



Merchant Banking | PCG Equity Broking | PMS

New Berry Capitals Private Limited

A 602, Marathon NextGen Innova G.K. Marg, Lower Parel (West), Mumbai – 400013.

Tel: +91 22 48818442 www.newberrycapitals.in

CIN NO.: U67190MH2007PTC174445

SEBI REGISTRATION NO.: NSE/BSE: INZ000004838

SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

Adopted by Board on 01st August 2023

1. Introduction

- 1.1. The Guidelines as outlined below provide a general background on the subjects of money laundering and terrorist financing summarizes the main provisions of the applicable anti-money laundering and anti-terrorist financing legislation in India and provides guidance on the practical implications of the Act. The Guidelines also sets out the steps that New Berry Capitals Private Limited or any of its representatives, will implement to discourage and identify any money laundering or terrorist financing activities. The relevance and usefulness of these Guidelines will be kept under review and it may be necessary to issue amendments from time to time.
- 1.2. These Guidelines are intended for use primarily by intermediaries registered under Section 12 of the SEBI Act, 1992. While it is recognized that a “one-size-fits-all” approach may not be appropriate for the securities industry in India, each registered intermediary should consider the specific nature of its business, organizational structure, type of customers and transactions, etc. when implementing the suggested measures and procedures to ensure that they are effectively applied. The overriding principle is that they should be able to satisfy themselves that the measures taken by them are adequate, appropriate and follow the spirit of these measures and the requirements as enshrined in the Prevention of Money Laundering Act, 2002. (PMLA)

2. Back Ground:

- 2.1. The Prevention of Money Laundering Act, 2002 came into effect from 1st July 2005. Necessary Notifications / Rules under the said Act were published in the Gazette of India on 1st July 2005 by the Department of Revenue, Ministry of Finance, Government of India.



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2.2 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, 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. Such transactions include:

- All cash transactions of the value of more than Rs 10 lacs or its equivalent in foreign currency.
- All series of cash transactions integrally connected to each other which have been valued below Rs 10 lakhs or its equivalent in foreign currency where such series of transactions take place within one calendar month.
- All suspicious transactions whether or not made in cash and including, inter-alia, credits or debits into from any non-monetary account such as d-mat account, security account maintained by the registered intermediary.

It may, however, be clarified that for the purpose of suspicious transactions reporting, apart from 'transactions integrally connected', 'transactions remotely connected or related' should also be considered.

3. Policies and Procedures to Combat Money Laundering and Terrorist financing

3.1. Guiding Principles

3.1.1. These Guidelines have taken into account the requirements of the Prevention of the Money Laundering Act, 2002 as applicable to the intermediaries registered under Section 12 of the SEBI Act. The detailed guidelines in Part II have outlined relevant measures and procedures to guide registered intermediary in preventing money



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laundering and terrorist financing. Some of these suggested measures and procedures may not be applicable in every circumstance. New Berry Capitals Private Limited will consider carefully the specific nature of its business, organizational structure, type of customer and transaction, etc. to satisfy itself that the measures taken by them are adequate and appropriate to follow the spirit of the suggested measures in Part II and the requirements as laid down in the Prevention of Money Laundering Act, 2002.

3.2. Obligation to establish policies and procedures

3.2.1. International initiatives taken to combat drug trafficking, terrorism and other organized and serious crimes have concluded that financial institutions including securities market intermediaries must establish procedures of internal control aimed at preventing and impeding money laundering and terrorist financing. The said obligation on intermediaries has also been obligated under the Prevention of Money Laundering Act, 2002. In order to fulfill these requirements, there is also a need for New Berry Capitals Private Limited to have a system in place for identifying, monitoring and reporting suspected money laundering or terrorist financing transactions to the law enforcement authorities.

3.2.2. In light of the above, senior management of a New Berry Capitals Private Limited is fully committed to establish appropriate policies and procedures for the prevention of money laundering and terrorist financing and ensuring their effectiveness and compliance with all relevant legal and regulatory requirements. New Berry Capitals Private Limited will:

- a. issue a statement of policies and procedures, on a group basis where applicable, for dealing with money laundering and terrorist financing reflecting the current statutory and regulatory requirements;
- b. ensure that the content of these Guidelines is understood by all staff members;
- c. regularly review the policies and procedures on prevention of money laundering and terrorist financing to ensure their effectiveness. Further in order to ensure



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effectiveness of policies and procedures, the person doing such a review will be different from the one who has framed such policies and procedures; policy will be reviewed every 3 year.

- d. adopt customer acceptance policies and procedures which are sensitive to the risk of money laundering and terrorist financing;
- e. undertake customer due diligence (“CDD”) measures to an extent that is sensitive to the risk of money laundering and terrorist financing depending on the type of customer, business relationship or transaction;
- f. have in system a place for identifying, monitoring and reporting suspected money laundering or terrorist financing transactions to the law enforcement authorities; and
- g. develop staff members’ awareness and vigilance to guard against money laundering and terrorist financing.

3.2.3. Policies and procedures to combat Money Laundering will cover:

- a. Communication of group policies relating to prevention of money laundering and terrorist financing to all management and relevant staff that handle account information, securities transactions, money and customer records etc. whether in branches, departments or subsidiaries;
- b. Customer acceptance policy and customer due diligence measures, including requirements for proper identification;
- c. Maintenance of records;
- d. Compliance with relevant statutory and regulatory requirements;
- e. Co-operation with the relevant law enforcement authorities, including the timely disclosure of information; and
- f. Role of internal audit or compliance function to ensure compliance with policies, procedures, and controls relating to prevention of money laundering and terrorist financing, including the testing of the system for detecting suspected money laundering transactions, evaluating and checking the adequacy of exception reports generated on large and/or irregular transactions, the quality



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of reporting of suspicious transactions and the level of awareness of front line staff of their responsibilities in this regard. The internal audit function shall be independent, adequately resourced and commensurate with the size of the business and operations, organization structure, number of clients and other such factors.

DETAILED GUIDELINES

4. Written Anti Money Laundering Procedures

- 4.1. New Berry Capitals Private Limited will adopt written procedures to implement the anti-money laundering provisions as envisaged under the Anti Money Laundering Act, 2002. Such procedures will include inter alia, the following three specific parameters which are related to the overall '**Client Due Diligence Process**':
- a. Policy for acceptance of clients
 - b. Procedure for identifying the clients
 - c. Transaction monitoring and reporting especially Suspicious Transactions Reporting (STR)

5. Customer Due Diligence

- 5.1. The customer due diligence ("CDD") measures comprise the following:
- a. Obtaining sufficient information in order to identify persons who beneficially own or control securities account. Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party will 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 person on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement.



