



K. A. GUNDERIA & CO.

SHARE & STOCK BROKERS

Sebi Regn. No. INB010437128

1011, Stock Exchange Tower,
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Policy On Insider Trading.

For existing clients processes include :

- a) Review of KYC details of all existing active clients in context to the PMLA 2002 requirements.
- b) In case of non individuals additional information about the directors, partners, dominant promoters, major shareholders is obtained.

Following Risk based KYC procedures are adopted for all clients :

1. Unexplained transfers between multiple accounts with no rationale
2. Doubt over the real beneficiary of the account
3. Inconsistent with the clients' financial background

Monitoring:

Ongoing monitoring of accounts which includes

1. Identification and detection of apparently abnormal transactions.
2. Daily overview of all transaction for each Client by Employee of the Broker & his superior or by principal officer in this respect.
 - i) Substantial increase in activity without any apparent cause
 - ii) Transactions with no apparent economic or business rationale
 - iii) Sudden activity in dormant accounts;
 - iv) Large deals at prices away from the market.



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Reporting of Suspicious Transactions :

Processes for alert generation, examination and reporting include :

- Audit trail for all such transactions till they are reported to FIU/closed
- Clear enunciation of responsibilities at each stage of process from generation, examination recording and reporting
- Escalation through the organization to the principal officer designated for PMLA
- Confidentiality of STRs filed
- Retention of records

On going training to Employees :

- 1) Importance of PMLA Act & its requirement to employees through training.
- 2) Ensuring that all the operating and management staff fully understands their responsibilities under PMLA for strict adherence to customer due diligence requirements from establishment of new accounts to transaction monitoring and reporting suspicious transactions to the FIU.
- 3) Organizing suitable training programmes wherever required for new staff, front-line staff, sub-brokers, supervisory staff, controllers and product planning personnel.