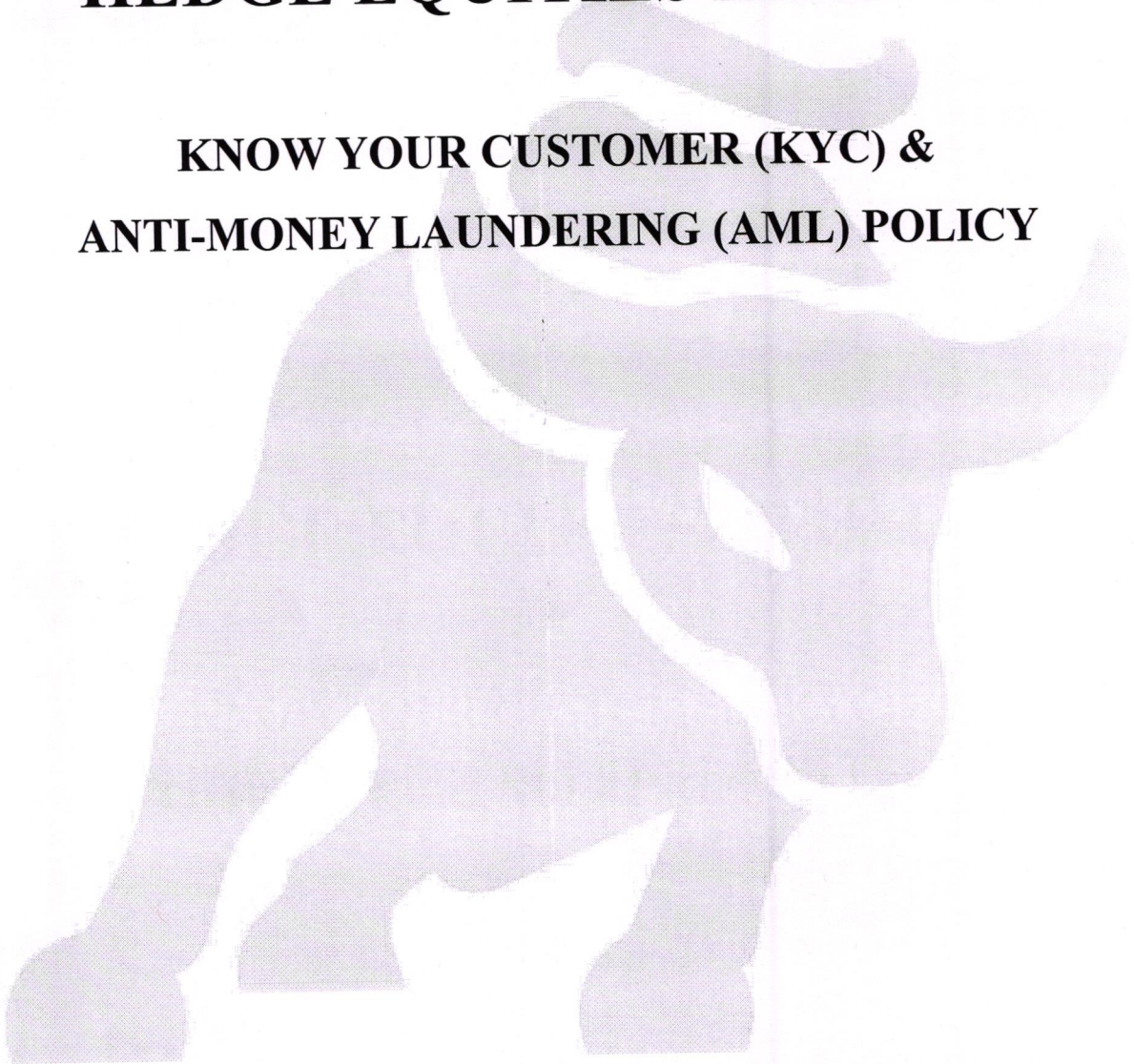


HEDGE EQUITIES LIMITED

KNOW YOUR CUSTOMER (KYC) & ANTI-MONEY LAUNDERING (AML) POLICY



HEDGE EQUITIES LIMITED

Registered Office: B 302 Trade Square, Mehra Compound, Near DSK Madhuban, Sakinaka Kurla Road, Andheri East, Mumbai – 400 072

Corporate Office: Hedge House, Mamangalam, Kochi - 682025, Kerala, India.

