

KNOW YOUR CLIENT / ANTI-MONEY LAUNDERING / COMBATING THE FINANCING OF TERRORISM POLICY

of

True Beacon Investment Advisors LLP

Registered with the Securities and Exchange Board of India as a Portfolio Manager

with effect from 9 March 2022 Registration No. INP000007353

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1. Background

- 1.1. True Beacon Investment Advisors LLP ("**Portfolio Manager**" or "**we / us**") has been constituted under the Limited Liability Partnership Act, 2008 and registered with Securities and Exchange Board of India ("**SEBI**") as a portfolio manager under the SEBI (Portfolio Managers) Regulations, 2020 ("**PM Regulations**") with effect from 9 March 2022 bearing registration number INP000007353. The Portfolio Manager is a registered intermediary with SEBI.
- 1.2. The Portfolio Manager provides discretionary, non-discretionary and advisory portfolio management services ("**Portfolio Management Services**") to the clients who enter into PMS Agreements (*defined hereinbelow*) with the Portfolio Manager ("**Clients**").
- 1.3. Every intermediary associated with the securities market and registered under Section 12 of the SEBI Act, 1992 is required to adhere to Client account opening procedures and maintain records of such transactions as prescribed under the Prevention of Money Laundering Act, 2002 ("**PMLA**") and the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 ("**Rules**") formed thereunder.
- 1.4. SEBI vide its Master Circular – 'Guidelines on Anti-Money Laundering ("**AML**") Standards and Combating the Financing of Terrorism ("**CFT**") / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under' ("**SEBI KYC Master Circular**"), dated July 04, 2018, has issued necessary directives related to Know Your Customer ("**KYC**") norms, AML, CFT and Client due diligence. The SEBI KYC Master Circular lays down the minimum requirements and has emphasised that the intermediaries may, according to their requirements, specify additional disclosures to be made by clients of the Portfolio Manager ("**Clients**") to address concerns of money laundering and suspicious transactions undertaken by the Clients.
- 1.5. The Portfolio Manager, in its capacity as the Portfolio Manager, has adopted this KYC, AML and CFT policy ("**Policy**") for ensuring compliances and reporting, as required in respect of Clients onboarded by the Portfolio Manager.
- 1.6. In this Policy, words and expressions shall, unless expressly defined herein, have the meaning as ascribed to them in the disclosure document dated [•] prepared by the Portfolio Manager in accordance with the PMS Regulations and filed with SEBI ("**Disclosure Document**") or respective portfolio management agreements executed between the Portfolio Manager and respective Clients in accordance with the PMS Regulations ("**PMS Agreement**").
- 1.7. This Policy shall be communicated to all the relevant Employees (*defined hereinbelow*) that handle account information, transaction information / documentation, Client records etc.

2. Objective of the policy

- 2.1 The objective of this Policy is to provide guidance to the Employees of the Portfolio Manager on the policies and procedures laid down to implement the AML provisions as envisaged under PMLA. The key objectives of this Policy includes:
 - (a) To prevent the Portfolio Manager from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities;

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- (b) To establish a framework for adopting appropriate KYC/AML/CFT processes, procedures and controls;
- (c) To ensure that the content of the Policy is understood by all Employees;
- (d) To ensure compliance with applicable laws and regulations in force from time to time;
- (e) To take appropriate action, once suspicious activities are detected according to procedures laid down and report them to the designated authorities in accordance with applicable laws;
- (f) To regularly review the Policy and procedures herein to ensure its effectiveness.

3. Scope of the policy

3.1 The scope of the Policy includes:

- (a) Appointment of key personnel
- (b) Client due diligence
 - (i) Client acceptance policy;
 - (ii) Client identification procedure;
 - (iii) Risk management.
- (c) Transaction monitoring and reporting
- (d) Record maintenance, updation and retention
- (e) Employees' hiring and training/ Client education

4. Applicability

- 4.1. This Policy applies to all regular employees, contract employees, fixed term employees, including but not limited to directors, committee members, officers, secondees, contractors, consultants, advisers, nominees and other representatives of Portfolio Manager and any other persons associated with the management and administration of the Portfolio Manager (collectively, "**Employees**").
- 4.2. This Policy applies to all the Clients and their respective investee entities, any person or entity connected with a financial transaction which can pose significant reputational risk to the Portfolio Manager or the portfolio investments of the Clients.

