

**“POLICY FOR ANTI MONEY LAUNDERING”**

**[AML AND COMBATING FINANCING OF TERRORISM (CFT)]**


**By**

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# **“POLICY FOR ANTI MONEY LAUNDERING”**

[AML AND COMBATING FINANCING OF TERRORISM (CFT)]

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## **1. Introduction**

Money laundering and terrorist financing summarizes the main provisions of the applicable anti money laundering and anti-terrorist financing legislation in India and provides guidance on the practical implications of the Act. The Guidelines also sets out the steps that we & our representatives, should implement to discourage and identify any money laundering or terrorist financing activities. The relevance and usefulness of these Guidelines will be kept under review and it may be necessary to issue amendments from time to time.

These Guidelines are intended for use primarily by the company should consider the specific nature of its business, organizational structure, type of customers and transactions, etc. when implementing the suggested measures and procedures to ensure that they are effectively applied. The overriding principle is that we should adequate, appropriate and follow the spirit of these measures and the requirements as enshrined in the Prevention of Money Laundering Act, 2002. (PMLA).

The Prevention of Money Laundering Act, 2002 came into effect from 1<sup>st</sup> July 2005. Necessary Notifications / Rules under the said Act were published in the Gazette of India on 1<sup>st</sup> July 2005 by the Department of Revenue, Ministry of Finance, and Government of India. As per the provisions of the Act, every banking company, financial institution (which includes chit fund company, a co-operative bank, a housing finance institution and a non-banking financial company) and intermediary (which includes a stock-broker, sub-broker, share transfer agent, banker to an issue, trustee to a trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and any other intermediary associated with securities market and registered under section 12 of the Securities and Exchange Board of India Act, 1992) shall have to maintain a record of all the transactions; the nature and value of which has been prescribed in the Rules under the PMLA. Such transactions include:

- All cash transactions of the value of more than Rs 10 lacs or its equivalent in foreign currency.
- All series of cash transactions integrally connected to each other which have been valued below Rs 10 lakhs or its equivalent in foreign currency where such series of transactions take place within one calendar month.

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- All suspicious transactions whether or not made in cash and including, inter-alia, credits or debits into from any non monetary account such as d-mat account, security account maintained by the registered intermediary.

It may, however, be clarified that for the purpose of suspicious transactions reporting, apart from ‘transactions integrally connected’, ‘transactions remotely connected or related’ should also be considered.

## **2 Policies and Procedures to Combat Money Laundering and Terrorist financing**

We are following these Guidelines having taken into account the requirements of the Prevention of the Money Laundering Act, 2002 as under :-

### **2.1 ‘Client Due Diligence Process’:**

1. Policy for acceptance of clients
2. Procedure for identifying the clients
3. Transaction monitoring and reporting especially Suspicious Transactions Reporting (STR)

### **Customer Due Diligence**

The customers due diligence (“CDD”) measures comprise the following:

- Obtaining sufficient information in order to identify persons who beneficially own or control 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 should 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 customer’s identity using reliable, independent source documents, data or information;

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- Identify beneficial ownership and control, i.e. determine which individual(s) ultimately own(s) or control(s) the customer and/or the person on whose behalf a transaction is being conducted;
- Verify the identity of the beneficial owner of the customer and/or the person on whose behalf a transaction is being conducted, corroborating the information provided in relation to (c); and
- 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 customer, its business and risk profile, taking into account, where necessary, the customer's source of funds.

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

- Company may rely on a third party (who shall be regulated, supervised or monitored for , and have measures in place for compliance with CDD and record keeping requirements in line with the obligation under the PML Act.) 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

### **2. 2 Policy for acceptance of clients:**

We are following the customer acceptance policies and procedures that aim to identify the types of customers that are likely to pose a higher than the average risk of money laundering or terrorist financing. By establishing such policies and procedures, we will be in a better position to apply customer due diligence on a risk sensitive basis depending on the type of customer business relationship or transaction. In a nutshell, the following safeguards are to be followed while accepting the clients:

- No account is opened in a fictitious / benami name or on an anonymous basis.