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- b. Verify the customer's identity using reliable, independent source documents, data or information;
- c. Identify beneficial ownership and control, i.e. determine which individual(s) ultimately own(s) or control(s) the customer and/or the person on whose behalf a transaction is being conducted;

i. For clients other than individuals or trusts:

Where the client is a person other than an individual or trust, viz., company, partnership or unincorporated association/body of individuals, New Berry Capitals Private Limited shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the following information:

- aa) The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest.

Explanation: Controlling ownership interest means ownership of/entitlement to:

- i more than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
 - ii more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
 - iii more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.
- ab) In cases where there exists doubt under clause (aa) above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the juridical person through other means.



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Explanation: Control through other means can be exercised through voting rights, agreement, arrangements or in any other manner.

ac) Where no natural person is identified under clauses (aa) or (bb) above, the identity of the relevant natural person who holds the position of senior managing official.

ii. For client which is a trust:

Where the client is a trust, New Berry Capitals Private Limited shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% 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.

iii. Exemption in case of listed companies:

Where the client or the owner of the controlling interest is a company listed on a stock exchange or is a majority-owned subsidiary of such a company, it will not be necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

iv. Applicability for foreign investors:

While dealing with foreign investors, New Berry Capitals Private Limited will be guided by the clarifications issued vide SEBI circulars CIR/MIRSD/11/2012 dated September 5, 2012 and CIR/ MIRSD/ 07/ 2013 dated September 12, 2013, for the purpose of identification of beneficial ownership of the client.

v. Monitor of compliance:



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The compliance of the aforementioned provision on identification of beneficial ownership shall be monitored by the Board of Directors of New Berry Capitals Private Limited.

- d. Verify the identity of the beneficial owner of the customer and/or the person on whose behalf a transaction is being conducted, corroborating the information provided in relation to (c);
- e. Understand the ownership and control structure of the client;
- f. 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 our knowledge of the customer, its business and risk profile, taking into account, where necessary, the customer's source of funds; and
- g. New Berry Capitals Private Limited will periodically update all documents, data or information of all clients and beneficial owners collected under the CDD process on annual basis. New Berry Capitals Private Limited will review and update periodically client information in the Client Registration Form and will also ensure that client registration details including financial details of the clients are obtained and updated at regular intervals. An illustrative list of documents which the members may collect from its clients (towards documentary evidence of financial details) is as below:
 - i Copy of ITR Acknowledgement
 - ii Copy of Annual Accounts
 - iii Copy of Form 16 in case of salary income
 - iv Net worth certificate
 - v Salary Slip
 - vi Bank account statement for last 6 months
 - vii Copy of demat account Holding statement.
 - viii Any other relevant documents substantiating ownership of assets.
 - ix Self-declaration along with relevant supporting.



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5.2. Policy for acceptance of clients:

5.2.1. New Berry Capitals Private Limited will develop customer acceptance policies and procedures that aims 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 such policies and procedures, they will be in a better position to apply customer due diligence on a risk sensitive basis depending on the type of customer business relationship or transaction. In a nutshell, the following safeguards are to be followed while accepting the clients:

- i No account is opened in a fictitious / benami name or on an anonymous basis.
- ii Factors of risk perception (in terms of monitoring suspicious transactions) of the client are clearly defined having regard to clients' location (registered office address, correspondence addresses and other addresses if applicable), nature of business activity, trading turnover etc. and manner of making payment for transactions undertaken. The parameters will enable classification of clients into low, medium and high risk. Clients of special category (as given below) may, if necessary, be classified even higher. Such clients require higher degree of due diligence and regular update of KYC profile.
- iii Documentation requirement and other information to be collected in respect of different classes of clients depending on perceived risk and having regard to the requirement to the Prevention of Money Laundering Act 2002, guidelines issued by RBI and SEBI from time to time.
- iv Ensure that an account is not opened where New Berry Capitals Private Limited is unable to apply appropriate clients due diligence measures / KYC policies. This may be applicable in cases where it is not possible to ascertain the identity of the client, information provided to New Berry Capitals Private Limited is suspected to be non genuine, perceived non co-operation of the client in providing full and complete information. New Berry Capitals Private Limited will



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not continue to do business with such a person and file a suspicious activity report. New Berry Capitals Private Limited will also evaluate whether there is suspicious trading in determining whether to freeze or close the account. New Berry Capitals Private Limited will be cautious to ensure that it does not return securities of money that may be from suspicious trades. However, New Berry Capitals Private Limited will consult the relevant authorities in determining what action it should take when it suspects suspicious trading.

- v The circumstances under which the client is permitted to act on behalf of another person / entity will be clearly laid down. It will be specified in what manner the account should be operated, transaction limits for the operation, additional authority required for transactions exceeding a specified quantity / value and other appropriate details. Further the rights and responsibilities of both the persons (i.e the agent- client registered with New Berry Capitals Private Limited, as well as the person on whose behalf the agent is acting will be clearly laid down). Adequate verification of a person's authority to act on behalf the customer will also be carried out.
- vi Necessary checks and balance to be put into place before opening an account so as to ensure that the identity of the client does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide.
- vii The CDD process shall necessarily be revisited when there are suspicions of money laundering or financing of terrorism (ML/FT).
- viii New Berry Capitals Private Limited will undertake independent verification of clients during client acceptance.

5.3. **Risk-based Approach**

- 5.3.1. It is generally recognized that certain customers may be of a higher or lower risk category depending on circumstances such as the customer's background, type of business relationship or transaction etc. As such, New Berry Capitals Private Limited



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will apply each of the customer due diligence measures on a risk sensitive basis. The basic principle enshrined in this approach is that New Berry Capitals Private Limited has adopted an enhanced customer due diligence process for higher risk categories of customers. Conversely, a simplified customer due diligence process has been adopted for lower risk categories of customers. In line with the risk-based approach, the type and amount of identification information and documents that New Berry Capitals Private Limited will obtain necessarily depend on the risk category` of a particular customer. Further, low risk provisions shall not apply when there are suspicions of ML/FT or when other factors give rise to a belief that the customer doesnot in fact pose a low risk.

5.3.2.

- I. New Berry Capitals Private Limited will 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 will 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 (thesecan be accessed athttp://www.un.org/sc/committees/1267/aq_sanctions_list.shtmland<http://www.un.org/sc/committees/1988/list.shtml>).
- II. The risk assessment carried out will 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.