5. Effective Date

- 5.1. The Policy will be effective from 25th April 2022.

6. Appointment of Key Personnel

- 6.1. The Portfolio Manager will appoint a 'Principal Officer' for ensuring compliance with provisions of the PMLA. The Principal Officer will be duly registered with the Financial Intelligence Unit of India ("**FIU IND**"). The Portfolio Manager will ensure that the names, designation and addresses (including email addresses) of the 'Principal Officer' including any changes therein will be intimated to the Office of the Director-FIU IND.
- 6.2. The Principal Officer will be responsible for the following:

- (a) Ensuring that the Portfolio Manager has established an appropriate KYC/AML/CFT framework and is

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discharging its legal obligations with respect to the same;

- (b) Playing an active role in the identification and assessment of potentially suspicious transactions;
- (c) Acting as a central reference point in facilitating onward reporting of suspicious transactions;
- (d) Reporting to the senior management of the Portfolio Manager about the efficiency of the systems put in place, suspicious transactions, sharing of information as required under applicable laws and regulations, etc.;
- (e) Monitoring the implementation of Client due diligence requirements as prescribed by SEBI from time to time; and
- (f) Communicating the Policy to all the Employees and arranging their training in respect to the Policy.

7. Client due diligence

7.1. The Portfolio Manager will perform Client due diligence (“**CDD**”) procedure when establishing relationship with the Clients. Such due diligence will be performed on the basis of the following three parameters:

- (a) Client acceptance policy;
- (b) Client identification procedure; and
- (c) Risk management.

7.2. The CDD measures will comprise of the following:

- (a) Obtaining sufficient information from the Clients: A beneficial owner (“**BO**”) means a natural person or persons who ultimately own, control or influence the Client and / or person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement. The procedure to identify a BO is outlined in Annexure - I;
- (b) Verifying the Client’s identity using reliable, independent source documents, data or information;
- (c) Identifying the ownership and control structure of the Client;
- (d) Conducting ongoing due diligence and scrutiny of the transactions throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the Portfolio Manager’s knowledge of the Client, its business and risk profile, taking into account, where necessary, the Client’s source of funds; and
- (e) Periodically updating all documents, data or information of all Clients collected under the CDD process.

7.3. Client acceptance policy

The Portfolio Manager will target Clients such as Indian resident Clients and / or non-resident Clients including but not limited to Clients such as financial institutions, pension funds, family offices, estates,

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banks, insurance companies, high net worth individuals, NRIs, trusts, partnerships, limited liability partnerships, body corporates, corporates, Hindu Undivided Families, Government body (Central or State) or an agency or instrumentality thereof and any other person permitted by the applicable laws. The Portfolio Manager will ensure the following safeguards while accepting Clients:

- (a) No relationship is established in a fictitious / benami name or on an anonymous basis.
- (b) 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:
 - <https://www.un.org/securitycouncil/sanctions/1518/press-releases>
 - [United Nations Security Council Consolidated List | United Nations Security Council](#)
 - <https://www.un.org/securitycouncil/sanctions/1518/materials>
- (c) No relationship is established in cases where a Client or any associated individuals or entity name has been mentioned in the UN Sanctions list as circulated by SEBI from time to time.
- (d) No relationship is established if the Portfolio Manager is unable to apply appropriate CDD measures.
- (e) Where the Portfolio Manager relies on a third party to identify the BO of a potential Client, the Portfolio Manager must endeavour to immediately obtain necessary information of such Client due diligence carried out by the third party and 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.
- (f) Undertake necessary checks before establishing a relationship 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.
- (g) The circumstances under which the Portfolio Manager is permitted to act on behalf of another person / entity shall be clearly defined. It shall be specified in what manner any 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 registered with the intermediary, 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 Portfolio Manager shall also be carried out.

