POLICIES AND PROCEDURE FOR PREVENTION OF MONEY LAUNDERING  
(As per the requirements of the PMLA Act 2002)

1. Firm Policy
It is the policy of the firm to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the unlawful proceeds appear to have derived from legitimate origins or constitute legitimate assets.

2. Principal Officer Designation and Duties
The firm has a Principal Officer for its Anti-Money Laundering Program, who takes full responsibility for the firm’s AML program and is qualified by experience, knowledge and training. The duties of the Principal Officer will include monitoring the firm’s compliance with AML obligations and overseeing communication and training for employees. The Principal Officer will also ensure that proper AML records are kept. When warranted, the Principal Officer will ensure filing of necessary reports with the Financial Intelligence Unit (FIU – IND).

3. Customer Identification and Verification and Client Special Categorization
At the time of opening an account or executing any transaction with it, the firm will verify and maintain the record of identity and current address or addresses including permanent address or addresses of the client, the nature of business of the client and his financial status as under

<table>
<thead>
<tr>
<th>Constitution of Client</th>
<th>Proof of Identity</th>
<th>Proof of Address</th>
<th>Others</th>
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</thead>
<tbody>
<tr>
<td>Individual</td>
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<tr>
<td>1. PAN Card</td>
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<td>2. Copy of Bank Statement, etc</td>
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<td>3. N.A.</td>
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<tr>
<td>Company</td>
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<tr>
<td>4. PAN Card</td>
<td>8. As above</td>
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<tr>
<td>5. Certificate of incorporation</td>
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<td>9. Proof of Identity of the Directors/Others authorized to trade on behalf of the firm</td>
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<td>6. Memorandum and Articles of Association</td>
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<td>7. Resolution of Board of Directors</td>
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<tr>
<td>Partnership Firm</td>
<td>10. PAN Card</td>
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<tr>
<td>11. Registration certificate</td>
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<tr>
<td>12. Partnership deed</td>
<td>13. As above</td>
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<td>14. Proof of Identity of the Partners/Others authorized to trade on behalf of the firm</td>
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<tr>
<td>Trust</td>
<td>15. PAN Card</td>
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<tr>
<td>16. Registration certificate</td>
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<td></td>
<td>19. Proof of Identity of the Trustees/ others authorized to trade on behalf of the trust</td>
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<td>17. Trust deed</td>
<td>18. As above</td>
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<tr>
<td>AOP/BOI</td>
<td>20. PAN Card</td>
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<td>23. As above</td>
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<tr>
<td>21. Constitution of the managing body</td>
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<td>24. Proof of Identity of the Persons authorized to trade on behalf of the AOP/BOI</td>
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<tr>
<td>22. Documents to collectively establish the legal existence of such an AOP/BOI</td>
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</table>

25. If a potential or existing customer either refuses to provide the information described above when requested, or appears to have intentionally provided misleading information, our firm will not open the new account.

26. All PAN Cards received will verified form the Income Tax/NSDL website before the account is opened.

27. The firm will maintain records of all identification information for ten years after the account has been closed.

28. As per the policy of the Company following factors are of Risk perception are being considered with regards to the client’s location, address, nature of business, trading turnover and manner of making payments so that the clients can be classified in to “High Risk”, “Medium Risk” and “Low Risk” category.

4. Maintenance of records
The Principal Officer will be responsible for the maintenance for following records:

- all cash transactions of the value of more than rupees ten lakhs or its equivalent in foreign currency;
- all series of cash transactions integrated or connected to each other which have been valued below rupees ten lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month;
- all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where forgery of a valuable security has taken place;

all suspicious transactions whether or not made in cash. Suspicious transaction means a transaction whether or not made in cash which, to a person acting in good faith:
- gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or
- appears to be made in circumstances of unusual or unjustified complexity; or
- appears to have no economic rationale or bona fide purpose; or
- gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism.

The records shall contain the following information:

- the nature of the transactions;
- the amount of the transaction and the currency in which it was denominated;
- the date on which the transaction was conducted; and
- the parties to the transaction.

The records will be updated on daily basis, and in any case not later than 5 working days.

5. Monitoring Accounts For Suspicious Activity
The firm will monitor through the automated means of Back Office Software for unusual size, volume, pattern
or type of transactions. For non automated monitoring, the following kinds of activities are to be mentioned as Red Flags and reported to the Principal Officer.