0484 6130436, 93493 12345 | info@hedgegroup.in | hedgeequities.com

CIN: U65990MH2007PLC176866



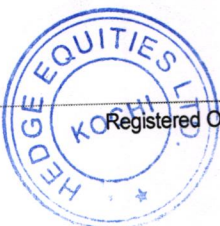
Our Company was incorporated under the Companies Act, 1956 as Hedge Equities Private Limited on 17th December 2007 with registered office at 1205, Dalamal Tower, Nariman Point, Mumbai - 400021, Maharashtra. Later the company is converted into public limited company on 17th February, 2009 and registered office was shifted to B 302 Trade Square, Mehra Compound, Near DSK Madhuban, Sakinaka Kurla Road, Andheri East, Mumbai - 400 072 w.e.f. 01.12.2014. At present the company is engaged in the business of shares, securities and stock broking as an Authorised Person (AP) registration Nos. AP01044601119270 & AP0297135953 with Motilal Oswal Financial Services Limited, Portfolio Manager with SEBI Registration No. INP000003476 and as a Research Analyst with SEBI Registration No. INH000004398.

INTRODUCTION

The Prevention of Money Laundering Act, 2002 (PMLA) came in force with effect from 1st July 2005. As per the provisions of the PMLA, every banking company, financial institution (which includes chit fund company, a co-operative bank, a housing finance institution and a nonbanking financial company) and market intermediary (Reporting Entity) (which includes a stockbroker, sub-broker, share transfer agent, banker to an issue, trustee to a trust deed, registrar to an issue, asset management company, depository participant, merchant banker, underwriter, portfolio manager, investment adviser and any other intermediary associated with the securities market and registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (SEBI Act) shall have to adhere to client account opening procedures and maintain records of such "transactions" as prescribed by the PMLA and Rules notified there under.

For the purpose of PMLA, transactions include:

- a) all cash transactions of the value of more than Rs.10 Lakhs or its equivalent in foreign currency.
- b) all series of cash transactions integrally connected to each other, which have been valued below Rs.10 Lakhs or its equivalent in foreign currency, such series of transactions within one calendar month and the monthly aggregate exceeds an amount of Rs.10 Lakhs or its equivalent in foreign currency.
- c) all suspicious transactions (remotely / integrally connected or related), whether or not made in cash and including, inter-alia, credits or debits into from any non- monetary account such as Demat account, security account maintained by the registered intermediary.
- d) For the purpose "**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 proceeds of an offence specified in the Schedule to the Act, regardless of the value involved; 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.



HEDGE EQUITIES LIMITED

Registered Office: B 302 Trade Square, Mehra Compound, Near DSK Madhuban, Sakinaka Kurla Road, Andheri East, Mumbai - 400 072

Corporate Office: Hedge House, Mamangalam, Kochi - 682025, Kerala, India.

0484 6130436, 93493 12345 | info@hedgegroup.in | hedgeequities.com

CIN: U65990MH2007PLC176866

OBLIGATION UNDER THE ACT

The Registered Intermediaries should:

- a) maintain a record of all transactions covered as per the nature and value of which may be prescribed, in such manner as to enable it to reconstruct individual transactions.
- b) furnish to the Director (FIU) within such time as may be prescribed information relating to such transactions, whether attempted or executed, the nature and value of which may be prescribed
- c) verify the identity of its clients in such manner and subject to such conditions as may be prescribed.
- d) identify the beneficial owner, if any, of such of its clients, as may be prescribed
- e) maintain record of documents evidencing identity of its clients and beneficial owners, account files and business correspondence relating to its clients and information related to transactions for specified period.
- f) issuance and adoption of written policy statement for dealing with the risk of ML and TF within the framework of current statutory and regulatory requirements,
- g) ensure that the content of these Guidelines are understood by all staff members.
- h) regularly review the policies and procedures on prevention of money laundering and terrorist financing to ensure their effectiveness. Further in order to ensure effectiveness of policies and procedures, the person doing such a review should be different from the one who has framed such policies and procedures.
- i) adopt customer acceptance policies and procedures which are sensitive to the risk of money Laundering and terrorist financing.
- j) 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.
- k) role of internal audit or compliance function to ensure compliance with the policies, procedures, and controls relating to the prevention of ML and TF, 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 of reporting of suspicious transactions and the level of awareness of front line staff, of their responsibilities in this regard.



