferring large sums of money to or from overseas locations with instructions for payment in cash;
 - f. Attempted transfer of investment proceeds to apparently unrelated third parties;
 - g. Unusual transactions by CSCs and businesses undertaken by offshore banks/financial services, businesses reported to be in the nature of export- import of small items.
3. Any suspicious transaction shall be immediately notified to the Money Laundering Control Officer or any other designated officer within the intermediary. The notification may be done in the form of a detailed report with specific reference to the clients, transactions and the nature /reason of suspicion. However, it shall be ensured that there is continuity in dealing with the client as normal until told otherwise and the client shall not be told of the report/ 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 transaction, or other action taken. The Principal Officer/ Money Laundering Control Officer and other appropriate compliance, risk management and related staff members shall have timely access to client identification data and CDD information, transaction records and other relevant information.
4. It is likely that in some cases transactions are abandoned or aborted by clients on being asked to give some details or to provide documents. It is clarified that SWCPL shall report all such attempted transactions in STRs, even if not completed by clients, irrespective of the amount of the transaction.
5. As per circular the clause categorizes clients of high risk countries, including countries where existence and effectiveness of money laundering controls is suspect or which do not or insufficiently apply FATF standards, as 'CSC'. Such clients shall also be subject to appropriate counter measures. These measures may include a further enhanced scrutiny of transactions, enhanced relevant reporting mechanisms or systematic reporting of financial transactions, and applying enhanced due diligence while expanding business relationships with the identified country or persons in that country etc.

Criteria for Ascertaining Suspicious Transactons

- Surveillance / RMS Alerts based on the client's transactions on BSE /NSE/CDSL
- Unusually large transactions like, clients having traded in scrip / shares of a company over a threshold quantity / value in as single day and volume in that scrip of that client is above a threshold percentage of the total volume in that scrip of the Exchange.
- Negotiated trades / matched trades.
- Client's Turnover not commensurate with financials.
- Relation of the client with the company / directors / promoters.
- Clients making huge and regular losses and still placing trades /orders and further identifying the Sources of funds in such cases.
- Large volume in proprietary account of Sub broker / Affiliates.
- Alerts generated by CDSL based on transactions in Depository Accounts Debit and Credit transactons due to Off market or Inter –Depository transfers,above a threshold quantity,in an ISIN, in single transaction or series of transactions threshold quantity / value ,in an ISIN in a single transaction or a series of transactions exeuted during the fortnight.

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- Details of debit and credit transactions above a threshold quantity / value, whichever is smaller in an ISIN, which exceed a threshold multiple of the average size of the transaction calculated for the previous months transactions.
- Details of Off market transactions (within CDSL or Inter Depository) where there are more than a threshold number of transactions in an account, for the past fortnight.
- Any debit transaction in a dormant account for exceeding a threshold quantity / value, whichever is smaller, will be reported as an alert. An account having no 'Debit' transaction in the last 'n' months will be considered as 'Dormant' account for this purpose.

H. LIST OF DESIGNATED INDIVIDUALS/ ENTITIES:

An updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services, etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) can be accessed at its website at <http://www.un.org/sc/committees/1267/consolist.shtml>. SWCPL shall ensure that accounts are not opened in the name of anyone whose name appears in said list. SWCPL shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list. Full details of accounts bearing resemblance with any of the individuals/entities in the list shall immediately be intimated to SEBI and FIU-IND.

I. 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 27, 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, or 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.

SWCPL shall ensure effective and expeditious implementation of the procedure laid down in the UAPA Order dated August 27, 2009 as listed below:

1. On receipt of the updated list of individuals/ entities subject to UN sanction measures (hereinafter referred to as 'list of designated individuals/ entities) from the Ministry of External Affairs (MHA)'; SEBI will forward the same to stock exchanges, depositories and registered intermediaries for the following purposes:
 - a. To 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 (referred to as designated individuals/entities) are holding any funds, financial assets or economic resources or related services held in the form of securities with them.
 - b. In the event, particulars of any of customer/s match the particulars of designated individuals/entities, SWCPL shall immediately, not later than 24 hours from the time of finding out such customer, inform full

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particulars of the funds, financial assets or economic resources or related services held in the form of securities, 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 through e-mail at jsis@nic.in.

