



Policy
For
Prevention of Money Laundering



Goldmine Stocks Pvt Ltd

With your investments all the way...

“Goldmine House”, Near Shreyas Railway Crossing, Ahmedabad 380 007



Policy for Prevention of Money Laundering

The company has decided to put in places highest standards in making the policy to combat Money Laundering and Terrorist financing in Stock Market.

The “Principal Officer” is appointed to ensure that all the suspicious transactions are being reported to The Director-FIU. The detail is given as below.

<i>Name of Principal Officer</i>	<i>Mr Samir Gandhi</i>
<i>Designation</i>	<i>Principal Officer</i>
<i>Address</i>	<i>“Goldmine House”, Near Shreyas Railway Crossing, Ahmedabad 380 007</i>
<i>Contact No</i>	<i>079-30088213 Direct Line</i>



Policy on Acceptance of Client

- An employee of the company whether from head office or branch should meet the client personally either at any of the offices of the company near the client's place or at client's office/residence.*
- Obtain all information pertaining to the client as required under KYC guidelines. Collect the photocopies of all required documents as per KYC guidelines and verify with originals. Ensure that the KYC form is completely filled in.*
- Do not accept the client having any criminal background.*
- Be very careful while accepting the client of special category (CSC) which includes NRI, HNI, Trusts, Charities, NGOs and organizations receiving donations, Companies having close family shareholding, Politically Exposed Persons (PEP) or his family members/close relatives, Companies offering foreign exchange, clients from high risk countries, non face to face clients, clients with dubious reputation as per public information available etc. Do scrutinize the records, information provided by the client and documents submitted by the client minutely who belongs to aforesaid category.*
- Do not accept the client registration forms which are suspected to be fictitious/benami.*



Policy on Client Identification (New Clients)

To prevent opening of fictitious/benami/anonymous accounts it is necessary to have a mechanism in place to establish the identity of the client.

Individual Client

- *Obtain copy of PAN card as it is mandatory requirement. Check the correctness of the same on IT website and verify with the original.*
- *In case photograph is not clear on the PAN card, obtain photo identity proof from any of the following. Obtain photocopy and verify the same with original.*
 - * *Voter's identity card*
 - * *Driving license*
 - * *Passport*
 - * *Any government/PSU/Bank issued photo identity*
 - * *Any other document prescribed by the regulatory authorities.*
- *Obtain address proof from any of the following. Obtain photocopy and verify the same with original*
 - *Voter's identity card*
 - *Passport*
 - *Bank Statement*
 - *Ration Card*
 - *Latest electricity bill and/or telephone bill*
 - *Any other document prescribed by the regulatory authorities*



Corporate Clients

In case of the corporate clients, following documents must be obtained.

- *Copy of certificate of registration/incorporation.*
- *Copy of Memorandum and Articles of Association.*
- *Copy of PAN Card (Must be verified with original and on the IT website)*
- *Copy of latest annual accounts and/or IT return*
- *Board resolution for doing transaction and authorization to operate the account.*
- *Photo identity of authorized person.*

Risk profile of the client

We should make classification of the clients as low risk, medium risk and high risk clients. By making such classification we will be in a better position to apply customer due diligence process. For high risk clients we will have to apply higher degree of due diligence. The categorization should be made as follows.

Category A : Low Risk Client

Category B : Medium Risk Client

Category C : High Risk Client



Suspicious Transactions

All the concerned employees should analyze and furnish the details of suspicious transactions to the Principal Officer. Following are some of the reasons for suspicion however everyone has to put in its own diligence in the process.

- *False identification documents submitted by the clients*
- *Client of Special Category*
- *Suspicious background or link with criminals*
- *Found having multiple accounts in large number*
- *Unusual activity compared to past transactions*
- *Use of multiple demat and/or bank accounts in large numbers which does not justify the reason to keep such large number of accounts*
- *Source of fund is doubtful*
- *Suspicious off market transactions*



Customer Due Diligence

The company applies due diligence process while registering the new client. It comprise

- Obtain sufficient information related to ultimate persons who are beneficial owner or who controls the securities.*
- Obtain customer identification by personal interactions, visit to client place and/or client is called for visit to the company premises, documents related to identity of the client etc.*
- Perform ongoing scrutiny of the transactions carried out by the customer whether they are in consistency with his business, risk profile and are within the capacity of the client.*
- No account is being opened up in fictitious name.*
- KYC profiles with financial details are updated periodically.*
- No account should be opened up where the identity of the customer is not established.*
- The account of the customer is freezed/suspended if the clients denies in providing the required details asked by the company in its due diligence process and/or updating of records.*
- Proper check are put in place and extra care is taken in case of registering the client from high risk nations, countries active in narcotic production and countries known as tax heavens. However company has never dealt with such customers.*
- Proper checks are put in place and extra care is taken in case of registering the client who is high profile politician. However company has never dealt with such customers.*



Maintenance of Records

- *The books of accounts and records are to be kept in accordance with the requirement of the exchange, SEBI and all other regulatory authorities.*
- *The records are being kept as per the requirement of PML Act 2002 and as amended from time to time.*
- *The Principal Officer is authorized to report the suspicious transactions to the FIU, New Delhi as required under PML Act 2002 as amended from time to time.*

Employee Training

- *Adequate screening is done while recruiting any employee in the company. It is ensured that the person with high morale, integrity and honesty is performing the key functions in the company's business.*
- *The company keeps on organizing employee training programs to educate all its team about the prevention of anti money laundering.*
- *The employees are supposed to apply due diligence to prevent money laundering.*



Monitoring Suspicious Transactions

- *All cash transactions or series of transactions of the value of more than Rs 10 lacs are to be checked. However the company does not deal in cash at all.*
- *All the suspicious transactions amounting more than Rs 10 lacs and which are not a normal course of transactions are to be checked. If found suspicion, the same to be reported to FIU.*
- *All complex and unusual transactions are to be paid special attention and if found suspicious, to be reported to FIU.*