

## **PRE- FUNDED INSTRUMENT**

It's a Master Policy of the Company for the acceptance of Prefunded Instruments .This policy is Subject to the rules and regulations of the Exchange from time to time

**Title:** Acceptance of Prefunded Instrument for trades on Exchanges

**Coverage:** Head office, all the branches of the Company and all the franchisees of the company wherever trading terminals / IBT terminals are there .

**Scope:** Acceptance of Prefunded Instruments like Demand Draft/ Pay order/Bank Guarantees from a client against Payin Obligation / Margin

**Procedures:** The Prefunded Instruments must be accepted only in following special circumstances;

- 1) If there are Bank Holidays on the following day
- 2) If the client does not have an account in the Client Accounts in which the company has accounts
- 3) If the client wants to create a position immediately and has no other way of transferring funds
- 4) If the Bank account of the client is in a cooperative bank, which may take some time for the cheque to be cleared
- 5) If the company Bank accounts clearing branch is not available in the city/village where the client has his bank account.

**Permissible Limits:** The Prefunded instruments must be accepted only in cases mentioned above and not otherwise Approval for acceptance must be taken by either of the executive Directors or the Managing Director and only then credit should be given and should not aggregate to more than Rs 50,000/- per day.

- a) If a pre-funded instrument aggregating to Rs 50,000/- or more is received by us in a day, from a client, it should be booked by a letter from the bank stating that the instrument ' has been issued from the clients bank account registered with us
- b) In case of funds received through RTGs or NEFT we must ensure that the funds are remitted from the bank account registered with us In cases where it cannot be ascertained we must ask for a Bank letter from the bank stating the bank accounts details of the client

**Objective:** The Objective of this policy is to minimize the frequency of acceptance of Prefunded Instrument, specially Demand Draft where there is a difficulty in tracking the correct source of issuance.

For Ludhiana Commodities Trading Services Ltd



Director

ANNEXURE A

**LUDHIANA COMMODITIES TRADING SERVICES LIMITED**

**PREVENTION OF MONEY LAUNDERING (PML) POLICY**

**INTRODUCTION**

This Policy has been framed by Ludhiana Commodities Trading Services Limited in order to comply with the applicable Anti Money Laundering Standards and to take measures to prevent Ludhiana Commodities Trading Services Limited from being used as a vehicle for Money Laundering and Terrorist Financing

**NEED FOR THIS POLICY**

The Prevention of Money Laundering Act, 2005 came into effect from 1st July 2005. Ludhiana Commodities Trading Services Limited is an intermediary in the commodities market registered with the Securities and Exchange Board of India as a Stock Broker 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.

**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.

**IMPLEMENTATION OF THIS POLICY**

**APPOINTMENT OF PRINCIPAL OFFICER**

Mr. Manjeet Singh Lotey shall be Principal Officer for Stock Broking Activities for the Purpose of Prevention of Money Laundering and shall:

- Be responsible for compliance of the provisions of the Prevention of Money Laundering Act, 2005 and the Rules, Regulations and Notifications thereunder
- Act as a central reference point and play an active role in identification & assessment of potentially suspicious transactions
- Report transactions and sharing of information as required under the law and to the Management of the Company/FIU from time to time as deemed necessary.

In addition to the Principal Officer, Mr. Arjan Dass Goyal, Director has been appointed as Designated Director in terms of SEBI Circular dated March 12, 2014.

The Principal Officer shall report to the Board of Directors of the Company.

**STRUCTURE OF THE POLICY**

**1. CUSTOMER DUE DILIGENCE**

The following Customer Due Diligence Norms shall be adhered to by the Company.

- Obtaining 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 persons 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;
- Identify beneficial ownership and control, i.e. determine which individual(s) ultimately own(s) or control(s) the and/or the person on whose behalf a transaction is being conducted;



## PREVENTION OF MONEY LAUNDERING POLICY (PMLA)

- 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 (c);
- 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 the registered intermediary's knowledge of the client, its business and risk profile, taking into account, where necessary, the client's source of funds; and
- Periodically update all documents, data or information of all clients and beneficial owners collected under the process.