- The customer exhibits unusual concern about the firm's compliance with government reporting requirements and the firm's AML policies (particularly concerning his or her identity, type of business and assets), or is reluctant or refuses to reveal any information concerning business activities, or furnishes unusual or suspicious identification or business documents.
- The customer wishes to engage in transactions that lack business sense or apparent investment strategy, or are inconsistent with the customer's stated business or investment strategy.
- The information provided by the customer that identifies a legitimate source for funds is false, misleading, or substantially or wholly incorrect.
- Upon request, the customer refuses to identify or fails to indicate any legitimate source for his or her funds and other assets.
- The customer (or a person publicly associated with the customer) has a questionable background or is the subject of news reports indicating possible criminal, civil, or regulatory violations.
- The customer exhibits a lack of concern regarding risks, commissions, or other transaction costs.
- The customer appears to be acting as an agent for an undisclosed principal, but declines or is reluctant, without legitimate commercial reasons, to provide information or is otherwise evasive regarding that person or entity.
- The customer has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry.
- The customer attempts to make frequent or large deposits of currency, insists on dealing only in cash, or asks for exemptions from the firm's policies relating to the deposit of cash.
- The customer engages in transactions involving cash or cash equivalents or other monetary instruments that appear to be structured to avoid the Rs.10,00,000 government reporting requirements, especially if the cash or monetary instruments are in an amount just below reporting or recording thresholds.
- The customer requests that a transaction be processed to avoid the firm's normal documentation requirements.
- The customer, for no apparent reason or in conjunction with other red flags, engages in transactions involving certain types of securities, such as Z group and T group stocks, which although legitimate, have been used in connection with fraudulent schemes and money laundering activity. (Such transactions may warrant further due diligence to ensure the legitimacy of the customer's activity.)
- The customer's account shows an unexplained high level of account activity.
- The customer maintains multiple accounts, or maintains accounts in the names of family members or corporate entities, for no apparent purpose.
- The customer's account has inflows of funds or other assets well beyond the known income or resources of the customer.

When a member of the firm detects any red flag he or she will escalate the same to the Principal Officer for further investigation.

Broad categories of reason for suspicion and examples of suspicious transactions for an intermediary are indicated as under:

i. Identity of Client
- False identification documents
- Identification documents which could not be verified within reasonable time
- Non-face to face client
- Doubt over the real beneficiary of the account
- Accounts opened with names very close to other established business entities

ii. Suspicious Background
- Suspicious background or links with known criminals

iii. Multiple Accounts
- Large number of accounts having a common account holder, introducer or authorized signatory with no rationale
- Unexplained transfers between multiple accounts with no rationale

iv. Activity in Accounts
- Unusual activity compared to past transactions
- Use of different accounts by client alternatively
- Sudden activity in dormant accounts
- Activity inconsistent with what would be expected from declared business
- Account used for circular trading

v. Nature of Transactions
- Unusual or unjustified complexity
- No economic rationale or bonafide purpose
- Source of funds are doubtful
- Appears to be case of insider trading
- Investment proceeds transferred to a third party
- Transactions reflect likely market manipulations
- Suspicious off market transactions

vi. Value of Transactions
- Value just under the reporting threshold amount in an apparent attempt to avoid reporting
- Large sums being transferred from overseas for making payments
- Inconsistent with the clients apparent financial standing
6. Reporting to FIU IND
   For Cash Transaction Reporting
   • All dealing in Cash that requiring reporting to the FIU IND will be done in the CTR format and in the matter and at intervals as prescribed by the FIU IND
   For Suspicious Transactions Reporting
   We will make a note of Suspicion Transaction that have not been explained to the satisfaction of the Principal Officer and thereafter report the same to the FIU IND and the required deadlines. This will typically be in cases where we know, suspect, or have reason to suspect:
   • the transaction involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity as part of a plan to violate or evade any the transaction reporting requirement,
   • the transaction is designed, whether through structuring or otherwise, to evade the any requirements of PMLA Act and Rules framed thereof
   • the transaction has no business or apparent lawful purpose or is not the sort in which the customer would normally be expected to engage, and we know, after examining the background, possible purpose of the transaction and other facts, there is no reasonable explanation for the transaction, or
   • the transaction involves the use of the firm to facilitate criminal activity
   We will not base our decision on whether to file a STR solely on whether the transaction falls above a set threshold. We will file a STR and notify law enforcement of all transactions that raise an identifiable suspicion of criminal, terrorist, or corrupt activities.
   All STRs will be reported quarterly to the Board of Directors, with a clear reminder of the need to maintain the confidentiality of the STRs
   We will not notify any person involved in the transaction that the transaction has been reported, except as permitted by the PMLA Act and Rules thereof.

