

## **POLICY PML Act 2002 & KYC NORMS**

PMLA refers to Prevention of Money Laundering Act, 2002 (referred to in this document as “PMLA”)

KYC means Know Your Customer. In terms of PMLA, every intermediary (including Mutual Funds) is required to have a Client Identification Program and frame a KYC policy, which means knowing your customer by seeking information and supporting documentation about the customer’s identity and address, besides other information like nationality, income source, occupation etc.

The KYC requirement is applicable to all categories of investors eligible to invest with us viz., Resident Individual investors, Non Resident Indians, Persons of Indian Origin (PIO), HUF, Societies, Partnership Firms, Trusts, Companies, Body Corporate, Public Sector Undertakings, Banks, Financial Institutions, Mutual Funds, Foreign Institutional Investors and such other individuals / institutions, including any holders / issuers of Power of Attorney.

The documents required for a Resident Indian are a KYC Application form, along with a valid PAN proof, address proof, and a color photograph on a light background. Original PAN card must be shown while submitting KYC application form for verification, thereafter, which, the same will be returned across the counter.

These KYC requirements are only in respect of new investments.

The KYC norms require submission of information matched by a valid document for proof of identity and proof of address besides other mandatory information in line with PMLA. This is a regulatory requirement and also mandated by SEBI.

Each investor, including all joint holders within a folio / all other folios need to get KYC compliant. If investment is in the name of a minor, the Guardian has to be KYC compliant. Holders and issuers of Power of Attorney, both have to be KYC compliant.

A POS is an official Point of Service that acts as a front office to accept valid KYC application form (KAF), scrutinizes / verifies the supporting documents and issues a KYC Compliance Letter.

We require client to submit a completed KAF at a designated POS, seeking certain mandatory information about you, your address, income, nationality, occupation etc, supported by valid documents and also a recent photograph. Presently, there are no charges for getting KYC compliant.

On receipt of KAF along with the required documents, the KYC Compliance letter will normally be issued across the counter at the designated Official Points of Service after preliminary verification of documents. However, based on final verification of the documents at the back office, the KYC Compliance letter may be invalidated in case of deficiency of documents / incomplete information.

KYC Compliance is perpetual unless invalidated by us / cancelled at our sole discretion. However, KYC Compliance letter, if not used by us for a continuous period of 3 years, may be liable for de-activation. We reserve the right to seek a updated status of your information in future.

If a valid document (including attestations / certifications) towards proof of address is in a regional language or a foreign language, they have to be translated into English prior to submission.

With regards to nomination, nominee need not be a KYC compliant. In the event of such nominees stepping into the shoes of a unit holder by virtue of Operation of Law, the nominee has to complete KYC requirements in force at that time. If the nominee is still a minor in such an event, the Guardian of the minor has to be KYC compliant.

With regards to HUF as an entity is required to be KYC compliant.

Only Permanent Account Number (PAN) card can be submitted as a Identity Proof. However, for proof of address a most recent document has to be submitted (not more than 3 months old). If proof of address is for example a passport, such a requirement will not apply as long as it is a valid passport.

Only Permanent Account Number (PAN) card can be submitted as a valid identity document.

KYC compliance is for each applicant. Unique sets of documents are required from each applicant. Please note that this is a onetime requirement unless there are changes in the address or if additional information is required by any governmental / regulatory body (ies) in terms of PMLA.

In the event of change in address the address provided for KYC compliance will overwrite the existing address in the folio/s. Therefore, all correspondences will be sent to your new address as mentioned in the KAF. Existing investors are however cautioned to note that their latest address and other demographic information is made available to CVL. A 'KYC Details Change Form' is available for this purpose. This will ensure that all correspondences are sent to the correct address.

All documents required by us in terms of PMLA must be certified i.e. attested / gazetted / notarized by appropriate authorities. In case you wish to bring the original documents to

our offices, the copies of such documents should be self-certified. In such cases, original documents will be seen for verification by POS and returned to the applicant.

Every documentary proof has to be either certified i.e. attested / gazetted / notarized by appropriate authorities or the document has to be produced in original with self-attested photocopies for verification.

Change in any information as required in the KAF has to be communicated to any POS immediately. A separate 'KYC Details Change FORM' is available. You may contact any of the designated Official Points of Service / our Investor Service Centers for such forms.

Any deficiency in documentation / information will render the KAF and KYC Compliance letter, if any, allotted as invalid.

In the event of any KYC Application Form being subsequently rejected for lack of information / deficiency / insufficiency of mandatory documentation, the investment transaction(s) will be cancelled and the amount will be mandatorily redeemed at applicable NAV, subject to payment of exit load, wherever applicable. Such refunds will be dispatched within a maximum period of 21 days from date of allotment of units. If your KYC Application Form is not updated then it is possible that your folio is locked for any further additional investment or new subscription.

You will have to submit a new KAF with all requisite valid supporting documents. Investors / Unit holders must send their request for change in address supported by a valid document evidencing the new address to the designated PoS. As far as possible, please allow a minimum ten days ahead of a financial transaction for a change in address so that the records of our Registrar and Transfer Agent are updated. If this requirement is not met, it is possible that all the documents are dispatched (including redemption / dividend cheques / warrants (if any) / account statements to your old address.

You will be identified as Low Risk, Medium Risk and High Risk customer in order to apply customer due diligence process. The factors of Risk perception depend on your location, nature of business activity, turnover, nature of transaction, manner of payment etc.

Investors / Unit holders must send their request for change in name at the earliest supported by a valid document (such as a attested / gazetted copy of the marriage certificate) evidencing the marriage and change in name to the designated Official Points of Service.

As long as it is a KYC Compliance letter issued by CDSL at any official Point of Service, it is valid. Such KYC compliance letter should have been obtained by submitting a valid PAN copy. No other number/letter issued by any other entity will be recognized as a valid KYC compliance.

The erstwhile MAPIN Identification Number is now withdrawn since PAN is the sole identification number for KYC compliance. However if the investor had applied for MIN with PAN as the proof of identity, he can submit the MIN intimation letter and quote his PAN at the time of application. If PAN was not submitted as a proof of identity at the time of procuring MIN, then the unit-holder has to reapply for KYC compliance with PAN as the proof of identity.

From 01st January 2008 if an investor is not KYC compliant purchase applications will be rejected.

Please fill in the KYC application form and submit it to any of the POS. Please attach the KYC acknowledgement letter with the NFO application form during the New Fund Offer period. All applicants must get KYC compliant during the currency of the New Fund Offer Period or earlier.

Your account shall be monitored for :

- a) Identification and detection of abnormal transactions.
- b) Substantial increase in activity without any apparent cause.
- c) Transaction with no apparent or business rationale.
- d) If your account is dormant and there is a sudden activity.
- e) Sources of Funds are doubtful or inconsistency in payment pattern.
- f) Unusual and large cash deposits.
- g) Transfer of investments proceeds to unrelated third parties.
- h) Multiple transactions below threshold limit of rupees 10 lakhs specified in PML act.
- i) Suspicious Off Market Transactions.
- j) Large deals at prices away from market.

Our Staff (Operating & management are fully aware and understands their responsibilities under PMLA for strict adherence to customer due diligence requirements from establishments of new accounts to transactions monitoring and reporting suspicious transactions to FIU.