



Bhogilal Trikamlal Securities Pvt. Ltd.

MEMBER: BSE LTD. & NSE LTD.

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BHOGILAL TRIKAMLAL SECURITIES PVT.LTD.

ANTI-MONEY LAUNDERING POLICY

A. BACKGROUND

1. This Anti Money Laundering Policy (**Policy**) is applicable to Bhogilal Trikamlal Securities Pvt Ltd (**Bhogilal Trikamlal Securities Pvt Ltd**) and is supplemental to and is to be read with the Anti-Money Laundering Policy of the Bhogilal Trikamlal Securities Pvt Ltd Group (**Group Policy**). In the event of any inconsistency between the Group Policy and this Policy, the terms of this Policy shall prevail. (Revised as per the SEBI circular No. 2236 dt. 31 Dec 2012 and CDSL/A, I&C/DP/POLCY/4690 Dated 08-Sep-2014)
2. Bhogilal Trikamlal Securities Pvt Ltd is a brokerage company and is presently engaged in the following lines of businesses: -
 - (i) Stock Broking
 - (ii) Depository Participant services
3. Bhogilal Trikamlal Securities Pvt Ltd has the following licenses / permissions:
 - (i) Member of BSE (CASH Seg.)
 - (ii) Registered with CDSL as a Depository Participant; and
4. As a SEBI-registered intermediary, Bhogilal Trikamlal Securities Pvt Ltd is subject to the provisions of the PMLA Act and the PMLA Rules and as a stock broker and depository participant registered with SEBI, a member of the BSE Bhogilal Trikamlal Securities Pvt Ltd is subject to the circulars and notifications issued by SEBI, BSE, in this regard from time to time.
5. As mentioned in the Group Policy, SEBI mandates Bhogilal Trikamlal Securities Pvt Ltd to put in place a system for identifying, monitoring and reporting suspected money laundering or terrorist financing transactions to the law enforcement authorities and a policy for ensuring that the anti- money laundering guidelines issued by SEBI will be complied at least once in 3 years. Accordingly, Bhogilal Trikamlal Securities Pvt Ltd has framed this policy having regard to the specific nature of its business,

organizational structure, type of Clients and transactions, etc.

6. The Group Policy sets out the general guidelines and rules applicable to all Bhogilal Trikamlal Securities Pvt Ltd Group relating to:
- (i) Client Acceptance – KYC
 - (ii) Client Due Diligence – CDD
 - (iii) Client Risk Profiling
 - (iv) Transaction Monitoring
 - (v) Transaction Reporting
 - (vi) Maintenance of Records
 - (vii) Professionals Hiring and AML Policy Training & CFT (Combating Financing of Terrorism)
- We conduct training programme for employees

All Professionals must acquaint themselves with the provisions of the Group Policy

7. The specific guidelines for Know Your Client (KYC) procedures including Client Identification Policy, Client Due Diligence, Client Acceptance Policy, Risk Management and Transaction Monitoring and Reporting that are applicable to Bhogilal Trikamlal Securities Pvt Ltd are contained in this Policy.

B. DEFINITIONS

In this Policy, the following words shall have the meanings ascribed to them below. Other capitalized words used but not defined in this Policy shall have the meanings ascribed to them in the Group Policy:

- (i) **“Beneficial Owner”** means the natural person or persons who ultimately own, control or influence a Client and/or persons on whose behalf a transaction is being conducted including those persons who exercise ultimate effective control over a legal person or arrangement;
- (ii) **“Broking Client”** means a person who has opened a broking account with Bhogilal Trikamlal Securities Pvt Ltd;
- (iii) **“CAC”** means the Client Acceptance Committee constituted by Bhogilal Trikamlal

Securities Pvt Ltd in accordance with this Policy;

(iv) **“Client”** or **“Client”** means:

(a) A Clients of any line of business of Bhogilal Trikamlal Securities Pvt Ltd

(b) Beneficial Owners of such Client

(v) **“Operations Team”** means the Professionals of Bhogilal Trikamlal Securities Pvt Ltd engaged in the back-office operations department;

(vi) **“RM”** means an Professionals designated by Bhogilal Trikamlal Securities Pvt Ltd as its relationship manager with respect to a Client;

C. AML REPORTING OFFICER, PRINCIPAL OFFICER (PO) AND DESIGNATED DIRECTOR.

1. As prescribed in the Group Policy, Bhogilal Trikamlal Securities Pvt Ltd shall appoint a Principal Officer. An AML Reporting Officer shall be nominated (on need basis) for each line of business who shall each have the duties and responsibilities prescribed in the Group Policy and in this Policy.

1. As prescribed in the Group Policy, Bhogilal Trikamlal Securities Pvt Ltd shall appoint a Designated Director.

2. Appointment of a Designated Director

i. In addition to the existing requirement of designation of a Principal Officer, BTSPL has 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 —

i. the Managing Director or a Whole-time Director duly authorized by the Board of Directors if the reporting entity is a company,

i. the proprietor if the reporting entity is a proprietorship concern,

i. the managing trustee if the reporting entity is a trust,

i. 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

i. 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."

1. All Professionals of Bhogilal Trikamlal Securities Pvt Ltd shall monitor transactions on a continuous basis and shall report all Cash Transactions and Suspicious Transactions to the Principal Officer and Designated Director who shall then file the CTRs and STRs with FIU-IND after vetting the reports.

D. KNOW YOUR CLIENT GUIDELINES

The Know Your Client Guidelines of Bhogilal Trikamlal Securities Pvt Ltd consists of the following:

1. Client Acceptance Policy
2. Risk Management
3. Client Identification Procedures and Client Due Diligence

- **Client Acceptance**

- The client acceptance policies and procedures of BHOGILAL TRIKAMLAL SECURITIES PVT LTD is a part of the "BHOGILAL TRIKAMLAL SECURITIES PVT LTD Client On boarding and Periodical Review Policy" (Attached as Annexure 1 ,2 & 3)

1.1 Initial Steps

- (i) The Bhogilal Trikamlal Securities Pvt Ltd KYC team shall do the initial level screening of the prospective Client through specialized software available with him (CIBIL check, watch out investor Check, World Check etc) to ascertain the creditworthiness of the Client and to check whether the name of the Client appears on the UNSCR list or FATF List. We shall refer to the following websites, Ministry of External Affairs (MEA) has now forwarded a press release SC/14097 dated February 04, 2020 titled 'Security Council ISIL (Da'esh) and Al-Qaida Sanctions Committee Adds one entry [QDi.425; AMADOU KOUFA of Malian origin] to its Sanctions List', issued by the United Nations Security Council (UNSC).The UNSC press releases concerning amendments to the list are available at URL: <https://www.un.org/securitycouncil/sanctions/1267/press-releases>. Updated lists of individuals and entities linked to ISIL (Da'esh), Al-Qaida and Taliban are available at: https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

<https://www.un.org/securitycouncil/sanctions/1988/materials>

In view of the above, we ensure meticulous compliance with the aforementioned instruction pertaining to UAPA and ensure that they do not have any account in the name of individuals/entities appearing in the lists of individuals and entities, suspected of having terrorist links, circulated by the UNSC.