### ***Ongoing Customer Due Diligence***

- Any communication in respect of the Client shall be with the Client only
- Trade Orders/Instructions shall be accepted from the Client only.
- In case the client wishes to authorise a third party to give trade orders/instructions to the company in the client's account, a written consent shall be provided by the Client and KYC documents like Proof of Identity, Proof of Address shall be obtained.
- 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 the registered intermediary(s) knowledge of the client, its business and risk profile, taking into account, where necessary, the client(s) source of funds.

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

The company may rely on a third party for the purpose of (a) identification and verification of the identity of a client and (b) 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. ii. 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. However, the Company shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable.

**The Customer Due Diligence Process includes three specific parameters:**

- Policy for Acceptance of Clients
- Client Identification Procedure
- Suspicious Transactions identification & reporting

## **2. CUSTOMER ACCEPTANCE POLICY**

The Customer Acceptance Norms specified hereinbelow shall be applicable to clients sourced through Sub-brokers/ Authorised Persons of Ludhiana Commodities Trading Services Limited.

**In-person verification:** In person verification shall be mandatory for all clients. Accounts shall be opened only for those persons whose in-person verification has been done as per the SEBI/Stock Exchange or other regulations in this regard.

**KYC Procedures:** Accept only clients in respect of whom complete KYC procedures has been completed. Client account shall not be opened in case the client fails to submit any required documents:

- Documents shall be accepted as per the checklists given from time to time
- Photocopies submitted by the clients shall be compulsorily verified with original
- All details in the form shall be filled in by the clients without fail

**Debarred Clients:** Before clients opens an account check whether the client's name matches with names appearing in the SEBI Debarred List.

For Ludhiana Commodities Trading Services Ltd





**Clients of Special Category:** Due care shall be taken while accepting clients of Special Category

Clients of Special Category include but shall not be limited to the following-

- Non- resident clients
- High net-worth clients
- Trust, Charities, Non-Governmental Organizations (NGOs) and organizations receiving donations
- Politically Exposed Persons (PEP)  
(i.e. Individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. and family members or close relatives of PEPs)
- Companies offering foreign exchange offerings
- Clients in High Risk Countries

### 3. RISK ASSESSMENT AND CATEGORIZATION

#### **Risk Assessment**

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 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 Council Resolutions (these can be accessed at **Securities and Exchange Board of India**

[http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml) and  
<http://www.un.org/sc/committees/1988/list.shtml>).

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.

#### **Categoization**

All clients should be categorized on the basis of the risk of money laundering or terrorist financing that they are likely to pose.

Clients should broadly be classified in the following categories

|                    |  |
|--------------------|--|
| <b>Low Risk</b>    | Clients who pose low or nil risk. They are corporates/HNIs who have a respectable social and financial standing. Clients who fulfill obligations on time. (Also includes the clients having income above Rs.5 Lacs p.a.) |
| <b>Medium Risk</b> | Clients having income range between Rs.1 Lac to Rs.5 Lacs p.a.   |
| <b>High Risk</b>   | Clients having income of less than Rs.1 Lac p.a. and also the Clients of Special Category including NRI.   |

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.

#### **Treatment of Accounts of Clients of Special Category**

**NRI:** While opening NRI account utmost care should be exercised. While opening an NRI Repatriable or NRI Non Repatriable inter alia, collect the following documents from the clients:

NRI Repatriable/Non Repatriable

- PAN Card Copy
- Passport Copy
- Indian Address Proof

For Ludhiana Commodities Trading Services Ltd





- Cancelled Cheque copy of NRE A/c
- PIS Permission issued from RBI.
- NRI Address Proof
- Bank Statement Copy.
- Client Master Copy for demat account.

**High Networth Clients:** High networth clients could be classified as such if at the account opening stage or during the course of the relationship, it is realized that the clients investments or the appetite for investment is high.