7.4. Client identification procedure

- (a) The Portfolio Manager will obtain relevant information / documents to establish the identity of the Client. A list of such documents is attached as **Annexure - II**. It will also use reliable sources in addition to such documents / information to obtain adequate information to satisfactorily establish the identity of each Client.
- (b) The Portfolio Manager will register itself with the Central KYC Records Registry ("CKYCR") and KYC Registration Agency ("KRA") as required by SEBI and upload the KYC details of new / existing Clients, as and when required as prescribed under the PM Regulations.
- (c) While establishing any relationship with the Client, the Portfolio Manager will download the Client details from the KRA system to verify its identity. In case of any changes in the KYC information / details of the Client, upon receipt of such information the Portfolio Manager will be responsible for updating the details in the KRA system.

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- (d) The Portfolio Manager will conduct verification of the Clients where considered necessary and ensure that the details are the same as that in the KYC form; conduct checks by subscribing to relevant databases for identified individuals against civil or criminal proceedings by any enforcement agency worldwide.
- (e) The Portfolio Manager will periodically scan all existing Client relationships to ensure that no relationship is established with or linked to any of the entities or individuals included in the UN Sanctions list or any other internal list maintained by the Portfolio Manager (if any). Full details of resemblance with any of the individuals/entities in the list will immediately be intimated to SEBI and FIU-IND. The information will be enough to satisfy the regulatory authorities that due diligence was conducted by the Portfolio Manager in compliance with the applicable laws and regulations.
- (f) The Portfolio Manager will conduct ongoing due diligence where it notices inconsistencies in the information provided by Clients.
- (g) The Portfolio Manager will submit its report to Principal Officer on the status and findings of the due diligence for approval.
- (h) The Principal Officer will take necessary guidance and advice, as required, from partners of the Portfolio Manager, if deemed necessary in the discretion of the Principal Officer, to complete the due diligence including additional information and monitoring processes for Politically Exposed Persons, who shall be onboarded only after the approval of the partners of the Portfolio Manager.

Politically Exposed Persons (“PEPs”)

- (i) The Portfolio Manager will determine whether the existing or potential Clients are PEPs. PEPs are 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.
- (j) The Principal Officer will obtain approval of the partners of the Portfolio Manager for establishing or continuing business relationships with PEPs.
- (k) The Portfolio Manager will obtain adequate information from various sources to determine whether the Client is a PEP. It will also verify the sources of Portfolio Managers as well as the wealth of Clients identified as PEPs.
- (l) Failure to provide satisfactory evidence of identity will be noted and reported to the higher authority within the Portfolio Manager.

7.5. Risk management

- (a) The Portfolio Manager will undertake risk profiling of the Client based on the information / documents collected to enable appropriate assessment of risk posed by the Client and the risk categorisation of the Client. The Portfolio Manager will categorise Clients into High, Medium and Low risk based on the following parameters:
 - (i) Client’s background;
 - (ii) Place of residence or business;
 - (iii) Nature of business; and
 - (iv) Any other relevant information.
- (b) The risk assessment carried out will consider all the relevant risk factors before determining the level

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of overall risk and the appropriate level and type of mitigation to be applied. The assessment will be documented, updated regularly and made available to competent authorities and self-regulating bodies, as and when required.

- (c) Based on the risk categorisation, the Portfolio Manager will apply CDD measures on a risk sensitive basis. In case of high-risk customers, the Portfolio Manager will adopt enhanced due diligence process.

