

PMLA Policy

SAMCO SECURITIES LIMITED

Version 1.2 - 28/08/2025

01.Introduction

The Guidelines as outlined below provides a general background on the subjects of money laundering and terrorist financing and summarizes the main provisions of the applicable anti-money laundering and anti-terrorist financing legislation in India and provides guidance on the practical implications of the Prevention of Money Laundering Act, 2002. These Guidelines/Policy/Measures is intended for use by all employees and representatives of SAMCO SECURITIES LIMITEDThe Guidelines/Policy/Measure also sets out the steps that all employees of SAMCO SECURITIES LIMITEDand any of its representatives, are implementing to discourage and identify any money laundering or terrorist financing activities. The overriding principle is enable to satisfy them that the measures taken are adequate, appropriate and follows the spirit of the measures and the requirements as enshrined in the Prevention of Money Laundering Act, 2002 ('PMLA/'Act') The relevance and usefulness of these Guidelines/Policy/Measures are kept under review and it may be necessary to issue amendments from time to time. It is recognized that a "one-size-fits-all" approach shall not be appropriate for the Stock industry; and hence SAMCO SECURITIES LIMITEDafter considering the specific nature of our business, type of clients, transactions etc. has implemented the suggested measures and procedures to ensure that they are effectively applied in letter and spirit.

02.Background

The Prevention of Money Laundering Act, 2002 came into effect from 1st July 2005. Necessary Notifications / Rules under the said Act were published in the Gazette of India on 1st July 2005 by the Department of Revenue, Ministry of Finance (Government of India). We SAMCO SECURITIES LIMITED being a Stockbroker have implemented various procedures and principals following the erstwhile SEBI guidelines to fulfill the distinguished objectives of the PMLA.

As per the provisions of the Act, SAMCO SECURITIES LIMITED being registered intermediary shall maintain a record of all the transactions; the nature and value of which has been prescribed in the Rules under the PMLA and in these procedure document at appropriate place. Such transactions include:

- All cash transactions of the value of more than Rs 10 lakh or its equivalent in foreign currency.
- All series of cash transactions integrally connected to each other which have been valued below Rs 10 lakh or its equivalent in foreign currency where such series of transactions take place within one calendar month.
- All suspicious transactions whether or not made in cash and including, inter-alia, credits or debits into from any non monetary account such as demat account, etc.

03.Objectives

Money laundering has now become one of the major concerns of international financial community. Money Laundering is not just an attempt to disguise money derived from illegal activities. Rather, money laundering is involvement in any transaction or series of transactions that seek to conceal or disguise the nature or source of proceeds derived from illegal activities, including drug trafficking, terrorism, organized crime, fraud and many other crimes. The objective is to have a system in place for preventing any money laundering financial transaction through us and also to identify, monitor, report any such transaction to appropriate authorities.

Know Your Customer ("KYC") is the guiding principle behind the Anti-Money Laundering/Prevention of Money Laundering ("AML"/"PML") measures. The objective of is to "have in place adequate policies, practices and procedures that promote high ethical and professional standards and prevent the Company from being used, intentionally or unintentionally, by criminal elements". KYC Standards and AML Measures would enable the Company to know / understand its customers, the beneficial owners, the principals behind customers who are acting as agents and their financial dealings better which in turn will help the Company to manage its risks prudently.

The management of the company is fully committed to establish appropriate policies and procedures for ensuring effectiveness and compliance with respect to all relevant legal requirements in respect of AML/PMLA.

04.Policies and Procedures to Combat Money Laundering and Terrorist Financing Essential Principles

These Guidelines/Policy/Measures have taken into account the requirements of the PMLA as applicable to SAMCO SECURITIES LIMITED under Section 12 of the SEBI Act. SAMCO SECURITIES LIMITED has considered carefully the specific nature of its business, organizational structure, type of client and transaction, etc. to satisfy itself that the measures taken by it are adequate and appropriate and follow the spirit of the suggested measures in Part II and the requirements as laid down in the PML Act.

Our Financial groups has implemented group wide programmed for dealing with ML/TF, which shall be applicable, and appropriate to, all branches and majority owned subsidiaries of the financial group as under:

- Policies and procedures for sharing information required for the purposes of CDD and ML/TF risk management;
- The provision, at group level compliance, audit, and/or AML/CFT functions, of customer, account, and transaction information from branches and subsidiaries when

necessary for AML/CFT purposes. This shall include information and analysis of transactions or activities which appear unusual (if such analysis was done); similar provisions for receipt of such information by branches and subsidiaries from these group level functions when relevant and appropriate to risk management; and

- Adequate safeguards on the confidentiality and use of information exchanged, including safeguards to prevent tipping-off.

Please note: "7A. "group" shall have the same meaning assigned to it in clause (cba) of sub-rule (1) of rule 2 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 as amended from time to time."

Obligation to establish policies and procedures

Global measures taken to combat drug trafficking, terrorism and other organized and serious crimes have all emphasized the need for financial institutions, including securities market intermediaries, to establish internal procedures that effectively serve to prevent and impede money laundering and terrorist financing.

To be in compliance with these obligations, the senior management of SAMCO SECURITIES LIMITED is fully committed to establish appropriate policies and procedures for the prevention of Money Laundering ('ML') and Terrorist Financing ('TF') and ensure their effectiveness and compliance with all relevant legal and regulatory requirements SAMCO SECURITIES LIMITED shall abide by following:

- Defining SAMCO SECURITIES LIMITED's Anti Money Laundering Policy/Measures
- Issue a statement of policies and procedures and implement, on a group basis where applicable, for dealing with ML and TF reflecting the current statutory and regulatory requirements;
- Ensuring that the content of AML Directives are understood by all staff members;
- Ensuring compliance of SAMCO SECURITIES LIMITED's AML Policy/Measures
- Acting as a central reference point and playing an active role in identification & assessment of potentially suspicious transactions
- Regularly reviewing the policies and procedures on the prevention of ML and TF to ensure their effectiveness.
- Adopting client acceptance policies and procedures which are sensitive to the risk of ML and TF;
- Undertaking client due diligence ("CDD") measures to an extent that is sensitive to the risk of ML and TF depending on the type of client, business relationship or transaction;

- Having a system in place for identifying, monitoring and reporting suspected ML or TF transactions to the law enforcement authorities; and
- Ensuring that SAMCO SECURITIES LIMITED discharges its legal obligation to report suspicious transactions to the FIU.
- Ensuring that this Guideline/ Policy/Measure is explained to all the concerned in the
- Stock broking operations give adequate training to all the concerned staff.
- Ensuring that this Guideline/ Policy/Measure is reviewed and tested frequently for its effectiveness
- Developing staff members' awareness and vigilance to guard against ML and TF.
- Review Guideline/ Policy/Measure from time to time to ensure latest regulatory measure on AML/PMLA

SAMCO SECURITIES LIMITED LIMITED's Policies and Procedures to Combat ML covers the following:

- Communication of group policies relating to prevention of ML and TF to all management and relevant staff members.
- Client acceptance policy and client due diligence measures, including requirements for proper identification;
- Maintenance of records;
- Compliance with relevant statutory and regulatory requirements;
- Co-operation with the relevant law enforcement authorities, including the timely disclosure of information; and
- Role of internal audit or compliance functions to ensure compliance with the policies, procedures, and controls relating to the prevention of ML and TF.