5.4. **Clients of special category (CSC):**

Such clients include the following-



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- a. Non resident clients
- b. High networth clients,
- c. Trust, Charities, NGOs and organizations receiving donations
- d. Companies having close family shareholdings or beneficial ownership
- e. Politically exposed persons (PEP). Politically exposed persons are individuals who are or have been entrusted with prominent Public functions in 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.
- f. Current / Former Head of State, Current or Former Senior High profile politicians and connected persons (immediate family, Close advisors and companies in which such individuals have interest or significant influence)
- g. Companies offering foreign exchange offerings
- h. 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 centers, tax havens, countries where fraud is highly prevalent.
- i. Non face to face clients
- j. Clients with dubious reputation as per public information available etc.

The above mentioned list is only illustrative and the New Berry Capitals Private Limited will exercise independent judgment to ascertain whether new clients should be classified as CSC or not.

5.5. Client identification procedure:

- The 'Know your Client' (KYC) policy will clearly spell out the client identification procedure to be carried out at different stages i.e. while establishing the intermediary



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(New Berry Capitals Private Limited) – client relationship, while carrying out transactions for the client or when the intermediary (New Berry Capitals Private Limited) has doubts regarding the veracity or the adequacy of previously obtained client identification data.

- The KYC /client identification procedures have been specified and strengthened by SEBI from time to time. For example, SEBI vide its circular no. SMD-1/23341 dated November 18, 2003 laid down the mandatory requirement to obtain details of clients by brokers and formats of client's registration form and broker client agreements were specified vide circular no. SMD/POLICY/CIRCULARS/5-97 dated April 11, 1997. Subsequently in order to bring about uniformity in documentary requirements across different segments and exchanges as also to avoid duplication and multiplicity of documents, uniform documentary requirements for trading across different segments and exchanges have been specified vide SEBI circular no/ SEBI/MIRSD/DPS-1/Cir-31/2004 dated August 26, 2004. Similarly KYC circulars with regard to depositories have been issued vide circulars no. SMDRP/Policy/Cir-36/2000 dated August 04, 2000, circular no. MRD/DOP/Dep/Cir-29/2004 dated August 24, 2004 and circular no. MRD/DoP/Dep/Cir-12/2007 dated September 7, 2007. Similarly prohibition on acceptance of cash from clients has been specified vide SEBI circular no. SEBI/MRD/SE/Cir-33/2003/27/08 dated August 27, 2003.
- In order to further strengthen the KYC norms and identify every participant in the securities market with their respective PAN thereby ensuring sound audit trail of all the transactions, PAN has been made sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction vide SEBI Circular reference MRD/DoP/Cir-05/2007 dated April 27, 2007, subject to certain exemptions granted under circular reference MRD/DoP/MF/Cir-08/208 dated April 03, 2008 and MRD/DoP/Cir-20/2008 dated June 30, 2008.
- New Berry Capitals Private Limited will put in place necessary procedures to determine whether their existing/potential customer is a politically exposed person (PEP). Such procedures would include seeking additional information from clients, accessing publicly available information etc.



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- New Berry Capitals Private Limited obtain senior management approval for establishing business relationships with Politically Exposed Persons. Where a customer has been accepted and the customer or beneficial owner is subsequently found to be, or subsequently becomes a PEP, New Berry Capitals Private Limited will obtain senior management approval to continue the business relationship.
- New Berry Capitals Private Limited will take reasonable measures to verify source of funds of clients identified as PEP.
- The client will be identified by New Berry Capitals Private Limited by using reliable sources including documents / information. New Berry Capitals Private Limited will obtain adequate information to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship.
- The information will be adequate enough to satisfy competent authorities (regulatory / enforcement authorities) in future that due diligence was observed by New Berry Capitals Private Limited in compliance with the Guidelines. Each original document will be seen prior to acceptance of a copy.
- Failure by prospective client to provide satisfactory evidence of identity will be noted and reported to the higher authority within New Berry Capitals Private Limited.
- SEBI has prescribed the minimum requirements relating to KYC for certain class of the registered intermediaries from time to time as stated earlier in this para. Taking into account the basic principles enshrined in the KYC norms which have already been prescribed or which may be prescribed by SEBI from time to time, New Berry Capitals Private Limited will frame their own internal guidelines based on their experience in dealing with their clients and legal requirements as per the established practices. Further, New Berry Capitals Private Limited will also maintain continuous familiarity and follow-up where it notices inconsistencies in the information provided. The underlying objective will be to follow the requirements enshrined in the PML Act, 2002 SEBI Act, 1992 and Regulations, directives and circulars issued thereunder so that New Berry Capitals Private Limited is aware of the clients on whose behalf it is dealing.



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- New Berry Capitals Private Limited shall formulate and implement a client identification programme which shall incorporate the requirements of the Notification No. 9/2005 dated July 01, 2005 (as amended from time to time), which notifies rules for maintenance of records of the nature and value of transactions, the procedure and manner of maintaining and time for furnishing of information and verification of records of the identity of the clients of the banking companies, financial institutions and intermediaries of securities market and such other additional requirements that it considers appropriate to enable it to determine the true identity of its clients. A copy of the client identification programme shall be forwarded to the Director, FIU- IND.
- It may be noted that while risk based approach may be adopted at the time of establishing business relationship with a client, no exemption from obtaining the minimum information/documents from clients as provided in the PMLA Rules is available to brokers in respect of any class of investors with regard to the verification of the records of the identity of clients.

5.6. Reliance on third party for carrying out Client Due Diligence (CDD)

- i New Berry Capitals Private Limited 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. Such third party shall be regulated, supervised or monitored for, and have measures in place for compliance with CDD and record-keeping requirements in line with the obligations under the PML Act.
- ii Such reliance shall be 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. Further, New Berry Capitals Private Limited shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable.

6. Record Keeping



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- 6.1. New Berry Capitals Private Limited will ensure compliance with the record keeping requirements contained in the SEBI Act, 1992, Rules and Regulations made there-under, PML Act, 2002 as well as other relevant legislation, Rules, Regulations, Exchange Bye-laws and Circulars.
- 6.2. New Berry Capitals Private Limited will maintain such records as are sufficient to permit reconstruction of individual transactions (including the amounts and types of currencies involved, if any) so as to provide, if necessary, evidence for prosecution of criminal behavior.
- 6.3. Should there be any suspected drug related or other laundered money or terrorist property, the competent investigating authorities would need to trace through the audit trail for reconstructing a financial profile of the suspect account. To enable this reconstruction, New Berry Capitals Private Limited will retain the following information for the accounts of their customers in order to maintain a satisfactory audit trail:
 - a. the beneficial owner of the account;
 - b. the volume of the funds flowing through the account; and
 - c. for selected transactions:
 - the origin of the funds;
 - the form in which the funds were offered or withdrawn, e.g. cash, cheques, etc.;
 - the identity of the person undertaking the transaction;
 - the destination of the funds;
 - the form of instruction and authority.
- 6.4. New Berry Capitals Private Limited will ensure that all customer and transaction records and information are available on a timely basis to the competent investigating authorities. Where appropriate, New Berry Capitals Private Limited will consider retaining certain records, e.g. customer identification, account files, and business correspondence, for periods which may exceed that required under the SEBI Act, Rules and Regulations framed there-



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New Berry Capitals Private Limited

A 602, Marathon NextGen Innova G.K. Marg, Lower Parel (West), Mumbai – 400013.

