

## Anti-Money Laundering and Combating Financing of Terrorism

**Money Laundering** refers to the process of concealing or disguising the proceeds of crime to make them appear legitimate. It typically involves 3 stages: Placement, Layering and Integration.

1. **Placement:** Introducing illicit funds into the financial system.
2. **Layering:** Conducting multiple transactions to obscure the origin of funds.
3. **Integration:** Reintroducing the funds into the economy as apparently legitimate assets.

Money Laundering is a punishable offence under the Prevention of Money Laundering Act, 2002 (PMLA) and rules framed thereunder. The Act provides for stringent penalties, including attachment of property, monetary fines and imprisonment.

As a SEBI-registered intermediary, we are mandated to comply with the provisions of PMLA, SEBI Master Circulars, and applicable AML/CFT guidelines. Suspicious transactions are reported to the Financial Intelligence Unit – India (FIU-IND) in accordance with statutory requirements.

In accordance with the PMLA and applicable regulations, Compliance team:

- Monitors transactions on a risk based approach.
- May seek clarification for unusual or suspicious transactions.
- Obligated to report suspicious transactions to FIU-IND.
- May suspend, restrict, or terminate accounts where regulatory concerns arise.

- Client Due Diligence (KYC) and Enhanced Due Diligence (EDD).
- Periodic updation of client income details and networth.

In accordance with the PMLA and applicable regulations, Clients are required to:

- Provide complete, accurate, and updated KYC documentations as prescribed under PMLA and SEBI regulations.
- Ensure that funds used for trading/investment are from legitimate sources.
- Avoid permitting third parties to operate or route funds through their accounts without proper authorization and disclosure.
- Promptly inform the Company of any change in personal details, beneficial ownership, control structure, or financial profile.
- Cooperate with any request for additional information for regulatory compliance purposes.