- c. SWCPL shall send the particulars of the communication mentioned in (b) above through post/fax and through e-mail (sebi_uapa@sebi.gov.in) to the UAPA nodal officer of SEBI, Officer on Special Duty, Integrated Surveillance Department, Securities and Exchange Board of India, SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 as well as the UAPA nodal officer of the state/UT where the account is held, as the case may be, and to FIU-IND.
 - d. In case the aforementioned details of any of the customers match the particulars of designated individuals/entities beyond doubt, SWCPL would prevent designated persons from conducting financial transactions, under intimation to 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 through e-mail at jsis@nic.in.
 - e. SWCPL shall also file a Suspicious Transaction Report (STR) with FIU-IND covering all transactions in the accounts covered above carried through or attempted, as per the prescribed format.
2. On receipt of the particulars as mentioned above, IS-I Division of MHA would cause a verification to be conducted by the State Police and /or the Central Agencies so as to ensure that the individuals/ entities identified by SWCPL are the ones listed as designated individuals/entities and the funds, financial assets or economic resources or related services, reported by SWCPL are held by the designated individuals/entities. This verification would be completed within a period not exceeding 5 working days from the date of receipt of such particulars.
 3. In case, the results of the verification indicate that the properties are owned by or held for the benefit of the designated individuals/entities, an order to freeze these assets under section 51A of the UAPA would be issued within 24 hours of such verification and conveyed electronically to the concerned depository under intimation to SEBI and FIU-IND. The order shall take place without prior notice to the designated individuals/entities.
 4. Implementation of requests received from foreign countries under U.N. Securities Council Resolution 1373 of 2001.
 - a. U.N. Security Council Resolution 1373 obligates countries to freeze without delay the funds or other assets of persons who commit, or attempt to commit, terrorist acts or participate in or facilitate the commission of terrorist acts; of entities or controlled directly or indirectly by such persons; and of persons and entities acting on behalf of, or at the direction of such persons and entities, including funds or other assets derived or generated from property owned or controlled, directly or indirectly, by such persons and associated persons and entities.
 - b. To give effect to the requests of foreign countries under U.N. Security Council Resolution 1373, the Ministry of External Affairs shall examine the requests made by the foreign countries and forward it electronically, with their comments, to the UAPA nodal officer for IS-I Division for freezing of funds or other assets.
 - c. The UAPA nodal officer of IS-I Division of MHA, shall cause the request to be examined, within five working days so as to satisfy itself that on the basis of applicable legal principles, the requested designation is supported by reasonable grounds, or a reasonable basis, to suspect or believe that the proposed designee is a terrorist, one who finances terrorism or a terrorist organization, and upon his satisfaction, request would be electronically forwarded to the nodal officer in SEBI. The proposed designee, as mentioned above would be treated as designated individuals/entities.
 - d. Upon receipt of the requests from the UAPA nodal officer of IS-I Division, the list would be forwarded to stock exchanges, depositories and intermediaries and the procedure as enumerated above shall be followed.
 - e. The freezing orders shall take place without prior notice to the designated persons involved.

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5. Procedure for unfreezing of funds, financial assets or economic resources or related services of individuals/entities inadvertently affected by the freezing mechanism upon verification that the person or entity is not a designated person
 - a. Any individual or entity, if it has evidence to prove that the freezing of funds, financial assets or economic resources or related services, owned/held by them has been inadvertently frozen, shall move an application giving the requisite evidence, in writing, to the concerned stock exchanges/depositories and registered intermediaries. The stock exchanges/depositories and registered intermediaries shall inform and forward a copy of the application together with full details of the asset frozen given by any individual or entity informing of the funds, financial assets or economic resources or related services have been frozen inadvertently, to the nodal officer of IS-I Division of MHA as per the contact details given above within two working days. The Joint Secretary (IS-I), MHA, being the nodal officer for (IS-I) Division of MHA, shall cause such verification as may be required on the basis of the evidence furnished by the individual/entity and if he is satisfied, he shall pass an order, within fifteen working days, unfreezing the funds, financial assets or economic resources or related services, owned/held by such applicant under intimation to the concerned stock exchanges, depositories and registered intermediaries. However, if it is not possible for any reason to pass an order unfreezing the assets within fifteen working days, the nodal officer of IS-I Division shall inform the applicant.
6. Communication of Orders under section 51A of Unlawful Activities (Prevention) Act.
 - a. All Orders under section 51A of the UAPA relating to funds, financial assets or economic resources or related services, would be communicated to stock exchanges, depositories and intermediaries through SEBI.