8. Transaction monitoring and reporting

8.1. Transaction monitoring – for Discretionary Portfolio Management Services [and Execution of Investment Advice under Advisory Portfolio Management Services]

- (a) The Portfolio Manager will ensure that checks are in place for appropriate monitoring of investment transactions made on behalf of the Clients. Such monitoring of transactions will be conducted in accordance with the risk categorisation of the Client. The aim of such monitoring will be to ensure that the payments being made by the Clients are in accordance with the respective contribution agreements, with respect to factors like, mode of payment, etc.
- (b) The Principal Officer will carefully examine the documents, records, memorandums, clarifications, etc. and record the same in writing for internal record purposes. The same will be made available to SEBI, FIU-IND and other relevant authorities during audit, inspection or as and when required.
- (c) While undertaking transaction monitoring, the Portfolio Manager will ensure that all the suspicious transactions are reported to the Principal Officer who will report the same in a Suspicious Transaction Report (“STR”) to the Director FIU-IND.
- (d) Suspicious Transactions means a transaction, including an attempted transaction, whether or not made in cash, which to a person acting in good faith:
 - (i) gives rise to a reasonable ground of suspicion that it may involve the proceeds of an offence specified in the Schedule to the PMLA, regardless of the value involved; or
 - (ii) appears to be made in circumstances of unusual or unjustified complexity; or
 - (iii) appears to have no economic rationale or bona-fide purpose; or
 - (iv) gives rise a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism.
- (e) Following is an illustrative list of suspicious transactions:
 - (i) Clients whose identity verification seems difficult or Clients that appear not to co-operate;
 - (ii) Asset management services for Clients where the source of the Portfolio Managers is not clear or not in keeping with Clients’ apparent standing /business activity;
 - (iii) Clients based in high risk jurisdictions;
 - (iv) Substantial increases in business without apparent cause;
 - (v) Clients transferring large sums of money to or from overseas locations with instructions for payment in cash;
 - (vi) Attempted transfer of investment proceeds to apparently unrelated third parties;
 - (vii) Unusual transactions by Clients of special category given under **paragraph 9.2** of this Policy and businesses undertaken by offshore banks / financial services, businesses reported to be in the nature of export-import of small items.

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- (f) Any suspicious transaction shall be immediately notified to the Principal Officer of the Portfolio Manager. The notification may be done in the form of a detailed report with specific reference to the Clients, transactions and the nature / reason of suspicion. However, it shall be ensured that there is continuity in dealing with the Client as normal until told otherwise and the Client shall not be told of the report/suspicion. In exceptional circumstances, consent may not be given to continue to operate the account, and transactions may be suspended, in one or more jurisdictions concerned in the transaction, or other action taken.
- (g) It is likely that in some cases transactions are abandoned or aborted by Clients on being asked to give some details or to provide documents. It is clarified that intermediaries shall report all such attempted transactions in STRs, even if not completed by Clients, irrespective of the amount of the transaction.
- (h) The Portfolio Manager will ensure that there is continuity in dealing with the Client and will not put any restrictions on the operations with Clients in whose case an STR is filed. The Portfolio Manager will ensure that all the relevant staff is prohibited from disclosing to the Client that an STR is being filed or any information is being provided to the SEBI / FIU-IND.
- (i) The compliance cell of the Portfolio Manager may randomly examine a selection of transactions undertaken by Clients to comment on their nature i.e., whether they are in the nature of suspicious transactions or not.
- (j) The Portfolio Manager 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 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.
 - (iii) The Non-Profit Organization Transaction Reports (“**NTRs**”) for each month 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 requirement to submit NIL report to FIU-IND if there are no cash/ suspicious/ non –profit organization transactions to be reported.
- (k) The Portfolio Manager shall additionally adhere to the following:
 - (i) Not put any restrictions on operations in the accounts where an STR has been made.
 - (ii) The Portfolio Manager and its 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

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level. Irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences, STR can be filed if the person filing has reasonable grounds to believe that the transactions involve proceeds of crime.

8.2. Compliance with Unlawful Activities (Prevention) Act, 1967

The Portfolio Manager will comply with the obligation listed in the following:

- (a) The Unlawful Activities (Prevention) Act, 1967 (“**UAPA**”), its amendments; and
- (b) Order dated August 27, 2009 (“**Order**”) detailing the procedure for implementation of Section 51A of the UAPA relating to the purposes of prevention of, and for coping with terrorist activities, as issued by the Government of India; and
- (c) SEBI circulars issued in this behalf.

