



SVV Shares & Stock Brokers Pvt Ltd.

Member: The Stock Exchange, Mumbai. ● DP: CDSL DPID: 12012000

A/1, Mandvi Navjeevan, 121/127, Kazi Sayed Street,

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Tel: 022-23440149 / 23464366 ● E: svvcm662@rediffmail.com

CIN No: U67120MH1997PTC105633

Regd A D

Date: 03/Dec/2024

The Director,
FIU-IND, Financial Intelligence Unit-India,
6th floor, Tower-2, Jeevan Bharati Building,
Connaught Place, New Delhi 110001. India
Telephone : 91-11-23314429,23314459
Helpdesk 91-11-23319793.

Review of PMLA Policy

Dear Sir or Madam,

Attached is the reviewed policy as per the PMLA guidelines (Version XII). This policy was previously reviewed by us on 24/Nov/2023

Thanking You.

Yours Faithfully,

For SVV Share and Stock Brokers Pvt. Ltd.

Apurva C Walchan
Director

Encl: As Above

For SVV Share and Stock Brokers Pvt. Ltd.

Ms. Savita Mahadik
Ms. Savita Mahadik
Principal Officer





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POLICY FRAMEWORK AS REQUIRED UNDER PREVENTION OF MONEY LAUNDERING ACT, 2002

SVV Share and Stock Brokers Pvt. Ltd.

Background

- The Prevention of Money Laundering Act, 2002 has come into effect from 1st July 2005. Necessary Notifications / Rules under the said Act have been published in the Gazette of India on 1st July 2005 by the Department of Revenue, Ministry of Finance, 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, Depository Participant, 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.

Policy of SVV Share and Stock Brokers Pvt. Ltd. (PMLA Policy Version XII)

SVV Share and Stock Brokers Pvt. Ltd. has resolved that it would, as an internal policy, take adequate measures to prevent money laundering and shall put in place a frame-work to report cash and suspicious transactions to FIU as per the guidelines of PMLA Rules, 2002. The Designated Director of PMLA is Mrs. Sudha Vakharia.

This Policy is drafted by Sneh Vakharia and reviewed by Kirit Vakharia on 28-Nov-2024.

Implementation of this Policy

Ms Savita Mahadik will be the Principal Officer who will be responsible for compliance of the provisions of the PMLA and AML Guidelines. She will act as a central reference point and play an active role in identification & assessment of potentially suspicious transactions to ensure that SVV Share and Stock Brokers Pvt. Ltd. discharges its legal obligation to report any suspicious transactions to the concerned authorities.

- The main aspect of this policy relating to the client is to identify who the actual beneficial owner of the securities is or on whose behalf transaction is conducted.
- Verify the customer's identity using reliable, independent source document, data or information.
- Conduct ongoing due diligence and scrutiny of the account/client to ensure that the transaction conducted are consistent with the client's background/financial status, its activities and risk profile.

Customer Due Diligence: -The customer due diligence ("CDD") measures would cover the following:

(a) Obtain sufficient information in order to identify persons who beneficially own or control the demat account. Whenever it is apparent that the securities acquired or maintained



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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.

(b) Conduct an ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the DP's knowledge of the customer, its business and risk profile, taking into account, where necessary, the customer's source of funds / securities.

Policy for acceptance of clients: The organization needs to follow the following policy and procedure in order 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 these policies and procedures, the organization will be in a better position to apply customer due diligence on a risk sensitive basis.

Accordingly, the following safeguards are required to be followed while accepting the clients.

