



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

Risk Categorization And Risk Assessment

Risk-based Approach

All clients should be categorized on the basis of the risk of money laundering or terrorist financing that they are likely to pose. The clients can be classified into the medium or high risk category depending on various criteria like Client wise Large Turnovers, particular Script exposure / trading, client's income range, trading pattern, client is of special category. If any of the client would satisfy the above criteria, depending on the criteria satisfied the same would be classified into medium or high risk.

Clients should broadly be classified in the following categories:

As per clause 2.2.4 and 2.2.5 of Guidelines on detecting suspicious transactions under Rule 7 (3) of the PML Rules, 2005.

Low Risk	Clients who pose low or nil risk. They are clients who have a respectable social and financial standing. Clients who fulfill obligations on time.
Medium Risk	Intraday clients or speculative client. also be categorized
High Risk	Clients who have defaulted in the past. as High Risk
Clause 2.2.4	Clients who have a suspicious background. Clients/Transactions
	Clients of Special Category
	Dormant Accounts

- Countries subject to sanctions, embargoes or similar measures issued by, for example, the United Nations ("UN"). In addition, in some circumstances, countries subject to sanctions or measures similar to those issued by bodies such as the UN, but which may not be universally recognized, may be given credence by a company because of the standing of the issuer and the nature of the measures.
- Countries identified by the Financial Action Task Force ("FATF") as non-co-operative countries and territories (NCCT) 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.





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- Countries identified by credible sources as having significant levels of corruption, or other criminal activity.

Clause 2.2.5

- Cash (and cash equivalent) intensive businesses.
- Money services businesses (remittance houses, 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.
- Unregulated charities and other unregulated "not for profit" organisations (especially those operating on a "cross-border" basis)
- 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).
- Clients that are politically exposed or "PEPs"

The above categorization shall be done initially at the time of opening of the Clients account and shall be reviewed on an ongoing basis depending of the trading pattern etc. of the clients.

Initial Risk categorization of all the clients would be done by the CCR Team depending on the financials details/ networth declarations and KYC declaration so of the clients given by the clients at time of account opening and regular updates received from the clients. Branch Officials shall inform CCR team in the event they feel the client belongs to the Medium or High Risk Category and specify reasons for the same. Risk categorization would also be modified depending on the trading patterns of the clients.

Monitoring Of Transactions

The monitoring for suspicious transaction should be done on following basis.

- The Origin of Funds
- The form in which funds were offered or withdrawn
- The destination of funds
- The form of instruction and authority
- The identity of the person undertaking the transaction

Special attention shall be paid to complex unusually large transactions/patterns have no economic purpose.





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Threshold limits for review of various types of transaction and also shall be specified and reviewed by the Company from time to time with approval from.

Department	Broad Responsibility
CCR (account opening team)	Customer Acceptance Due diligence and Initial Risk Categorization The PMLA monitoring shall
RMS Team	be carried out by the following Monitoring of Trading pattern of clients and escalation of prima facie Suspicious Transaction
DP Team Teams	Monitoring of DP Alerts and escalation of prima facie Suspicious Transaction
Principal Officer with Compliance Team	Review of prima facie Suspicious Transactions and reporting to FIU

Sr. No.	Indicative Rules/Scenario
1	Customer did not open account after being informed about KYC requirements
2	Customer gives false identification documents or documents that appears to be counterfeited, altered or inaccurate.
3	Customer not staying at address provided during account opening
4	Customer uses complex legal structures or where it is difficult to identify the beneficial owner
5	Customer has been the subject of inquiry from any law enforcement agency relating to criminal offences
6	Customer has been the subject of inquiry from any law enforcement agency relating to TF or terrorist activities.
7	The following alerts which are not system generated should also be raised to the principal officer if noted by any employee.