J. REPORTING TO FINANCIAL INTELLIGENCE UNIT-INDIA:

1. In terms of the PML Rules, SWCPL shall report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND) at the following address:

**Director, FIU-IND,
Financial Intelligence Unit-India,
6th Floor, Hotel Samrat,
Chanakyapuri,
New Delhi-110021.**

Website: <http://fiuindia.gov.in>

2. SWCPL shall carefully go through all the reporting requirements and formats that are available on the website of FIU – IND under the Section Obligation of Reporting Entity – Furnishing Information – Reporting Format (https://fiuindia.gov.in/files/downloads/Filing_Information.html). SWCPL shall adhere to the following:
 - a. The Suspicious Transaction Report (STR) shall be submitted within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, or a series of transactions integrally connected are of a suspicious nature. The Principal Officer shall record his reasons for treating any transaction or a series of transactions as suspicious. It shall be ensured that there is no undue delay in arriving at such a conclusion.
 - b. The Principal Officer will be responsible for timely submission of STR to FIU-IND;
 - c. Utmost confidentiality shall be maintained in filing of STR to FIU-IND.
 - d. No nil reporting needs to be made to FIU-IND in case there are no suspicious transactions to be reported.

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3. SWCPL shall not put any restrictions on operations in the accounts where an STR has been made. A Company and their directors, officers and employees (permanent and temporary) shall be prohibited from disclosing (“tipping off”) the fact that a STR or related information is being reported or provided to the FIU-IND. This prohibition on tipping off extends not only to the filing of the STR and/ or related information but even before, during and after the submission of an STR. Thus, it shall be ensured that there is no tipping off to the client at any level.
SWCPL, irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences specified in part B of Schedule of PMLA, 2002, shall file STR if they have reasonable grounds to believe that the transactions involve proceeds of crime.

K. DESIGNATION OF OFFICERS FOR ENSURING COMPLIANCE WITH THE PROVISIONS OF PMLA:

1. Appointment of a Principal Officer:

SWCPL shall ensure that it will discharge their legal obligations to report suspicious transactions to the authorities, 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 and shall have access to and be able to report to senior management at the next reporting level or the Board of Directors. Names, designation and addresses (including email addresses) of ‘Principal Officer’ including any changes therein shall also be intimated to the Office of the Director-FIU. As a matter of principle, it is advisable that the ‘Principal Officer’ is of a sufficiently senior position and is able to discharge the functions with independence and authority.

We have appointed Ms. Reema Shah as Principle officer; he can be contacted at compliance@swcapital.com or 022-42687474-Ext.431.

2. Appointment of a Designated Director:

In addition to the existing requirement of designation of a Principal Officer, SWCPL shall also designate a person as a 'Designated Director'. In terms of Rule 2 (ba) of the PML Rules, the definition of a Designated Director reads as under:

“Designated director means a person designated by the reporting entity to ensure overall compliance with the obligations imposed under chapter IV of the Act and the Rules and includes:

- a. the Managing Director or a Whole-Time Director duly authorized by the Board of Directors if the reporting entity is a company,
- b. the managing partner if the reporting entity is a partnership firm,
- c. the proprietor if the reporting entity is a proprietorship firm,
- d. the managing trustee if the reporting entity is a trust,
- e. a person or individual, as the case may be, who controls and manages the affairs of the reporting entity if the reporting entity is an unincorporated association or a body of individuals, and
- f. such other person or class of persons as may be notified by the Government if the reporting entity does not fall in any of the categories above.”

SWCPL have appointed Mr. Amit Pitale as Designated Director and have communicated the details of the Designated Director to the Office of the Director, FIU – IND.

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L. EMPLOYEES' HIRING/EMPLOYEE'S TRAINING/ INVESTOR EDUCATION:

1. Hiring of Employees:

SWCPL shall have adequate screening procedures in place to ensure high standards when hiring employees. They shall identify the key positions within their own organization structures having regard to the risk of money laundering and terrorist financing and the size of their business and ensure the employees taking up such key positions are suitable and competent to perform their duties.

2. Employees' Training:

SWCPL have an ongoing employee training programme so that the members of the staff are adequately trained in AML and CFT procedures. It have specific focuses for 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.

3. Investors Education:

SWCPL shall demand certain information from investors which may be of personal nature or has hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records, etc. This 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 intermediaries to sensitize their clients about these requirements as the ones emanating from AML and CFT framework. Intermediaries shall prepare specific literature/pamphlets etc. so as to educate the client of the objectives of the AML/CFT programme.

As per the 2015 amendment to PML (Maintenance of Records) Rules, 2005 (the rules), every reporting entity shall capture the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the Rules, as per the KYC template for 'individuals' finalised by CERSAI. Accordingly, the KYC template finalised by CERSAI shall be used by the registered intermediaries as Part I of AOF for individuals. The KYC template for "individuals" and the "Central KYC Registry Operating Guidelines 2016" for uploading KYC records on CKYCR finalised by CERSAI In this regard, it is clarified that the requirement for Permanent Account Number (PAN) would continue to be mandatory for completing the KYC process.