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CIN NO.: U67190MH2007PTC174445

SEBI REGISTRATION NO.: NSE/BSE: INZ000004838

SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

under PMLA 2002, other relevant legislations, Rules and Regulations or Exchange bye-laws or circulars.

6.5. More specifically, all the intermediaries shall put in place a system of maintaining proper record of transactions prescribed under Rule 3, notified under the Prevention of Money Laundering Act (PMLA), 2002 as mentioned below:

- i all cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency;
- ii all series of cash transactions integrally connected to each other which have been valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds rupees ten lakh;
- iii all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place;
- iv all suspicious transactions whether or not made in cash and by way of as mentioned in the Rules.

7. Information to be maintained

Intermediaries are required to maintain and preserve the following information in respect of transactions referred to in Rule 3 of PMLA Rules:

- I. the nature of the transactions;
- II. the amount of the transaction and the currency in which it denominated;
- III. the date on which the transaction was conducted; and
- IV. the parties to the transaction.

8. Retention of Records



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SEBI REGISTRATION NO.: NSE/BSE: INZ000004838

SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

- 8.1. New Berry Capitals Private Limited will take appropriate steps to evolve an internal mechanism for proper maintenance and preservation of such records and information in a manner that allows easy and quick retrieval of data as and when requested by the competent authorities. Further, the records mentioned in Rule 3 of PMLA Rules have to be maintained and preserved for a period of eight years from the date of cessation of the transactions between the client and New Berry Capitals Private Limited.
- 8.2. As stated in para 5.5, intermediaries are required to formulate and implement the client identification program containing the requirements as laid down in Rule 9 and such other additional requirements that it considers appropriate. "Records evidencing the identity of its clients and beneficial owners as well as account files and business correspondence shall be maintained and preserved for a period of eight years after the business relationship between a client and New Berry Capitals Private Limited has ended or the account has been closed, whichever is later."
- 8.3. Thus, the following document retention terms will be observed:
 - a. All necessary records on transactions, both domestic and international, will be maintained at least for the minimum period prescribed under the relevant Act (PMLA, 2002 as well SEBI Act, 1992) and other legislations, Regulations or exchange bye-laws or circulars.
 - b. New Berry Capitals Pvt Ltd 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 eight years after the business relationship between a client and New Berry Capitals Private Limited has ended or the account has been closed, whichever is later.



Merchant Banking |PCG Equity Broking| PMS

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SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

- 8.4. In situations where the records relate to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, they will be retained until it is confirmed that the case has been closed.
- 8.5. **Records of information reported to the Director, Financial Intelligence Unit - India (FIU-IND):** New Berry Capitals Pvt Ltd 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 eight years from the date of the transaction between the client and the New Berry Capitals Pvt Ltd.

9. Monitoring of transactions

- 9.1. Regular monitoring of transactions is vital for ensuring effectiveness of the Anti-Money Laundering procedures. This is possible only if New Berry Capitals Private Limited has an understanding of the normal activity of the client so that they can identify the deviant transactions / activities.
- 9.2. New Berry Capitals Private Limited will pay special attention to all complex, unusually large transactions / patterns which appear to have no economic purpose. New Berry Capitals Private Limited may specify internal threshold limits for each class of client accounts and pay special attention to the transaction which exceeds these limits. The background including all documents/office records /memorandums/clarifications sought pertaining to such transactions and purpose thereof shall also be examined carefully and findings shall be recorded in writing. Further such findings records and related documents will be made available to auditors and also to SEBI / Stock Exchanges /FIU-IND/Other relevant authorities, during audit, inspection or as and when required. These records are required to be maintained and preserved for a period of eight years from the date of transaction between the client and New Berry Capitals Private Limited. as is required under PMLA 2002”



Merchant Banking |PCG Equity Broking| PMS

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SEBI REGISTRATION NO.: NSE/BSE: INZ000004838

SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

- 9.3. New Berry Capitals Private Limited will ensure a record of transaction is preserved and maintained in terms of section 12 of the PMLA 2002 and that transaction of suspicious nature or any other transaction notified under section 12 of the act is reported to the appropriate law authority. Suspicious transactions will also be regularly reported to the higher authorities / head of the department.
- 9.4. Further the compliance cell of New Berry Capitals Private Limited will randomly examine a selection of transaction undertaken by clients to comment on their nature i.e. whether they are in the suspicious transactions or not.

10. Suspicious Transaction Monitoring & Reporting

- 10.1. New Berry Capitals Private Limited will ensure to take appropriate steps to enable suspicious transactions to be recognised and have appropriate procedures for reporting suspicious transactions. While determining suspicious transactions, New Berry Capitals Private Limited will be guided by definition of suspicious transaction contained in PML Rules as amended from time to time.
- 10.2. A list of circumstances which may be in the nature of suspicious transactions is given below. This list is only illustrative and whether a particular transaction is suspicious or not will depend upon the background, details of the transactions and other facts and circumstances:
- a. Clients whose identity verification seems difficult or clients appears not to cooperate
 - b. Asset management services for clients where the source of the funds is not clear or not in keeping with client's apparent standing /business activity;
 - c. Clients in high-risk jurisdictions or clients introduced by banks or affiliates or other clients based in high-risk jurisdictions;
 - d. Substantial increases in business without apparent cause;
 - e. Unusually large cash deposits made by an individual or business;



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CIN NO.: U67190MH2007PTC174445