HEDGE EQUITIES LIMITED

Registered Office: B 302 Trade Square, Mehra Compound, Near DSK Madhuban, Sakinaka Kurla Road, Andheri East, Mumbai – 400 072

Corporate Office: Hedge House, Mamangalam, Kochi - 682025, Kerala, India.

0484 6130436, 93493 12345 | info@hedgegroup.in | hedgeequities.com

CIN: U65990MH2007PLC176866

POLICIES AND PROCEDURES TO COMBAT MONEY LAUNDER AND TERRORIST FINANCING

A. PRINCIPAL OFFICER

- Principal Officer along with the Board of Directors ensures that the provisions of PMLA, as specified in the Act, Rules and various circulars / guidelines issued by the Regulators, are implemented.

PRINCIPAL OFFICER: MR. ALEX KALLUVILA BABU

DESIGNATION: MANAGING DIRECTOR

EMAIL: compliance@hedgegroup.in

- The principal officer shall have all time access to customer identification data and other CDD information.
- The principal officer shall have complete independence and authority to access and is able to report to Senior Management or his/her next reporting level or the Board of Directors.
- The Principal Officer shall ensure that the Board approved PMLA Policy framework is implemented effectively

B. CUSTOMER DUE DILIGENCE

- Obtain sufficient information in order to identify persons who beneficially own or control the 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 shall be identified using client identification and verification procedures.
- The Customer Due Diligence Process shall include three specific parameters:
 - a) Policy for Acceptance of Clients
 - b) Client Identification Procedure
 - c) Suspicious Transactions identification & reporting
- Internal ML/TF Risk Assessment
 - a) Customer Due Diligence shall be conducted at the time of registration of any new client and periodically thereafter.
 - b) Company shall ensure that the receipts funds from clients are received only through clients' own accounts.
 - c) While registering any new bank or demat account for any client, it shall be ensured that the accounts belong to the same client.
 - d) In case the client is barred from Securities market by SEBI or any other regulatory authority, the account of the said client shall be immediately blocked.
 - e) Additional due diligence shall be applied for any clients who are not residing within the territorial jurisdiction of India.
 - f) All the individual/HUF clients shall be registered only after conducting in-person and background verification.

Client Identification Procedure



HEDGE EQUITIES LIMITED

Registered Office: B 302 Trade Square, Mehra Compound, Near DSK Madhuban, Sakinaka Kurla Road, Andheri East, Mumbai – 400 072

Corporate Office: Hedge House, Mamangalam, Kochi - 682025, Kerala, India.

0484 6130436, 93493 12345 | info@hedgegroup.in | hedgeequities.com

CIN: U65990MH2007PLC176866

- a) Company shall verify the customer's identity using reliable, independent source documents, data or information.
 - b) Company shall 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;
 - c) Updation of all documents, data or information of all clients and beneficial owners collected under the CDD process.
 - d) The CDD process shall be revisited when there are suspicions of money laundering or financing of terrorism (ML/FT).
- Categorization of clients (Low, Medium, High risk and special category)
 - a) Low Risk: clients are those pose low or nil risk. These clients have a respectable and verifiable social and financial standing. Their KYC Information and financial details are easily verifiable.
 - b) Medium Risk: clients are clients who cannot be comfortably placed in neither in Low risk nor in high-risk category.
Medium risk client includes clients who satisfy following criteria:
 - Resident of India
 - Hesitates to provide any document on demand and delays to provide required information
 - Income proof in line with the trades done but exceeds limits frequently
 - Direct Client with inadequate reference
 - No delegation of authority for operation of account
 - Honors the commitment but with little delay
 - No cheque bounces
 - Places order within reasonable period
 - Transactions of the Clients will be in line with the Financial Status and net worth of the client.
 - Makes off market transfer to family members
 - c) High Risk: clients are those who have defaulted in the past, have suspicious background or the clients identified as CSC.

Each client shall be classified into low or medium or high-risk categories depending upon the risk perception. Such risk categorization may be arrived considering various factors of risk perception of the client having regard to: -

- clients' location (registered office address, correspondence addresses and other addresses if applicable),
- nature of business activity, trading turnover etc.
- manner of making payment for transactions undertaken.
- Clients of Special Category (CSC) (as defined later in this policy) may, if necessary, be classified even higher. Such clients require higher degree of due diligence and regular update of Know Your Client (KYC) profile.