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- Factors of risk perception (in terms of monitoring suspicious transactions) of the client are clearly defined having regard to clients' location (registered office address, correspondence addresses and other addresses if applicable), nature of business activity, trading turnover etc. and manner of making payment for transactions undertaken. The parameters should enable classification of clients into low, medium and high risk. Clients of special category (as given below) may, if necessary, be classified even higher. Such clients require higher degree of due diligence and regular update of KYC profile.
- Documentation requirement and other information to be collected in respect of different classes of clients depending on perceived risk and having regard to the requirement to the Prevention of Money Laundering Act 2002, guidelines issued by RBI and SEBI from time to time.
- Ensure that an account is not opened where we are unable to apply appropriate clients due diligence measures / KYC policies. This may be applicable in cases where it is not possible to ascertain the identity of the client, information provided to us is suspected to be non genuine, perceived non co-operation of the client in providing full and complete information. We should not continue to do business with such a person and file a suspicious activity report. It should also evaluate whether there is suspicious trading in determining whether to freeze or close the account. We should be cautious to ensure that it does not return securities of money that may be from suspicious trades. However, we should consult the relevant authorities in determining what action it should take when it suspects suspicious trading.
- The circumstances under which the client is permitted to act on behalf of another person / entity should be clearly laid down. It should be specified in what manner the account should be operated. Adequate verification of a person's authority to act on behalf the customer should also be carried out.
- Necessary checks and balance to be put into place before opening an account so as to ensure that the identity of the client does not match with any person having known

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criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide.

- No Cash Transaction from the client. Only Cheque/draft or All mode of payment as prescribed by Exchange/SEBI.

### **2.1 (i) Risk-based Approach**

It is generally recognized that certain customers may be of a higher or lower risk category depending on circumstances such as the customer's background, type of business relationship or transaction etc. As such, we should apply each of the customer due diligence measures on a risk sensitive basis. The basic principle enshrined in this approach is that we should adopt an enhanced customer due diligence process for higher risk categories of customers. Conversely, a simplified customer due diligence process may be adopted for lower risk categories of customers. In line with the risk-based approach, the type and amount of identification information and documents that we should obtain necessarily depend on the risk category of a particular customer.

**Risk Assessment \* (inserted by CIR/MIRSD/1/2014 dt. Marh 12, 2014)**

**We shall carry out risk assessment to identify, assess and take effective to mitigate its money laundering and terrorist financing risk with respect to the clients, countries or geographical areas, nature and volume of transactions, payment methods used by the client etc.**

**We shall take care the information circulated by the authority as per authorized by such act.**

**We shall determine/assessment the level of overall risk and appropriate level and type of mitigation to be applied as "LOW" , "MEDIUM" & "HIGH" risk. The document for determine / assessment shall maintained.**

### **2.1 (ii) Clients of special category (CSC) :**

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NOTE: This Policy made by the Hotline Capital Services Pvt. Ltd. by taking help from the Circular issued by the Stock Exchanges, Depositories & SEBI. This may be review time to time for necessary modification.

**Date of Last Modification: March 12, 2014**

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Such clients include the following-

- ✓ Non resident clients
- ✓ High networth clients,
- ✓ Trust, Charities, NGOs and organizations receiving donations.
- ✓ Companies having close family shareholdings or beneficial ownership
- ✓ Politically exposed persons (PEP). Politically exposed persons 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.

The additional norms applicable to PEP as contained in the subsequent clause client identification procedure [5.5 (Page 19 of the Master Circular)] shall also be applied to the accounts of the family members or close relatives of PEPs,

- ✓ Companies offering foreign exchange offerings
- ✓ Clients in high risk countries (where existence / effectiveness of money laundering controls is suspect, where there is unusual banking secrecy, Countries active in narcotics production, Countries where corruption (as per Transparency International Corruption Perception Index) is highly prevalent, Countries against which government sanctions are applied, Countries reputed to be any of the following – Havens / sponsors of international terrorism, offshore financial centers, tax havens, countries where fraud is highly prevalent.
- ✓ Clients in high risk countries (where existence /effectiveness of money laundering controls is suspect or which do not or insufficiently apply FATF standards, where there is unusual banking secrecy, Countries active in narcotics production, Countries where corruption (as per Transparency International Corruption Perception Index) is highly prevalent, Countries against which government sanctions are applied, Countries reputed to be any of the following – Havens / sponsors of international terrorism, offshore financial centers, tax havens, countries where fraud is highly prevalent,
- ✓ Non face to face clients
- ✓ Clients with dubious /doubtful reputation as per public information available etc.
- ✓ Those clients are classified as CSC by us.