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- terrorism or terrorist financing related activities.
- 10 Customer did not complete transaction after due diligence, source of funds etc
 - 11 Customer changes the information provided after 20 days of completion of information is requested
 - 12 Customer provides information that seems minimal, possibly false or inconsistent.
 - 13 Customer travels unexplained distances to conduct transactions
 - 14 Customer makes inquiries or tries to convince staff to avoid reporting
 - 15 Customer could not explain source of funds satisfactorily
 - 16 Transaction is unnecessarily complex for its stated purpose.
 - 17 The amounts or frequency or the stated reason of the transaction does not make sense for the particular customer
 - 18 Transaction involving movement of which is inconsistent with the customer's business
 - 19 Foreign remittance received by NPO not approved by FCRA
 - 20

Complaint received from public for abuse of account for committing fraud etc.

Alert raised by agents about suspicion

Customer's name appears in any order passed by SEBI. SEBI has initiated an investigation and has restrained individuals/entities from buying, selling or dealing in the securities markets, either directly or indirectly, in any matter.

Match of customer details with persons reported in local media/open source for criminal offences

Match of customer details with persons reported in local media/open source for





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Suspicious transactions shall be regularly reported to the Principal Officer. There shall be continuity of dealing with the client & client shall not be informed of the Report. In some cases transactions are abandoned or aborted by clients on being asked to give some details or to provide documents all such attempted transactions shall be reported in STRs, even if not completed by clients, irrespective of the amount of the transaction.

Freezing of funds, financial assets or economic resources or related services:

The Company shall ensure compliance with the procedures laid down in Order dated August 27, 2009 and Order dated March 14, 2009 under the Unlawful Activities (Prevention) Act, 1967.

Where orders are being placed by an individual who holds a POA but is not a family member.

- 21 Accordingly the Company shall review the updated list of list of individuals/ entities subject to UN sanction measures (hereinafter
- 22 referred to as 'list of designated individuals/ entities) as forwarded by
- 23 Alert raised by other institutions, subsidiaries or business associates including cross-border referral

SEBI from time to time and shall ensure the following:

- 24 Transaction pattern same as that in orders passed by SEBI under the SEBI Act.

1. Maintain updated designated lists in electronic form and run a check on the given parameters on a regular basis to verify whether individuals or entities listed in the Schedule to the Order (referred to as designated individuals/entities) are holding any funds, financial assets or economic resources or related services held in the form of securities with them.
2. In the event, particulars of any of clients match the particulars of designated individuals/entities, the Company shall immediately, not later than 24 hours from the time of finding out such client, inform full particulars of the funds, financial





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assets or economic resources or related services held in the form of securities, held by such client on its books to the Joint Secretary (CTCR), Ministry of Home Affairs, at Fax No.011-23092569 and also convey over telephone on 011-23092736. The particulars apart from being sent by post should necessarily be conveyed through e-mail at jsctcr-mha@gov.in.

3. The Company shall also send the particulars of the communication mentioned in (2) above through post/fax and through e-mail (sebi_uapa@sebi.gov.in) to the UAPA nodal officer of SEBI, Officer on Special Duty, Integrated Surveillance Department, Securities and Exchange Board of India, SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 as well as the UAPA nodal officer of the state/UT where the account is held, as the case may be, and to FIU-IND.
4. In case the aforementioned details of any of the customers match the particulars of designated individuals/entities **beyond doubt**, the Company should prevent designated persons from conducting financial transactions, under intimation to Joint Secretary (CTCR), Ministry of Home Affairs, at Fax No. 011-23092569 and also convey over telephone on 011- 23092736. The particulars apart from being sent by post should necessarily be conveyed through e-mail at jsctcr-mha@gov.in.
5. The Company shall also file a Suspicious Transaction Report (STR) with FIU-IND covering all transactions in the accounts covered by paragraph (2) above carried through or attempted, as per the prescribed format.
6. No prior notice should be given to the designated individuals/entities

Screening of Employees And Training on Prevention of Money Laundering

The Company shall have strict screening measures in place to ensure high standards when hiring employees

Training To Employees

The Company shall provide anti-money laundering training to all its new employees at the time of joining the organization and updates would be provided on periodic basis i.e. yearly basis to its all employees. The training shall review applicable money laundering laws and recent trends in money laundering activities as well as the Company's policies and procedures to combat money laundering, including how to recognize and report suspicious transactions.