The Portfolio Manager will ensure implementation of the procedures prescribed under the UAPA regarding freezing of Portfolio Managers, financial assets or economic resources or related services held by the Clients / entities enlisted in the UNSCRs.

9. Record Keeping

9.1. Record keeping and retention

- (a) The Portfolio Manager will maintain such records as are sufficient to permit reconstruction of individual transactions (including the amounts and types of currencies involved, if any) so as to provide, if necessary, evidence for prosecution of criminal behaviour. The Portfolio Manager will maintain and preserve the following information in respect of transactions made by the Clients:
 - (i) The beneficial owner of the account;
 - (ii) The nature of the transactions;
 - (iii) The amount of the transaction and the currency in which it is denominated;
 - (iv) The date on which the transaction was conducted; and
 - (v) The parties to the transaction.
 - (vi) For selected transactions:
 - (A) the origin of the funds;
 - (B) the form in which the funds were offered or withdrawn, e.g., cheques, demand drafts etc.;
 - (C) the identity of the person undertaking the transaction;
 - (D) the destination of the funds;
 - (E) the form of instruction and authority.

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- (b) The Portfolio Manager will maintain and preserve the records of the identity of the Client and the transactions as follows:
- (i) Records of information related to transactions including transactions whether attempted or executed, which are reported to the Director, FIU – IND for a period of 5 years from the date of the transaction between the Client and the Portfolio Manager.
 - (ii) Records evidencing the identity of its Clients as well as account files and business correspondence will be maintained and preserved for a period of 5 years after the business relationship between the Client and the Portfolio Manager has ended or the relationship has been terminated, whichever is later.
- (c) More specifically, the Portfolio Manager shall put in place a system of maintaining proper record of transactions as mentioned below:
- (i) all cash transactions of the value of more than INR 10,00,000 (Rupees Ten lakh) or its equivalent in foreign currency;
 - (ii) all series of cash transactions integrally connected to each other which have been individually valued below INR 10,00,000 (Rupees Ten lakh) or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds an amount of INR 10,00,000 (Rupees Ten lakh) or its equivalent in foreign currency;
 - (iii) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or a document has taken place facilitating the transactions; and
 - (iv) all suspicious transactions whether or not made in cash and by way of as mentioned in the Rules.
- (d) All necessary records on transactions, both domestic and international, will be maintained.
- (e) The Portfolio Manager will ensure that all Client and transaction records and information are easily retrievable and available on a timely basis to the competent investigating authorities.

9.2. Categorization of Clients

- (a) Clients may be categorized on the basis of the risk of money laundering or terrorist financing that they are likely to pose, as far as possible. The Clients can be classified into the medium or high-risk category depending on various factors like Clients' background, type of business relationship/ transaction, Client's income range, Client is of special category etc. Some of the examples of high-risk customers are given below:
- (i) Non-resident persons;
 - (ii) High Net worth Individuals whose sources of income are not determinable ("**HNIs**");
 - (iii) PEPs;

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- (iv) Non governmental organisations (“**NGOs**”), private trusts and foundations etc. whose sources of income are not determinable;
 - (v) Clients, substantial part of whose business takes place in FATF non-compliant countries for which caution list is issued by the Reserve Bank of India (“**RBI**”) from time to time;
 - (vi) Clients who themselves or their BOs are located in politically or otherwise sensitive and thus unstable locations;
 - (vii) Clients against whom any action has been taken by SEBI/other regulator in the past;
 - (viii) Companies having close family shareholdings or beneficial ownership.
- (b) Enhanced care would need to be taken in the due diligence process of such high-risk Clients. Each customer will be profiled before entering into a financial transaction. The profile shall contain information on customer’s identity, nature of business activity, financial / social status etc. The information to be included in the profile shall be based on the risk category of the customer for customers in a high-risk category additional information like the sources of their income may also be included as a part of Enhanced Due Diligence (**EDD**).