## **2.2 Procedure for Client Identification**

- The 'Know your Client' (KYC) policy should clearly spell out the client identification procedure to be carried out at different stages i.e. while establishing client relationship, while carrying out transactions for the client or when the intermediary has doubts regarding the honesty or the adequacy of previously obtained client identification data.
- The KYC /client identification procedures have been specified and strengthened by SEBI, Stock Exchange & other relevant authority from time to time. Subsequently in order to bring about uniformity in documentary requirements across different segments and exchanges as also to avoid duplication and multiplicity of documents, uniform documentary requirements for trading across different segments and exchanges have been specified vide SEBI.
- In order to further strengthen the KYC norms and identify every participant in the securities market with their respective PAN (after verifying from Income Tax Department through Internet) thereby ensuring sound audit trail of all the transactions, PAN has been made sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction vide SEBI Circular reference MRD/DoP/Cir-05/2007 dated April 27, 2007, subject to certain exemptions granted under circular reference MRD/DoP/MF/Cir-08/208 dated April 03, 2008 and MRD/DoP/Cir-20/2008 dated June 30, 2008.
- We also determine whether their existing/potential customer is a politically exposed person (PEP). Such procedures would include seeking additional information from clients, accessing publicly available information etc.
- We are required to obtain senior management approval for establishing business relationships with Politically Exposed Persons. Where a customer has been accepted and the customer 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.
- We shall take reasonable measures to verify source of funds of clients identified as PEP.
- The client should be identified by us by using reliable sources including documents / information. We should obtain adequate information to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship.

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- The information should be adequate enough to satisfy competent authorities (regulatory / enforcement authorities) in future that due diligence was observed by the intermediary in compliance with the Guidelines. Each original documents should be seen prior to acceptance of a copy.
- Failure by prospective client to provide satisfactory evidence of identity should be noted and reported to the higher authority within the intermediary.
- It may be noted that while risk based approach may be adopted at the time of establishing business relationship with a client, no exemption from obtaining the minimum information/documents from clients as provided by the stock exchange is available to us in respect of any class of investors with regard to the verification of the records of the identity of clients.

### **2.3 Transaction monitoring and reporting especially Suspicious Transactions Reporting (STR)**

#### **2.3 (i) Monitoring of transactions**

The senior people should regular monitor the transactions being carried out by the client so that any suspicions transaction special attention to all complex, unusually large transactions / patterns which appear to have no economic purpose could be brought in to the knowledge of management immediately. We should specify internal threshold limits for each class of client accounts and pay special attention to the transaction which exceeds these limits.

That transaction of suspicious nature or any other transaction is reported to the appropriate law authority. Suspicious transactions should also be regularly reported to the higher authorities / head of the department.

Further our compliance cell should randomly examine a selection of transaction undertaken by clients to comment on their nature i.e. whether they are in the suspicious transactions or not.

We should pay special attention to all complex, unusually large transactions / patterns which appear to have no economic purpose. The intermediary may specify internal

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threshold limits for each class of client accounts and pay special attention to the transaction which exceeds these limits

“The background including all documents/office records /memorandums/clarifications sought pertaining to such transactions and purpose thereof shall also be examined carefully and findings shall be recorded in writing. Further such findings, records and related documents should be made available to auditors and also to SEBI /Stock Exchanges/FIU-IND/Other relevant Authorities, during audit, inspection or as and when required. These records are required to be preserved for Five years\* or any time prescribed the act (\* ten years substituted as per CIR/MIRSD/1/2014 dt. March 12, 2014) as is required under PMLA 2002.”

### **2.3 (ii) Suspicious Transaction Monitoring & Reporting**

We should ensure to take appropriate steps to enable suspicious transactions to be recognised and have appropriate procedures for reporting suspicious transactions. While determining suspicious transactions, intermediaries should be guided by definition of suspicious transaction contained in PML Rules as amended from time to time.

