

ADDITION & MODIFICATION IN ANTI MONEY LAUNDERING(AML POLICY)

At the meeting of the partners of M/S S.A.DESHPANDE & CO (SADCO) held on 22-03-2014 policy on AML was reviewed

Review was done in accordance with SEBI circular No. CIR/MIRSD/1/2014 dated March 12, 2014, In view of the amendments to the Prevention of Money-laundering Act, 2002 (PML Act) and amendments to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (PML Rules), it has been decided to make the following consequential modifications and additions to the policy on AML

Following Additions will be done in the existing policy on AML

1. Risk Assessment:

i. SADCO shall carry out risk assessment to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk with respect to its clients, countries or geographical areas, nature and volume of transactions, payment methods used by clients, etc. The risk assessment shall also take into account any country specific information that is circulated by the Government of India and SEBI from time to time, as well as, the updated list of individuals and entities who are subjected to sanction measures as required under the various United Nations' Security Council Resolutions (these can be accessed at

http://www.un.org/sc/committees/1267/ag_sanctions_list.shtml and <http://www.un.org/sc/committees/1988/list.shtml>).

- ii. The risk assessment carried out shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. The assessment shall be documented, updated regularly and made available to competent authorities and self-regulating bodies, as and when required.
2. SADC may rely on a third party 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, subject to the Conditions that are specified in Rule 9 (2) of the PML Rules and shall be in Accordance with the regulations and circulars/ guidelines issued by SEBI from Time to time

While relying on third party SADC will keep in mind that SADC is ultimately Responsible for the client due diligence & undertaking enhance due diligence Measures, as applicable

3. Appointment of a Designated Director

In addition to the existing requirement of designation of a Principal Officer, SADC shall also designate one of the partners as a 'Designated Director'. In Terms of Rule 2 (ba) of the PML Rules *to ensure overall compliance with the Obligations imposed under chapter IV of the Act and the Rules*

SADC shall communicate the details of the Designated Director to the office Of the Director, FIU-IND

Following modification will be done in the existing policy on AML

1.Record keeping requirements:

As directed under this circular now SADCO shall maintain and preserve the record of Documents evidencing the identity of its clients and beneficial owners (e.g., copies or records of official identification documents like passports, identity cards, driving licenses or similar documents) as well as account files and business correspondence for a period of five years instead of ten years after the business relationship between a client and SADCO has ended or the account has been closed, whichever is later."

2. Records of information reported to the Director, Financial Intelligence Unit - India (FIU-IND):

SADCO shall maintain and preserve the record of information related to transactions, whether attempted or executed, which are reported to the Director, FIU-IND, as required under Rules 7 & 8 of the PML Rules, for a period of five years from the date of the transaction between the client and the SADCO.

The above reviewed policy to be followed in conjunction with the earlier policies on AML framed by SADCO

FOR S.A.DESHPANDE & CO

Sd/-

NILESH SHAH

PRINCIPAL OFFICER