05.General Guidelines

- Obtaining sufficient information in order to identify persons who beneficially own or control 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. The beneficial owner is the natural person or persons who ultimately own, control or influence a client and / or persons on whose behalf a transaction is being conducted.

- Collect all the possible supporting documents to identify the customer and verify the customer's identity using reliable, independent source documents, data, or information.
- Collecting the documents which support the corresponding address as well as permanent address of the client.
- Fulfill the entire requirement for establishing the financial status of the client as stipulated by the concerning authority.
- Ensure that all the relevant data of the client is clearly and completely entered in the records and all these should be done under the supervision of senior official of the concerning department.
- Necessary checks and balance to be put into place before opening an account so as to ensure that the identity of the client does not match with any person having known criminal background or is not banned in any other manner whether in terms of criminal or civil proceedings by any enforcement agency worldwide.
- If there is any request for the modification of the records, it should be through an application duly signed by the said client and should be forwarded personally or by a faithful person authorized by him.
- We ensure that an account is not opened where we are unable to apply appropriate clients due diligence measures/ KYC policies.
- We shall not continue to do business with suspicious person/entities and file a report with regulatory authorities after determining whether to freeze or close the account.
- We ensure the circumstances under which the client is permitted to act on behalf of another person / entity should be clearly laid down. It should be specified in what manner the account authority required for transactions exceeding a specified quantity / value and other appropriate details. Adequate verification of a person's authority to act on behalf of the customer should also be carried out.

PART – II DETAILED DIRECTIVES

06. Written Anti Money Laundering Procedures

SAMCO SECURITIES LIMITED has adopted written procedures to implement the anti money laundering provisions as envisaged under the PMLA. Such procedures include inter alia, the following three specific parameters which are related to the overall 'Client Due Diligence Process':

- Policy for acceptance of clients
- Procedure for identifying the clients
- Transaction monitoring and reporting especially Suspicious Transactions Reporting ('STR').

07. Client Due Diligence (CDD)

1. The CDD measures comprise the following:

- We Obtain sufficient information in order to identify persons who beneficially own or control the securities account. Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party shall be identified using client identification and verification procedures. The beneficial owner is the natural person or persons who ultimately own, control or influence a client and/or person on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement;
- Verify the client's identity using reliable, independent source documents, data or information. Where the client purports to act on behalf of juridical person or individual or trust, we shall verify that any person purporting to act on behalf of such client is so authorized and verify the identity of that person;
- Identifying beneficial ownership and control, i.e. determine which individual(s) ultimately own(s) or control(s) the client and/or the person on whose behalf a transaction is being conducted. The beneficial owner shall be determined as under a) where the client is a company, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation: - For the purpose of this sub-clause: -

- "Controlling ownership interest" means ownership of or entitlement to more than ten per cent of shares or capital or profits of the company;
- "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;
- where the client is a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of/ entitlement to more than ten percent of capital or profits of the partnership or who exercises control through other means.

Explanation: - For the purpose of this clause: -

"Control" shall include the right to control the management or policy decision

- where the client is an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen per cent. of the property or capital or profits of such association or body of individuals;
- where no natural person is identified under (a) or (b) or (c) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;
- Where the client is a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with ten per cent 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; and
- where the client or the owner of the controlling interest is an entity listed on a stock exchange in India, or it is an entity resident in jurisdictions notified by the Central Government and listed on stock exchanges in such jurisdictions notified by the Central Government, or it is a subsidiary of such listed entities, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such entities.
- Applicability for foreign investors: Registered intermediaries dealing with foreign investors' may be guided by SEBI Master Circular SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022 and amendments thereto, if any, for the purpose of identification of beneficial ownership of the client;
- The Stock Exchanges and Depositories shall monitor the compliance of the aforementioned provision on identification of beneficial ownership through half yearly internal audits. In case of mutual funds, compliance of the same shall be monitored by the Boards of the Asset Management Companies and the Trustees and in case of other registered intermediaries, by their Board of Directors
- Verify the identity of the beneficial owner of the client and/or the person on whose behalf a transaction is being conducted, corroborating the information provided in relation to (iii);
- Understand the ownership and control structure of the client;
- Conduct ongoing due diligence and scrutiny, i.e. Perform ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with our knowledge of the client, its business and risk profile, taking into account, where necessary, the client's source of funds;

- We shall review the due diligence measures including verifying again the identity of the client and obtaining information on the purpose and intended nature of the business relationship, as the case may be, when there are suspicions of money laundering or financing of the activities relating to terrorism or where there are doubts about the adequacy or veracity of previously obtained client identification data; and
- We shall periodically update all documents, data or information of all clients and beneficial owners collected under the CDD process.
- We shall register the details of a client, in case of client being a non-profit organization, on the DARPAN Portal of NITI Aayog, if not already registered, and maintain such registration records for a period of five years after the business relationship between a client and we shall have ended or the account has been closed, whichever is later.
- Where we are suspicious that transactions relate to money laundering or terrorist financing, and reasonably believes that performing the CDD process will tip-off the client, we shall not pursue the CDD process, and shall instead file a STR with FIU-IND.
- No transaction or account-based relationship shall be undertaken without following the CDD procedure.