SEBI REGISTRATION NO.: NSE/BSE: INZ000004838

SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

- f. Clients transferring large sums of money to or from overseas locations with instructions for payment in cash;
- g. Transfer of investment proceeds to apparently unrelated third parties;
- h. Unusual transactions by CSCs and businesses undertaken by offshore banks /financial services, businesses reported to be in the nature of export-import of small items.
- i. Single or Multiple transfer of funds more than 1crore in a calendar month in brokers account from multiple sources/accounts with are not reported as clients.
- j. Sudden increase in the funding amount of Margin Trading Facility (MTF) exposure;
 - 1. By more than 50% of MTF exposure of previous month AND;
 - 2. With a value of more than Rs. 10 Crores.
- k.
 - 1. Only for Reason Code/s
 - Off-market sale
 - Gift
 - Donation ANS;
 - 2. Valuation per debit transaction will be > 25 lacs AND;
 - 3. Exclude accounts with same PAN, mobile, email ID, same bank details (IFSC + ac no) (same mobile / email/ bank details in multiple demat account will be treated as related accounts) and family flag is enabled AND:
 - 4. Valuation is > 5times of income range.
- l.
 - 1. Customer receive credit/ demat of 50, 000 shares of shares worth Rs. 25 Lakhs and above by single transaction or series of transactions in an ISIN AND;
 - 2. 80% or more of credits shares gets debited by way off Market transfers to 3 or more than 3 unrelated accounts AND;
 - 3. Only Listed Equity Shares will be considered for this alert. (Monthly FrequencyO short span of time is within 30 days.
- m.
 - 1. Singles or series of Transactions where more than 5,00,000 unlisted equity shares have been transferred within period of 1 month AND;
 - 2. Off- Market Transfers with Reason Code “Off- Market Sale” Donation” and “ Gift” will be considered AND;



Merchant Banking |PCG Equity Broking| PMS

New Berry Capitals Private Limited

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CIN NO.: U67190MH2007PTC174445

SEBI REGISTRATION NO.: NSE/BSE: INZ000004838

SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

3. Exclude own account transfer (first holder PAN) i.e., transfers made through account transfer cum closure module and with reason code transfer to own accounts. (Monthly frequency).
- n.
 1. Transaction value of such transaction is beyond 5 time of Income range/ Net worth (as updated in demat account) on higher side as provided by the BO AND;
 2. Listed Equity Shares will be considered AND;
 3. Debit transaction specific reason codes > 5 lacs in value AND;
 4. for Reason Code/s
 - Family Account Transfer
 - Gift
 - Donation
- o.
 1. Off Market transfers with reason code “OFF- Market sale” AND;
 2. Difference of +/- 50% difference in consideration value ,mentioned value of Equity Shares AND;
 3. Only Listed Equity Shares will be considered AND;
 4. Minimum transaction value for alert will be Rs. 25 Lakhs AND;
- p.
 1. Off market single or series of transactions having value of Rs. 2 Lakh and above AND;
 2. Suspicious Scrips for which unsolicited SMSs were circulated will be taken from below URLs BSE:
https://www.bseindia.com/attention_investors.aspx

NSE:

<https://www.nseindia.com/regulations/unsolicited-messages-report>
- q.
 1. Accounts closed within 30 days of opening of Account and single or series of debit transactions (On Market, Off-Market including IDT Transfer with value > 10 lacs AND;
 2. Exclude own account transfer (first holder PAN) i.e., transfers made through account transfer cum closure module and with reason code transfer to own accounts. Also, if



Merchant Banking | PCG Equity Broking | PMS

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SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

securities received in source account through transmission, then the same will be excluded.

- 10.3. suspicion transaction will be immediately notified to the Money Laundering Control Officer or any other designated officer within New Berry Capitals Private Limited. The notification may be done in the form of a detailed report with specific reference to the clients, transactions and the nature /reason of suspicion. However, New Berry Capitals Private Limited will ensure that there is continuity in dealing with the client as normal until told otherwise and the client will not be told of the report/suspicion. In exceptional circumstances, consent may not be given to continue to operate the account, and transactions may be suspended, in one or more jurisdictions concerned in the transaction, or other action taken. The Principal Officer / Money Laundering Control Officer and other appropriate compliance, risk management and related staff members shall have timely access to customer identification data and other CDD information, transaction records and other relevant information.”
- 10.4. It is likely that in some cases transactions are abandoned/aborted by customers on being asked to give some details or to provide documents. It is clarified that New Berry Capitals Private Limited will report all such attempted transactions in STRs, even if not completed by customers, irrespective of the amount of the transaction.
- 10.5. Clause 5.4(vii) of this Master Circular categorizes clients of high risk countries, including countries where existence and effectiveness of money laundering controls is suspect or which do not or insufficiently apply FATF standards, as ‘CSC’. Intermediaries are directed that such clients shall also be subject to appropriate counter measures. These measures may include a further enhanced scrutiny of transactions, enhanced relevant reporting mechanisms or systematic reporting of financial transactions, and applying enhanced due diligence while expanding business relationships with the identified country or persons in that country etc.



Merchant Banking |PCG Equity Broking| PMS

New Berry Capitals Private Limited

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CIN NO.: U67190MH2007PTC174445

SEBI REGISTRATION NO.: NSE/BSE: INZ000004838

SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

11. Reporting to Financial Intelligence Unit-India

11.1. In terms of the PMLA rules, intermediaries are required to report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND) at the following address:

Director, FIU-IND,
Financial Intelligence Unit-India,
6th Floor, Hotel Samrat,
Chanakyapuri,
New Delhi-110021.
Website: <http://fiuindia.gov.in>

11.2. New Berry Capitals Private Limited will carefully go through all the reporting requirements and formats enclosed with this circular. These requirements and formats are divided into two parts- Manual Formats and Electronic Formats. Details of these formats are given in the documents (Cash Transaction Report- version 1.0 and Suspicious Transactions Report version 1.0) which are also enclosed with this circular. These documents contain detailed guidelines on the compilation and manner/procedure of submission of the manual/electronic reports to FIU-IND. The related hardware and technical requirement for preparing reports in manual/electronic format, the related data files and data structures thereof are also detailed in these documents. Intermediaries, which are not in a position to immediately file electronic reports, may file manual reports to FIU-IND as per the formats prescribed. While detailed instructions for filing all types of reports are given in the instructions part of the related formats, New Berry Capitals Private Limited will adhere to the following:

- a. The cash transaction report (CTR) (wherever applicable) for each month will be submitted to FIU-IND by 15th of the succeeding month.