- Each client should be met in person i.e. either the client should visit the office/branch of the DP or a concerned official may visit the client at his residence / office address to get the necessary documents filled and signed. Preferably, accept clients who live within the jurisdiction of the branch. As far as possible, ensure that an existing client introduces the new client.
- Accepts client on whom we are able to apply appropriate KYC procedures: Obtain complete information from the client. It should be ensured that all the forms taken from the client are filled in completely. All photocopies submitted by the client needs to be checked against the respective original documents and should be Self-attested by clients without any exception. Ensure that the 'Know Your Client' guidelines are followed without any exception. All supporting documents as specified by Securities and Exchange Board of India (SEBI) and Exchanges are obtained and verified.
- As per provisions of the prevention of Money laundering Act, 2002 (PMLA) and KRA regulations (2011), it is mandatory for all market participants to comply with the "Know Your Client" (KYC) norms. After doing the initial KYC of the new clients, (From Jan, 2012) the information needs to be uploaded on the system of the KRA and the KYC documents i.e., KYC application form and supporting documents of the clients, are scanned and uploaded on the system of KRA within 10 working days from the date of execution of documents by the client. If a client is already KRA complaint, we fetch / obtain the details from KRA system for KYC compliance and proceed further with other formalities for account opening.
- Do not accept clients whose identity seems to match with persons known to have criminal background. Check whether the client's identify matches with any person having known criminal background or if he/she is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement/regulatory agency worldwide.
- Be careful while accepting Clients of Special category: We should be careful while accepting forms from clients of special category like NRIs, HNIs, Trust, Charities, NGOs, Politically Exposed Persons (PEP), persons of foreign origin, companies having closed share holding/ownership, companies dealing in foreign currency, shell companies, overseas entities, clients in high risk countries where the existence/effectiveness of money laundering control is suspect can be check on FATF on its website (www.fatf-gafi.org), non face to face clients, clients with dubious background. Current/Former Head of State, Current/Former senior high profile



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politician, Companies offering foreign exchange, etc.) or clients from high-risk countries (like Libya, Pakistan, Afghanistan, etc.) or clients belonging to countries where corruption/fraud level is high (like Nigeria, Burma, etc).

- Scrutinize minutely the records / documents pertaining to clients belonging to aforesaid category.
- Do not accept client registration forms which are suspected to be fictitious: Ensure that no account is being opened in a fictitious / benami name or on an anonymous basis.
- Do not compromise on submission of mandatory information/ documents: Client's account should be opened only on receipt of mandatory information along with authentic supporting documents as per the regulatory guidelines. Do not open the accounts where the client refuses to provide information/documents and we have sufficient reason to reject the client towards this reluctance.
- Additional documents can be taken from the client at the time of account opening to establish the identity of the client and also to ensure the integrity and safety of the system.
- SARAL Account Opening Forms can be accepted by resident individuals. The individual can duely fill the same along with necessary KYC forms and documents for him/her to open an account.

Customer Identification Procedure (FOR NEW CLIENTS)-

Objective: To have a mechanism in place to establish identity of the client along with firm proof of address to prevent opening of any account which is fictitious / benami / anonymous in nature. To check whether the client is PEP or whether the said client has been known to have criminal background or if he/she is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement/regulatory agency worldwide, we use www.world-check.com, www.watchoutinvestor.com, <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-october-2023.htm>, <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-october-2023.html>, www.un.org/securitycouncil/content/un-sc-consolidated-list, the list issued under UNSC Resolutions, ISIL (Da'esh) & Al-Qaida Sanctions List detailing Designated Individuals/Entities. Prior approval of senior management for establishing business relationship with PEP should also be obtained.

Documents which can be relied upon:

PAN Card: PAN card is mandatory and is most reliable document as only one card is issued to an individual and we can independently check its genuineness through IT website. The photocopy needs to be cross verified against the original PAN card & a stamp mentioning "PAN CARD VERIFIED" is to be affixed on the said photocopy.

IDENTITY Proof: PAN Card itself can serve as proof of identity. However, in case PAN card carries an old photograph of the holder, which does not match current facial features of the client, we should take other identity proof in form of Voter's Identity card, Unique identification Number (UID) (Aadhaar), Passport, Driving license, or any Government/PSU/Bank issued photo identity card or any other proof as mentioned in KYC Application form.