**Trust, Charity and NGOs:** Both public as well private, registered as well unregistered trust will have to be classified in the special category. Any Charitable or Non Governmental organization or a no Profit Organization will be also classified herein.

**Politically Exposed Persons:** In case of PEPs, the account should be opened after collection of all the required documents and client should be marked as PEP in records.

**Company offering foreign Exchanges:** At the account opening stage if the individual or the entity is registered foreign exchange dealer, then the same may be categorized.

**Client in High Risk Country:** Do open any account received from client who was residing in a high risk jurisdiction and may have investment proceeds which may have also originated from these countries. The list may be obtained from the Financial Action Task Force (FATF) statements that identify countries that do not or insufficiently apply the FATF Recommendations, published by the FATF on its website ([www.fatf-gafi.org](http://www.fatf-gafi.org)).

#### **4. CUSTOMER IDENTIFICATION POLICY**

The following Customer Identification Norms shall be adhered to in respect of all new clients to establish the identity of the client alongwith firm proof of address to prevent opening of account which is fictitious/benami/anonymous in nature.

- 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. Further, the enhanced CDD measures as outlined in clause 5.5 shall also be applicable where the beneficial owner of a client is a PEP.
- 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, registered intermediaries shall obtain senior management approval to continue the business relationship.
- 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 using reliable sources including documents / information. The intermediary 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 intermediary 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 intermediary

##### **Proof of Identity**

Every client would be identified based on only photo identity as prescribed under applicable KYC norms. The PAN Card, which is compulsory, would also serve as a photo identity. Other Identity proofs which might be collected for verification are as under:

- Passport
- Voter ID Card
- Driving license
- PAN card with photograph
- Unique Identification Number (UID) (Aadhar Card)
- Identity card/document with applicant's Photo, issued by





- Central/State Government and its Departments,
- Statutory/Regulatory Authorities,
- Public Sector Undertakings,
- Scheduled Commercial Banks,
- Public Financial Institutions,
- Colleges affiliated to Universities (**this can be treated as valid only till the time the applicant is a student**),
- Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members, and
- Credit cards/Debit cards issued by Banks.

**Proof Of Address**

The address of the Client would be verified from one of the following:

- Ration card
- Passport
- Voter ID Card
- Driving license
- Bank passbook / Bank Statement
- Unique Identification Number (UID) (Aadhar Card)
- Verified copies of
- Electricity bills (**not more than three months old**),
- Residence Telephone bills (**not more than three months old**) and
- Leave and License agreement / Agreement for sale.
- Self-declaration by High Court & Supreme Court judges, giving the new address in respect of their own accounts.

**Identity card/document with address, issued by**

- Central/State Government and its Departments,
- Statutory/Regulatory Authorities,
- Public Sector Undertakings,
- Scheduled Commercial Banks,
- Public Financial Institutions,
- Colleges affiliated to Universities (**this can be treated as valid only till the time the applicant is a student**) and
- Professional Bodies such as ICAI, ICWAI, Bar Council etc., to their Members.
- Where the client is a person other than an individual or trust, viz., company, partnership or unincorporated association/body of individuals, the intermediary shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the following information:

**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.**

Explanation: Controlling ownership interest means ownership of/entitlement to:

- more than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
- more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
- more than 15% 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 4 (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.**

Explanation: 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 4 (a) or 4 (b) above, the identity of the relevant natural person who holds the position of senior managing official.**

For Indhiana Commodities Trading Services Ltd

  
Director



**For Client which is a Trust:**

Where the client is a trust, the intermediary shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% 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.

**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.

**Applicability for Foreign Investors:**

Intermediaries dealing with foreign investors viz., Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors, may be guided by the clarifications issued vide SEBI circular CIR/MIRSD/11/2012 dated September 5, 2012, for the purpose of identification of beneficial ownership of the client.