A list of circumstances which may be in the nature of suspicious transactions is given below. This list is only illustrative and whether a particular transaction is suspicious or not will depend upon the background, details of the transactions and other facts and circumstances:

- Clients whose identity verification seems difficult or clients appears not to cooperate
- Asset management services for clients where the source of the funds is not clear or not in keeping with clients apparent standing /business activity;
- Clients in high-risk jurisdictions or clients introduced by banks or affiliates or other clients based in high risk jurisdictions;
- Substantial increases in business without apparent cause;
- Unusually large cash deposits made by an individual or business;

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- Clients transferring large sums of money to or from overseas locations with instructions for payment in cash;
- Transfer of investment proceeds to apparently unrelated third parties;
- Unusual transactions by CSCs and businesses undertaken by offshore banks /financial services, businesses reported to be in the nature of export-import of small items.

Any suspicion transaction must be immediately notified to the Money Laundering Control Officer of the company within the intermediary. 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 should be ensured that there is continuity in dealing with the client as normal until told otherwise and the client should 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.

“The Principal Officer/Money Laundering Control Officer of the company and other appropriate compliance, risk management and related staff members shall have timely access to customer identification data and other CDD information, transaction records and other relevant information.”

It is likely that in some cases transactions are abandoned /aborted by customers on being asked to give some details or to provide documents. It is clarified that intermediaries should report all such attempted transactions in STRs, even if not completed by customers, irrespective of the amount of the transaction.

Clients of high risk countries, including countries where existence and effectiveness of money laundering controls is suspect or which do not or insufficiently apply FATF standards, as ‘Clients of Special Category’. Intermediaries are directed that

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such clients should also be subject to appropriate counter measures. These measures may include a further enhanced scrutiny of transactions, enhanced relevant reporting mechanisms or systematic reporting of financial transactions, and applying enhanced due diligence while expanding business relationships with the identified country or persons in that country etc.”

### **2.3 (iii) Reporting to Financial Intelligence Unit-India**

In terms of the PMLA rules, intermediaries are required to 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,  
6<sup>th</sup> Floor, Hotel Samrat,  
Chanakyapuri,  
New Delhi-110021.  
Website: <http://fiuindia.gov.in>**

“It is clarified that the, irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences specified in part B of Schedule of PMLA, 2002, should file STR if we have reasonable grounds to believe that the transactions involve proceeds of crime.”

### **2.3 (iv) How to File a STR / CTR**

We should carefully go through all the reporting requirements and formats enclosed with the circular prescribed the exchange/SEBI. These requirements and formats are divided into two parts- Manual Formats and Electronic Formats. Details of these formats are given in the documents (Cash Transaction Report- version 1.0 and Suspicious Transactions Report version 1.0) which are also enclosed with this circular. These documents contain detailed guidelines on the compilation and manner/procedure of submission of the manual/electronic reports to FIU-IND. The related hardware and technical requirement for preparing reports in manual/electronic format, the related data files and data structures thereof are also detailed in these documents. Intermediaries, which are not in a position to immediately file electronic

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reports, may file manual reports to FIU-IND as per the formats prescribed. While detailed instructions for filing all types of reports are given in the instructions part of the related formats, intermediaries should adhere to the following:

- The cash transaction report (CTR) (wherever applicable) for each month should be submitted to FIU-IND by 15<sup>th</sup> of the succeeding month.
- The Suspicious Transaction Report (STR) should 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 should record his reasons for treating any transaction or a series of transactions as suspicious. It should 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 should 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.

We should not put any restrictions on operations in the accounts where an STR has been made. We and directors, officers and employees (permanent and temporary) should be prohibited from disclosing (“tipping off”) the fact that a STR or related information is being reported or provided to the FIU-IND. Thus, it should be ensured that there is no tipping off to the client at any level.

### **3. Record Keeping**

- We should ensure compliance with the record keeping requirements contained as per Stock Exchange & SEBI, Rules and Regulations made there-under, PML Act, 2002 as well as other relevant legislation, Rules, Regulations, Exchange Bye-laws and Circulars.

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**Date of Last Modification: March 12, 2014**

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- We should keep there be any suspected drug related or other laundered money or terrorist property, the competent investigating authorities would need to trace through the audit trail for reconstructing a financial profile of the suspect account. To enable this reconstruction, registered intermediaries should retain the following information for the accounts of their customers in order to maintain a satisfactory audit trail:
  - ✓ the beneficial owner of the account;
  - ✓ the volume of the funds flowing through the account; and
  - ✓ for selected transactions:
    - the origin of the funds;
    - the form in which the funds were offered or withdrawn, e.g. cash, cheques, etc.;
    - the identity of the person undertaking the transaction;
    - the destination of the funds;
    - the form of instruction and authority.
  