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CIN NO.: U67190MH2007PTC174445

SEBI REGISTRATION NO.: NSE/BSE: INZ000004838

SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

- b. The Suspicious Transaction Report (STR) will be submitted within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, or a series of transactions integrally connected are of suspicious nature. The Principal Officer will record his reasons for treating any transaction or a series of transactions as suspicious. It will be ensured that there is no undue delay in arriving at such a conclusion.
 - c. The Principal Officer will be responsible for timely submission of CTR and STR to FIU-IND;
 - d. Utmost confidentiality will be maintained in filing of CTR and STR to FIU-IND. The reports may be transmitted by speed/registered post/fax at the notified address.
 - e. No nil reporting needs to be made to FIU-IND in case there are no cash/suspicious transactions to be reported.
- 11.3. New Berry Capitals Private Limited will not put any restrictions on operations in the accounts where an STR has been made. New Berry Capitals Private Limited and their directors, officers and employees (permanent and temporary) will be prohibited from disclosing (“tipping off”) the fact that a STR or related information is being reported or provided to the FIU-IND. Thus, it will be ensured that there is no tipping off to the client at any level.
- 11.4. “It is clarified that New Berry Capitals Private Limited, irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences specified in part B of schedule of PMLA 2002, will file STR if they have reasonable grounds to believe that the transactions involve proceeds of crime.”

12. Designation of an officer for reporting of suspicious transactions

- 12.1. To ensure that New Berry Capitals Private Limited will properly discharge their legal obligations to report suspicious transactions to the authorities, the Principal Officer would act as a central reference point in facilitating onward reporting of suspicious transactions and for playing an active role in the identification and assessment of potentially suspicious



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SEBI REGISTRATION NO.: NSE/BSE: INZ000004838

SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

transactions. Names, designation and addresses (including e-mail addresses) of 'Principal Officer' including any changes therein shall also be intimated to the Office of the Director-FIU. As a matter of principle, it is advisable that the 'Principal Officer' is of a sufficiently higher position and is able to discharge his functions with independence and authority. The Principal Officer shall have access to and able to report to senior management above his/her next reporting level or the Board of Directors.

13. Employees' Hiring/Employee's Training/ Investor Education

13.1. Hiring of Employees

New Berry Capitals Private Limited will have adequate screening procedures in place to ensure high standards when hiring employees. New Berry Capitals Private Limited will identify the key positions within their own organization structures having regard to the risk of money laundering and terrorist financing and the size of their business and ensure the employees taking up such key positions are suitable and competent to perform their duties.

13.2. Employees' Training

Intermediaries must have an ongoing employee training programme so that the members of the staff are adequately trained in AML and CFT procedures. Training requirements will have specific focus for frontline staff, back office staff, compliance staff, risk management staff and staff dealing with new customers. It is crucial that all those concerned fully understand the rationale behind these guidelines, obligations and requirements, implement them consistently and are sensitive to the risks of their systems being misused by unscrupulous elements.

13.3. Investors Education

Implementation of AML/CFT measures requires intermediaries to demand certain information from investors which may be of personal nature or which has hitherto never been called for. Such information can include documents evidencing source of funds/income



Merchant Banking |PCG Equity Broking| PMS

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 SEBI REGISTRATION NO.: NSE/BSE: INZ000004838
 SEBI (PMS) REGISTRATION NO: INP000005323
 SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

tax returns/bank records etc. This can sometimes lead to raising of questions by the customer with regard to the motive and purpose of collecting such information. There is, therefore, a need for intermediaries to sensitize their customers about these requirements as the ones emanating from AML and CFT framework. New Berry Capitals Private Limited will prepare specific literature/ pamphlets etc. so as to educate the customer of the objectives of the AML/CFT programme.

14. List of key circulars issued with regard to KYC/AML/CFT

14.1.

| | Circular No. | Date of circular | Subject | Broad area covered |
|----|---------------------|------------------|--|--|
| 1. | MRD/DoP/Cir-05/2007 | April 27, 2007 | PAN to be the sole identification number for all transactions in the securities market | In order to strengthen KYC and identify every participant in the securities market with their respective PAN, so as to ensure sound audit trail, PAN made mandatory for participants transacting in the securities market. |
| 2. | ISD/CIR/RR/AML/2/06 | March 20, 2006 | Prevention of Money Laundering Act, 2002- Obligations of intermediaries in terms of Rules notified there under | Procedure for maintaining and preserving records, reporting requirements and formats of reporting cash transactions and suspicious transactions |
| 3. | ISD/CIR/RR/AML/1/06 | January 18, 2006 | Guidelines on Anti Money Laundering Standards | Framework for AML and CFT including policies and procedures, Customer Due |



Merchant Banking |PCG Equity Broking| PMS

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 SEBI (PMS) REGISTRATION NO: INP000005323
 SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

| | | | | |
|----|-------------------------------|-----------------|--|--|
| | | | | Diligence requirements, record keeping, retention, monitoring and reporting |
| 4. | SEBI/MIRSD/DPS-1/Cir-31/2004 | August 26, 2004 | Uniform Documentary Requirements for trading | Uniform KYC documentary requirements for trading on different segments and exchanges |
| 5. | MRD/DoP/Dep/Cir-29/2004 | August 24, 2004 | Proof of Identity (POI) and Proof of Address (POA) for opening a Beneficiary Owner (BO) Account for non-body corporate | Broadening the list of documents that may be accepted as Proof of Identity (POI) and/or Proof of Address (POA) for the purpose of opening a BO Account |
| 6. | SEBI/MRD/SE/Cir-33/2003/27/08 | August 27, 2003 | Mode of payment and delivery | Prohibition on acceptance/giving of cash by brokers and on third party transfer of securities |
| 7. | SMD/POLICY/CIRCU LARS/5-97 | April 11, 1997 | Client Registration Form | Formats of client Registration Form and broker clients agreements |
| 8. | SMD-1/23341 | Nov. 18, 1993 | Regulation of transaction between clients and members | Mandatory requirement to obtain details of clients by brokers. |

14.2. Appointment of a Designated Director



Merchant Banking |PCG Equity Broking| PMS

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CIN NO.: U67190MH2007PTC174445

SEBI REGISTRATION NO.: NSE/BSE: INZ000004838

SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

- i In addition to the existing requirement of designation of a Principal Officer, the registered intermediaries (New Berry Capitals Pvt Ltd) has also designate a person as a 'Designated Director'. In terms of Rule 2 (ba) of the PML Rules, the definition of a Designated Director reads as under:

“Designated Director means a person designated by the reporting entity to ensure overall compliance with the obligations imposed under chapter IV of the Act and the Rules and includes —

 - a. the Managing Director or a Whole-time Director duly authorized by the Board of Directors if the reporting entity is a company.
 - b. the managing partner if the reporting entity is a partnership firm,
 - c. the proprietor if the reporting entity is a proprietorship concern,
 - d. the managing trustee if the reporting entity is a trust,
 - e. a person or individual, as the case may be, who controls and manages the affairs of the reporting entity if the reporting entity is an unincorporated association or a body of individuals, and
 - f. such other person or class of persons as may be notified by the Government if the reporting entity does not fall in any of the categories above.”
- ii In terms of Section 13 (2) of the PML Act (as amended by the Prevention of Money-laundering (Amendment) Act, 2012), the Director, FIU-IND can take appropriate action, including levying monetary penalty, on the Designated Director for failure of New Berry Capitals Private Limited to comply with any of its AML/CFT obligations.
- iii New Berry Capitals Private Limited will communicate the details of the Designated Director, such as, name, designation and address to the Office of the Director, FIU-IND. New Berry Capitals has already communicated the required details to FIU-IND.

