



Yashwi Securities (P) Ltd.

Member : NSE, BSE and MCX

Reqd. Office : 1, R. N. Mukherjee Road, Martin Burn House
4th Floor, Room No. 45 & 46, Kolkata - 700 001

Phone : 033 2230 3838, 033 2213 7550

CIN : U67120 WB2004 PTC097985

PREVENTION OF MONEY LAUNDERING (PML) POLICY

1. INTRODUCTION

This Policy has been framed by Yashwi Securities Private Limited ("the Company") in order to comply with the applicable Anti Money Laundering Standards and to take measures to prevent the company from being used as a vehicle for Money Laundering and Terrorist Financing.

Money Laundering and Terrorist Financing

Money laundering is the process by which the illegal origin of wealth is disguised to avoid suspicion of law enforcement authorities and to wipe out the trail of incriminating evidence.

Terrorists and terrorist organisations though may not be keen to disguise the origin of their money but would be interested in concealing the destination and the purpose for which the money is collected. Therefore, terrorists and terrorist organization could also employ techniques to hide and disguise money. Governments around the world recognize the corrosive dangers that unchecked money laundering poses to their economic and political systems and have prescribed acts, rules and regulation for prevention of money laundering.

Need for this Policy

In India, The Prevention of Money Laundering Act, 2005 forms the core of the legal framework to combat money laundering and terrorist financing in India. The Prevention of Money Laundering Act, 2005 came into effect from 1st July 2005 and has been amended on various occasions since.

The Prevention of Money Laundering Act, 2005 imposes an obligation on every banking company, financial institution (which includes chit fund company, a co-operative bank, a housing finance institution and a non-banking financial company) and intermediary (which includes a stock-broker, sub-broker, share transfer agent, banker to an issue, trustee to a trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and any other intermediary associated with securities market and registered under Section 12 of the SEBI Act) , to verify the identity of investors and maintain records of transactions as





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specified in the Prevention of Money Laundering Act, 2005 and the Rules, Regulations and Notifications thereunder.

Pursuant to the recommendations made by the Financial Action Task Force (FATF) on Anti Money Laundering standards, The Securities and Exchange Board of India, has from time to time issued circulars directing Intermediaries to adopt Strict Customer Due Diligence practices in order to prevent Money Laundering.

Yashwi Securities is an intermediary in the securities market registered with the Securities and Exchange Board of India as a Stock Broker, and a Depository Participant and is thus required to adopt and implement a policy for Prevention of Money Laundering pursuant to the Prevention of Money Laundering Act, 2005 and the Rules, Regulations and Notifications thereunder.

2. POLICY OBJECTIVES:

This Policy aims to achieve the following objectives:

- To protect the Company from being used as a vehicle for money laundering/terrorist financing
- To follow thorough "Know Your Customer" (KYC) policies and procedures in the course of day-to-day business.
- To take appropriate action, once suspicious activities are detected, and report them to the designated authorities in accordance with applicable law / laid down procedures.
- To comply with applicable laws as well as norms adopted internationally with reference to Money Laundering.

3. APPLICABILITY:

This Policy applies to all employees of Yashwi Securities including employees at Corporate Office and Branches.

Applicability of this Policy to various verticals/business of Yashwi Securities

(i) Institutional Broking

Appropriate Customer Due Diligence shall be carried out in respect of all Institutional Clients whether registered with SEBI or not. Further, trades





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of such clients shall be monitored and suspicious transactions, if any, shall be duly reported in accordance with this Policy.

(ii) Retail Broking

KYC norms as specified by SEBI/ Exchanges should be adhered to before enlisting clients. Further, trades of such clients shall be monitored and suspicious transactions, if any, shall be duly reported in accordance with this Policy.

(iii) Depository Participant Activities

The Depository activity shall be covered within the purview of this Policy. Necessary Customer Due Diligence shall be undertaken. KYC norms as specified by the Depository should be followed for opening accounts. Alerts as generated by the Depositories shall be reviewed and suspicious transaction, if any, shall be duly reported.

4. IMPLEMENTATION OF THIS POLICY

This policy has taken into account the requirements of the PMLA as applicable to the intermediaries registered under Section 12 of the SEBI Act. The detailed Directives have outlined relevant measures and procedures to guide the registered intermediaries in preventing ML and TF. Some of these suggested measures and procedures may not be applicable in every circumstance. Each intermediary shall consider 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 and the requirements as laid down in the PMLA and guidelines issued by the Government of India from time to time.

Each registered intermediary shall adopt written procedures to implement the anti-money laundering provisions as envisaged under the PMLA. Such procedures shall include inter alia, the following four specific parameters which are related to the overall 'Client Due Diligence Process':

- (i) Policy for acceptance of Clients;
- (ii) Procedure for identifying the clients;
- (iii) Risk Management;
- (iv) Monitoring of Transactions.

