

# Ramakrishnan T B

SEBI Registered Research Analyst | Registration No.: INH000010496

## PREVENTION OF MONEY LAUNDERING (PMLA) / ANTI-MONEY LAUNDERING (AML) POLICY

Ramakrishnan T B

SEBI Registration No INH0000010496

Type of Registration: Individual Research Analyst

Effective Date: 1<sup>st</sup> November 2022

### 1. Regulatory Framework

This Policy has been formulated in accordance with:

- The Prevention of Money Laundering Act, 2002 (PMLA) and Rules made thereunder.
- SEBI (Research Analysts) Regulations, 2014 and amendments thereto.
- SEBI Master Circular for Research Analysts and SEBI Circulars on AML/CFT and KYC compliance.
- Guidelines issued by the Financial Intelligence Unit – India (FIU-IND).

### 2. Objective

The objective of this Policy is to:

- Prevent the use of research services for money laundering or terrorist financing.
- Ensure compliance with SEBI regulations and statutory obligations.
- Establish systems and controls for effective KYC, monitoring, and reporting of suspicious transactions.
- Protect the integrity of the securities market.

### 3. Scope

This Policy applies to:

- The Individual Research Analyst, being the Principal Officer and Compliance Officer.
- Any employees, associates, or representatives (if engaged).
- All clients availing research reports, recommendations, or related services.

### 4. Definitions

- Money Laundering: As per Section 3 of the PMLA, money laundering means engaging in transactions involving proceeds of crime to project them as untainted.
- Client: Any person/entity who subscribes to or receives research services.
- Beneficial Owner: The natural person(s) who ultimately owns or controls a client and/or the person on whose behalf a transaction is being conducted.

### 5. Know Your Client (KYC) and Client Due Diligence

Client Identification Procedure (CIP):

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- Obtain and verify valid proof of identity and address (PAN, Aadhaar, Passport, etc.).
- In case of non-individuals, identify beneficial owners.

## Risk Categorization:

- Classify clients as Low, Medium, or High Risk, considering occupation, source of funds, location, and nature of service.

## Enhanced Due Diligence:

- Apply stricter monitoring to High Risk clients such as Politically Exposed Persons (PEPs) or clients from high-risk jurisdictions.

## **6. Client Onboarding and Payments**

- Services will be provided only after successful completion of KYC.
- No cash payments will be accepted; only permitted banking channels (NEFT, RTGS, UPI, cheque, etc.) will be allowed.
- Advance fees shall not exceed the SEBI-permitted limit (currently one quarter) and shall be refundable for the unexpired portion of services.
- Clients will be provided with Most Important Terms and Conditions (MITC) in writing, in line with SEBI's requirements.

## **7. Ongoing Monitoring**

- Continuous monitoring of client payments, subscriptions, and activities.
- Identification of unusual patterns such as:
- Payments inconsistent with client's known profile.
- Multiple accounts being used without valid reason.
- Transactions involving high-risk countries.

## **8. Suspicious Transaction Reporting (STR)**

- Any transaction raising suspicion of money laundering or terrorist financing shall be reported to FIU-IND in the prescribed manner.
- Strict confidentiality will be maintained, and clients will not be tipped off regarding STR filings.

## **9. Record-Keeping**

- All KYC records, client communications, payment records, and STRs will be retained for at least five (5) years after cessation of the client relationship.
- Records will be stored securely in both physical and electronic form and made available for inspection by SEBI/FIU when required.

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## 10. Internal Controls and Compliance

- The Research Analyst shall act as the Principal Officer and is responsible for AML/CFT compliance.
- An annual self-review of compliance will be conducted, and records of such reviews will be maintained.
- Where required, an external compliance audit will be carried out as per SEBI's circulars.

## 11. Training and Awareness

- If employees/associates are engaged, periodic training will be provided on KYC, AML, and suspicious transaction identification.
- Updates on regulatory changes will be communicated promptly.

## 12. Penalties and Disciplinary Actions

Any violation of this Policy or applicable laws will invite strict action, including termination of client relationships, reporting to regulators, and/or other disciplinary measures.

## 13. Grievance Redressal

The Research Analyst will provide clients with contact details for grievance redressal. Client complaints will be acknowledged and resolved in line with SEBI's prescribed timelines.

## 14. Policy Review

This Policy will be reviewed annually or earlier if necessitated by regulatory updates.

Approved By:

Ramakrishnan T B

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