ADDRESS Proof: For valid address proof we can rely on Voter's Identity Card, Passport, Ration Card, Aadhar Card, Bank Statement and latest Electricity/Landline telephone bill in the name of the client (not more than 3 months old) or any other proof as mentioned in KYC Application form. The kind of documents and care to be taken in case of various categories of clients is mentioned in the table below.



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Sr No	Category of client	Annexure No
1.	Individual	I
2.	HUF	II
3.	Corporate	III
4.	NRI & Foreign Nationals	IV
5.	Clearing Member	V
6.	FII	VI
7.	OCB	VII
8.	Societies	VIII
9.	Trust	IX
10.	Banks	X
11	Association of Persons	XI
12	Demat Account for Limited Liability Partnership Firm	XII

Risk Profiling of the Client

We should accept the clients based on the risk they are likely to pose. The aim is to identify clients who are likely to pose a higher than average risk of money laundering or terrorist financing. For this purpose, we need to classify the clients as either Low risk, Medium risk or High risk clients. By classifying the clients, we will be in a better position to apply appropriate customer due diligence process. That is, for high-risk client we have to apply higher degree of due diligence. The factors of risk perception depend on client's location, nature of business activity, turnover, nature of transaction, manner of payment etc.

In order to achieve this objective, all clients should be classified in any one of the following category:

Category A – Low Risk

Category B – Medium Risk

Category C – High risk Special Category Clients

Category A clients are those pose low or nil risk. They are good corporate/HNIs/Non residents clients who have a respectable social and financial standing. These are the clients who make payment on time and take delivery of shares.

Category B clients are those who are intra-day clients or speculative clients. These are the clients who maintain running account with SVV Share and Stock Brokers Pvt. Ltd.

Category C are special category clients i.e. those who have defaulted in the past, have suspicious background, have a dubious reputation, do not have any financial status, High net worth clients (clients with a Networth of more than Rupees Five Crore), Trust, Charities, NGOs and organizations receiving donations, Politically exposed persons (PEP) of foreign origin, Non face to face clients etc.

Additional Due diligence for Medium and High risk clients would also be needed. After checking their details against www.world-check.com, www.watchoutinvestor.com, <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-october-2023.htm>, <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-october-2023.html>, www.un.org/securitycouncil/content/un-sc-consolidated-list, we need to carry on further due diligence by cross-checking the updated list issued under UNSC Resolutions detailing Designated Individuals/Entities. Further, reliance on newspaper articles, government issued notices/websites, any country specific information that is circulated by the Government



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of India and SEBI from time-to-time would be used to determine and confirm the basis of acceptance of the client.

We have to be careful while monitoring the transactions of B and C category clients.

Apart from this we need to exercise extra caution while monitoring the transactions of NRI/NRE/PIO and foreign clients, especially when the payment is being made in foreign currency.

Any change in the risk profile of the client/mandate holder, has to be ascertained by the concerned officials, and reported to the Business Head immediately. The above list is only illustrative and shall be amended as and when deemed fit.

Any updated list of individuals or entities who are subjected to freezing of assets /accounts, denial of financial services etc is provided by United Nations' Security Council Resolutions (UNSCR). The said list shall be continually scanned on the link:

<https://www.un.org/sc/committees/1267/consolist.shtml>. and

<https://www.un.org/securitycouncil/content/un-sc-consolidated-list>

Ongoing Client due diligence: After classification of clients under Low, Medium or High risk, as the case may be, an on-going due diligence procedure needs to be carried out for all our active clients. For this, we revisit the KYC details of the clients by emailing them their Client Master List and asking them to revert to us in case of any changes in these details within a period of 1 month from the date of sending the email. If we don't hear from them within the stipulated period, we assume that their details are true. So for Low Risk clients, we revisit their KYC details once in 6 years, for Medium Risk, we revisit their KYC details once in 4 years & for High risk clients we revisit their KYC details once in 2 years.