9.3. Periodic updation of KYC

- (a) The Portfolio Manager will apply CDD measures to existing Clients:
- (i) For Foreign Portfolio Clients (“**FPIs**”) –
 - (A) every year for FPIs categorised as high risk including those coming from high-risk jurisdiction, and
 - (B) every 3 years for all other FPIs (preferably at the time of continuance of FPI registration).
 - (ii) For non-FPIs –
 - (A) at least every 2 years for high-risk Clients,
 - (B) every 8 years for medium-risk Clients, and
 - (C) every 10 years for low-risk Clients taking into account whether and when Client due diligence measures have previously been undertaken and the adequacy of data obtained.

10. Compliance with Foreign Account Tax Compliance Act (“**FATCA**”) and Common Reporting Standard (“**CRS**”)

The Portfolio Manager will, at the time of conducting Client due diligence and at various subsequent intervals, undertake necessary due diligence of all the reportable accounts as prescribed under FATCA and CRS guidelines, that is, US reportable accounts as well as other reportable accounts. Further, such information will be maintained and reported in the prescribed forms.

11. Employees’ hiring and training / Client Education

11.1. Employees’ hiring and training

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The Portfolio Manager will put in place adequate screening procedures while hiring Employees. The Portfolio Manager will ensure that suitable candidates are hired based on the Portfolio Manager's business requirements and the competency of the candidates to perform their duties. 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.

The Portfolio Manager will develop an Employee training programme and conduct trainings on an ongoing basis so that the relevant staff members are adequately trained in KYC / AML / CFT procedures. Training requirements shall have specific focuses for frontline staff, back-office staff, compliance staff, risk management staff and staff dealing with new Clients. It will be crucial that all those concerned fully understand the rationale behind the Policy, obligations and requirements, implement them consistently and are sensitive to the risks of their systems being misused by unscrupulous elements.

11.2. Client education

The Portfolio Manager will be required to obtain certain information from its Clients which may be of personal nature or never been called for. The Portfolio Manager will sensitise the Clients about such requirements and share relevant information / literature to educate them of the objectives of the KYC / AML / CFT framework.

12. Review of the Policy

The Policy will be reviewed as and when required, in light of change in regulatory framework or for business or operational reasons. Such updates / changes to the Policy will be communicated to the Employees / relevant stakeholders on a periodic basis.

Procedure to identify Beneficial Owner (“BO”)

1) For Clients other than individuals or trusts: Where the Client is a person other than an individual or trust, viz., company, partnership or unincorporated association/body of individuals, the Portfolio Manager will identify the BOs of the Client and take reasonable measures to verify the identity of such persons, through the following information:

a) 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:*

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

b) In cases where there exists doubt under clause (a) above as to whether the person with the controlling ownership interest is the BO 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.*

c) Where no natural person is identified under clauses (a) or (b) above, the identity of the relevant natural person who holds the position of senior managing official.

2) For Client which is a trust: Where the Client is a trust, the Portfolio Manager will identify the BO of the Client and take reasonable measures to verify the identity of such persons, through the identity of the settlor 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.

3) 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 BO of such companies.

4) For FPIs from “high risk jurisdictions”: Where the FPIs come from “high risk jurisdictions” the Portfolio Manager may apply lower materiality threshold of 10% for identification of BO and also ensure KYC documentation as applicable for category III FPIs.