Policy for acceptance of clients

- We shall develop client acceptance policies and procedures that aim to identify the types of clients that are likely to pose a higher than average risk of ML or TF. By establishing such policies and procedures, they will be in a better position to apply client due diligence on a risk sensitive basis depending on the type of client business relationship or transaction. In a nutshell, the following safeguards are to be followed while accepting the clients:
- We shall not allow the opening of or keep any anonymous account or account in fictitious names or account on behalf of other persons whose identity has not been disclosed or cannot be verified;
- Factors of risk perception (in terms of monitoring suspicious transactions) of the client are clearly defined having regard to clients' location (registered office address, correspondence addresses and other addresses if applicable), nature of business activity, trading turnover etc. and manner of making payment for transactions undertaken. The parameters shall enable classification of clients into low, medium and high risk. Clients of special category (as given below) may, if necessary, be classified even higher;

Such clients require higher degree of due diligence and regular update of Know Your Client (KYC) profile;

- We shall undertake enhanced due diligence measures as applicable for Clients of Special Category (CSC). CSC shall include the following:

Non - resident clients;

High net-worth clients;

- Trust, Charities, Non-Governmental Organizations (NGOs) and organizations receiving donations;
- Companies having close family shareholdings or beneficial ownership;
- Politically Exposed Persons" (PEPs). PEP shall have the same meaning as given in clause (db) of sub-rule (1) of rule 2 of the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005. The additional norms applicable to PEP as contained in paragraph 14 of the Master Circular shall also be applied to the accounts of the family members or close relatives/associates of PEPs.
- Clients in high risk countries. While dealing with clients from or situate in high risk countries or geographic areas or when providing delivery of services to clients through high risk countries or geographic areas i.e. places where existence or effectiveness of action against money laundering or terror financing is suspect, apart from being guided by the FATF statements that inter alia identify such countries or geographic areas that do not or insufficiently apply the FATF Recommendations, published by the FATF on its website (www.fatfgafi.org) from time to time, shall also independently access and consider other publicly available information along with any other information which they may have access to. However, this shall not preclude us from entering into legitimate transactions with clients from or situate in such high-risk countries and geographic areas or delivery of services through such high-risk countries or geographic areas; we'll specifically apply EDD measures, proportionate to the risks, to business relationships and transactions with natural and legal persons (including financial institutions) from countries for which this is called for by the FATF.
- In accordance with SEBI communication dated July 31, 2025 (F.No.13/41/2025-FATF) and Exchange Circular No. MCX/INSP/418/2025 dated August 21, 2025, based on the FATF report Complex Proliferation Financing and Sanctions Evasion Schemes (CPFSES), Samco Securities Limited shall adopt the following provisions in its Risk Management System (RMS) and AML/PMLA framework
- Non-face to face clients. Non-face to face clients means clients who open accounts without visiting the branch/offices of the registered intermediaries or meeting the

officials of the registered intermediaries. Video based customer identification process is treated as face-to-face onboarding of clients;

- Clients with dubious reputation as per public information available etc;
- The above-mentioned list is only illustrative and the we shall exercise independent judgment to ascertain whether any other set of clients shall be classified as CSC or not.
- Documentation requirements and other information to be collected in respect of different classes of clients depending on the perceived risk and having regard to the requirements of Rule 9 of the PML Rules, Directives and Circulars issued by SEBI from time to time.
- Ensure that an account is not opened where the we are unable to apply appropriate CDD measures. This shall apply in cases where it is not possible to ascertain the identity of the client, or the information provided to us is suspected to be non - genuine, or there is perceived non - co-operation of the client in providing full and complete information. We shall not continue to do business with such a person and file a suspicious activity report. It shall also evaluate whether there is suspicious trading in determining whether to freeze or close the account. We shall be cautious to ensure that it does not return securities or money that may be from suspicious trades. However, we shall consult the relevant authorities in determining what action it shall take when it suspects suspicious trading.
- The circumstances under which the client is permitted to act on behalf of another person / entity shall be clearly laid down. It shall be specified in what manner the account shall be operated, transaction limits for the operation, additional authority required for transactions exceeding a specified quantity/value and other appropriate details. Further the rights and responsibilities of both the persons i.e. the agent- client registered with us, as well as the person on whose behalf the agent is acting shall be clearly laid down. Adequate verification of a person's authority to act on behalf of the client shall also be carried out.
- Necessary checks and balance to be put into place before opening an account so as to ensure that the identity of the client does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide.
- The CDD process shall necessarily be revisited when there are suspicions of ML/TF.

Client identification procedure

- The KYC policy clearly spell out the client identification procedure (CIP) to be carried out at different stages

i.e. while establishing the intermediary –client relationship, while carrying out transactions for the client or when the intermediary has doubts regarding the veracity or the adequacy of previously obtained client identification data.

- We shall be in compliance with the following requirements while putting in place a CIP:
- We shall proactively put in place appropriate risk management systems to determine whether their client or potential client or the beneficial owner of such client is a politically exposed person. Such procedures shall include seeking relevant information from the client, referring to publicly available information or accessing the commercial electronic databases of PEPs.
- We are required to obtain senior management approval for establishing business relationships with PEPs. Where a client has been accepted and the client or beneficial owner is subsequently found to be, or subsequently becomes a PEP, we shall obtain senior management approval to continue the business relationship.
- We shall also take reasonable measures to verify the sources of funds as well as the wealth of clients and beneficial owners identified as PEP.
- The client shall be identified by us by using reliable sources including documents / information. We shall obtain adequate information to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship.
- The information must be adequate enough to satisfy competent authorities (regulatory / enforcement authorities) in future that due diligence was observed by the us in compliance with the directives. Each original document shall be seen prior to acceptance of a copy.
- Failure by prospective client to provide satisfactory evidence of identity shall be noted and reported to the higher authority within the company.
- SEBI has specified the minimum requirements relating to KYC for certain classes of registered intermediaries from time to time. Taking into account the basic principles enshrined in the KYC norms which have already been specified or which may be specified by SEBI from time to time, we shall frame their own internal directives based on their experience in dealing with their clients and legal requirements as per the established practices.
- Further, the we shall conduct ongoing due diligence where it notices inconsistencies in the information provided. The underlying objective shall be to follow the requirements enshrined in the PMLA, SEBI Act and Regulations, directives and

circulars issued thereunder so that we is aware of the clients on whose behalf it is dealing.

- We shall formulate and implement a CIP which shall incorporate the requirements of the PML Rules Notification No. 9/2005 dated July 01, 2005 (as amended from time to time), which notifies rules for maintenance of records of the nature and value of transactions, the procedure and manner of maintaining and time for furnishing of information and verification of records of the identity of the clients of the banking companies, financial institutions and intermediaries of securities market and such other additional requirements that it considers appropriate to enable it to determine the true identity of its clients. It may be noted that irrespective of the amount of investment made by clients, no minimum threshold or exemption is available to registered intermediaries (brokers, depository participants, AMCs etc.) from obtaining the minimum information/documents from clients as stipulated in the PML Rules/ SEBI Circulars (as amended from time to time) regarding the verification of the records of the identity of clients. Further no exemption from carrying out CDD exists in respect of any category of clients. In other words, there shall be no minimum investment threshold/ category-wise exemption available for carrying out CDD measures by registered intermediaries.