Any amendments/modifications to the PMLA procedure or KYC including any Reporting for the same, as made by SEBI/Depository or any Statutory Authority shall be taken into immediate effect for all day-to-day activities. Inclusion of the same in the PMLA shall be made during the next PMLA revision.

Reliance on third parties for carrying out Client Due Diligence to confirm a client's identity, to verify credentials and to establish if the client is acting on behalf of a beneficial owner can be done, provided such third parties are regulated, monitored and supervised and there are measures in place for record keeping as per norms. Such reliance shall be subject to the conditions that are specified in Rule 9 (2) of PML Act and in accordance with the regulations and circulars issued by SEBI from time-to-time.

Precautions related to Delivery Instruction slips: - As a DP we need to depute an authorized official who would verify the following details from the instruction slips:

- Whether the instruction slip received from the BO is from the range of instruction slips issued to the same BO.
- Whether all the account holders / authorized signatories / duly constituted POA, if any, have signed the instruction slip.
- Whether the signature(s) of the BO(s) on the instruction slip is in accordance with the signature(s) of the BO(s) recorded in the CDSL system.
- Instruction slip, having transactions with value more than 5 lakhs have to be additionally verified by a senior official of the DP.
- In case the signature(s) on the instruction slip do not match with the CDSL records, then the DP shall reject the instruction slip.
- Utmost care shall be exercised while storing Instruction Slips for future reference.

Transaction monitoring and reporting especially Suspicious Transactions Reporting (STR)



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Using our analytical skills and by exercising due precaution we need to monitor and report about the suspicious transactions: -

- ❖ Clients whose identity verification seems difficult or clients appears to be non-cooperate
- ❖ Clients in high-risk jurisdictions or clients introduced by other clients based in high risk jurisdictions;
- ❖ Substantial increases in business without apparent cause
- ❖ Further, it should be ensured that there is no tipping off to the client at any level regarding the reporting of such suspicious transactions to concerned authorities.

Responsibilities of the Principal Officer:

1. To identify transactions that appear suspicious in nature and marking the said clients in High Risk Category. The Income & Occupation should be compared against the transactions and any if found to be Suspicious in nature the same should be reported at the Management Level. The Management shall check the same at their level and if found to be suspicious in nature, the said should be reported to FIU Cash Transaction Report (CTR) and Suspicious Transaction Report (STR).
2. Extreme caution must be maintained to ensure that the said client is not been informed/tipped off about the same.
3. 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.
4. The Principal Officer will be responsible for timely submission of Cash Transaction Report (CTR) and Suspicious Transaction Report (STR) to FIU.

Broad categories of reason for suspicion and examples of suspicious transactions are:

(A) Identity of Client

- False identification documents
- Identification documents which could not be verified within reasonable time
- Doubt over the real beneficiary of the account
- Non face to face client
- Clients in high-risk jurisdiction
- Accounts opened with names very close to other established business entities
- Undelivered well-come kit at the address given by the client

(B) Suspicious Background

- Suspicious background or links with known criminals

(C) Multiple Accounts

- Large number of accounts having a common account holder, introducer or authorized signatory with no rationale
- Unexplained transfers between multiple accounts with no rationale

(D) Activity in Accounts

- Unusual activity compared to past transactions
- Use of different accounts by client alternatively
- Pay in for a client coming from different accounts
- Sudden activity in dormant accounts
- Activity inconsistent with what should be expected from declared business

Steps must be taken to ensure that the securities bought under suspicious transactions are not given to the client



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Retention of Records: - All necessary records on transactions, both domestic and international, should be maintained for the minimum period as required under the relevant Act (PMLA, 2002 as well SEBI Act, 1992) and other legislations, Regulations or exchange byelaws or circulars.

- All relevant documents like account opening and their supporting documents should be maintained at least for a minimum period of 8 years after the account is closed. All instructions for operating the account given by the clients or its duly registered Power of Attorney shall also be maintained for a period of 8 years after the account is closed.
- If any document is required for any investigative purpose, then the document should be retained till the conclusion of the audit / investigation.