7. AML Record Keeping
   i. STR Maintenance and Confidentiality
      We will hold STRs and any supporting documentation confidential. We will not inform anyone outside of a law enforcement or regulatory agency or securities regulator about a STR. We will refuse any requests for STR information and immediately tell FIU IND of any such request we receive. We will aggregate STR filings and copies of supporting documentation from other firm books and records to avoid disclosing STR filings. Our Principal Officer will handle all requests or other requests for STRs.
   ii. Responsibility for AML Records and SAR Filing
      Principal Officer will be responsible to ensure that AML records are maintained properly and that STRs are filed as required
   iii. Records Required
      As part of our AML program, our firm will create and maintain STRs and CTRs and relevant documentation on customer identity and verification. We will maintain STRs and their accompanying documentation for at least ten years.

8. Training Programs
   We will develop ongoing employee training under the leadership of the Principal Officer. Our training will occur on at least an annual basis. It will be based on our firm’s size, its customer base, and its resources.
   Our training will include, at a minimum: how to identify red flags and signs of money laundering that arise during the course of the employee’s duties; what to do once the risk is identified; what employees’ roles are in the firm’s compliance efforts and how to perform them; the firm’s record retention policy; and the disciplinary consequences (including civil and criminal penalties) for non-compliance with the PMLA Act.
   We will develop training in our own office or contract for it. Delivery of the training may include educational pamphlets, videos, intranet systems, in-person lectures, and explanatory memos.
   We will review our operations to see if certain employees, such as those in compliance, margin, and corporate security, require specialized additional training. Our written procedures will be updated to reflect any such changes.

9. Program to Test AML Program
   i. Staffing: The testing of our AML program will be performed by the Statutory Auditors of the company
   ii. Evaluation and Reporting: After we have completed the testing, the Auditor will report its findings to the Board of Directors. We will address each of the resulting recommendations.

10. Monitoring Employee Conduct and Accounts
    We will subject employees accounts to the same AML procedures as customer accounts, under the supervision of the Principal Officer. We will also review the AML performance of supervisors, as part of their annual performance review. The Principal Officers’ accounts will be reviewed by the Board of Directors

11. Confidential Reporting of AML Non-Compliance
    Employees will report any violations of the firm’s AML compliance program to the Principal Officer, unless the violations implicate the Principal/Compliance Officer, in which case the employee shall report to the Chairman of the Board. Such reports will be confidential, and the employee will suffer no retaliation for making them.

12. Board of Directors Approval
    We have approved this AML program as reasonably designed to achieve and monitor our firm’s ongoing compliance with the requirements of the PMLA and the implementing regulations under it.

For Ms. Praveen Kumar Deshmukh,
Proprietor

For Praveen Kumar Deshmukh,
Authorized Signatory (Stock Broker)
CIRCULAR

CIR/ISD/AML/2/2010 June 14, 2010

To all Intermediaries registered with SEBI under Section 12 of the SEBI Act. (Through the stock exchanges for stock brokers, sub brokers, depositories for depository participants, AMFI for Asset Management Companies.)


1. SEBI, vide Master Circular No. ISD/AML/CIR-1/2010 dated February 12, 2010, issued consolidated requirements/obligations to be fulfilled by all registered intermediaries with regard to AML/CFT. In addition to the obligations contained in the Master Circular, following are the additional requirements to be fulfilled or the clarifications with regard to existing requirements:

   a. Clause 3.2.3 (f) of the Master Circular lays down obligations to establish policies and procedures with regard to role of internal audit. It is clarified that the internal audit function should be independent, adequately resourced and commensurate with the size of business and operations, organization structure, number of clients and other such factors.

   b. The following clause numbered 5.1(f) is added after the existing clause 5.1(e) of the Master Circular: “Registered intermediaries shall periodically update all documents, data or information of all clients and beneficial owners collected under the CDD process”.

   c. The following new clause numbered 5.2.1(g) is added after the existing clause 5.2.1 (f) of the Master Circular: “The CDD process should necessarily be revisited when there are suspicions of money laundering or financing of terrorism (ML/FT)”.

   d. The following line is added in the existing clause 5.3.1 of the Master Circular: “Further low risk provisions should not apply when there are suspicions of ML/FT or when other factors give rise to a belief that the customer does not in fact pose a low risk.”

   c. While dealing with clients in high risk countries where existence/effectiveness of money laundering control is suspect, it is clarified that apart from being guided by the Financial Action Task Force (FATF) statements that identify countries that do or not sufficiently apply the FATF Recommendations, published by the FATF on its website (www.fatf-gafi.org), registered intermediaries should independently access and consider other publicly available information.

   f. Clause 5.5(a) of the Master Circular shall read as follows: “All registered intermediaries 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 should 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 in clause 5.5 should also be applicable where the beneficial owner of a client is a PEP”.

   g. The existing clause 5.5(c) of the Master Circular shall read as follows:

   “Registered intermediaries shall also take reasonable measures to verify the sources of funds as well as the wealth of clients and beneficial owners identified as PEP”.

   h. Clause 8.2 of the Master Circular prescribes that intermediaries shall maintain the records of the identity of clients prescribed in Rule 9 of the PML Rules for a period of 10 years from the date of cessation of transactions between the client and intermediary. It is clarified that the “date of cessation of transactions” shall be read to mean the “date of termination of an account or business relationship”.

   i. It is clarified that the “tipping off” provision in clause 13.3 of the Master Circular extends not only to the filing of the STR and/or related information but even before, during and after the submission of an STR.