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

- We may rely on a third party for the purpose of –
- Identification and verification of the identity of a client and
- Determination of whether the client is acting on behalf of a beneficial owner, identification of the beneficial owner and verification of the identity of the beneficial owner. Such third party shall be regulated, supervised or monitored for, and have measures in place for compliance with CDD and record-keeping requirements in line with the obligations under the PML Act.
- Such reliance shall be subject to the conditions that are specified in Rule 9 (2) of the PML Rules and shall be in accordance with the regulations and circulars/ guidelines issued by SEBI from time to time. In terms of Rule 9(2) of PML Rules:
- The we shall immediately obtain necessary information of such client due diligence carried out by the third party;
- The we shall take adequate steps to satisfy itself that copies of identification data and other relevant documentation relating to the client due diligence requirements will be made available from the third party upon request without delay;

- The we shall be satisfied that such third party is regulated, supervised or monitored for, and has measures in place for compliance with client due diligence and record-keeping requirements in line with the requirements and obligations under the Act;
- The third party is not based in a country or jurisdiction assessed as high risk;
- The we shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable

Risk Management Risk-based Approach

- We shall apply a Risk Based Approach (RBA) for mitigation and management of the identified risk and should have policies approved by their senior management, controls and procedures in this regard. Further, we shall monitor the implementation of the controls and enhance them if necessary.
- It is generally recognized that certain clients may be of a higher or lower risk category depending on the circumstances such as the client's background, type of business relationship or transaction etc. As such, the registered intermediaries shall apply each of the client due diligence measures on a risk sensitive basis. The basic principle enshrined in this approach is that the registered intermediaries shall adopt an enhanced client due diligence process for higher risk categories of clients. Conversely, a simplified client due diligence process may be adopted for lower risk categories of clients. In line with the risk-based approach, the type and amount of identification information and documents that registered intermediaries shall obtain necessarily depend on the risk category of a particular client.
- Further, low risk provisions shall 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.
- Clients have been categorized on various grounds like client's location, registered office address, correspondence addresses and other address if any applicable, nature of business activity, trading turnover etc and manner of making payment for transactions.

Clients are categorized in following three categories

Low risk clients

Include a client who has satisfied following criteria:

1. One who provides all documents at the time of account opening without any delay and who is
2. Resident of India
3. Proofs verified with originals; Provides income proof;
4. No delegation of authority for operation of account; Always provide funds in time;
5. Places order within reasonable period of time;

Medium risk client

Clients who cannot be comfortably placed in neither in Low risk nor in high risk category shall be classified as medium risk client.

High risk client

Includes all clients mentioned under Special category of clients and any client against whom any order is passed by regulatory authorities or any investigation is launched which is pending, any client against whom any regulatory order is passed for accessing market then such client will automatically be black listed and no further trading shall be done for those accounts.

Risk Assessment

- We shall carry out risk assessment to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk with respect to its clients, countries or geographical areas, nature and volume of transactions, payment methods used by clients, etc.
- The risk assessment carried out shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. The assessment shall be documented, updated regularly and made available to competent authorities and self-regulating bodies, as and when required.
- Along with the Stock Exchanges we shall identify and assess the ML/TF risks that may arise in relation to the development of new products and new business practices, including new delivery mechanisms, and the use of new or developing technologies for both new and existing products. The Stock Exchanges and we shall ensure:
 1. To undertake the ML/TF risk assessments prior to the launch or use of such products, practices, services, technologies; and
 2. Adoption of a risk-based approach to manage and mitigate the risks.

- The risk assessment shall also take into account any country specific information that is circulated by the Government of India and SEBI from time to time, as well as, the updated list of individuals and entities who are subjected to sanction measures as required under the various United Nations' Security

Identification of Beneficial Ownership

- At the time of opening an account or executing any transaction with it, the SAMCO SECURITIES LIMITED will verify sufficient information from their 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.

Following are the steps taken for identifying beneficial owners of the client:

A.For Corporate

- The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest. Controlling ownership interest means ownership of/entitlement to:
 1. more than 10% of shares or capital or profits of the juridical person, where the juridical person is a company;
 2. More than 10% of the capital or profits of the juridical person, where the juridical person is a partnership; or
 3. More than 10% 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 where there exists doubt under clause 1 (a) above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the juridical person through other means.
- Control through other means can be exercised through voting rights, agreement, arrangements or in any other manner.
- Where no natural person is identified under clauses 1 (a) or 1 (b) above, the identity of the relevant natural person who holds the position of senior managing official.

B.For client which is a trust:

Where the client is a trust, we identify the beneficial owners, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 10% 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.

Provided that in case of a Trust, the reporting entity shall ensure that trustees disclose their status at the time of commencement of an account based relationship.

C.Exemption in case of listed companies:

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.

08.Record Keeping

SAMCO SECURITIES LIMITED shall ensure compliance with the record keeping requirements contained in the SEBI Act, 1992, Rules and Regulations made there-under, PMLA as well as other relevant legislation, Rules, Regulations, Exchange Bye - laws and Circulars.

- All documents are to be preserved for 10 years and this includes books of accounts, agreements, duplicate copies of contract notes, recorded messages, order books;
- For active account documents like KYC, agreement, passports, PAN card copy, driving license, Aadhar card copy , bank letter etc are preserved permanently;
- In case account is closed if it was inactive for 5 years then documents are maintained for 10 years from date of closure;
- For accounts, which are freezed on our own account or on receiving order from authorities, all documents are preserved until final disposition of case to the satisfaction of authorities.

All documents & records which are sufficient to permit reconstruction of individual transactions so as to provide, if necessary, evidence for prosecution of criminal behavior shall be maintained.

If there is any suspected drug related or other laundered money or terrorist property, we shall retain the following information for the accounts of clients in order to maintain a satisfactory audit trail to facilitate the investigating authorities:

1. The beneficial owner of the account;

2. The volume of the funds flowing through the account; and
3. 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.

SAMCO SECURITIES LIMITED shall ensure that all client and transaction records and information are available on a timely basis to the competent investigating authorities. Where required and instructed by the investigating authority, we should retain certain records, e.g. client identification, account files, and business correspondence, for periods which may exceed those required under the SEBI Act, Rules and Regulations framed there-under PMLA, other relevant legislations, Rules and Regulations or Exchange bye-laws or circulars.

More specifically, SAMCO SECURITIES LIMITED has put in place a system of maintaining proper record of transactions prescribed under Rule 3 of PML Rules as mentioned below:

- all cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency;
- 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;
- all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery has taken place;
- all suspicious transactions whether made in cash and by way of as mentioned in the AML Rules.
- Where the registered entity does not have records of the identity of its existing clients, it shall obtain the records forthwith, failing which the registered intermediary shall close the account of the clients after giving due notice to the client.