**Basic Kyc Norms To Be Followed For Verification / Scrutiny**

- The photograph in the PAN card and in any other document proof which contains a photograph must match. This should be followed to ensure that no account is opened in anonymous or fictitious names.
- As per SEBI, NSDL, NSE & BSE guidelines, all Address and Identification proofs, should be verified with the originals by any of the Persons/ Entities Authorised by the Regulatory Authority in this regard.
- In-Person verification of Applicant (s) made compulsory as per Exchanges and Depository norms should be done by any of the Persons/ Entities Authorised by the Regulatory Authority in this regard.
- Proof should be collected for both permanent address and correspondence address and the same should be verified with originals.
- Verify whether any of the existing Client, falls in the list of Persons / Entities debarred by SEBI from dealing in securities. In case of new client falling within the category, such account should not be opened. Clients name in the regulatory orders issued by the exchanges on a day to day basis should be barred from trading with immediate effective.
- In case of Non Resident clients, remittance only from approval banking channels will be accepted. In case of FIIS, the investment must be from the current account maintained with the Reserve Bank of India.
- Clients should not be activated to trade in derivative segment unless the clients submit a valid proof of financial information.

## **4. RECORD KEEPING AND RETENTION OF RECORDS**

**Record Keeping**

The Company shall take 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 have to be maintained and preserved for a period of ten years from the date of transactions between the client and intermediary.

Formulate and implement the CIP containing the requirements as laid down in Rule 9 of the PML Rules and such other additional requirements that it considers appropriate.

Thus the following document retention terms shall be observed:

- All necessary records on transactions, both domestic and international, shall be maintained at least for the minimum period prescribed under the relevant Act and Rules (PMLA and rules framed thereunder 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 shall also be kept for the same period.





## PREVENTION OF MONEY LAUNDERING POLICY (PMLA)

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

### **Retention of Records**

The following norms shall be adhered to with regard to retention of records.

| <b>Nature of Record</b>  | <b>Preservation period</b>  |
|--|---|
| Record pertaining to Transaction of Clients                                      | 5 Years   |
| Record pertaining to Identity of Clients   | For a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later.  |
| Record pertaining to documents evidencing the Identity of Clients                | For a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later." |
| Records pertaining to monitoring of Transactions and information reported to IFU | For a period of five years from the date of Transactions between the Client and Ludhiana Commodities Trading Services Limited                               |

### **Maintenance of Records**

In terms of rules made under the PMLA Act, Ludhiana Commodities Trading Services Limited shall maintain a record

of:

- all cash transactions of the value of more than rupees ten lakhs or its equivalent in foreign currency;
- all series of cash transactions integrally connected to each other which have been valued below rupees ten lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month;
- all cash transaction where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place;
- all suspicious transactions whether or not made in cash;

## **5. MONITORING OF TRANSACTIONS**

### **Generation and review of reports generated on Periodic Basis**

Review of alerts / reports sent by Exchanges/ Depositories from time to time

## **6. POLICY FOR DORMANT ACCOUNTS**

### **Definitions**

The following accounts shall be categorized as Dormant Accounts:

#### **Demat accounts**

A Demat account having no debit transactions in the last 6 (six) calendar months shall be classified as Dormant account.

#### **Trading account**

A Trading account in which no transaction has been carried out for a period of more than 12 (Twelve) calendar months shall be classified as a Dormant Account. For this purpose, trading status of all the Active Clients is reviewed in the month of January every year and the Trading Accounts in which no transaction has been carried out during the last calendar month are classified as Dormant Account.

For Ludhiana Commodities Trading Services Ltd

  
Director



### **Treatment Of Dormant Accounts Transactions In**

#### **Dormant Trading Accounts**

In case of dormant trading accounts in which no transaction has been placed during the 12 (Twelve) calendar months, the account of the client shall be locked and the client shall not be permitted to execute a fresh transaction in the account unless the client provides either of the following:

- An e-mail request to reactive the account and process the transaction. Such e-mail request shall be sent only from the e-mail id of the Client registered with Ludhiana Commodities Trading Services Limited; or
- A written request to reactive the account and process the transaction duly signed by Client and submitted to Ludhiana Commodities Trading Services Limited; or
- A telephonic request to reactive the account and process the transaction.

