Anti-Money Laundering (AML) Policy

For: Growthfiniti Wealth Pvt Ltd

1. Purpose and Objective

This Anti Money Laundering Policy is applicable to the Portfolio Manager Growthfiniti Wealth Pvt Ltd as a SEBI registered intermediary, The Portfolio Manager is subject to the provisions of the PMLA Act and rules and as a "Portfolio Manager" with SEBI, which mandates the Portfolio Manager to put in place a system for identifying, monitoring and reporting suspected money laundering or terrorist financing transactions to the law enforcement authorities and a policy for ensuring that the anti-money laundering guidelines issued by SEBI from time to time are complied with. Accordingly, The Portfolio Manager has framed this policy having regard to the specific nature of business, organizational structure, type of clients and transactions, etc.

Pursuant to the recommendation made by the Financial Action Task Force on Anti Money Laundering standards, SEBI had issued the guidelines on Anti Money Laundering standards vide their notification no. ISD/CIR/RR/AML/1/6 dated 18th January 2006 and vide letter no. ISD/CIR/RR/AML/2/6 dated 20th March 2006 had issued the obligation of Intermediaries registered under section 12 of the Securities and Exchange Board of India Act, 1992. As per the SEBI guidelines, all Intermediaries have been advised to ensure that proper policy frameworks are put in place as per the guidelines on Anti Money Laundering standards notified by SEBI.

2. Scope

This policy applies to all employees, agents, and authorized representatives of the Portfolio Manager, as well as all clients and transactions undertaken by or on behalf of the Portfolio Manager.

3. Regulatory Framework

This policy is designed to ensure compliance with:

- Prevention of Money Laundering Act, 2002 (PMLA) and rules thereunder.
- SEBI Master Circular on Anti-Money Laundering (AML) Guidelines for Securities Market Intermediaries.
- FATF Recommendations.
- Other relevant laws, rules, and guidelines as may be applicable.

4. Key Principles

4.1 **Know Your Client (KYC)**

- Conduct detailed KYC procedures before onboarding clients as per SEBI guidelines.
- Obtain information about the client’s identity, financial position, business, and sources of funds.
- Periodically update client records to ensure accuracy and completeness.

4.2 **Risk-Based Approach**

- Categorize clients based on risk levels (low, medium, and high).

- The Portfolio Manager has adopted a Client risk categorization policy prescribes factors to be considered for categorizing a Client as low or high risk Clients. In case of low risk Clients only basic requirements on verifying the identity and location of the Client are to be met and high risk category require enhanced Client due diligence measures.
- The following Clients will be classified as "High Risk Clients";
    - Non-resident Clients
    - High act-worth Clients (Non-Salaried Clients)
    - Trust, Charities. Non-Governmental Organizations (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 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.
    - 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 centres, tax havens, countries where fraud is highly prevalent:
    - Clients with dubious reputation as per public information available
    - Clients whose name appears in the UNSCR List.
    - Firms with sleeping partners, and
    - Unlisted companies and unregistered firms.
- The following Clients will be classified as "Low Risk Clients".
    - Salaried Professional:
    - Salaried Senior Management Professionals.
    - Salaried HINIs.
    - Persons who do not fall into high-risk category:
    - Persons belonging to low economic strata of society whose accounts show small balances and low turnover, and
    - Government departments and government owned companies regulators and statutory bodies.

- System of periodic review of risk categorization of Cheats
- The Portfolio Manager shall put in place system of periodical of risk categorization of accounts and the need for applying enhanced due diligence measures in case of higher risk perception on a client. For High Risk Clients. categorization should be carried out at least once in six months while for Low Risk Clients; categorization frequency should be once in a year
- Apply enhanced due diligence (EDD) for high-risk clients, including Politically Exposed Persons (PEPs), non-resident clients, and clients from high-risk jurisdictions.