Explanation: For this purpose, the expression "records of the identity of clients" shall include updated records of the identification date, account files and business correspondence and result of any analysis undertaken under

Page 6 of 6 rules 3 and 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005.

09.Information to be maintained & Retention of Records

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

- a) the nature of the transactions;
- b) the amount of the transaction and the currency in which it is denominated;
- c) the date on which the transaction was conducted; and
- d) the parties to the transaction.

SAMCO SECURITIES LIMITED has taken appropriate steps to evolve an internal mechanism for proper maintenance and preservation of such records and information in a manner that allows easy and quick retrieval of data as and when requested by the competent authorities. Further, the records mentioned in Rule 3 of PML Rules are

maintained and preserved for a period of ten years from the date of transactions between the client and SAMCO SECURITIES LIMITED LIMITED

SAMCO SECURITIES LIMITED has formulated and implemented the CIP containing the requirements as laid down in Rule 9 of the PML Rules and such other additional requirements that it considers appropriate. The records of the identity of client are to be maintained and preserved for a period of ten years from the date of cessation of the transactions between the client and SAMCO SECURITIES LIMITED LIMITED

Thus the following document retention terms are observed:

- All necessary records on transactions are maintained at least for the minimum period prescribed under the relevant Act and Rules (PMLA and rules framed there under as well SEBI Act) and other legislations, Regulations or exchange bye-laws or circulars.
- Records on client identification (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents), account files and business correspondence are also be kept for the same period.

In situations where the records relate to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, the same has retained until it is confirmed that the case has been closed.

Providing audit trails to authorities for potential money laundering activities following information's are retained for reasonable period of time:-

- a) Beneficial owner of account
- b) Volume of fund flowing through account
- c) For selected transactions
 - The origin of funds;

- Form in which fund was offered;
- Form in which fund was withdrawn e.g. cash, cheques etc.
- Identity of person taking transaction;
- Destination of fund;
- Form of instruction and authority.

10. Monitoring of Transactions and Reporting

- Cash transaction of value of Rs. 10 lacs
- Cash transaction aggregating to 10 lacs within a calendar month's time.
- All cash transactions were forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place
- Any other suspicious transaction whether made in cash or not.
- All documents, slips, recordings etc. related to any suspicious transactions are preserved as per record keeping policy.
- Any transaction/ order, which arises the suspicion of any employee, is diligently and immediately informed to compliance/Risk department.
- List of black listed clients and suspicious clients is maintained for reference of employees. Whereas no trading is been taken for clients mentioned in black list, to trade for clients in suspicious list one is to be extra vigilant.
- All the persons who are debarred/warned by SEBI/Exchanges to access capital market are treated as blacklist clients or any client against whom firm has reported to authorities for alleged money laundering activities and matter is still pending before or order is given against client

i) An illustrative list is provided below for reference of employees as what could be a suspicious transaction or irregular transaction:

- If the order is placed by dormant client i.e. order placed by client after a period of 6 months from his/her last transaction.
- Any transaction, which does not make economic sense or is complex or unusually large, should be immediately brought to the notice of respective head of department and Compliance department.
- Clients whose identity verification seems difficult or clients appear not to cooperate.
- Asset management services for clients where the source of the funds is not clear or not in keeping with clients apparent standing /business activity;
- Clients in high-risk jurisdictions or clients introduced by banks or affiliates or other clients based in high risk jurisdictions;
- Large number of accounts having common parameters such as common partners / directors / promoters / address / email addresses / telephone numbers / introducers or authorized signatories

- Source of funds are doubtful or inconsistency in payment pattern
- Multiple transactions of value just below the threshold limit specified in PMLA so as to avoid possible reporting
- Substantial increases in business without apparent cause;
- Unusually large cash deposits made by an individual or business;
- Clients transferring large sums of money to or from overseas locations with instructions/request for payment in cash;
- Requests to transfer money to third parties with or without any known connection to our customers;
- Unusual transactions by CSCs and businesses undertaken by shell corporations, off shore banks/financial services, business reported to be in the nature of export-import of small items
- Clients in high risk jurisdictions or clients introduced by banks or affiliates or other clients based in high risk jurisdictions
- Clients transferring large sums of money to or from overseas locations with instructions for payment in cash
- If the single transaction is exceeding Rs. 50 Lakh, permission from Compliance Officer is required
- There is an unusual and unnecessary involvement of an intermediary/third party;
- The transaction is not settled in the normal manner;
- Cash movements in and out of an account within a short period of time.

The above mentioned list is only illustrative and SAMCO SECURITIES LIMITED shall exercise independent judgment to ascertain whether any transaction is suspicious or not.

- Any suspicious transaction should be immediately notified to the Principal Officer or any other designated officer within SAMCO SECURITIES LIMITED
- The notification should be done in the form of a detailed report with specific reference to the clients, transactions and the nature/reason of suspicion.

PROCEDURE FOR FREEZING OF FUNDS, FINANCIAL ASSETS OR ECONOMIC RESOURCES OR RELATED SERVICES:

Section 51A of the Unlawful Activities (Prevention) Act, 1967 (UAPA), relating to the purpose of prevention of, and for coping with terrorist activities was brought into effect through UAPA Amendment Act, 2008. In this regard, the Central Government has issued an Order dated August 27, 2009 detailing the procedure for the implementation of Section 51A of the UAPA. Under the aforementioned Section, the Central Government is empowered to freeze, seize or attach funds and other financial assets or economic resources held by, on behalf of, or at the direction of the individuals or entities listed in the Schedule to the Order, or any other person engaged in or suspected to be engaged in terrorism. The Government is also further

empowered to prohibit any individual or entity from making any funds, financial assets or economic resources or related services available for the benefit of the individuals or entities listed in the Schedule to the Order or any other person engaged in or suspected to be engaged in terrorism.

To ensure that no accounts are opened in the name of individuals/entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the United Nations Security Council (UNSC).

In order to ensure expeditious and effective implementation of the provisions of Section 51A of UAPA, Government of India has outlined a procedure through an order dated February 02, 2021 (Annexure 1) for strict compliance. These guidelines have been further amended vide a Gazette Notification dated June 08, 2021.