Review of Policy: - Periodical Review of policy once in 12 months, by any official other than the official who originally drafted the policy at regular interval. MD & CEO or any other authorized official shall have the authority to give directions for review of policy and undertake additions, changes, modifications etc. as directed by SEBI/ FIU-IND.

Hiring policies and training with respect to anti-money laundering- To have adequate screening procedures in place and to ensure high standards when hiring employees. To identify the key positions within the organization structures with regards to the risk of money laundering and terrorist financing. Based on the size of the business ensure employees taking up such key positions are suitable and competent to perform their duties. Employees to be briefed, atleast once a year, to be made aware about the aspect of money laundering and the ways to identify and report suspicious transactions to the management/FIU ensuring at all times that the said client is not in the know.

INVESTORS EDUCATION

Implementation of AML/CFT measures requires intermediaries to demand certain information from investors, which may be of personal nature or has hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records etc. This can sometimes lead to raising of questions by the client with regard to the motive and purpose of collecting such information. There is, therefore, a need for intermediaries to sensitize their clients about these requirements as the ones emanating from AML and CFT framework. Intermediaries shall prepare specific literature / pamphlets etc. so as to educate the client of the objectives of the AML/CFT programmed.

Annexure I **INDIVIDUALS**

KYC related documents:

As per SEBI Circular no. MIRSD/SE/Cir-21/2011 dated October 5, 2011, regarding KYC documents admissible as Proof of Identity and Proof of Address and additional documents to be obtained from individuals and non-individuals, over and above the proof of identity and proof of address. We are also complying with SEBI Circular No. MIRSD/Cir-26/2011 dated December 23, 2011 providing the guidelines for intermediaries, in-person verification and subsequent circulars issued by SEBI from time to time in this regard.

The documents as prescribed by SEBI are the minimum requirements for opening a demat account. Additional documents to verify and establish the integrity of the client can also be taken.

Correspondence address: This is applicable to all types of investors. If the correspondence address of the BO is not the same as permanent address, then we need to obtain proof of correspondence address and enter the same in the system, in case the BO is not registered



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with KRA.

If the BO is registered with KRA, and intends to use the same correspondence address as mentioned in the KRA system, he shall inform the DP accordingly.

If the BO is registered with KRA, but does not desire to use the correspondence address updated in the KRA system, he has to inform the DP and submit SEBI specified proof of address document for the address that he desires to be entered in the CDSL system.

Further, if any third party address is accepted as correspondence address, the DP should ensure that the proof of permanent address has been obtained and entered in the system. DPs should ensure that the statement of transactions and holdings are sent to the BO's permanent address atleast once in a year.

Minor: The minor shall be the first and sole holder in the account i.e. there should not be any joint accounts where minor is First/Second/Third holder. PAN card details of minor have to be entered in CDSL system.

In case of death of Guardian of existing Minor account holder, the new guardian shall submit a new account opening form, duly complete in all respects, along with KYC application form or details of he/she is KRA registered with.

Once the minor attains the age of a maturity, the following process is to be followed:

The account holder should submit new KYC application form or details of KRA registered with.

The account holder should submit a new account opening form duly complete in all respects.

This new form shall be used for future referencing with the client. The guardian's signature should be deleted and account holder's signature should be scanned.

The above procedure can be followed only if the word 'minor' is not present in the "Account Holder's name" when the account was opened. If "minor" was present, then the existing account has to be closed and a new account should be opened.

Annexure II

HUF (Hindu Undivided Family)

The PAN details of the HUF entity would have to be entered in the CDSL system.

It may be noted that HUF accounts cannot be opened with joint holder(s), cannot appoint a nominee and cannot be a nominee. Account can be opened in the name of HUF entity. It may further be noted that in the Account opening form, the Karta should sign under the HUF stamp. The name of the BO in the DP database should be as it appears in the PAN card, e.g. Rajiv Sharma (HUF). In case POA is to be given by the karta to some other entity to operate the HUF Account, the POA shall be signed by all the members of the HUF account, along with the karta.