HEDGE EQUITIES LIMITED

Registered Office: B 302 Trade Square, Mehra Compound, Near DSK Madhuban, Sakinaka Kurla Road, Andheri East, Mumbai – 400 072

Corporate Office: Hedge House, Mamangalam, Kochi - 682025, Kerala, India.

0484 6130436, 93493 12345 | info@hedgegroup.in | hedgeequities.com

CIN: U65990M 2007PLC176866

Clients of Special Category (CSC): Such clients shall include the following:

- a) Non-Resident Clients
- b) High Net-Worth clients,
- c) Trust, Charities, Non-Governmental Organizations (NGOs) and organizations receiving donations.
- d) Companies having close family shareholdings or beneficial ownership
- e) Politically Exposed Persons (PEP) 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) Companies offering foreign exchange offerings
- g) Clients in high-risk countries. While dealing with clients from or situate in high risk countries or geographic areas or when providing delivery of services to clients through high risk countries or geographic areas i.e. places where existence or effectiveness of action against money laundering or terror financing is suspected, apart from being guided by the Financial Action task Force (FATF) statements that inter alia identify such countries or geographic areas that do not or insufficiently apply the FATF Recommendations.
- h) Non face to face clients.
- i) Clients with dubious reputation as per public information available etc.

C. RECORD KEEPING

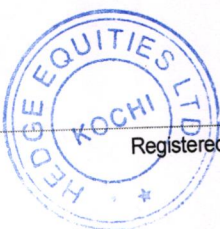
We, as a SEBI registered Intermediary, shall maintain all the records to ensure compliance of requirements contained in SEBI Act 1992, Rules and Regulations made there under, PMLA as well as other relevant legislation, Rules, Regulations, Exchange Bye-laws and Circulars.

In order to maintain an audit, trail the following information for the accounts of customers shall be kept:

- a) the beneficial owner of the account;
- b) the volume of the funds flowing through the account; and
- c) for selected transactions:
 - (i) the origin of the funds;
 - (ii) the form in which the funds were offered or withdrawn, e.g. cash, cheques, etc.;
 - (iii) the identity of the person undertaking the transaction;
 - (iv) the destination of the funds;
 - (v) the form of instruction and authority.

We shall ensure maintaining proper record of transactions namely:

- a) all cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency;
- b) 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



HEDGE EQUITIES LIMITED

Registered Office: B 302 Trade Square, Mehra Compound, Near DSK Madhuban, Sakinaka Kurla Road, Andheri East, Mumbai – 400 072

Corporate Office: Hedge House, Mamangalam, Kochi - 682025, Kerala, India.

0484 6130436, 93493 12345 | info@hedgegroup.in | hedgeequities.com

CIN: U65990MH2007PLC176866

transactions have taken place within a month and the aggregate value of such transactions exceeds rupees ten lakh;

- c) 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;
- d) all suspicious transactions whether or not made in cash and by way of as mentioned in the Rules

D. RE- KYC

Re KYC is integral part of PMLA policy. Re KYC for dormant account is done as and when the client request for re activation of the account

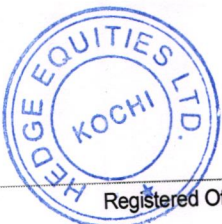
- Low Risk Clients: Re KYC for Low-Risk client is done after seven to Ten years.
- Medium Risk Clients: Re KYC for Medium Risk client is done after Five to Seven years.
- High Risk Clients: Re KYC for High-Risk client is done after Three to Five years.

Shifting of clients from their risk categorization shall be done based on the client status and if the client due diligence does not provide true picture.

E. REVIEW OF PMLA/CFT PROCEDURES

The policy shall be reviewed periodically so as to incorporate the latest change(s) in the Anti Money Laundering Act 2002 or change in any other act, bye-laws, rules, regulations of SEBI, CBI or in any statutory and regulatory government department related to or affect to this. Further the review of this policy framework shall be undertaken by the person other than the one who has framed this policy.

The above policy is placed before the Meeting of the Board of Directors of the Company dated 21st April, 2026 and duly approved.



HEDGE EQUITIES LIMITED

Registered Office: B 302 Trade Square, Mehra Compound, Near DSK Madhuban, Sakinaka Kurla Road, Andheri East, Mumbai – 400 072

Corporate Office: Hedge House, Mamangalam, Kochi - 682025, Kerala, India.

0484 6130436, 93493 12345 | info@hedgegroup.in | hedgeequities.com

CIN: U65990MH2007PLC176866