Implementation of requests received from foreign countries under U.N. Securities Council Resolution 1373 of 2001

- U.N. Security Council Resolution 1373 obligates countries to freeze without delay the funds or other assets of persons who commit, or attempt to commit, terrorist acts or participate in or facilitate the commission of terrorist acts; of entities or controlled directly or indirectly by such persons; and of persons and entities acting on behalf of, or at the direction of such persons and entities, including funds or other assets derived or generated from property owned or controlled, directly or indirectly, by such persons and associated persons and entities.
- To give effect to the requests of foreign countries under U.N. Security Council Resolution 1373, the Ministry of External Affairs shall examine the requests made by the foreign countries and forward it electronically, with their comments, to the UAPA nodal officer for IS-I Division for freezing of funds or other assets.
- The UAPA nodal officer of IS-I Division of MHA, shall cause the request to be examined, within five working days so as to satisfy itself that on the basis of applicable legal principles, the requested designation is supported by reasonable grounds, or a reasonable basis, to suspect or believe that the proposed designee is a terrorist, one who finances terrorism or a terrorist organization, and upon his satisfaction, request would be electronically forwarded to the nodal officer in SEBI. The proposed designee, as mentioned above would be treated as designated individuals/entities.
- Upon receipt of the requests from the UAPA nodal officer of IS-I Division, the procedure as enumerated at paragraphs 15.3 above shall be followed.

Other Important Points

- Reasons for treating any transaction or a series of transactions as suspicious should be recorded. It should be ensured that there is no undue delay in arriving at such a conclusion.

- Utmost confidentiality should be maintained in submitting the information.
 - The reports may be transmitted by email/speed/registered post/fax at the Head Office addressed to the Principal Officer.
 - No restriction may be put on operations in the accounts where a Suspicious Transaction Report has been made.
 - It should be ensured that there is no tipping off to the client at any level.
 - DP will be annually updating Documents taken during the client due diligence (CDD) process
 - Apart from the above measures, we take special care in case of transactions related to Depository Division such as:
1. If instruction to transfer the securities is received from an inactive beneficiary owner or the BO not traded for a long time, verification or confirmation from the concerned client is required
 2. All transactions should be verified according to the transaction value through maker and checker principal, which means for each transaction, there must be at least two individuals necessary for its completion and while one individual (maker) may create a transaction, the other individual (checker) should be involved in the confirmation or the authorization of the same. This ensures the strict control over the system.
 3. All off market transactions i.e. between two parties without the involvement of any clearing corporation or a stock exchange should be duly confirmed by the concerned client

Considering the SEBI Guidelines prescribed in AML Master Circular dated December 31, 2010 (Circular/ISD/AML/3/2010) along with all the relevant circulars issued by regulators on AML/PML we shall appoint and designate Principal Officer and Designated Director. The Principal Officer/Designated Director is responsible for reporting suspicious transactions to higher authorities. Transactions of a suspicious nature or any other transactions notified under Section 12 of the Act are reported to the Director, FIU-IND.

Procedure for implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005

The Government of India, Ministry of Finance has issued an order dated January 30, 2023 vide F. No. 12011/14/2022-ES Cell-DOR ("the Order") detailing the procedure for implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 ("WMD Act"). The Order may be accessed by clicking on DoR_Section_12A_WMD.pdf.

In terms of Section 12A of the WMD Act, the Central Government is empowered as under: For prevention of financing by any person of any activity which is prohibited under the WMD Act, or under the United Nations (Security Council) Act, 1947 or any other relevant Act for the time being in force, or by an order issued under any such Act, in relation to weapons of mass destruction and their delivery systems, the Central Government shall have power to Freeze, seize or attach funds or other financial assets or economic resources owned or controlled, wholly or jointly, directly or indirectly, by such person; or

(ii) held by or on behalf of, or at the direction of, such person; or

(iii) derived or generated from the funds or other assets owned or controlled, directly or indirectly, by such person;

(b) prohibit any person from making funds, financial assets or economic resources or related services available for the benefit of persons related to any activity which is prohibited under the WMD Act, or under the United Nations (Security Council) Act, 1947 or any other relevant Act for the time being in force, or by an order issued under any such Act, in relation to weapons of mass destruction and their delivery systems.

(3) The Central Government may exercise its powers under this section through any authority who has been assigned the power under sub-section (1) of section 7."

58. The stock exchanges and registered intermediaries are directed to comply with the procedure laid down in the said Order.

59. The stock exchanges and registered intermediaries shall:

(i) Maintain the list of individuals/entities ("Designated List") and update it, without delay, in terms of paragraph 2.1 of the Order;

(ii) verify if the particulars of the entities/individual, party to the financial transactions, match with the particulars of the Designated List and in case of match, stock exchanges and registered intermediaries shall not carry out such transaction and shall immediately inform the transaction details with full particulars of the funds, financial assets or economic resources involved to the Central Nodal Officer ("CNO"), without delay. The details of the CNO are as under:

\

The Director FIU-INDIA

Tel.No.:011-23314458, 011-23314459 (FAX)

Email: dir@fiuindia.gov.in

(iii) run a check, on the given parameters, at the time of establishing a relation with a client and on a periodic basis to verify whether individuals and entities in the Designated List are holding any funds, financial assets or economic resources or related services, in the form of bank accounts, stocks, insurance policies etc. In case, the clients' particulars match with

the particulars of Designated List, stock exchanges and registered intermediaries shall immediately inform full particulars of the funds, financial assets or economic resources or related services held in the form of bank accounts, stocks or insurance policies etc., held on their books to the CNO, without delay;

(iv) send a copy of the communication, mentioned in paragraphs 59(ii) and 59 (iii) above, without delay, to the Nodal Officer of SEBI. The communication shall be sent to SEBI through post and through email (sebi_uapa@sebi.gov.in) to the Nodal Officer of SEBI, Deputy General Manager, Division of FATF, Market Intermediaries Regulation and Supervision Department, Securities and Exchange Board of India, SEBI Bhavan II, Plot No. C7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051;(v) prevent such individual/entity from conducting financial transactions, under intimation to the CNO, without delay, in case there are reasons to believe beyond doubt that funds or assets held by a client would fall under the purview of Section 12A (2)(a) or Section 12A(2)(b) of the WMD Act; (vi) file a Suspicious Transaction Report (STR) with the FIU-IND covering all transactions in the accounts, covered under paragraphs 59(ii) and (iii) above, carried through or attempted through. Upon the receipt of the information above, the CNO would cause a verification to be conducted by the appropriate authorities to ensure that the individuals/entities identified are the ones in the Designated List and the funds, financial assets or economic resources or related services, reported are in respect of the designated individuals/entities. In case, the results of the verification indicate that the assets are owned by, or are held for the benefit of, the designated individuals/entities, an order to freeze these assets under section 12A would be accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list

The Stock Exchanges and the registered intermediaries shall maintain updated designated lists in electronic form and run a check on the given parameters on a regular basis to issued by the CNO and be conveyed to the concerned reporting entity so that any individual or entity may be prohibited from making any funds, financial assets or economic resources or related services available for the benefit of the designated individuals/entities. Reporting entities shall also comply with the provisions regarding exemptions from the above orders of the CNO and inadvertent freezing of accounts, as may be applicable List of Designated Individuals/ Entities

The Ministry of Home Affairs, in pursuance of Section 35(1) of UAPA 1967, declares the list of individuals/entities, from time to time, who are designated as 'Terrorists'. The registered intermediaries shall take note of such lists of designated individuals/terrorists, as and when communicated by SEBI.