15. List of Designated Individuals/Entities:



Merchant Banking | PCG Equity Broking | PMS

New Berry Capitals Private Limited

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CIN NO.: U67190MH2007PTC174445

SEBI REGISTRATION NO.: NSE/BSE: INZ000004838

SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

An updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) can be accessed at its website at <http://www.un.org/sc/committees/1267/consolist.shtml>. New Berry Capitals Private Limited will ensure that accounts are not opened in the name of anyone whose name appears in said list. New Berry Capitals Private Limited will continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list. Full details of accounts bearing resemblance with any of the individuals/entities in the list shall immediately be intimated to SEBI and FIU-IND.

16. Procedure for freezing of funds, financial assets or economic resources or related services:

Section 51A, of the Unlawful Activities (Prevention) Act, 1967 (UAPA), relating to the purpose of prevention of, and for coping with terrorist activities was brought into effect through UAPA Amendment Act, 2008. In this regard, the Central Government has issued an Order dated August 27, 2009 detailing the procedure for the implementation of Section 51A of the UAPA. Under the aforementioned Section, the Central Government is empowered to freeze, seize or attach funds and other financial assets or economic resources held by, on behalf of, or at the direction of the individuals or entities listed in the Schedule to the Order, or any other person engaged in or suspected to be engaged in terrorism. The Government is also further empowered to prohibit any individual or entity from making any funds, financial assets or economic resources or related services available for the benefit of the individuals or entities listed in the Schedule to the Order or any other person engaged in or suspected to be engaged in terrorism. The obligations to be followed by intermediaries to ensure the effective and expeditious implementation of said Order has been issued vide SEBI Circular ref. no: ISD/AML/CIR-2/2009 dated October 23, 2009, which needs to be complied with scrupulously.



Merchant Banking |PCG Equity Broking| PMS

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SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

1. Policy for Acceptance of Clients

In the context of the very large base of customers and the significant differences in the extent of risk posed by them, the companies are advised to classify the customer into high risk and low risk, based on the individual's profile and product profile, to decide upon the extent of due diligence.

- i. For the purpose of risk categorization, individuals (other than High Net Worth) and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile may be categorized as low risk. Illustrative examples of low risk customers could be salaried employees whose salary structures are well defined, people belonging to lower economic strata of the society, Government departments and Government owned companies, regulators and statutory bodies etc., In such cases, the policy may require that only the basic requirements of verifying the identity and location of the customer are to be met. Notwithstanding above, in case of continuing policies, if the situation warrants, as for example if the customer profile is inconsistent with his investment through top-ups, a re-look on customer profile is to be carried out.
- ii. For the high risk profiles, like for customers who are non-residents, high net worth individuals, trusts, charities, NGO's and organizations receiving donations, companies having close family shareholding or beneficial ownership, firms with sleeping partners, politically exposed persons (PEPs), and those with dubious reputation as per available public information who need higher due diligence, KYC and underwriting procedures will ensure higher verification and counter checks. In this connection companies are also advised to carry out the appropriate level of due diligence



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New Berry Capitals Private Limited
 A 602, Marathon NextGen Innova G.K. Marg, Lower Parel
 (West), Mumbai – 400013.
 Tel: +91 22 48818442 www.newberrycapitals.in
 CIN NO.: U67190MH2007PTC174445
 SEBI REGISTRATION NO.: NSE/BSE: INZ000004838
 SEBI (PMS) REGISTRATION NO: INP000005323
 SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

2. Client Identification Process

At the time of opening an account or executing any transaction with it, the firm will verify and maintain the record of identity and current address or addresses including permanent address or addresses of the client, the nature of business of the client and his financial status as under

| Constitution of Client | Proof of Identity | Proof of Address | Others |
|------------------------|---|--------------------------------|---|
| Individual | 1. PAN Card | 2. Copy of Bank Statement, etc | 3. N.A. |
| Company | 1. PAN Card 2. Certificate of incorporation 3. Memorandum and Articles of Association 4. Resolution of Board of Directors | 5. As above | 6. Proof of Identity of the Directors/Others authorized to trade on behalf of the firm 7. Shareholding Pattern |
| Partnership Firm | 1. PAN Card 2. Registration certificate 3. Partnership deed | 4. As above | 5. Proof of Identity of the Partners/Others authorized to trade on behalf of the firm |
| Trust | 1. PAN Card 2. Registration certificate 3. Trust deed | 4. As above | 5. Proof of Identity of the Trustees/ others authorized to trade on behalf of the trust |
| AOP/ BOI | 1. PAN Card 2. Resolution of the managing body 3. Documents to collectively establish the legal existence of such an AOP/ BOI | 4. As above | 5. Proof of Identity of the Persons authorized to trade on behalf of the AOP/ BOI |



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3. Illustrative list of Suspicious Transactions:

The following kinds of activities are to be mentioned as Red Flags and reported to the Principal Officer.

- a. The customer exhibits unusual concern about the firm's compliance with government reporting requirements and the firm's AML policies (particularly concerning his or her identity, type of business and assets), or is reluctant or refuses to reveal any information concerning business activities, or furnishes unusual or suspicious identification or business documents.
- b. Frequent request for change in addresses
- c. The information provided by the customer that identifies a legitimate source for funds is false, misleading, or substantially incorrect.
- d. Upon request, the customer refuses to identify or fails to indicate any legitimate source for his or her funds and other assets.
- e. The customer attempts to make frequent or large deposits of currency, insists on dealing only in cash, or asks for exemptions from the firm's policies relating to the deposit of cash.
- f. The customer engages in transactions involving cash or cash equivalents or other monetary instruments that appear to be structured to avoid the Rs.10,00,000 government reporting requirements, especially if the cash or monetary instruments are in an amount just below reporting or recording thresholds.
- g. For no apparent reason, the customer insists for multiple accounts under a single name or multiple names, with a large number of inter-account or third-party transfers.
- h. The customer, for no apparent reason or in conjunction with other red flags, engages in transactions involving certain types of securities, such as Z group and T group stocks, which although legitimate, have been used in connection with fraudulent schemes and money



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laundering activity. (Such transactions may warrant further due diligence to ensure the legitimacy of the customer's activity.)