- (ii) Before commencing the Know Your Client and Client Due Diligence procedures as outlined below, the RM shall have an introductory meeting with the Client or his representatives to ascertain the general background of the Client and explain the nature of services offered by Bhogilal Trikamlal Securities Pvt Ltd.

- (iii) The KYC documents that Bhogilal Trikamlal Securities Pvt Ltd must collect from each Client are set out at **Annexure 1** hereto.

- (iv) The stock broking arm of Bhogilal Trikamlal Securities Pvt Ltd shall ensure that the Client Registration Form and the Broker- Client Agreement in the form prescribed by BSE has been duly filled up by each Client of the stock broking arm.
 - i. Failure by the Client to provide satisfactory evidence of identity should be noted and reported to the senior management and Principal Officer.

1.2 In Person Verification (IPV)

- (i) Once the background screening is complete or simultaneously therewith, the KYC team shall conduct an IPV of the prospective Client. IPV of the Client by a Bhogilal Trikamlal Securities Pvt Ltd Professionals is mandatory and shall not at any time be outsourced.
- (ii) The Professionals visiting the Client for IPV must verify the originals of the photocopy documents submitted by the Client as part of KYC documentation.
- (iii) IPV must be conducted at the time of registering the Client under the KYC norms. Bhogilal Trikamlal Securities Pvt Ltd must be able to satisfactorily identify the Client and must be able to provide Client details to the authorities as and when required.
- (iv) In case of DP Clients, Bhogilal Trikamlal Securities Pvt Ltd Professionals shall conduct an IPV of the prospective Client. IPV of the Client by a Bhogilal Trikamlal Securities Pvt Ltd Professionals is mandatory and shall not at any time be outsourced.
- (v) IPV done for opening Beneficial Owner account by the DP arm of Bhogilal Trikamlal Securities Pvt Ltd shall hold good for opening trading account for the same Client by the stock broking arm of Bhogilal Trikamlal Securities Pvt Ltd and vice versa.
- (vi) In the case of its DP activities, Bhogilal Trikamlal Securities Pvt Ltd must also carry out IPV of Beneficial Owners at the time of opening the DP Account.
- (vii) If the Client acceptance process rejects a Client or the Client does not respond to requests for additional information/documents, all documents collected from the Client may be refunded .

1.3 Risk Evaluation

Policy for due diligence measures on a risk sensitive basis is a part of the "BHOJILAL TRIKAMLAL SECURITIES PVT LTD Client On boarding and Periodical Review Policy" (Attached as Annexure 1 ,2 & 3)

- (i) For the purposes of assisting the CAC in risk categorization of a prospective Client, the Professionals shall, in the process of IPV, try and understand/know the following details during the interaction with the prospective Client (if he can collect some evidence for the details, it would add further value in assessing the Client before taking him/her on board):

In case of individuals, the Professionals must ascertain the following:

- What is the occupation of the Client
- If the Client is in business, what is the pattern of his stake holding in business (single or multiple businesses)
- What is the primary source of Income of the Client
- Who are the primary bankers of the Client
- What is the investment value of the Client as on date
- What is the investment pattern i.e.; where are majority of his investments placed
- Does the Client have any borrowings, if so, what constitutes major borrowings
- What is the family background of the Client, who are the other contributors to family income
- What is the occupation/source of income of close relatives i.e; parents, spouse, siblings, children etc.
- What is the Clients general reputation in the market/social strata
- Has the Client been directly or indirectly involved in any scam/criminal/anti social activity
- Does the Client invest in Capital Markets, if so, since how many years.

In case of non- individuals, the RM must ascertain the following:

- Business carried on by the entity;
- Nature of the entity;
- Annual Turnover / revenue of the entity;
- Investments (if any) already made in the capital market;

- Identity of the stakeholders in the entity;
 - Beneficial owners of the entity;
 - Persons in actual control and management of the entity;
 - What is the Client's general reputation in the market
 - Has the Client been directly or indirectly involved in any scam/criminal/anti social activity
 - Does the Client invest in Capital Markets, if so, since how many years
 - Scope and nature of the proposed transaction, its purpose and end use and whether the proposed transaction seems unnecessarily complex or unusual
- (ii) The basic details need to be documented in KYC Risk Profile Sheet and submitted to the CAC along with other KYC documents for approval. These details would be archived for future purposes.

1.4 Client Acceptance Committee (CAC)

- (i) All prospective Clients except Institutional Investors shall be accepted through the CAC approval process. Provided that, if an Institutional Investor falls into any High Risk category, (for instance, if such investor is located in a risk country) the approval of the CAC will be required. The constitution of the CAC, the approval process and terms of reference are set out in **Annexure 2** to this Policy
- (ii) The CAC shall be presented with all relevant information including the KYC Documents and Risk Profile Sheet and the Client will be accepted only after the CAC has approved the suitability and acceptability of the Client.
- (iii) Based on the documentation submitted and the guidelines for risk categorization, the CAC will assign a risk profile to each Client (i.e. "High Risk", "Low Risk").
- (iv) In case of High Risk Clients, the specific approval of the Principal Officer of Bhogilal Trikamlal Securities Pvt Ltd will also be required. In case of Politically Exposed Persons (i.e. 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) the approval of the Principal Officer of Bhogilal Trikamlal Securities Pvt Ltd will be required in addition to approval of CAC prior to accepting the Client as an enhanced due diligence measure.

• Risk Management

Policy for risk assessment and categorisation is a part of the "BHOGILAL TRIKAMLAL SECURITIES PVT LTD Client On boarding and Periodical Review Policy" (Attached as Annexure 1, 2 & 3)

2.1 Risk management includes evaluation of risks based on nature of the Client and it

would include an analysis of the following parameters with respect of all Clients:

- Type of Client (Individual, Firm, Company etc.)
- Documentation submitted
- Income Range declared at the time of account opening and updated periodically
- Occupation details submitted
- Volume and Value of transactions(approx)

2.2 Risk Classification

- (i) Bhogilal Trikamlal Securities Pvt Ltd has adopted a Client risk categorization policy that prescribes factors to be considered for categorizing a Client a low risk and High risk .In case of low risk Clients only basic requirements on verifying the identity and location of the Client are to be met and high risk Clients require enhanced Client due diligence measures .