(i) KYC Documentation

In case of investment under the Foreign Direct Investment (“FDI”) route / investment by Indian Clients, the Portfolio Manager will accept a duly filled Know Your Client (“KYC”) Application Form for individuals and non-individuals as prescribed along with the following Proof of Identity (“POI”) and Proof of Address (“POA”) and additional documents from the Clients:

Client	Type of proof	Documents acceptable as proof
I. Individuals	Mandatory Information	<ul style="list-style-type: none"> Permanent Account Number (“PAN”) Certified copy of any one POI as defined Certified copy of any one POA as defined
	Additional Information	<ul style="list-style-type: none"> Any one POI as defined of related person (if any)
II. Companies	Mandatory Information	<ul style="list-style-type: none"> PAN Corporate Identification Number (“CIN”) Name, PAN, residential address, DIN and photographs of Promoters holding control, whole time directors/ two directors in charge of day to day operations
	Additional Information	<ul style="list-style-type: none"> Copy of the balance sheets for the last 2 financial years (to be submitted every year) Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/Whole time director/MD (to be submitted every year) Photograph, POI, POA, PAN and DIN numbers of whole-time directors/two directors in charge of day to day operations Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly Copies of the Memorandum and Articles of Association and certificate of incorporation. Copy of the Board Resolution for investment in securities market Authorised signatories list with specimen signatures
III. Partnership Firms	Mandatory Information	<ul style="list-style-type: none"> PAN Registration Number (if any) POA of address as defined

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	Additional Information	<ul style="list-style-type: none"> • Copy of the balance sheets for the last 2 financial years (to be submitted every year) • Certificate of registration (for registered partnership firms only) • Copy of partnership deed • Authorised signatories list with specimen signatures • Photograph, POI, POA, PAN of Partners
IV. Trusts	Mandatory Information	<ul style="list-style-type: none"> • PAN • Registration Number (if any) • POA of address as defined
	Additional Information	<ul style="list-style-type: none"> • Copy of the balance sheets for the last 2 financial years (to be submitted every year) • Certificate of registration (for registered trust only) • Copy of Trust deed • List of trustees certified by managing trustees/CA • Photograph, POI, POA, PAN of Trustees
V. HUF	Mandatory Information	<ul style="list-style-type: none"> • PAN
	Additional Information	<ul style="list-style-type: none"> • PAN of HUF • Deed of declaration of HUF/ List of coparceners
		<ul style="list-style-type: none"> • Bank passbook/bank statement in the name of HUF • Photograph, POI, POA, PAN of Karta
VI. Unincorporated association or body of individuals	Mandatory Information	<ul style="list-style-type: none"> • PAN
	Additional Information	<ul style="list-style-type: none"> • Proof of Existence/Constitution document • Resolution of the managing body & Power of Attorney granted to transact business on its behalf • Authorized signatories list with specimen signatures
VII. Banks / Institutional Clients	Mandatory Information	<ul style="list-style-type: none"> • PAN
		<ul style="list-style-type: none"> • Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years • Authorized signatories list with specimen signatures
VIII. Government bodies	Mandatory Information	<ul style="list-style-type: none"> • PAN
		<ul style="list-style-type: none"> • Self-certification on letterhead • Authorized signatories list with specimen signatures
IX. Registered Society	Mandatory Information	<ul style="list-style-type: none"> • PAN • Registration Number (if any)
		<ul style="list-style-type: none"> • Copy of Registration Certificate under Societies Registration Act • List of Managing Committee members • Committee resolution for persons authorised to act as authorised signatories with specimen signatures • True copy of Society Rules and Bye Laws certified by the Chairman/Secretary

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Note:

All submitted documents must be self-attested and accompanied by originals for in-person verification in manner prescribed by SEBI from time to time.

Documents acceptable as POI will include:

- PAN, Passport, driving licence, proof of possession of Aadhaar number (in manner prescribed by UIDAI), the Voter's Identity Card issued by Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government.
- In case of low-risk Clients, simplified measures account –
 - Identity card with applicant's photograph issued by Central/ State Government Departments, Statutory/ Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, and Public Financial Institutions; or
 - Letter issued by a gazetted officer, with a duly attested photograph of the person.

