

Prevention of Money Laundering Act (PMLA) Policy

1. Objective

The objective of the Prevention of Money Laundering Act (PMLA), 2002, is to prevent money laundering and to establish a comprehensive framework for dealing with criminal activities linked to money laundering. Aldan Investments Private Limited is committed to following SEBI's guidelines to ensure full compliance with PMLA provisions, safeguarding the integrity of the financial system.

2. Applicability

This policy is applicable to Aldan Investments Private Limited, its directors, employees, and clients, ensuring adherence to PMLA, 2002, and relevant SEBI circulars.

3. Key Definitions

- Money Laundering: Engaging in a financial transaction that involves proceeds of a crime.
- Know Your Customer (KYC): Procedures followed to verify the identity of clients.
- Suspicious Transaction: A transaction which raises doubts about its legitimacy and has no apparent legal purpose.

4. Policy on Anti-Money Laundering (AML)

Aldan Investments will:

- Verify the identity of clients based on official records.
- Monitor high-risk accounts for suspicious activities.
- Report suspicious transactions to Financial Intelligence Unit-India (FIU-IND) as required under the PMLA Act.

5. Appointment of Principal Officer

Aldan Investments shall appoint a Principal Officer (PO) responsible for:

- Overseeing AML compliance.
- Ensuring timely reporting of suspicious transactions to FIU-IND.
- Coordinating with regulatory authorities.

6. Client Due Diligence (CDD) Process

The CDD process will include:

- Risk Categorization: Clients will be categorized as low, medium, or high risk based on their background, nature of business, and financial behaviour.
- KYC Documentation: Verification of documents as per SEBI norms and ensuring they are regularly updated.
- Enhanced Due Diligence (EDD): EDD will be applied for high-risk clients, including politically exposed persons (PEPs), trusts, and NPOs.

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7. Monitoring and Reporting of Transactions

- Transaction Monitoring: Continuous monitoring of all transactions, especially large and complex transactions that have no apparent economic rationale.
- Red Flag Indicators: Unusual patterns such as sudden large inflows, multiple small transactions, and cross-border funds transfers will trigger closer scrutiny.
- Record-Keeping: Maintaining records of all financial transactions for a minimum of five years, as required under PMLA.
- Suspicious Transaction Reporting (STR): Aldan Investments will report any suspicious transactions to FIU-IND within the prescribed timeline.

8. Employee Training

All employees involved in the handling of clients and their transactions shall be trained regularly on PMLA compliance, including:

- Identifying red flags.
- Client onboarding process.
- Reporting obligations.

9. Internal Audit and Review

The policy will be reviewed periodically by internal audit to:

- Ensure its effectiveness.
- Evaluate compliance levels.
- Incorporate any new regulatory requirements.

11. Risk-Based Approach (RBA)

Aldan Investments will adopt an RBA, identifying and mitigating money laundering risks in line with:

- The client's geographical location.
- Nature of their business.
- Transaction pattern.

12. Reporting to Board

The Principal Officer will periodically report to the Board of Directors on:

- The implementation of PMLA guidelines.
- Significant risk areas.
- Compliance levels.