The following Clients will be classified as “Client Special Category (CSC)” or “High Risk Clients”:-

- Trust, Charities, Non-Governmental Organizations (NGOs) and organizations receiving donations;
- Companies having close family shareholdings or beneficial ownership;
- Politically Exposed Persons (**PEP**) 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.
- Companies offering foreign exchange offerings
- 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 international terrorism, offshore
- financial centers, tax havens, countries where fraud is highly prevalent;
- Non face to face Clients;
- NRE/NRO clients
- Clients with dubious reputation as per public information available etc.;

- Clients whose name appears in the UNSCR List;
 - Firms with sleeping partners; and
 - Unlisted companies and unregistered firms.
- (iii) The following Clients will be classified as “Low & Medium Risk Clients”:
- Persons who do not fall into high-risk category;
 - Persons belonging to low & medium economic strata of society whose accounts show small balances and low turnover; and
 - Government departments and government owned companies, regulators and statutory bodies
- (iv) System of periodic review of risk categorization of Clients:
- Bhogilal Trikamlal Securities Pvt Ltd shall put in place system of periodical review of risk categorization of accounts and the need for applying enhanced due diligence measures in case of higher risk perception on a client. For High Risk Clients, categorization should be carried out at least once in **a two years** while for Low and Medium Risk Clients, categorization frequency should be **2-4 years** for medium risk category **and 5-6 years for low risk category** and same policy will apply for the documents in relation to CDD.

Steps to be taken after completion of CDD and KYC procedures

- (v) On submission of the documents and completed KYC form the prospective Client and on approval by the CAC would then be responsible for doing the following:
- Check completeness of the KYC Form (including CKYC and CVL KRA)
 - Check documentary evidences provided for the Client
 - Ensure that all relevant documentation is complete
 - Ensure that “In person Verification” has been done
 - Check the personal investigation details submitted by RM on the Client and relate the same to documentary evidences submitted

- **Client Identification Procedures (CIP) and Client Due Diligence (CDD)**

The BHOGILAL TRIKAMLAL SECURITIES PVT LTD KYC policy is a part of the "BHOGILAL TRIKAMLAL SECURITIES PVT LTD Client On boarding and Periodical Review Policy" (Attached as Annexure 1, 2 &3)

(i) Identity generally means a set of attributes which together uniquely identify a natural or legal person. An individual's identity comprises his/her name recent photograph, signature, date of birth and the residential address at which he/she can be located. In case of a non- individual, identity comprises of the incorporation or constitution documents of the entity, the persons controlling the entity and Beneficial Owners thereof.

(ii) Bhogilal Trikamlal Securities Pvt Ltd shall then carry out the requisite KYC procedures at different stages – (a) while establishing the intermediary–Client relationship,

(b) while carrying out transactions for the Client or

(c) when Bhogilal Trikamlal Securities Pvt Ltd has reservations or suspicions regarding the veracity or the adequacy of previously obtained Client identification data.

(d) Bhogilal Trikamlal Securities Pvt Ltd shall 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 will 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, it is clarified that the registered intermediary shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable.

(iii) The CDD measures to be undertaken by Bhogilal Trikamlal Securities Pvt Ltd comprise the following:

- Obtaining sufficient information in order to identify the Beneficial Owners of a 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 should be identified using Client identification and verification procedures.
- Verifying the Client's identity using reliable, independent source documents, data or information;
- As part of Client Due Diligence policy, sufficient information will be collected from the clients in order to identify and verify the identity of persons who beneficially own or control the securities account. **The beneficial owner** has been defined as the natural person or persons, who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted, and includes a person who exercises ultimate effective control over

a legal person or arrangement.

- c) Customer identification requirements in each business of the Company will follow the Guidelines in Annexure-1

Annexure-1

Customer Identification Requirements–Indicative Guidelines

(1) Trust/Nominee or Fiduciary Accounts:

There exists the possibility that trust/nominee or fiduciary accounts can be used to circumvent the customer identification procedures. Company should determine whether the customer is acting on behalf of another person as trustee/nominee or any other intermediary. If so, Company may insist on receipt of satisfactory evidence of the 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 opening an account for a trust, Company should 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. The identity of 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 should be identified. In the case of a 'foundation', steps should be taken to verify the founder managers/directors and the beneficiaries, if defined. Each customer shall furnish a declaration in writing about his or her status, while opening an account with DP

(2) Accounts of Companies and Firms:

A. Company need to be vigilant against business entities being used by individuals as a 'front' for maintaining accounts with the Company. Company 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 public company it will not be necessary to identify all the shareholders. If the client is a company, partnership firm or unincorporated association/body of individuals) then,

- The identity of such natural persons 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:

more than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;

more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or

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.

- In cases there exists doubt 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 natural person exercising control over the juridical person through other means should be identified.

Explanation: Control through other means can be exercised through voting rights, agreement, arrangements or in any other manner.

- Where no natural person is identifiable, the relevant natural person who holds the position of senior managing official should be considered for due diligence.

B. 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.

- Conducting ongoing due diligence and scrutiny, i.e. performing ongoing scrutiny of the transactions and the Client's account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the Bhogilal Trikamlal Securities Pvt Ltd's knowledge of the Client, its business and risk profile, taking into account, where necessary, the Client's source of funds.
- The level, standards and frequency of scrutiny of transactions conducted by high-risk Clients shall be higher than low-risk Clients and Professionals must be cautious and diligent in relation to transactions undertaken by high-risk Clients.

(v) The Client Identification Procedure as set out above shall be followed for each Client, irrespective of the amount of investment and shall not be waived for any

Client or category thereof.

(iv) Other safeguards to be taken after a client has been accepted

The following are other general guidelines that Professionals must bear in mind:

- No account shall be opened in a fictitious / benami name or on an anonymous basis.
- An account shall not be opened where Bhogilal Trikamlal Securities Pvt Ltd is unable to apply appropriate CDD measures and KYC policies. This may be applicable in cases where it is not possible to ascertain the identity of the Client, information provided to Bhogilal Trikamlal Securities Pvt Ltd is suspected to be non-genuine, perceived non-co-operation of the Client in providing full and complete information.
- In cases of the kind specified in (ii) above, Bhogilal Trikamlal Securities Pvt Ltd shall take the following steps: -
 - (a) refrain from undertaking or continuing business with such person;
 - (b) file an STR with the FIU;
 - (c) evaluate whether there is suspicious trading in determining whether to freeze or close the account, if any of such a person.
 - (d) Clearly intimate the Client of the circumstances under which the Client is permitted to act on behalf of another person / entity. In such cases, Bhogilal Trikamlal Securities Pvt Ltd may impose the restrictions on the following matters and intimate the same to the concerned Client:-
 - (e) Manner in which the account should be operated,
 - (f) transaction limits for the operation, additional authority required for transactions exceeding a specified quantity / value and other appropriate details;
 - (g) rights and responsibilities of both the persons (i.e. the agent- Client registered with Bhogilal Trikamlal Securities Pvt Ltd, as well as the person on whose behalf the registered Client is acting should be clearly laid down);
 - (h) additional verification of a person's authority to act on behalf the Client
- Necessary checks and balances 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.

- The Client Identification Procedure as set out in this Policy and the Group Policy shall be complied with irrespective of the amount of investment made by Clients and no exemption shall be made in case of any Client.