- We should ensure that all client and transaction records and information are available on a timely basis to the competent investigating authorities. Where appropriate, they should consider retaining certain records, e.g. customer identification, account files, and business correspondence.
  
- More specifically, we should maintaining proper record of transactions as mentioned below:
  - ✓ all cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency;
  - ✓ all series of cash transactions integrally connected to each other which have been valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds rupees ten lakh;
  - ✓ all cash transactions 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 and by way of as mentioned in the Rules.

### **Note : No Cash Transaction from Clients**

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#### **4. Information to be maintained**

We should maintain and preserve the following information in respect of transactions:

- the nature of the transactions;
- the amount of the transaction and the currency in which it denominated;
- the date on which the transaction was conducted; and
- the parties to the transaction.

#### **5. Retention of Records**

We should 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 and preserved for a period of **Eight years\*** (substituted SEBI Circular no. **SEBI/HO/MRD2/DDAP/CIR/P/2020/153 dated August 18, 2020**) from the date of cessation of the transactions between the client and us. Income (i.e. Income declared in KYC) from the date of cessation of the transactions between the client and us.

The records of the identity of clients have to be maintained and preserved for a period of ten years from the date of cessation of the transactions between the client and intermediary.

**Records on customer identification (e.g. copies or records of official identification documents like Aadhaar number/Card, Pan number/card, the passports, Voter's Identity cards issued by Election commission of India, the driving licenses Job card issued by NREGA duly signed by an officer of the State Government, the Letter issued by the National Population Register containing details of name, address or any other document as notified by the Central Government in consultation with the Regulator, (add as per the PMLA modification 01-June-2017)**

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*The Aadhaar Number/Card issued by the Unique Identification Authority of India and the Permanent Account Number or Form no. 60 as defined in Income-tax Rules, 1962.*

*The Aadhaar Number/card and the Permanent Account Number or Form no. 60 should require to be taken from the client (Individual, the directors /officer/manager etc. (in case of company), the partners (in case of partnership firm), all the attorney (in case of trust), all the person holding an attorney to transact (in case of Unincorporated association or body of individuals).*

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

### **6. Designation of an officer for reporting of suspicious transactions**

We must appoint 'Principal Officer' who act as a central reference point in facilitating onward reporting of suspicious transactions and for playing an active role in the identification and assessment of potentially suspicious transactions. Names, designation and addresses (including e-mail addresses) of 'Principal Officer' including any changes therein shall also be intimated to the Office of the Director-FIU. As a matter of principle, the 'Principal Officer' is of a sufficiently higher position and is able to discharge his functions with independence and authority.

"The Principal Officer of the company shall have access to and be able to report to senior management above his/her next reporting level or the Board of Directors."

#### **Appointment of Designated Director**

In addition to the existing requirement of designation of a Principal Officer, we shall also appoint a person (any of the Managing Director or the person or individual as the case may be, who controls and manages the affairs) designate a person as a "Designated Director" for PML.

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We shall intimate the appointment or any change of Designated Director / Principal Officer to FIU-IND or to the prescribed authority with the prescribed time.

### **9. Employees Hiring/Employee's Training/Investor Education**

#### **Hiring of Employees**

We ensure high standards when hiring employees. They should 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.

#### **Employee's Training**

We must have an ongoing employee training programme so that the members of the staff are adequately trained in AML and CFT procedures. Training requirements should have specific focuses for frontline staff, back office staff, compliance staff, risk management staff and staff dealing with new customers.

#### **Investors Education**

Implementation of AML/CFT measures we require to demand certain information from investors/clients which may be of personal nature or which have hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records etc. If any questions are raising by the customer with regard to the motive and purpose of collecting such information, then we should sensitize to our customers about these requirements as the ones emanating from AML and CFT framework.

- i. The Government had issued an Order dated August 27, 2009 detailing the procedure for implementation of Section 51A of the Unlawful Activities (Prevention) Act, 1967 (UAPA), relating to the purpose of prevention of, and for coping with terrorist activities. Accordingly SEBI had issued circular ISD/AML/CIR-2/2009 dated October 23, 2009 on "Combating Financing of Terrorism (CFT) under Unlawful Activities (Prevention) Act, 1967" and subsequently master circular SEBI/HO/MIRSD/DOS3/CIR/P/2018/104 dated

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July 04, 2018 on “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”.