All orders under section 35 (1) and 51A of UAPA relating to funds, financial assets or economic resources or related services, circulated by SEBI from time to time shall be taken

note of for compliance. 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 <https://press.un.org/en/content/press-release>. The details of the lists are as under: i. The "ISIL (Da'esh) & Al-Qaida Sanctions List", which includes names of individuals and entities associated with the Al-Qaida. The updated ISIL & Al-Qaida Sanctions List is available at: <https://www.un.org/securitycouncil/sanctions/1267/press-releases> ; ii. The list issued by United Security Council Resolutions 1718 of designated Individuals and Entities linked to Democratic People's Republic of Korea www.un.org/securitycouncil/sanctions/1718/press-releases. 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 verify whether the designated individuals/entities are holding any funds, financial assets or economic resources or related services held in the form of securities with them. The Stock Exchanges and the registered intermediaries shall leverage latest technological innovations and tools for effective implementation of name screening to meet the sanctions requirements. The Stock exchanges and the registered intermediaries shall also file a Suspicious Transaction Report (STR) with FIU-IND covering all transactions carried through or attempted in the accounts covered under the list of designated individuals/entities under Section 35 (1) and 51A of UAPA.

Full details of accounts bearing resemblance with any of the individuals/entities in the list shall immediately be intimated to the Central [designated] Nodal Officer for the UAPA, at Fax No.011-23092551 and also conveyed over telephone No. 011-23092548. The particulars apart from being sent by post shall necessarily be conveyed on email id: jsctcr-mha@gov.in. The Stock exchanges and the registered intermediaries shall also send a copy of the communication mentioned above to the UAPA Nodal Officer of the State/UT where the account is held and to SEBI and FIU-IND, without delay. The communication shall be sent to SEBI through post and through email (sebi_uapa@sebi.gov.in) to the UAPA nodal officer of SEBI, Deputy General Manager, Division of FATF, Market Intermediaries Regulation and Supervision

Department, Securities and Exchange Board of India, SEBI Bhavan II, Plot No. C7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051. The consolidated list of UAPA Nodal Officers is available at the website of Government of India, Ministry of Home Affairs

Jurisdictions that do not or insufficiently apply the FATF Recommendations FATF Secretariat after conclusion of each of its plenary, releases public statements and places jurisdictions under increased monitoring to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing risks. In this regard, FATF Statements circulated by SEBI from time to time, and publicly available information, for identifying countries, which do not or insufficiently apply the FATF Recommendations, shall be considered by the registered intermediaries. The registered intermediaries shall take into account the risks arising from the

deficiencies in AML/CFT regime of the jurisdictions included in the FATF Statements. However, it shall be noted that the regulated entities are not precluded from having legitimate trade and business transactions with the countries and jurisdictions mentioned in the FATF statements Reporting to Financial Intelligence Unit-India In terms of the PML Rules, registered intermediaries are required to report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND) at the following address: Director, FIU-IND, Financial Intelligence Unit – India 6th Floor, Tower-2, Jeevan Bharati Building, Connaught Place, New Delhi-110001, INDIA Telephone : 91-11 23314429, 23314459 91-11-23319793(Helpdesk) Email:helpdesk@fiuindia.gov.in (For FINnet and general queries) ctrcell@fiuindia.gov.in (For Reporting Entity / Principal Officer registration related queries) complaints@fiuindia.gov.in Website: <http://fiuindia.gov.in> Registered intermediaries shall carefully go through all the reporting requirements (https://www.sebi.gov.in/sebi_data/commondocs/jun-2024/Brochures on FIU_p.pdf) and formats that are available on the website of FIU – IND under the Section Home - FINNET 2.0 – User Manuals and Guides-Reporting Format (https://www.sebi.gov.in/sebi_data/commondocs/jun-2024/Reporting_Format_p.pdf). These documents contain detailed directives on the compilation and manner/procedure of submission of the reports to FIUIND.

The related hardware and technical requirement for preparing reports, the related data files and data structures thereof are also detailed in these documents. While detailed instructions for filing all types of reports are given in the instructions part of the related formats, registered intermediaries shall adhere to the following:

- i. The Cash Transaction Report (CTR) (wherever applicable) for each month shall be submitted to FIU-IND by 15th of the succeeding month;
- ii. The Suspicious Transaction Report (STR) shall be submitted within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, or a series of transactions integrally connected are of suspicious nature. The Principal Officer shall on being satisfied that the transaction is suspicious, furnish the information promptly in writing by fax or by electronic mail to the Director in respect of transactions referred to in clause (D) of sub-rule (1) of rule 3 of the PML Rules. The Principal Officer shall record his reasons for treating any transaction or a series of transactions as suspicious. It shall be ensured that there is no undue delay in arriving at such a conclusion;
- iii. The Non Profit Organization Transaction Reports (NTRs) for each shall be submitted to FIU-IND by 15th of the succeeding month;
- iv. The Principal Officer will be responsible for timely submission of CTR, STR and NTR to FIU-IND;
- v. Utmost confidentiality shall be maintained in filing of CTR, STR and NTR to FIU-IND;
- vi. No NIL reporting needs to be made to FIU-IND in case there are no cash/suspicious/non-profit organization transactions to be reported;
- vii. "Non-profit organization" means any entity or organisation, constituted for religious or charitable purposes referred to in clause (15) of section 2 of the Income-tax Act, 1961 (43 of

1961), that is registered as a trust or a society under the Societies Registration Act, 1860 (21 of 1860) or any similar State legislation or a Company registered under the section 8 of the Companies Act, 2013 (18 of 2013);

viii. Every registered intermediary, its Directors, officers and all employees shall ensure that the fact of maintenance referred to in Rule 3 of PML Rules and furnishing of information to the Director is kept confidential. Provided that nothing in this rule shall inhibit sharing of information under Rule 3A of PML Rules of any analysis of transactions and activities which appear unusual, if any such analysis has been done. Registered Intermediaries shall not put any restrictions on operations in the accounts where an STR has been made. Registered intermediaries and their directors, officers and employees (permanent and temporary) shall be prohibited from disclosing ("tipping off") the fact that a STR or related information is being reported or provided to the FIU-IND. This prohibition on tipping off extends not only to the filing of the STR and/ or related information but even before, during and after the submission of an STR. Thus, it shall be

ensured that there is no tipping off to the client at any level. It is clarified that the registered intermediaries, irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences specified in part B of Schedule of PMLA, 2002, shall file STR if they have reasonable grounds to believe that the transactions involve proceeds of crime.