E. MAINTENANCE AND RETENTION OF RECORDS

- Bhogilal Trikamlal Securities Pvt Ltd has put in place a system of maintaining proper record of Cash Transactions, Counterfeit Currency Transactions and Suspicious Transactions as prescribed under the PML Rules, as mentioned below:

- (iii) all cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency;
- (iv) all series of cash transactions integrally connected to each other which have been valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds rupees ten lakh;
- (v) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place;
- (vi) all Suspicious Transactions whether or not made in cash. An indicative list of Suspicious

Transactions is set out at **Annexure 3** below.

2. All Professionals are to maintain records for all Cash Transactions, Counterfeit Currency Transactions and Suspicious Transactions such that data can be retrieved easily and quickly whenever required or when requested by the competent authorities. The following information is to be clearly specified in the preserved data:

- (a) the parties to the transaction
- (b) the beneficial owner of the account;
- (c) the volume of the funds flowing through the account; and
- (d) 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.
 - 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.
3. The data/records are to be maintained for at least ten years from the date of cessation of transaction between Bhogilal Trikamlal Securities Pvt Ltd and the Client. Further, records pertaining to the identification of the Client and his address (e.g. copies of documents like passports, identity cards, driving licenses, PAN, utility bills etc.) obtained while opening the account and during the course of business relationship, are to be properly preserved for at least ten years after the business relationship is terminated. Further any changes in the KYC in respect of change in address, Bank details, etc is reviewed with clients in every 5 years.

4. **BTSPPL Shall take into consideration all the SEBI Rules/regulations/Act for the same.**

5. **Records of information reported to the Director, Financial Intelligence Unit - India (FIU- IND):**

Registered intermediaries shall maintain and preserve the record of information related to transactions, whether attempted or executed, which are reported to the Director, FIU-IND, as required under Rules 7 & 8 of the PML Rules, for a period of five years from the date of the transaction between the client and the intermediary.

F. TRANSACTION MONITORING AND REPORTING

All regulatory alerts generated by the Market Infrastructure Institutions (MIIs) shall be monitored by the Principal Officer for necessary action to be taken

- (i) As prescribed in the Group Policy, Bhogilal Trikamlal Securities Pvt Ltd has appointed a Principal Officer for all divisions of Bhogilal Trikamlal Securities Pvt Ltd collectively, who shall abide by the rules prescribed in this Policy and the Group Policy.
- (ii) All Professionals of Bhogilal Trikamlal Securities Pvt Ltd shall monitor transactions conducted by Bhogilal Trikamlal Securities Pvt Ltd and all branches/ units/ divisions thereof on a continuous basis and shall report all Cash Transactions and Suspicious Transactions to the Principal Officer accordingly. The Principal Officer shall get the CTRs, and STRs vetted by Group Compliance team before filing the same with the FIU-IND in accordance with the Group Policy.
- (iii) Please refer to the Group AML policy for the relevant links to the reporting formats
- (iv) On reporting the Suspicious Transaction to the Principal Officer, as the case may be, the Professionals must ensure that there is continuity in dealing with the Client as normal until directed otherwise by the senior management team and the Client should not be told of the report/suspicion. In exceptional circumstances, Senior Management may direct the Professionals to freeze the Client's account and suspend transactions.

- (vi) It is likely that in some cases transactions are abandoned/aborted by Clients on being asked to give some details or to provide documents. It is clarified that Professionals should report all such attempted transactions to the Principal Officer as a Suspicious Transaction, even if not completed by Clients, irrespective of the amount of the transaction.
- (vii) Upon reporting a Suspicious Transaction, Professionals shall ensure that securities or monies forming part of such Suspicious Transaction are not returned/refunded to the Client. If the Client makes a request for such refund or makes any other request for operation of the account, the Professionals must consult with the Principal Officer before fulfilling the request/taking any action. The Principal Officer will consult the regulatory authorities in determining what action in such case.
- (viii) A few illustrations of possible Suspicious Transactions relating typical transactions of Broking Clients and DP Clients and of Bhogilal Trikamlal Securities Pvt Ltd are set out at **Annexure 3** below.

G. 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>. Registered intermediaries are directed to ensure that accounts are not opened in the name of anyone whose name appears in said list. Registered intermediaries 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.

Bhogilal Trikamlal Sec Pvt Ltd has a practice to open account of all the client after verifying the details in the website given above.

H. Procedure for freezing of funds, financial assets or economic resources or related services

As per 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. The obligations to be followed by intermediaries to ensure the effective and expeditious implementation of said Order has been issued vide SEBI Circular ref. no: ISD/AML/CIR-2/2009 dated October 23, 2009, which needs to be complied with scrupulously.

In the above case Bhogilal Trikamlal Securities Pvt Ltd would freeze the account of the client immediately and would inform client as well.

Depository Alerts

CDSL sends fortnightly alerts based on various undisclosed parameters. The alerts are treated as red flag alerts and taken up for further scrutiny. The team scrutinizes every alert based on the data of client profile available and decides whether the same is suspicious or not. For ascertaining the same, various websites are referred for reference and additional information wherever necessary.

Exchange Alerts

Stock exchanges send transactional alerts in their respective portals. The same is scrutinized, with the client profile available. Wherever necessary additional information is sought from the clients to decide whether the same is suspicious or not.

Review of the policy

The policy shall be reviewed at least once in 3 years or less as decided by the top management and shall ensure that the same is reviewed by a senior official other than the official who has prepared/ reviewed the earlier version of the policy.

Accordingly, the policy will be reviewed in the year 2020

Accounts of Foreign Portfolio Investors (FPIs):

FPIs shall include individuals, groups or associations, not residing in India and Resident of a country that is a member of Financial Action Task Force (FATF) or a country that is a member of a group which is a member of FATF and resident in a country that is a signatory to IOSCO's MMOU or a signatory

of a bilateral MOU with Securities and Exchange Board of India (SEBI).

FPI include existing FIIs, Sub-accounts and QFIs but does not include NRIs. FPIs will be registered with one Designated Depository Participant (DDP). DDP shall carry out necessary due diligence and obtain appropriate declarations and undertakings before registering FPIs.

The Company shall be governed by the SEBI (Foreign Portfolio Investors) Regulations, 2014 while dealing with FPIs.

Eligible Foreign Portfolio Investors will be classified in Category I or II or III as detailed below:

Category	Eligible Foreign Investors
I	Government and Government related foreign investors such as Foreign Central Banks, Governmental Agencies, Sovereign Wealth Funds, International/ Multilateral Organizations/ Agencies
II	a) Appropriately regulated broad based funds such as Mutual Funds, Investment Trusts, Insurance / Reinsurance Companies, Other Broad Based Funds etc. b) Appropriately regulated entities such as Banks, Asset Management Companies, Investment Managers/ Advisors, Portfolio Managers etc. c) Broad based funds whose investment manager is appropriately regulated d) University Funds and Pension Funds e) University related Endowments already registered with SEBI as FII/Sub Account
III	All other eligible foreign investors investing in India and not eligible under Category I and II of FPIs such as Endowments, Charitable Societies/Trust, Foundations, Corporate Bodies, Trusts, Individuals, Family Offices, etc.