- ii. In order to expeditiously and effectively implement the provisions of Section 51A, a procedure was outlined vide this Ministry Order no. 17015/10/2002-IS-VI dated 27.08.2009. After the reorganization of the Divisions in Ministry of Home Affairs, the administration of Unlawful Activities (Prevention) Act, 1967 and the work relating to countering of terror financing has been allocated to the CTCR Division. The Order dated 27.08.2009 is accordingly modified as under:-

### **Appointment and communication of details of UAPA Nodal Officers**

UAPA Nodal Officer of CTCR Division would be the  
Joint Secretary (CTCR),

Ministry of Home Affairs.

Contact Details : 011-23092736 (Tel), 011-23092569 (Fax)

e-mail Id: [jsctcr-mha@gov.in](mailto:jsctcr-mha@gov.in)

### **“Amended Dt. October 30, 2009”**

***We Check on the given parameters as per NSE/INVG/2009/13342 dt. October 27, 2009 on a regular basis / at opening of account to verify whether individuals or entities listed in the schedule to the Order, herein after, referred to as designated***

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*individuals/entities are holding any funds, financial assets or economic resources or related services held in the form of bank accounts, stocks or Insurance policies etc., with them*

*In case, the particulars of any of our customers match with the particulars of designated individuals/entities, we shall immediately, not later than 24 hours from the time of finding out such customer, inform full particulars of the funds, financial assets or economic resources or related services held in the form of bank accounts, stocks or Insurance policies etc., held by such customer on their books to the Joint Secretary (IS.I), 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 on e-mail id: [jsis@nic.in](mailto:jsis@nic.in)*

*We shall also send a copy of the communication mentioned in above to the UAPA nodal officer of the state/UT where the account is held and Regulators and FIU-IND, as the case may be.*

***“Amended vide SEBI CIR/MIR/SD/1/2014 Dt. March 12, 2014”***

***‘Amended vide notification of “The Gazette of India” dt. 01-June-2017’***

***‘Amended vide notification of “SEBI Circular reference no. SEBI/HO/MIRSD/DOP/CIR/P2019/69 dt. May 28, 2019’*** \*31.05.2019

***‘Amended vide notification of “SEBI Circular reference no. SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023-022 dt. February 03, 2023***

### **Others References:**

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NOTE: This Policy made by the Hotline Capital Services Pvt. Ltd. by taking help from the Circular issued by the Stock Exchanges, Depositories & SEBI. This may be review time to time for necessary modification.

**Date of Last Modification: March 12, 2014**

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- 1 Prevention of Money Laundering Act, 2002
- 2 SEBI circular no. ISD/AML/CIR-1/2008 dt. December 19, 2008 (Master Circular)
- 3 NSE Circular no. NSE/INVG/2008/223 Download No. NSE/INVG/2008/11798 dt. December 22, 2008
- 4 SEBI Circular no. ISD/AML/CIR-1/2009 dt. September 01, 2009
- 5 NSE Circular no. NSE/INVG/346 Download no. NSE/INVG/2009/12996 dt. September 02, 2009
- 6 NSE/INVG/2009/13342 dt. October 27, 2009
- 7 SEBI Circular no. ISD/AML/CIR-2/2009 dt. October 23, 2009
- 8 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 Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) can be accessed in the United Nations website at <http://www.un.org/sc/committees/1267/consolist.shtml>. Registered intermediaries are directed that before opening any new account, it will be ensured that the name/s of the proposed customer does not appear in the list. Further, registered intermediaries 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. Full details of accounts bearing resemblance with any of the individuals/entities in the list should immediately be intimated to SEBI and FIU-IND.
- 9 The Unlawful Activities (Prevention) Act, 1967 (UAPA) was enacted for the prevention of certain unlawful activities of individuals and associations and for matters connected therewith. UAPA has been amended by the Unlawful Activities (Prevention) Amendment Act, 2008. The Government has, since issued an [Order dated August 27, 2009](#) (copy enclosed) detailing the procedure for implementation of Section 51A of the UAPA, relating to the purpose of prevention of, and for coping with terrorist activities. In terms of Section 51A, 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 and prohibit any individual or entity from making any funds, financial assets

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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.