Pursuant to the amendments to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, the Reporting Entity has to compulsorily collect the Aadhaar Numbers of the clients as per following rules laid down by the Ministry of Finance namely:—

In rule 9, for sub-rule (4) to sub-rule (9), the following sub-rules shall be applicable, namely:—

(4) Where the client is an individual, who is eligible to be enrolled for an Aadhaar number, he shall for the purpose of sub-rule (1) submit to the reporting entity,—

(a) the Aadhaar number issued by the Unique Identification Authority of India; and

(b) the Permanent Account Number or Form No. 60 as defined in Income-tax Rules, 1962, and such other documents including in respect of the nature of business and financial status of the client as may be required by the reporting entity:

Provided that where an Aadhaar number has not been assigned to a client, the client shall furnish proof of application of enrolment for Aadhaar and in case the Permanent Account Number is not submitted, one certified copy of an 'officially valid document' shall be submitted.

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Provided further that photograph need not be submitted by a client falling under clause (b) of sub-rule (1).

(4A) Where the client is an individual, who is not eligible to be enrolled for an Aadhaar number, he shall for the purpose of sub-rule (1), submit to the reporting entity, the Permanent Account Number or Form No. 60 as defined in the Income-tax Rules, 1962:

Provided that if the client does not submit the Permanent Account Number, he shall submit one certified copy of an 'officially valid document' containing details of his identity and address, one recent photograph and such other documents including in respect of the nature or business and financial status of the client as may be required by the reporting entity.

Provided that if the client is not eligible to be enrolled for the Aadhaar number, the identity of a client shall be established through the production of an officially valid document.

(6) Where the client is a company, it shall for the purposes of sub-rule (1), submit to the reporting entity the certified copies of the following documents:—

- (i) Certificate of Incorporation;
- (ii) Memorandum and Articles of Association;
- (iii) A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf;
- (iv) (a) Aadhaar numbers; and
(b) Permanent Account Numbers or Form 60 as defined in the Income-tax Rules, 1962, issued to managers, officers or employees holding an attorney to transact on the company's behalf or where an Aadhaar number has not been assigned, proof of application towards enrolment for Aadhaar and in case Permanent Account Number is not submitted an officially valid document shall be submitted:

Provided that for the purpose of this clause if the managers, officers or employees holding an attorney to transact on the company's behalf are not eligible to be enrolled for Aadhaar number and do not submit the Permanent Account Number, certified copy of an officially valid document shall be submitted.

(7) Where the client is a partnership firm, it shall, for the purposes of sub-rule (1), submit to the reporting entity the certified copies of the following documents:—

- (i) Registration Certificate;
- (ii) Partnership Deed; and
- (iii) (a) Aadhaar number; and
(b) Permanent Account Number or Form 60 as defined in the Income-tax Rules, 1962, issued to the person holding an attorney to transact on its behalf or where an Aadhaar number has not been assigned, proof of application towards enrolment for Aadhaar and in case Permanent Account Number is not submitted an officially valid document shall be submitted:

Provided that for the purpose of this clause, if the person holding an attorney to transact on the company's behalf is not eligible to be enrolled for Aadhaar number and does not submit the Permanent Account Number, certified copy of an officially valid document shall be submitted.

(8) Where the client is a trust, it shall, for the purposes of sub-rule (1) submit to the reporting entity the certified copies of the following documents:—

- (i) Registration Certificate;
- (ii) Trust Deed; and
- (iii) (a) Aadhaar number; and
(b) Permanent Account Number or Form 60 as defined in the Income-tax Rules, 1962, issued to the person holding an attorney to transact on its behalf or where Aadhaar number has not been assigned, proof of application towards enrolment for Aadhaar and in case Permanent Account Number is not submitted an officially valid document shall be submitted:

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Provided that for the purpose of this clause if the person holding an attorney to transact on the company's behalf is not eligible to be enrolled for Aadhaar number and does not submit the Permanent Account Number, certified copy of an officially valid document shall be submitted.