The documents required towards KYC of each class of aforesaid foreign clients, investing through Portfolio Investment Scheme, is given at Note 1 to Annexure 2

SEBI in the past has taken several steps to tackle the issue of “Unauthorized Trades” viz Periodic Running Account Settlement, Post transactions SMS/email by exchanges/Depositories, Ticker on broker/DP websites etc. It was observed that in spite of measures taken, a considerable proportion of investor complaints is of the nature of “Unauthorized Trades”.

III. To further strengthen regulatory provisions against unauthorized trades and also to harmonies the requirements across markets, it has now been decided that all brokers shall execute trades of clients only after keeping evidence of the client placing such order, which could be, inter alia, in the form of:

- a. Physical record written & signed by client,
- b. Telephone recording,
- c. Email from authorized email id,
- d. Log for internet transactions,
- e. Record of messages through mobile phones,
- f. Any other legally verifiable record.

When a dispute arises, the broker shall produce the above-mentioned records for the disputed trades. However, for exceptional cases such as technical failure etc.

Securities and Exchange Board of India Page 2 of 2 where broker fails to produce order placing evidences, the broker shall justify with reasons for the same and depending upon merit of the same, other appropriate evidences like post trade confirmation by client, receipt/payment of funds/ securities by client in respect of disputed trade, etc. shall also be considered.

IV. Further, wherever the order instructions are received from clients through the telephone, the stock broker shall mandatorily use telephone recording system to record the instructions and maintain telephone recordings as part of its records. V. The Brokers are required to maintain the records specified at Para III above for a minimum period for which the arbitration accepts investors' complaints as notified from time to time currently three years. However, in cases where dispute has been raised, such records shall be kept till final resolution of the dispute.

KYC Documents

An. Individual / Sole Proprietorship

S. No.	Features	Documents
1.	Proof of identity	One self-certified copy of any one of the following: (i) Passport (ii) Photo PAN card (iii) Voter's Identity Card <ul style="list-style-type: none">• Driving license• UID – Aadhar Card (vi) ID card with photo issued by any central / state government and its departments

2.	<p>Proof of address (if address on the above documents is different from the address on</p>	<p>One self-certified copy of any one of the following:</p> <ul style="list-style-type: none"> (i) Telephone bill of land line (ii) Electricity bill (iii) Passport Copy (iv) Latest Bank Passbook/ bank account statement / Demat Account statement containing address (v) Voter Id Card (vi) Driving license <p>Proof of identity and address can also be established by any document containing the photograph, address and signature, duly attested by a manager of a scheduled commercial bank (the designation seal should be affixed), notary public or gazetted officer</p>
3.	Other	<p>Most recent photograph Cancelled Cheque Copy of Bank Pass Book Copy of Demat Client Master / Demat Statement</p>
4.	Comments/ Notes	<p>The above documents would be accepted in any language specified in the Eighth Schedule of the Constitution of India. Documents in any language other than a scheduled language must be translated into English, and duly attested by a notary public or gazette officer. Signatures by way of a thumb impression are to be duly attested by a notary public or gazette officer.</p>

In case the Client is physically handicapped or incapacitated to fill in the forms/declarations or sign on the documents, the person authorized by the Client would need to sign in the presence of an Bhogilal Trikamlal Securities Pvt Ltd Professionals and submit the authorization document from Client, to be verified in originals.

Hindu Undivided Family (HUF)

S. No.	Features	Documents
1.	Proof of identity Proof of address Others	One self-certified copy of any one of the following: (i) Copy of PAN Card of the HUF / Deed of declaration of HUF (ii) Copy of Bank Statement (iii) Cancelled Cheque (iv) Declaration from the Karta. (v) Prescribed Joint Hindu Family Letter signed by all the adult coparceners (vi) One most recent photograph of the Karta. (vii) Copy of Proof of Identification of Karta (viii) Copy of Demat Client Master / Demat Statement

C. Non-Resident Individuals (these are classified as high-risk Clients)

S. No.	Features	Documents
1.	Proof of identity	One self-certified copy of any one of the following: (i) Passport / PIO Card /In case of OCI, the passport page consisting OCI stamp (ii) PAN card (iii) Voter's Identity Card (iv) Driving license
2.	Proof of address	Foreign Address and Local Address: One self-certified copy of any one of the following:

		<ul style="list-style-type: none"> (i) Telephone bill (ii) Electricity bill (iii) Passport copy (iv) Latest Bank Passbook/ statement / DP statement (v) Voter Id (vi) Driving license (ix) Any other document duly certified by local authority in the country of residence.
3.	Other	<p>One most recent photograph</p> <p>Cancelled Cheque</p>
4.	Comments	<ul style="list-style-type: none"> (i) Proof of identity and address can also be established by any document containing the photograph, address and signature, duly attested by a manager of a scheduled commercial bank, notary public or gazette officer. (ii) If In person verification of the NRI or foreign national is infeasible, then, Bhogilal Trikamlal Securities Pvt Ltd may, in place of in person verification, obtain from the NRI or foreign national, as the case may be, KYC documents attested by any one of the following: <ul style="list-style-type: none"> (a) Notary Public (b) Court (c) Magistrate (d) Judge (e) Local Banker (f) Indian Embassy, or (g) Consulate General of the country where the NRI/foreign national is residing (iii) In case the documents are in foreign language the same to be translated to English and certified by government authority in country of residence or the Indian Embassy.

D. Non- Individuals

S. No.	Features	Documents
1.	Accounts of companies	<p>Certified copies of each of the following:</p> <ul style="list-style-type: none">(i) Certificate of incorporation(ii) MO A &AOA(iii) Resolution of the Board of Directors to avail of the loan/open an account.(iv) Photograph, POI, POA, PAN and DIN numbers of whole-time directors/two directors in charge of day-to-day operations.(v) Photograph, POI, POA, PAN of individual promoters holding control – either directly or indirectly.(vi) Copy of PAN Allotment Letter(vii) Copy of Telephone Bill(viii) Copy of the balance sheets for the last 2 financial years. (to be submitted every year).(ix) Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover regulations, duly certified by the company secretary/whole time director/MD (to be submitted every year)

2.	Trusts, foundations, NGOs, Charitable Bodies, Clubs	<p>Certified true copies, certified by one of the authorized signatories of each of the following</p> <ul style="list-style-type: none"> (i) Certificate of registration, if registered (ii) Trust deed (iii) The document in proof of delegating power of attorney to transact on behalf of the entity (vi) Resolution by managing body (vii) Telephone Bill (viii) Latest Bank Passbook/ statement / DP statement (ix) PAN Card
3.	Partnership Firms (including Limited Liability Partnership)	<p>Certified copies, certified by a Partner of the Partnership Firm or a Designated Partner of the Limited Liability Partnership Firm of the following:</p> <ul style="list-style-type: none"> (i) Registration certificate (ii) Partnership Deed (iii) Limited Liability Partnership Agreement/Incorporation Document (iv) Certificate of Registration of Limited Liability Partnership (v) Power of Attorney granted to a partner or Professionals of the firm to transact business on behalf of the firm. (vi) PAN card of Partnership Firm (vii) Address Proof of Firm (viii) Photo / PAN / Address Proof of all the Partners.