Process to be followed in case of death of the Karta. HUF, being a Hindu Undivided Family, the property of the family is managed by the Karta, i.e. the head of the family, and all the family members are the beneficiaries. Accordingly, HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF appoint the new Karta, who will be heading the family.

- On the death of an existing Karta, the new Karta shall submit the new list of members and a no objection from the members for him to act as Karta of the HUF.
- The new Karta shall submit the account modification form, so that DP can record the necessary changes in the signature to continue operations in the account.
- The previous account need not be closed and the same account can continue.

Procedure to be followed in case of partition of HUF: In case of a partial partition of the HUF, if one or two members of the HUF have left, the others can still continue the HUF in the existing name. In case of full partition, the entire HUF is dissolved.



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In both the cases above, the Karta can transfer shares to the members who seek partition. If the issue of transfer cannot be amicably settled, the family members can go to court and the transfer of shares will then be based on the Court's directions.

Annexure III **Corporates**

Corporate Account –

Identifying beneficial ownership and control, i.e., determining which individual(s) ultimately own(s)/control(s) the client and/or the person on whose behalf a transaction is being conducted. The beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation:

- i. "Controlling ownership interest" means ownership of or entitlement to more than ten per cent of shares or capital or profits of the company;
- ii. "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements

Note: where no natural person is identifiable, the beneficial owner is the relevant natural person who holds the position of senior managing official

In case of Foreign Corporate- A duly signed declaration that the corporate has complied with and will continue to comply with, FEMA Regulations and other applicable laws.

Annexure IV **Non- Resident Indian (NRI)**

In case of foreign address, if address with P.O. Box No. has been submitted as Permanent and/or Correspondence address, additionally the DPs need to obtain the complete residential address of the NRI BO, under declaration at the time of opening of the account. Such BO's shall give an undertaking that whenever there is a change in the residential address, the BO shall inform the DP.

A declaration duly signed by the NRI that he/she has complied with, and will continue to comply with, FEMA regulations and other applicable laws.

Change of status from NRI to Resident and vice versa:

It is the responsibility of the individual to inform the change of status to the DP with whom he/she has opened the demat account. Subsequently, a new demat account in the new status will have to be opened, securities shall be transferred from the old demat account to the new demat account and then the old demat account shall be closed.

Foreign Nationals:

- a) Documents – same as NRI.
- b) If the foreign address with P.O. Box No. is given as Permanent and/or Correspondence address, additionally, the DP has to obtain the complete residential address of the Foreign National BO, under declaration at the time of account opening. Such BOs shall also give an undertaking that whenever there is a change in the residential address, the BO will inform the DP.
- c) Understand the nature of business, ownership and control structure of the client;
- d) 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 client, its business and risk profile,



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taking into account, where necessary, the client's source of funds.

Annexure V **Clearing Member (CM)**

- a) If CM is a corporate body:
- True copy of certificate of registration with SEBI, certified by Managing Director/Company Secretary / notarized.
- b) If CM is a not a corporate body:
- The CM account (CM Pool / CM Principal / Early Pay-in) may be opened in the CDSL system:
 - Either in the name of the partnership firm/entity as mentioned on the Certificate of Registration with SEBI, or
 - In the name of the proprietor or partners (up to three partners).
 - Photocopy of Certificate of Registration with SEBI, duly notarized.
- c) Asset Management Company (AMC) Pool Account:
- This account is linked with a stock exchange.
- Following document is to be submitted by the AMC for opening the pool account with any DP of CDSL for the purpose of settlement of mutual fund units:
- Letter / circular / instructions issued by the concerned Stock Exchange indicating the CM ID.