- i. The customer's account shows an unexplained high level of account activity
- j. The customer maintains multiple accounts, or maintains accounts in the names of family members or corporate entities, for no apparent purpose.
- k. The customer's account has inflows of funds or other assets well beyond the known income or resources of the customer.

When a member of the firm detects any red flag he or she will escalate the same to the Principal Officer for further investigation

Broad categories of reason for suspicion and examples of suspicious transactions for an New Berry Capitals Private Limited are indicated as under:

Identity of Client

- False identification documents
- Identification documents which could not be verified within reasonable time
- Non-face to face client
- Doubt over the real beneficiary of the account
- Accounts opened with names very close to other established business entities

Suspicious Background

- Suspicious background or links with known criminals

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

Activity in Accounts

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



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- Account used for circular trading

Nature of Transactions

- Unusual or unjustified complexity
- No economic rationale or bonafide purpose
- Source of funds are doubtful
- Appears to be case of insider trading
- Investment proceeds transferred to a third party
- Transactions reflect likely market manipulations
- Suspicious off market transactions

Value of Transactions

- Value just under the reporting threshold amount in an apparent attempt to avoid reporting
- Large sums being transferred from overseas for making payments
- Inconsistent with the clients apparent financial standing
- Inconsistency in the payment pattern by client
- Block deal which is not at market price or prices appear to be artificially inflated/deflated

4.Maintenance of records

The Principal Officer will be responsible for the maintenance for following records

- all cash transactions of the value of more than rupees ten lakhs or its equivalent in foreign currency;
- all series of cash transactions integrally connected to each other which have been valued below rupees ten lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month;
- all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place;



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- all suspicious transactions whether or not made in cash. Suspicious transaction means a 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;
 - or
 - appears to be made in circumstances of unusual or unjustified complexity; or
 - appears to have no economic rationale or bonafide purpose; or
 - gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism

The records shall contain the following information:

- the nature of the transactions;
- the amount of the transaction and the currency in which it was denominated;
- the date on which the transaction was conducted; and
- the parties to the transaction."

The records will be updated on daily basis, and in any case not later than 5 working days

5. Reporting to FIU IND

For Cash Transaction Reporting

- All dealing in Cash that requiring reporting to the FIU IND will be done in the CTR format and in the matter and at intervals as prescribed by the FIU IND

For Suspicious Transactions Reporting:

We will make a note of Suspicion Transaction that have not been explained to the satisfaction of the Principal Officer and thereafter report the same to the FIU IND and the required deadlines.

This will typically be in cases where we know, suspect, or have reason to suspect:



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- the transaction involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity as part of a plan to violate or evade any the transaction reporting requirement,
- the transaction is designed, whether through structuring or otherwise, to evade the any requirements of PMLA Act and Rules framed thereof
- the transaction has no business or apparent lawful purpose or is not the sort in which the customer would normally be expected to engage, and we know, after examining the background, possible purpose of the transaction and other facts, of no reasonable explanation for the transaction, or
- the transaction involves the use of the firm to facilitate criminal activity.

We will not base our decision on whether to file a STR solely on whether the transaction falls above a set threshold. We will file a STR and notify law enforcement of all transactions that raise an identifiable suspicion of criminal, terrorist, or corrupt activities.

All STRs will be reported quarterly to the Board of Directors, with a clear reminder of the need to maintain the confidentiality of the STRs

We will not notify any person involved in the transaction that the transaction has been reported, except as permitted by the PMLA Act and Rules thereof.

6. AML Record Keeping

a. STR Maintenance and Confidentiality

We will hold STRs and any supporting documentation confidential. We will not inform anyone outside of a law enforcement or regulatory agency or securities regulator about a STR. We will refuse any requests for STR information and immediately tell FIU IND of any such request we receive. We will segregate STR filings and copies of supporting documentation from other



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firm books and records to avoid disclosing STR filings. Our Principal Officer will handle all requests or other requests for STRs.

b. Responsibility for AML Records and SAR Filing

Principal Officer will be responsible to ensure that AML records are maintained properly and that STRs are filed as required

c. Records Required

As part of our AML program, our firm will create and maintain STRs and CTRs and relevant documentation on customer identity and verification. We will maintain STRs and their accompanying documentation for at least ten years

7. Training Programs

We will develop ongoing employee training under the leadership of the Principal Officer. Our training will occur on at least an annual basis. It will be based on our firm's size, its customer base, and its resources.

Our training will include, at a minimum: how to identify red flags and signs of money laundering that arise during the course of the employees' duties; what to do once the risk is identified; what employees' roles are in the firm's compliance efforts and how to perform them; the firm's record retention policy; and the disciplinary consequences (including civil and criminal penalties) for non-compliance with the PMLA Act.

We will develop training in our firm, or contract for it. Delivery of the training may include educational pamphlets, videos, intranet systems, in-person lectures, and explanatory memos.

We will review our operations to see if certain employees, such as those in compliance, margin, and corporate security, require specialized additional training. Our written procedures will be updated to reflect any such changes.

8. Risk categorization



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All clients, at the time of onboarding shall be classified in low, medium and high risk categories, based on the following parameters;

Meets all four parameters - High Risk

Meets three parameters - Medium Risk

Meets two or less parameters - Low risk

- Parameter 1(Location) - If the clients' location (registered office address, correspondence addresses and other addresses if applicable) is out of India in any of the high risk jurisdictions as defined by FATF
- Parameter 2(nature of business activity) - If the client is dealing in derivatives segment
- Parameter 3(Trading turnover) - If the turnover of the client is not commensurate with the income/ net worth as provided to New Berry Capitals Private Limited
- Parameter 4(Manner of making payment for transactions undertaken) - it client attempts to make payments from accounts other than its own bank accounts

9. Persons authorised to trade on behalf of the client:

Where an individual client has given authority to another person who is not a relative to trade on its behalf, the matter shall be escalated to Principal Officer

Where a non-individual client has given authority to another person who is not an employee/ office bearer to trade on its behalf, the matter shall be escalated to Principal Officer

In case the authority is given to a SEBI Registered Intermediary like Portfolio Manager or Investment Advisor, the SEBI registration details of such intermediary shall be kept on record.

10. Board of Directors Approval



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We have approved this AML program as reasonably designed to achieve and monitor our firm's ongoing compliance with the requirements of the PMLA and the implementing regulations under it.