4. Unincorporated Association or a body of individuals

Bhogilal Trikamlal Securities Pvt Ltd may not deal with such entities in the normal course of business but in case of such a Client, KYC shall be done in a manner similar to the KYC for non- individuals other than companies registered under the Companies Act

D. Beneficiary Owner Account for non-body corporate

S.No	Features	Document
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1.	Proof of Identity	<p>A copy of any one of the following may be accepted for proof of identity</p> <ul style="list-style-type: none"> (i) Passport (ii) Voter ID Card (iii) Driving license • PAN card with photograph • UID Id- Aadhar Card (iv) Identity card/document with applicant's Photo, issued by: <ul style="list-style-type: none"> (a) Central/State Government and its Departments, (b) Statutory/Regulatory Authorities, (c) Public Sector Undertakings, (d) Scheduled Commercial Banks, (e) Public Financial Institutions, (f) Colleges affiliated to universities, (g) Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their members; and (h) Credit cards/Debit cards issued by Banks.
2.	Proof of Address	<p>A copy of any one of the following may be accepted for proof of address</p> <ul style="list-style-type: none"> (i) Passport (ii) Voter ID Card (iv) Driving license (v) Bank passbook (vi) Verified copies of: <ul style="list-style-type: none"> (a) Electricity bills (not more than two months old), (b) Residence Telephone bills (not more than two months old) and (c) Leave and License agreement / Agreement for sale

		<p>(vii) Self-declaration by High Court & Supreme Court judges, giving the new address in respect of their own accounts.</p> <p>(viii) Identity card/document with address, issued by:</p> <p>(a) Central/State Government and its Departments, (b) Statutory/Regulatory Authorities,</p> <p>(c) Public Sector Undertakings,</p> <p>(d) Scheduled Commercial Banks,</p> <p>(e) Public Financial Institutions,</p> <p>(f) Colleges affiliated to universities; and</p> <p>(g) Professional Bodies such as ICAI, ICWAI, Bar Council etc., to their members.</p>
3	Comment	<p>If In person verification of the BO is infeasible due to the BO being an NRI or foreign national, then, Bhogilal Trikamlal Securities Pvt Ltd may, in place of in person verification, obtain from the NRI or foreign national, as the case may be, KYC documents attested by any one of the following:</p> <p>(i) Notary Public</p> <p>(ii) Court</p> <p>(iii) Magistrate</p> <p>(iv) Judge</p> <p>(v) Local Banker</p> <p>(vi) Indian Embassy, or</p> <p>(vii) Consulate General of the country where the NRI/foreign national is residing</p> <p>Investors residing in state of Sikkim exempted from requirement of P.A.N for opening Beneficial Owner Account with Depository Participant and for trading in cash market and investment in Mutual Funds.</p>

In addition, with regard to high-risk Clients, the following additional guidelines apply:

- **Whenever the Client is a politically Exposed Person.**

Politically exposed persons are individuals who have been entrusted with prominent public positions in the governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. as well as their families and close associates. Bhogilal Trikamlal Securities Pvt Ltd Professionals should gather sufficient information on any person/Client of this category intending to establish a relationship and check all the information available on the person in the public domain. The Professionals should also verify the identity of the person and seek information about the sources of funds before accepting the PEP as a Client. Bhogilal Trikamlal Securities Pvt Ltd must monitor the accounts/ transactions of PEPs on a continuous and ongoing basis. For accepting a PEP as a Client Bhogilal Trikamlal Securities Pvt Ltd is required to obtain approval of the CEO of the Bhogilal Trikamlal Securities Pvt Ltd Group in addition to CAC approval.

- **Whenever the Client is a Non face to Face Client**

In person verification of the Client is mandatory and the Professionals visiting the Client must verify the originals of the photocopy documents submitted by the Client as part of KYC documentation. In the case of non-face-to-face Clients, apart from applying the usual Client identification procedures, there must be specific and adequate procedures to mitigate the higher risk involved. Certification of all the documents presented may be insisted upon and, if necessary, additional documents may be called for.

Bhogilal Trikamlal Securities Pvt Ltd must monitor the accounts/ transactions of non-face to face Clients on a continuous and ongoing basis.

- **Whenever there is any ambiguity on the source of funds**

One of the most important due diligence requirements is to establish the source of funds of prospective Clients. The central idea behind seeking this information is to establish a link between the Clients net worth and known sources of income. Most HNI's can be segmented into distinct groups on the basis of their occupation.i.e. businessmen, entrepreneurs, company promoters, professionals, corporate executives etc. RM is expected to be aware of these patterns and use his discretion in seeking additional information on this.

Bhogilal Trikamlal Securities Pvt Ltd must monitor the accounts/ transactions of such Clients on a continuous and ongoing basis

- **Whenever the Client's name appears in Banned list (World-Check, UNSCR List, RBI**

List, SEBI List, CIBIL & Google Check etc) OR there is negative (crime-related) information identified during the Client take-on process (as a result of due diligence performed by the compliance Officer or other functions).

Banned entities lists have been issued by Reserve Bank of India (RBI) / SEBI to all banks and financial institutions in the country. The lists issued by RBI are circulated to banks and financial institutions to stop opening accounts of suspected terrorists and prevent all kinds of dubious financial transactions. Bhogilal Trikamlal Securities Pvt Ltd also subscribes to "WORLD-CHECK" an independent global service provider. World check is an industry pioneer in provision of structured intelligence to the finance industry. World check provides comprehensive profiles of high risk and potential high risk persons and entities and those associated with them in more than 220 countries and territories. Politicians and people of political influence, terrorists and organised crime, money launderers and fraudsters are all profiled here. More than 3,800 institutions, including 49 of the world's 50 largest banks, rely on this database of known heightened-risk individuals and entities to effectively screen their Clients, transactions and Professionals for potential risk relating to money laundering, terrorist financing and over 20 other types of risk.

Bhogilal Trikamlal Securities Pvt Ltd must monitor the accounts/ transactions of such high risk Clients on a continuous and ongoing basis

- **Whenever Client is residing or intend to route transactions through FATF list of Non cooperative countries and territories**

Countries identified by the Financial Action Task Force ("FATF") as non-cooperative in the fight against money laundering or identified by credible sources as lacking appropriate money laundering laws and regulations. Countries identified by credible sources as providing

funding or support for terrorist activities (a risk based approach to identifying terrorist funding in financial institutions is impracticable, considering those countries that support terrorist activities as an evaluating factor for determining country or geography risk may be appropriate). Countries identified by credible sources as having significant levels of corruption, or other criminal activity. Bhogilal Trikamlal Securities Pvt Ltd must monitor the accounts/ transactions of such high risk Clients on a continuous and ongoing basis

- **Whenever Client associated with High Risk Business / Profession.**

There is no universal consensus as to which Clients pose a higher risk, but the below listed characteristics of Clients have been identified with potentially higher money laundering risks:

- Arms manufacturers, dealers and intermediaries

- Cash (and cash equivalent) intensive businesses including:

Money services businesses (remittance houses, exchange houses, casas de Cambio, bureaux de change, money transfer agents and bank note traders),

Casinos, betting and other gambling related activities, or

Businesses that while not normally cash intensive generate substantial amounts of cash for certain transactions.