Documents acceptable as POA will include:

- Passport/ Unique Identification Number (**UID**) (Aadhaar) / Voters Identity Card/ NREGA Job Card / Driving License / Other documents.
- In case of simplified measures (low risk Clients) –
 - Utility bill which is not more than three months old of any service provider (electricity, telephone, post-paid Property or Municipal Tax receipt;
 - Bank account or Post Office savings bank account statement;
 - Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;
 - Letter of allotment of accommodation from employer issued by State or Central Government departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies. Similarly, leave and license agreements with such employers allotting official accommodation;
 - Documents issued by Government departments of foreign jurisdictions and letter issued by Foreign Embassy or Mission in India.

(ii) FPI Documentation: Where the Clients are foreign Clients, the Portfolio Manager shall undertake risk-based KYC norms. Eligible foreign Clients investing under Portfolio Investment Scheme ("**PIS**") route shall be classified as Category I, II and III as provided below. Eligible foreign Clients investing under PIS route may also be subject to KYC review as and when there is any change in material information / disclosure. The Portfolio Manager will accept the following documents from various Clients:

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Category	Eligible Foreign Clients
Category - I FPI	Government and Government related foreign Clients such as Foreign Central Banks, Governmental Agencies, Sovereign Wealth Portfolio Managers, International/ Multilateral Organizations/ Agencies
Category - II FPI	<p>a) Appropriately regulated broad based Portfolio Managers such as Mutual Portfolio Managers, Investment Trusts, Insurance / Reinsurance Companies, Other Broad-Based Portfolio Managers etc.</p> <p>b) Appropriately regulated entities such as Banks, Asset Management Companies, Portfolio Managers/ Advisors, Portfolio Managers etc.</p> <p>c) Broad based Portfolio Managers whose Portfolio Manager is appropriately regulated</p> <p>d) University Portfolio Managers and Pension Portfolio Managers</p> <p>University related Endowments already registered with SEBI as FII/Sub Account</p>
Category - III FPI	All other eligible foreign Clients investing in India under PIS route not eligible under Category I and II such as Endowments, Charitable Societies/Trust, Foundations, Corporate Bodies, Trusts, Individuals, Family Offices, etc.

In case of investment under the FPI regime, the Portfolio Manager will accept the following documents from various Clients:

Document Type		FPI Type		
		Category I	Category II	Category III
Entity Level	Duly filled KYC form	✓	✓	✓
	Charter/constitution documents of the Client entity (Prospectus, Information Memorandum, Articles of Association, Certificate of Incorporation etc.)	✓	✓	✓
	POA	✓ (Power of Attorney (PoA) mentioning the address is acceptable as address proof)	✓ (Power of Attorney mentioning the address is acceptable as address proof)	✓ (other than Power of Attorney)
	PAN Card	✓	✓	✓
	Financial statements (Audited Annual financial statement or a certificate from auditor certifying net worth. In case of new Portfolio Managers/ companies, the audited financial statement of promoter person may be obtained.)	✗	✗	✓ (Financial data – sufficient)
	SEBI Registration Certificate	✓	✓	✓
	Board Resolution	✗	✓	✓
	List	✓	✓	✓

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Senior Management (Whole Time Directors/ Partners/ Trustees/ etc.)	POI	x	x	Entity declares on letter head full name, nationality, date of birth or submits photo identity proof
	POA	x	x	Declaration on Letter Head
	Photographs	x	x	x
Authorized Signatories	List and Signatures	✓ (list of Global Custodian signatories can be given in case of Power of Attorney to Global Custodian)	✓ (list of Global Custodian signatories can be given in case of Power of Attorney to Global Custodian)	✓
	POI	x	x	✓
	POA	x	x	Declaration on Letter Head
	Photographs	x	x	x
Ultimate Beneficial Owner (UBO)	List	x	✓ (can declare "no UBO over 25%")	✓
	Details of BOs	x	x	✓
	POI	x	x	✓
	POA	x	x	Declaration on Letter Head
	Photographs	x	x	x
✓ Mandatory x Exempt				

Note:

With respect to exempted documents, FPIs concerned should submit an undertaking to Designated Depository Participants / Custodians that upon demand by Regulators/ Law Enforcement Agencies, the relevant documents would be provided.