(9) Where the client is an unincorporated association or a body of individuals, it shall submit to the reporting entity the certified copies of the following documents:—

(i) Resolution of the managing body of such association or body of individuals;

(ii) Power of Attorney granted to him to transact on its behalf;

(iii) (a) the Aadhaar number; and

(b) Permanent Account Number or Form 60 as defined in the Income-tax Rules, 1962, issued to the person holding, an attorney to transact on its behalf or where Aadhaar number has not been assigned, proof of application towards enrolment for Aadhaar and in case the Permanent Account Number is not submitted an officially valid document shall be submitted; and

(iv) such information as may be required by the reporting entity to collectively establish the legal existence of such an association or body of individuals:

Provided that for the purpose of this clause if the person holding an attorney to transact on the company's behalf is not eligible to be enrolled for Aadhaar number and does not submit the Permanent Account Number, certified copy of an officially valid document shall be submitted. (6) Where the client is a company, it shall for the purposes of sub-rule (1), submit to the reporting entity the certified copies of the following documents:—

(i) Certificate of Incorporation;

(ii) Memorandum and Articles of Association;

(iii) A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf;

(iv) (a) Aadhaar numbers; and

(b) Permanent Account Numbers or Form 60 as defined in the Income-tax Rules, 1962, issued to managers, officers or employees holding an attorney to transact on the company's behalf or where an Aadhaar number has not been assigned, proof of application towards enrolment for Aadhaar and in case Permanent Account Number is not submitted an officially valid document shall be submitted:

Provided that for the purpose of this clause if the managers, officers or employees holding an attorney to transact on the company's behalf are not eligible to be enrolled for Aadhaar number and do not submit the Permanent Account Number, certified copy of an officially valid document shall be submitted.

(7) Where the client is a partnership firm, it shall, for the purposes of sub-rule (1), submit to the reporting entity the certified copies of the following documents:—

(i) Registration Certificate;

(ii) Partnership Deed; and

(iii) (a) Aadhaar number; and

(b) Permanent Account Number or Form 60 as defined in the Income-tax Rules, 1962, issued to the person holding an attorney to transact on its behalf or where an Aadhaar number has not been assigned, proof of application towards enrolment for Aadhaar and in case Permanent Account Number is not submitted an officially valid document shall be submitted:

Provided that for the purpose of this clause, if the person holding an attorney to transact on the company's behalf is not eligible to be enrolled for Aadhaar number and does not submit the Permanent Account Number, certified copy of an officially valid document shall be submitted.

(8) Where the client is a trust, it shall, for the purposes of sub-rule (1) submit to the reporting entity the certified copies of the following documents:—

(i) Registration Certificate;

(ii) Trust Deed; and

(iii) (a) Aadhaar number; and

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(b) Permanent Account Number or Form 60 as defined in the Income-tax Rules, 1962, issued to the person holding an attorney to transact on its behalf or where Aadhaar number has not been assigned, proof of application towards enrolment for Aadhaar and in case Permanent Account Number is not submitted an officially valid document shall be submitted:

Provided that for the purpose of this clause if the person holding an attorney to transact on the company's behalf is not eligible to be enrolled for Aadhaar number and does not submit the Permanent Account Number, certified copy of an officially valid document shall be submitted.

(9) Where the client is an unincorporated association or a body of individuals, it shall submit to the reporting entity the certified copies of the following documents:—

(i) Resolution of the managing body of such association or body of individuals;

(ii) Power of Attorney granted to him to transact on its behalf;

(iii) (a) the Aadhaar number; and

(b) Permanent Account Number or Form 60 as defined in the Income-tax Rules, 1962, issued to the person holding, an attorney to transact on its behalf or where Aadhaar number has not been assigned, proof of application towards enrolment for Aadhaar and in case the Permanent Account Number is not submitted an officially valid document shall be submitted; and

(iv) such information as may be required by the reporting entity to collectively establish the legal existence of such an association or body of individuals:

Provided that for the purpose of this clause if the person holding an attorney to transact on the company's behalf is not eligible to be enrolled for Aadhaar number and does not submit the Permanent Account Number, certified copy of an officially valid document shall be submitted.

Any reporting entity, at the time of receipt of the Aadhaar number under provisions of the rules, 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 is not a resident or is a resident in the States of Jammu and Kashmir, Assam or Maghalaya and does not submit the Permanent Account Number, the client shall submit to the reporting entity one certified copy of officially valid document containing details of his identity and address, one recent photograph and such other document including in respect of the nature of business and financial status of the client as may be required by the reporting entity. In case the client, eligible to be enrolled for Aadhaar and obtain a Permanent Account Number, referred to in sub-rules (4) to (9) of rule 9 does not submit the Aadhaar number or the Permanent Account 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.

Review

This policy will be reviewed annually by the Principal Officer, Designated Director for FIU (PMLA) and Designated Directors for the Stock Exchange membership. Views of concerned Business Heads and chief of Internal Audit, if any, may be taken into account where the management finds it necessary. Revised versions of the policy shall be reviewed, approved and adopted by the Board of Directors of SWCPL.

For SW Capital Pvt. Ltd.

**Sd/-
Director**