Annexure VI **Foreign Institutional Investor (FIIs)**

In case a Foreign Institutional Investor, wants to become a BO we need to collect the following:-

A Foreign Institutional Investor registered with SEBI, who has entered into an agreement with the Participant either directly or through its power of attorney holder in accordance with the provisions of Regulation 16 of the SEBI (Foreign Institutional Investors) Regulation, 1995. Provided that such agreement gives the Participant authority to act on behalf of the Foreign Institutional Investor for availing the services of the Depository and a copy of such agreement has been filed with SEBI.

Annexure VII **Overseas Corporate Body (OCBs)**

- a) Certified true copy of Board Resolution, certified by Managing Director/Company Secretary for persons authorized by the Board to act as authorized signatory (ies).
- b) Names of the authorized signatory (ies), designation, photographs and their specimen signatures, certified by Managing Director/Company Secretary.
- c) Memorandum and Articles of Association of the Company.
- d) RBI Registration Certificate.
- e) Declaration from the OCB that it meets with the guidelines issued by RBI / Ministry of Finance.
- f) Certificate from overseas auditors in Form OAC or OAC - 1, as may be applicable.
- g) Statement of account from the Bank.



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Annexure VIII

Societies

Registered Society: The account shall be opened in the name of the society.

Unregistered Society: a) The account shall be opened in the names of the members under "Individual" category (maximum three accountholders).

b) All the documents, as applicable for account opening under individual category, shall be obtained.

Annexure IX

Trust

Public Trust/ Charitable Trust and Trust capable of holding property in its name (Registered Trust /Public Trust):

- a) Account shall be opened in the name of the Trust.
- b) Certificate of Registration of Trust under the Societies Registration Act/ Public Trust Act, 1860 / Bombay Public Trust Act, 1950 / Public Trust Act, of relevant State.
- c) Certified true copy of Board Resolution to open the demat account and specifying the persons authorized by the Board to act as Authorized signatory (ies) to operate the demat account.
- d) Names of the authorized signatories, designation, and their specimen signatures duly verified by the Managing Trustee.
- e) trustees disclose their status at the time of commencement of an account based relationship
- f) Identifying beneficial ownership and control, i.e., determining which individual(s) ultimately own(s)/control(s) the client and/or the person on whose behalf a transaction is being conducted. The beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or entitlement
- g) or who exercises control through other means.
- h) the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with ten per cent or more interest in the trust, settlor, protector and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership
- i) where the client or the owner of the controlling interest is an entity listed on a stock exchange in India, or it is an entity resident in jurisdictions notified by the Central Government and listed on stock exchanges in such jurisdictions notified by the Central Government, or it is a subsidiary of such listed entities, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such entities.

Explanation: identification of the author of the trust, the trustee, the beneficiaries with ten per cent 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

Private Trust:

- a) The Board of Trustees shall specify the names of the trustee(s) who shall hold/ operate the demat account.
- b) The account shall be opened in the names of the trustees under "Individual"



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category of the first named trustee (maximum three account holders).

'Recognized' Funds / Trusts/ Other similar entities:

The Funds/ Trusts/ Entities presently included under this category are as follows:

- a) Employees Provident Fund, which have been recognized by the Provident Fund Commissioner under Employee's Provident Funds & Miscellaneous Provisions Act, 1952.
- b) Employees Gratuity Fund, which are formed under Payment of Gratuity Act, 1972.
- c) Superannuation Fund, which are formed under the guidelines issued by The Income Tax Department.
- d) Venture Capital Funds which are registered by SEBI.
- e) ESOP Trust formed pursuant to the guidelines issued by SEBI.

Accounts of the above Funds/ Trusts/ Entities shall be opened in the name of above Funds/ Trusts/ Entities as they are recognized either under the Income Tax Act or Securities & Exchange Board of India Act, etc.