Client’s Sign: 

Date: 15-02-2010
Policy for Prevention of Insider Trading of M/s. Pravan Kumar Parmeshwar Lal

[In Terms of SEBI (Prohibition of Insider Trading) Regulations, 1992]

Introduction

This policy aims to define and establish M/s Pravan Kumar Parmeshwar Lal (herein after referred to as "Stock Broker"). position and rules with respect to:

- Prevention of Insider trading of securities;
- Adherence to Securities and Exchange Board of India's (SEBI) applicable guidelines by all Connected or Deemed Connected persons including Director, Officer and Designated Employee for prevention of Insider trading.

Stock Broker is committed to the preserving the confidentiality and preventing the misuse of any unpublished price sensitive information. Stock Broker is further committed to adherence to all applicable laws and regulations set forth by the Securities and Exchange Board of India ("SEBI") or the Stock Exchanges with regards to prevention of insider trading. Trading on insider information is not only illegal, but also tarnishes Stock Broker's corporate credibility. Stock Broker is committed to ensuring transparency and fairness in dealing with all stakeholders of the Stock Broker.

Definitions of some of the key terms used in this policy are given below:

i. "Insider Trading" means when insiders use unpublished price sensitive information to arrive at securities trading/dealing (including buying as well as selling) decisions, the action is referred to as insider trading;

ii. "Insider" means any person who is or was a "Connected Person" or a "Deemed Connected Person" and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of the Company or who has received or has had access to such unpublished price sensitive information;

iii. "Connected Persons" means any person who is:

- A Director of the Company;
- An Officer or Designated Employee of Company;
- Has a professional or business relationship with the Company, such that he/she may be reasonably expected to have access to price sensitive information in relation to the Company, which includes but is not limited to the Legal Advisors, Solicitors, Auditors, Consultants and Tax Advisors;

v. "Deemed Connected Persons" means and includes:

- Dependent family members of Connected Persons;
- Any group Company, Company under the same management or subsidiary of the Company;
- Bankers of the Company;
- Merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, investment advisor, sub-broker or any employee thereof having a fiduciary relationship with the Company;
- Trustees of any trust the beneficiaries of which include any of the Connected Persons;
- Trustees of any trust who are conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the Company;
- Any person who was a Connected Person, whether temporary or permanent six months prior to an act of insider trading;
- Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider trading) Regulations, 1992.

vi. "Dependent Family Members" shall mean spouse, dependent parents and dependent children and any other person dependant on the Officer and Designated Employee;

vii. "Officer of a Company" means any person as defined in clause (30) of section 2 of the Companies Act, 1956 (1 of 1956) including an auditor of the Company;

viii. "Designated Employee" shall mean:

- Manager and above in the Finance, Accounts, Secretarial and Corporate Communications departments;
- Such employees designated and notified by the Compliance Officer from time to time with the approval of the Managing Director;
ix. "Dealing in Securities" means an act of subscribing, buying, selling or agreeing to subscribe, sell or deal in any securities either as principal or agent;

x. "Price Sensitive Information" shall mean any information which relates directly or indirectly to Company and which if published is likely to materially affect the price of securities of Company.

The following shall be deemed to be price sensitive information:
- Periodical financial results of the Company;
- Intended declaration of dividends (both interim and final);
- Issue of securities or buy-back of securities;
- Any major expansion plans or execution of new projects;
- Amalgamation, mergers or takeovers;
- Disposal of the whole or substantial part of the undertaking;
- Any significant changes in policies, plans or operations of the Company;

xi. "Unpublished" means information which is not published by the Company or its agents and is not specific in nature.

xii. "Compliance Officer" means an officer appointed by the Board for the purpose of monitoring, observing, educating the employees, setting forth the policies and administration of the procedure under the overall supervision of the Managing Director of the Stock Broker in relation to Compliance with this policy.

Words and expressions not defined in these Regulations shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India Act, 1992.

For M/s. 

[Signature]

Directors/Authorised Signatory (Stock Broker)