Dealers in high value or precious goods (e.g jewel, gem and precious metals dealers, art and antique dealers and auction houses, estate agents and real estate brokers). Account for "gatekeepers" such as accountants, lawyers, or other professionals for their Clients where the identity of the underlying Client is not disclosed to the financial institution. Accounts for Clients introduced by such gatekeepers may also be higher risk where the financial institution places unreasonable reliance for KYC and AML matters on the gatekeeper.

These accounts will also subject to enhanced monitoring on an ongoing basis.

- **Whenever a Legal person as a Specific Entity, Trust, Partnerships etc.**

The RM must be cautious while performing the due diligence of entities like trusts, HUF's, Partnerships ,Unregulated charities and other unregulated "not for profit" organizations (especially those operating on a "cross-border" basis) and closely held companies since there is no clarity in ownership. Therefore the source of income of these entities is often unclear.

These accounts will also subject to enhanced monitoring on an ongoing basis.

Client Acceptance Committee (CAC)

- (i) Bhogilal Trikamlal Securities Pvt Ltd has constituted the CAC for the purposes of client acceptance. (ii) The CAC shall consist of a minimum of 3 persons
- (iii) The CAC shall comprise of the following members:

- (a) Chairman & Designated director;
- (b) Compliance Officer;
- (c) Risk Head of Bhogilal Trikamlal Securities Pvt Ltd;

A Compliance Team Representative shall attend (on needs basis) as an invitee.

- (iv) On a reference being made by the RM to the CAC, the RM shall submit the KYC documents together with the risk profile sheet and remarks of the RM thereon, if any, to the CAC for consideration.
- (v) The CAC may ask for additional information where it deems appropriate
- (vi) All members of the CAC must approve the prospective Client for such Client to be accepted.
- The CAC shall also approve or shall assign a risk profile to each Client based on the guidelines for risk categorization set out in the Bhogilal Trikamlal Securities Pvt Ltd AML Policy.

Risk categorisation

All clients, at the time of onboarding shall be classified in low, medium and high risk categories, based on the following parameters;

Meets all four parameters - High Risk

Meets three parameters - Medium Risk

Meets two or less parameters - Low risk

- Parameter 1(Location) - If the clients' location (registered office address, correspondence addresses and other addresses if applicable) is out of India in any of the high risk jurisdictions as defined by FATF
- Parameter 2(nature of business activity) - If the client is dealing in derivatives segment
- Parameter 3(Trading turnover) - If the turnover of the client is not commensurate with the income/ net worth as provided to BHOGILAL TRIKAMLAL SECURITIES PVT LTD

- Parameter 4(Manner of making payment for transactions undertaken) - it client attempts to make payments from accounts other than its own bank accounts

BHOGILAL TRIKAMLAL SECURITIES PVT LTD Client On boarding and Periodical Review Policy

Encompassing

Client acceptance policies and procedures/ Due diligence measures on a risk sensitive basis/
Risk assessment and categorisation

Client onboarding Process at BHOGILAL TRIKAMLAL SECURITIES PVT LTD

- When individual client account opening form is received, all requirements under CKYCR and KRA shall be completed

- When non-individual client account opening form is received, all requirements under KRA shall be completed. As and when CKYCR starts accepting non-individual clients, CKYCR process shall be completed even for non-individual clients

- BHOGILAL TRIKAMLAL SECURITIES PVT LTD will use the Permanent Account number (PAN) allotted by the Indian Income Tax Department as the main identifier for the identity of all individuals. The PAN as provided shall be independently verified from the Income Tax Database/ databases of other entities authorised by the Income Tax department.

- All processes like in-person verification, verification of copies against originals, and all other requirements of KRA and CKYCR shall be met at all times by BHOGILAL TRIKAMLAL SECURITIES PVT LTD diligently

A public database search of the individual (in case of individual clients) and beneficial owners/ senior management in case of non-individuals clients shall be conducted at the following places:

- PAN number search on Google

- Search on Stock exchange provided lists

- Search on whatchoutinvestors.com

- Search on UN databases

- Search in any other commercial database that BHOGILAL TRIKAMLAL SECURITIES PVT LTD may subscribe to

The search shall ensure that 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.

If any alerts are generated during the search, then matter shall be escalated to Principal Officer to take a decision whether to open the account or not.

Income and networth details shall be taken for all clients on a self-declaration basis. In case of clients trading on derivatives, documentary evidence of financial details as prescribed under SEBI Circular MIRSD/SE/Cir-19/2009 dated 03-Dec-2009 as modified/ updated/ reissued shall be taken.

Where the above details are not available, the account shall not be opened

Annexure e 3

Indicative Suspicious Transactions

- (a) Clients whose identity verification seems difficult or Clients that appear not to cooperate
- (b) 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 undertaken by offshore banks/financial services, businesses reported to be in the nature of export import of small items.

Subject: Supplemental Guidelines for detecting suspicious transactions under rule 7(3) of Prevention of Money Laundering (Maintenance of Records) Rules, 2005 -reg.

2. With a view to revise and update the **Red Flag Indicators** (hereinafter referred to as 'RFIs') and lay down supplemental guidelines which may help stock exchanges in identifying suspicious transactions, Bhogilal Trikamlal Sec. P Ltd (BTSP) being a Reporting Entity (RE) has implemented the following RFI's for generation of alerts and identification of suspicious transactions as per the guide lines issued by FIU-IND [**Sub-rule (3) of Rule 7 of Prevention of Money Laundering (Maintenance of Records) Rules, 2005, as amended, empowers Director, FIU-IND to issue guidelines in consultation with Regulator for detecting suspicious transactions. These guidelines are being issued under the said Rule**].

3. These RFIs which are proposed to be implemented are mentioned in Annexure-A. Further, it is pertinent to mention that these RFIs are in addition to the RFIs issued vide FIU-IND's communication dated 11th March, 2016 issued vide F. No. 9-6/AG-11/2012/FIU-IND.

4. The alerts generated by using the indicators as given in the guidelines are properly analysed with a view to identify suspicious transactions as defined under the PML Rules, and if BTSP (RE) comes to the conclusion that case appears to be a suspicious transaction, then the case may be brought to the notice of FIU-IND by filing Suspicious Transaction Reports (STRs) following the prescribed procedure in this regard.