It is further clarified that "proceeds of crime" include property not only derived or obtained from the scheduled offence but also any property which may directly or indirectly be derived or obtained as a result of any criminal activity relatable to the scheduled offence. Confidentiality requirement does not inhibit information sharing among entities in the group.

11.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

https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list and

<https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list> and <https://www.un.org>

SAMCO SECURITIES LIMITED staff should ensure that accounts are not opened in the name of anyone whose name appears in said list and SAMCO SECURITIES LIMITED 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. An indicative list of websites/links for checking names of clients for new clients and existing clients is as under:

- https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list

- <https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>
- <https://www.un.org>
- <http://www.fiuindia.gov.in/files/misc/unscsanction.html>
- www.sebi.gov.in

Full details of accounts bearing resemblance with any of the individuals/entities in the list have to be immediately be intimated to SEBI and FIU-IND. We have leveraged latest technological innovations and tools for effective implementation of name screening to meet the sanctions requirements."

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

SAMCO SECURITIES LIMITED is aware that Under section 51A of Unlawful Activities (Prevention) Act, 1967, the amended vide a Gazette Notification dated June 08, 2021, corrigendum dated March Page 4 of 415, 2023 issued in this regard & the list of Nodal Officers for UAPA is available on the website of MHA. 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.

13.Reporting to Financial Intelligence Unit-India

In terms of the PML Rules, we are required to report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND) at the following address: Website: <http://fiuindia.gov.in>

SAMCO SECURITIES LIMITED should go through all the reporting requirements and formats which are divided into two parts - Manual Formats and Electronic Formats. Details of these formats are given in the documents (Cash Transaction Report and Suspicious Transactions Report).

These documents contain detailed directives on the compilation and manner/procedure of submission of the manual/electronic reports to FIU-IND. SAMCO SECURITIES LIMITED, if not in a position to immediately file electronic reports, may file manual reports with FIU-IND as per the formats prescribed. Detailed instructions for filing all types of reports are given in the

instructions part of the related formats, SAMCO SECURITIES LIMITED shall adhere to the following:

- a) The Cash Transaction Report (CTR) (wherever applicable) for each month shall be submitted to FIU-IND by 15th of the succeeding month.
- a) The Suspicious Transaction Report (STR) to be submitted within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, or a series of transactions integrally connected are of suspicious nature. The Principal Officer should record his reasons for treating any transaction or a series of transaction as suspicious. It should be ensured that there is no undue delay in arriving at such a conclusion.
- b) The Principal Officer will be responsible for timely submission of CTR and STR to FIU- IND
- c) Utmost confidentiality shall be maintained in filing of CTR and STR to FIU-IND. The reports may be transmitted by speed/registered post/fax at the notified address.
- d) No nil reporting needs to be made to FIU-IND in case there are no cash/suspicious transactions to be reported.

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

14.Designation of an officer for reporting of suspicious transactions

Principal Officer/Designated Director is responsible for reporting suspicious transactions to higher authorities Transactions of a suspicious nature or any other transactions notified under Section 12 of the Act are reported to the Director, FIU-IND.

The Names, designation and addresses (including email addresses) of 'Principal Officer' and Designated Director including any changes therein shall also be intimated to the Office of the Director-FIU.

15. Employees' Hiring/Employee's Training/ Investor Education Hiring of Employees

SAMCO SECURITIES LIMITED has adequate screening procedures in place to ensure high standards when hiring employees; it identifies the key positions within the organization structures and ensures that the employees taking up such key positions are suitable and competent to perform their duties.

Further, no candidate shall be selected who has ever been convicted of offence under Money Laundering Act or any other civil or criminal Act. While appointing an employee, Screening will be done on (a) family background (b) Educational Qualification (c) Intelligence & capability to handle the work assigned (especially w.r.t. knowledge of AML/PMLA guidelines)

Employees' Training

SAMCO SECURITIES LIMITED has policy for ongoing employee training program so that every staff of SAMCO SECURITIES LIMITED is completely aware of the provisions of AML and CFT procedures and amendments thereof. These training programs are totally focused for frontline staff, back- office staff, compliance staff, risk management staff and staff dealing with new customers as it is very crucial that all those concerned fully understand the rationale behind these guidelines, obligations and requirements, implement them consistently and are sensitive to the risks of

their systems being misused by unscrupulous elements, if there is any lapse on the part of any staffs of SAMCO SECURITIES LIMITED register/record of attendance of participation in such Education/ training program shall be maintained for the employees.

Investors Education

Before account opening SAMCO SECURITIES LIMITED staff should demands certain information like documents evidencing source of funds/income tax returns/bank records etc. from investors which may be of personal nature for Implementation of AML/CFT measures. SAMCO SECURITIES LIMITED should educate the client about the importance and broad principle of AML/CFT.

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

16.Designated Principal Officer

In case any further information/clarification on Guidelines/Policy/Measures relating to AML/PMLA is required; the 'Principal Officer' may be contacted:

SAMCO SECURITIES LIMITED shall intimate about appointment of Designated Director and Principal Officer to the Financial Intelligence Unit, India and further any changes and appointment Designated Director and Principal Officer will be again intimated to FIU on timely basis.

We have ensured to properly discharge our legal obligations to report suspicious transactions to the authorities, our Principal Officer would act as a central reference point in facilitating onward reporting of suspicious transactions and for playing an active role in the identification and assessment of potentially suspicious transactions and shall have access to and be able to report to senior management at the next reporting level or the Board of Directors. we have also ensured that the 'Principal Officer' is of a sufficiently senior position and is able to discharge the functions with independence and authority.

17.Review of PMLA/AML Policy

SAMCO SECURITIES LIMITED shall regularly review yearly basis the AML/PMLA policies and procedures on the prevention of ML and TF to ensure their effectiveness. Further, in order to ensure the effectiveness of policies and procedures, the person doing such a review shall be different from the one who has framed such policies and procedures.

SAMCO SECURITIES LIMITED shall take adequate measures as per its internal policy to prevent money laundering and shall also put in place a framework for PMLA policy. The policies and procedures as mentioned above shall not be exhaustive as SAMCO SECURITIES LIMITED may adopt additional measures to safeguard its interest with respect to activities associated with PMLA and in compliance to Guidelines/Circulars/Amendments laid down by SEBI from time to time