4.3 **Transaction Monitoring**

- Implement systems to monitor client transactions and identify suspicious activities, such as:
    - Large or unusual transactions inconsistent with client profiles.
    - Transactions with no apparent economic or lawful purpose.
    - Transactions involving high-risk countries or entities.
- All Clients are required to allocate the money for PMS Fund from their own bank accounts and The Portfolio Manager employees should ensure that further deposits from the client and payments to the client should flow through such bank account. [DP Registered Bank account or Bank accounts in the name of the clients with appropriate proof]

- The Portfolio Manager is subject to Foreign Account Tax Compliance Act (FATCA) in case of investments are made by as US Residents, and will be reported to Income Tax Department about the transaction in Form 61B

- All employees of The Portfolio Manager shall monitor all transactions conducted by the Portfolio Manager on a continuous basis and shall report all Cash Transactions and Suspicious Transactions to the concerned AML Reporting Officer in the prescribed formal who in turn shall report the same to the Principal Officer accordingly. The Principal Officer shall file the CTRs, and STRs with the FIU-IND in accordance with the Policy.

- On reporting the Suspicious Transaction to the AML Reporting Officer or Principal Officer as the case may be, the employee must ensure that there is a continuity in dealing with the Client as normal until directed otherwise by the senior management team and the Client is should not be told of the report/suspicion. In exceptional circumstances, senior management may direct the employee to freeze the Client's account and suspend transactions.

- It is likely that in some cases, transactions are abandoned /aborted by Clients on being asked to give some details or to provide documents. It is clarified that employees should report all such attempted transactions to the AML Reporting Officer as a

Suspicious Transaction, even if not completed by Clients, irrespective of the amount of the transaction.

- Upon reporting Suspicious Transaction, employees shall ensure that securities or monies forming part of such Suspicious Transaction are not returned /refunded to the Client. If the Client makes a request for such refund or makes any other request for operation of the account, the employee must consult with the concerned AML Reporting Officer and Principal Officer before fulfilling the request/taking any action. The AML Reporting Officer and Principal Officer will consult the regulatory authorities in determining what action in such case,
- Escalate suspicious transactions for further review and reporting.

4.4 **Record-Keeping**

- Maintain records of all client KYC documents, account statements, and transaction details for at least 5 years.
- Ensure easy retrieval of records for regulatory audits and investigations.

4.5 **Suspicious Transaction Reporting (STR)**

- Report suspicious transactions to the Financial Intelligence Unit-India (FIU-IND) as required under the PMLA.
- Maintain confidentiality regarding STR filings to ensure regulatory compliance.

4.6 **Employee Training**

- Conduct regular training programs for employees to ensure awareness of AML obligations, identification of suspicious transactions, and reporting mechanisms.
- Keep records of training sessions, including attendance and content covered.

5. Client Onboarding and Risk Categorization

5.1 **Client Identification Procedure (CIP)**

- Verify the client's identity using reliable and independent documentation.
- Screen clients against negative lists issued by SEBI, FATF, and other regulatory authorities.

5.2 **Risk Categorization**

- Assign risk categories based on factors such as geographic location, client profile, and nature of business.
- Update risk assessments periodically or when there is a material change in the client's profile.

6. Internal Controls and Audit

6.1 **Internal Controls**

- Establish internal procedures to ensure effective implementation of this policy.
- Designate a Principal Officer (PO) responsible for AML compliance.

6.2 **Independent Audit**

- Conduct periodic audits of AML processes to evaluate their effectiveness.
- Address audit findings and implement corrective measures promptly.

7. Reporting Obligations

7.1 **Regulatory Reporting**

- Submit Cash Transaction Reports (CTRs), Suspicious Transaction Reports (STRs), and other required reports to FIU-IND as per prescribed timelines.

7.2 **Board Reporting**

- Present regular updates on AML compliance to the Board of Directors.

8. Amendments and Updates

This policy shall be reviewed and updated periodically to reflect changes in laws, regulations, and business practices. Any updates shall be communicated to all stakeholders.

9. Consequences of Non-Compliance

Non-compliance with AML obligations can result in regulatory penalties, reputational damage, and other legal consequences. All employees are required to strictly adhere to this policy.

10. Approval

This policy has been approved by the Board of Directors of Growthfiniti Wealth Pvt Ltd on 16-06-2025.

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