5. The thresholds prescribed in these alert indicators shall be indicative and shall be derived based on data analysis and back-testing carried out by the BTSP. BTSP may adopt stricter criteria and lower thresholds, but BTSP has not adopted criteria less strict than that which is provided

Confidential

by FIU-IND in order to mitigate eminent AML/CFT risks specifically in cases where purposeful avoidance of such thresholds are observed by the BTSP.

6. It should be noted that BTSP carries out the analysis process within the AML/CFT organizational setup in a manner that it does not lead to tipping-off. In this regard, BTSP takes caution that the requirement of confidentiality regarding reporting of transactions to FIU-IND extends not only to the customers concerned but also to other Res. Utmost care is taken to ensure that the fact of whether an STR has been filed in relation to a specific transaction or alert is not directly or indirectly disclosed. Any deviation in this regard is viewed strictly by BTSP.

7. All the Designated Directors and Principal Officers of BTSP have implemented the

guidelines with immediate effect and are ensuring their compliance.

8. Further, concerned authorities at BTSPPL are aware of the penalties for non-compliance with obligation under Chapter IV of PMLA (including obligations to report STRs and to have in place an effective mechanism to detect and report STRs) may range up to Rs. 1 Lakh per non-compliance.

p.n This document is confidential and is intended for use of Designated Director, Principal Officer and the AMLICFT teams only. BTSPPL doesnot circulate this note to any other person .BTSPPL ensures strict confidentiality of this document.

Annexure A - Indicative Alert Indicators (Confidential)

Sr.No.	Alert Source	Alert Indicator	Indicative Rule/Scenario
1	Transaction Monitoring	TM 11- Fund Received from Non-Clients	Single or multiple transfer of funds more than 1 Cr in a calendar month in brokers account from multiple sources/accounts which are not reported as clients
2	Transaction Monitoring	TM12 - Margin Trading (N.A.)	<p>Sudden increase in the funding amount of Margin Trading Facility (MTF) exposure</p> <p>1. by more than 50% of MTF exposure of previous month</p> <p>AND;</p> <p>2. with a value of more than Rs. 10 crores.</p> <p>N.A.</p>
3	Transaction Monitoring	TM 13 - Off Market transfer to unrelated accounts [Refer Note No. 1)	<p>1. Only for Reason code/s</p> <ul style="list-style-type: none"> - off-market sale - Gift - Donation AND; <p>2. Valuation per debit transaction will be > 25 lacs AND;</p> <p>3. Exclude accounts with same PAN, mobile, email ID, same bank details (IFSC + ac no) (same mobile/ email/ bank details in multiple demat account will be treated as related accounts) and family flag is enabled AND;</p> <p>Valuation is >5 times of income range</p>
4	Transaction Monitoring	TM 13A – Suspicious Off Market Credit and Debit [Refer Note No. 1)	<p>1. Customer receive credit / demat of 50,000 shares or shares worth Rs. 25 lakhs and above by single transaction or series of transactions in an ISIN AND;</p> <p>2. 80% or more of credited shares gets debited by way Off Market transfers 2 of 3 to 3 or more than 3 unrelated accounts AND;</p>

		Annexure A - Indicative Alerts	3. Only Listed Equity Shares will be considered for this alert. (Monthly frequency) Short span of time is within 30 days.
5	Transaction Monitoring	TM 138-Off market delivery in unlisted scrip	<p>1. Single or Series of Transactions where more than 5,00,000 unlisted equity shares have been transferred within period of 1 month AND;</p> <p>1. Off-Market Transfers with Reason code "Off-Market Sale", "Donation" and "Gift" will be considered AND;</p> <p>2. Exclude own account transfer (first holder PAN) i.e., transfers made through account transfer cum closure module and with reason code transfer to own accounts. (Monthly frequency)</p>
6	Transaction Monitoring	TM 13D-Off Market transfer at variance with market value [Refer Note No. 1]	<p>1. Transaction value of such transaction is beyond 5 times of Income range/ Net worth (as updated in demat account) on higher side as provided by the BO AND;</p> <p>2. Listed Equity Shares will be considered AND;</p> <p>3. Debit transaction specific reason codes > 5 lacs in value AND;</p> <p>4. for Reason code/s</p> <p>-Family Account Transfer</p> <p>-Gift</p> <p>-Donation</p>

7	Transaction Monitoring	TM 13D-Off Market transfer at variance with market value [Refer Note No. 1]	1. Off market transfers with reason code "Off-Market Sale" AND ; 2. Difference of +/- 50% difference in consideration value mentioned by BO and prevailing market value of Equity Shares AND ; 3. Only Listed Equity Shares will be considered. AND 4. Minimum transaction value for alert will be Rs 25 lakhs AND ;
8	Transaction Monitoring	TM 13E-Off Market transfer in suspicious scrip [Refer Note No. 1]	1. Off market single or series of transactions having value of Rs 2 lakh and above AND ; Suspicious Scrips for which unsolicited SMSs were circulated will be taken from below URLs BSE: https://www.bseindia.com/attentioninvestors.aspx NSE: https://www.nseindia.com/regulations/unsolicited-messages-report
9	Employee Initiated	EI 13-Suspicious Closure of Account (Refer Note No.1)	1. Accounts closed within 30 days of opening of Account and single or series of debit transactions (On Market, Off-Market including IDT Transfer) with value > 10 lacs AND ; 2. Exclude own account transfer (first holder PAN) i.e., transfers made through account transfer cum closure module and with reason code transfer to own accounts. Also, if securities received in source account through transmission, then the same will be excluded

Note No. 1 : Alerts in respect of TM 13, TM 13A, TM 13B, TM 13C, TM 13D, TM 13E & EI 13 indicators are generated by the BTSP/ Depository and CM/SCM forwarded to the depository participants / MII concerned for necessary action at their end.

G. POLICY FOR EMPLOYEES HIRING / TRAINING AND INVESTOR EDUCATION.

Annexure A - Indicative Alert Indicators (Confidential)

a. Employee Hiring

Employees are interviewed on the basis of their qualifications by the Principal officer. If he finds them fitting in the role of the company then they are interviewed by the designated director. Only after this if they are found eligible they are appointed.

a. Employee Training

Employee is placed under a senior executive initially and then he is sent to qualify for the basic NISM Training. A training session is conducted periodically.

a. Investor Education

We inform all our clients regarding the redressal system to be followed. They are also regularly informed regarding the latest news, updates and actions relating to any intermediary / listed company.

- a. The registered intermediaries 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.

As per SEBI/BSE LTD notice dated 19/4/2018

"It is observed that as per clause 2(b)(4) of the PML Amendment Rules in case the Permanent Account Number (PAN) is not submitted by any client at the time of opening of account-based relationship, one certified copy of an 'officially valid document' (OVD) shall be submitted

In view of the same, it is clarified that, for securities market, in terms of the SEBI circular dated April 27, 2007, the requirement of PAN would continue to be mandatory for completing the KYC process"

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