#### **Monitoring Of Transactions In Dormant Accounts**

- Sudden activity in dormant accounts may be viewed as a suspicious transaction
- Any debit transactions in dormant Demat accounts or any transactions in dormant Trading accounts shall be reported as an Alert and adequate reports shall be generated
- Such alerts/reports shall be reviewed by the Authorised Official
- Transactions found to be suspicious shall immediately be reported to the Risk Management and Compliance Department

#### **Suspicious Transactions**

Suspicious transactions involve funds which are derived from illegal activities or are transactions that are intended/ conducted in order to hide or disguise funds or assets derived from illegal activities.

#### **Criteria giving rise to Suspicion:**

It is difficult to define exactly what constitutes suspicious transactions and as such given below is a list of circumstances where transactions may be considered to be suspicious in nature. This list is only inclusive and not exhaustive. Whether a particular transaction is actually suspicious or not will depend on the background, details of the transactions and other facts and circumstances.

Complex /unusually large transactions/ patterns which appear to have no economic purpose.

- Sudden activity in dormant accounts
- Multiple accounts
- Large number of account having a common account holder, authorized signatory with no rationale
- Unexplained transfers between multiple accounts with no rationale
- Substantial increase in business without apparent cause (Unusual activity compared to past transactions)
- Inconsistency with clients apparent financial standing
- Unusual transactions by Clients of Special Category (CSCs) and business undertaken by shell corporations, offshore banks/financial services, businesses reported to be in the nature of export-import of small items
- Suspicious off market transactions

## **7. LIST OF DESIGNATED INDIVIDUALS/ENTITIES**

The Company 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 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), Updated list of which can be accessed at its website at <http://www.un.org/sc/committees/1267/consolist.shtml>. Full details of accounts bearing resemblance with any of the individuals/entities in the list shall immediately be intimated to SEBI and FIU-IND.

For Ludhiana Commodities Trading Services Ltd





## **8. 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. The obligations to be followed by intermediaries to ensure the effective and expeditious implementation of said Order has been issued vide SEBI Circular ref. no: ISD/AML/CIR-2/2009 dated October 23, 2009, which needs to be complied with scrupulously.

## **9. REPORTING TO FINANCIAL INTELLIGENCE UNIT-INDIA**

Shall 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, Hotel Samrat,  
Chanakyapuri,  
New Delhi-110021.  
Website: <http://fiuindia.gov.in>

The following norms shall be adhered to by the Company :

- The Cash Transaction Report (CTR) (wherever applicable) for each month shall be submitted to FIU-IND by 15th of the succeeding month.
- 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 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.
- The Principal Officer will be responsible for timely submission of CTR and STR to FIU-IND;
- 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.
- No nil reporting needs to be made to FIU-IND in case there are no cash/suspicious transactions to be reported.

Shall not put any restrictions on operations in the accounts where an STR has been made. The Company and its directors, officers and employees (permanent and temporary) shall not disclose ("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 Company 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.

## **10. Reporting (Disclosure) of Suspicious Activity**

The Principal Officer(s) shall report the information relating to suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND) at the following address as may be modified by the SEBI from time to time:

Director, FIU-IND,  
Financial Intelligence Unit-India, 6th Floor,  
Hotel Samrat, Chanakyapuri, New Delhi

Fr. Ludhiana Commodities Trading Services Ltd

  
Director



### **11. HIRING OF EMPLOYEES**

The company shall have adequate screening procedures in place to ensure high standards when hiring employees. They shall identify the key positions within their own organization structures having regard to the risk of money laundering and terrorist financing and the size of their business and ensure the employees taking up such key positions are suitable and competent to perform their duties.

### **12. TRAINING ON PREVENTION OF MONEY LAUNDERING**

The Company provides anti-money laundering training to all the concerned employees on periodic basis. The training reviews 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.

### **13. Investor Education**

The Company shall prepare disseminate its PMLA Policy on its website so as to educate to clients of the objectives of the AMLA/CFT.

For Ludhiana Commodities Trading Services Ltd



Director