



ANTI MONEY LAUNDERING (AML) / COMBATING FINANCING OF TERRORISM (CFT) POLICY

Regulatory Reference	PMLA 2002 PML Rules 2005 SEBI Master Circular RBI Guidelines
Applicability	All staff, directors, agents, intermediaries of PCSL

1. Preamble

Prompt Corporate Services Limited ('PCSL' or 'the Company') is committed to the highest standards of Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) compliance. This Policy has been formulated in accordance with the Prevention of Money Laundering Act, 2002 ('PMLA'), the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 ('PML Rules'), SEBI guidelines on Anti Money Laundering applicable to stock brokers and intermediaries, RBI guidelines applicable to NBFCs, Financial Action Task Force (FATF) recommendations, and the Foreign Exchange Management Act, 1999 ('FEMA').

As a SEBI registered stock broker and a Non-Deposit Taking Non-Systemically Important NBFC, PCSL is obligated to establish robust systems to prevent the misuse of its services for money laundering or terrorist financing activities.

2. Key Definitions

- 'Money Laundering' means concealing or disguising the source of proceeds of crime so that they appear to have a legitimate origin.
- 'Terrorist financing' means the financing of terrorist activities, terrorist organizations or individual terrorists.
- 'Principal Officer' means the officer designated by PCSL for reporting suspicious transactions and maintaining records as required under PMLA.
- 'Suspicious Transaction' means a transaction which, including an attempted transaction, whether or not made in cash, which to a person acting in good faith gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime.
- 'Customer Due Diligence' or 'CDD' means identification and verification of a customer's identity and understanding the nature of their business.
- 'Know Your Customer' or 'KYC' means the process of identifying and verifying the identity of customers in accordance with applicable guidelines.
- 'Politically Exposed Persons' or 'PEPs' means individuals who are or have been entrusted with prominent public functions in a foreign country.

PROMPT CORPORATE SERVICES LTD.
Shalini Singhaia
Director



3. Appointment of Principal Officer

PCSL shall designate a Principal Officer (PO) at the management level who shall be responsible for:

- Ensuring compliance with the PMLA, PML Rules and all AML/CFT guidelines issued by SEBI and RBI.
- Filing Suspicious Transaction Reports (STRs) and Cash Transaction Reports (CTRs) with the Financial Intelligence Unit - India (FIU-IND).
- Maintaining and preserving all records as required under PMLA.
- Liaison with FIU-IND, SEBI, RBI, and law enforcement agencies as required.
- Training and awareness programs for staff on AML/CFT matters.

The name, designation and contact details of the Principal Officer shall be communicated to SEBI, FIU-IND, and other relevant authorities.

4. Customer Due Diligence (CDD) / Know Your Customer (KYC)

4.1 Customer Identification

PCSL shall identify and verify the identity of all customers before establishing a business relationship or conducting any transaction. The following documents shall be collected:

- Proof of Identity: PAN card, Aadhaar, Passport, Voter ID, or any other SEBI/RBI approved document.
- Proof of Address: Utility bills, bank statements, or any other approved document.
- Photograph of the customer.
- For companies and other entities: Certificate of Incorporation, MOA/AOA, Board resolution, list of directors/partners, UBO declaration.

4.2 Ultimate Beneficial Owner (UBO) Identification

PCSL shall identify and verify the Ultimate Beneficial Owner(s) of all non-individual customers. A UBO is defined as a natural person who ultimately owns or controls a customer. PCSL shall collect and verify UBO information in accordance with SEBI and RBI guidelines.

4.3 Enhanced Due Diligence (EDD)

Enhanced Due Diligence shall be applied to:

- Politically Exposed Persons (PEPs) and their family members.
- Customers from high-risk countries identified by FATF.
- Non-Resident Indians (NRIs) and Foreign Portfolio Investors (FPIs).
- Customers with complex ownership structures.
- High-risk business types and industries.

PROMPT CORPORATE SERVICES LTD.

Shalini Lingua
Director



4.4 Simplified Due Diligence (SDD)

Simplified Due Diligence may be applied to low-risk customers such as Government entities, regulated financial institutions, and listed companies, subject to applicable SEBI/RBI guidelines.

5. Risk-Based Approach

PCSL shall adopt a risk-based approach to AML/CFT compliance. Customers shall be classified into risk categories:

- Low Risk: Government entities, financial institutions, salaried individuals, etc.
- Medium Risk: Self-employed individuals, SMEs, private companies.
- High Risk: PEPs, entities from high-risk countries, customers with unusual transaction patterns, non-face-to-face customers.

Monitoring intensity shall be proportionate to the risk category assigned to the customer.

6. Transaction Monitoring

PCSL shall establish a system of ongoing monitoring of transactions to detect suspicious activity. The following transactions shall be specifically monitored:

- Cash transactions of Rs. 10 lakhs or more in a single day (CTR).
- Series of cash transactions individually below Rs. 10 lakhs which appear to be structured to avoid reporting thresholds.
- Cross-border wire transfers of Rs. 5 lakhs or more.
- Transactions inconsistent with the customer's declared business or risk profile.
- Transactions in securities that appear designed to avoid regulatory reporting.
- Unusual or complex transactions without apparent lawful purpose.

7. Reporting Requirements

7.1 Cash Transaction Reports (CTR)

PCSL shall file CTRs with FIU-IND for all cash transactions of Rs. 10 lakhs and above within 15 days from the close of the month in which the transaction occurred.

7.2 Suspicious Transaction Reports (STR)

PCSL shall file STRs with FIU-IND within 7 working days of forming a suspicion. STRs shall be filed regardless of the amount involved. Tipping off a customer that an STR is being filed is strictly prohibited.

7.3 Counterfeit Currency Reports (CCR)

Any receipt of counterfeit currency shall be reported to FIU-IND immediately.

7.4 Non-Profit Organisation Transaction Reports (NTR)

All transactions involving NPO/NGOs shall be reported in the format prescribed by FIU-IND.

PROMPT CORPORATE SERVICES LTD.

Shalini Lingmania
Director



8. Record Keeping

PCSL shall maintain:

- All KYC/CDD records for a minimum period of 5 years from the date of cessation of business relationship.
- Transaction records for a minimum period of 5 years from the date of transaction.
- STRs, CTRs and related records for a minimum period of 5 years.
- All records in a manner that allows reconstruction of individual transactions.

9. Training and Awareness

PCSL shall provide regular training to all employees on:

- Recognition of suspicious transactions and red flags.
- Obligations under PMLA and applicable regulations.
- Internal reporting procedures.
- Consequences of non-compliance.

Training shall be provided at induction and at least annually thereafter. Records of training shall be maintained.

10. Non-Compliance Consequences

Non-compliance with this Policy may result in disciplinary action including termination of employment, reporting to regulatory authorities, and may expose the individual and PCSL to criminal prosecution under PMLA.

PROMPT CORPORATE SERVICES LTD.

Shalini Linghania

Director