Documents to be furnished by the above Funds/ Trusts/ Entities and other Funds/ Trusts/ Entities, which are similarly placed, are:

- Certificate of Registration, if any, issued by the authority recognizing the Fund / Trust / Entity as such;
- Trust Deed and Rules and/or any document or charter defining their constitution and providing for management thereof;
- List of Members on the Board of Trustees/Governing Body;
- Certified true copy of the Resolution passed by the Board of Trustees/Governing Body to open the demat account and specifying the persons authorized by the Board to act as Authorized signatory (ies) to operate the demat account
- Names of the authorized signatories, designation, and their specimen signatures duly verified by the Managing Trustee.
- Every registered intermediary shall register the details of a client, in case of client being a non-profit organisation, on the DARPAN Portal of NITI Aayog, if not already registered, and maintain such registration records for a period of five years after the business relationship between a client and the registered intermediary has ended or the account has been closed, whichever is later.
- Where registered intermediary is suspicious that transactions relate to money laundering or terrorist financing, and reasonably believes that performing the CDD process will tip-off the client, the registered intermediary shall not pursue the CDD process, and shall instead file a STR with FIU-IND.

Annexure X Banks

In case of Banks, the following documents need to be collected while registering a BO.

- a) Certified true copy of Board Resolution, or
- b) Letter on the letterhead of the bank, signed by the Chairman/MD authorizing opening of account and authority given to authorized signatories to open and operate the demat account.

Annexure XI



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Association of Persons (AOP):

In case of an Association of Persons the most important thing to check is the object or purpose of the Association. Over and above, the documents to be collected while making an AOP a BO are as follow: -

- Object or purpose of the Association.
- Powers of the Managing Committee.
- Copy of the Bye Laws.

Identifying beneficial ownership and control, i.e., determining which individual(s) ultimately own(s)/control(s) the client and/or the person on whose behalf a transaction is being conducted. The beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation:- the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen per cent of the property or capital or profits of such association or body of individuals.

Note: where no natural person is identifiable, the beneficial owner is the relevant natural person who holds the position of senior managing official

Annexure XII

Demat Account for Limited Liability Partnership Firm [which is registered under the Limited Liability Partnership Act (2008)]

Such an account shall be opened as: <"Company Name" Limited Liability Partnership> or <"Company Name" LLP>. For example, if the company name is "ABC" then the demat account shall be opened in the name of <ABC Limited Liability Partnership> or <ABC LLP>.

The following documents should be obtained:

- (i) Registration Certificate granted by the Registrar to the LLP under the LLP Act 2008.
 - (ii) Declaration, on the letterhead of the LLP signed by all the designated partner/s clearly stating that the within named persons, who are designated partners of the LLP, have been nominated as authorized signatories to open and operate the said demat account on behalf of the LLP.
 - (iii) The declaration shall specify the manner in which the account will be operated, that is: jointly or severally and shall give details of the names, addresses and DPIN [Designated Partner Identification Number allotted by the Registrar for each designated partner] / DIN [Directors Identification Number] along with their signatures and photographs.
 - (iv) PAN Card details of the LLP are to be entered in the CDSL system.
 - (v) The bank details in the name of the LLP, as sole / first holder in the bank account.
 - (vi) PAN card of the authorized signatories to be kept on record.
 - (vii) In case of change in registered office address of the LLP, the DP should take on record the notice of change of address filed by the LLP with the Registrar
- Joint holders in the demat account may be allowed.
 - Nomination in such demat accounts shall not be allowed.



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- Such demat accounts shall be opened under "Corporate" status in the CDSL system with the sub-status "Limited Liability Partnership".
- Identifying beneficial ownership and control, i.e., determining which individual(s) ultimately own(s)/control(s) the client and/or the person on whose behalf a transaction is being conducted. The beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means/ entitlement to more than ten percent of capital or profits of the partnership or who exercises control through other means
- Explanation:- "Control" shall include the right to control the management or policy Decision

Note: where no natural person is identifiable, the beneficial owner is the relevant natural person who holds the position of senior managing official

For SVV Share and Stock Brokers Pvt. Ltd.

Rupna C Qa Khan
Director