

ANTI-MONEY LAUNDERING POLICY

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Tirupati Medicare Limited

Fostering life through innovation

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Introduction

Tirupati Medicare Limited (the “**Company**” or “**TML**”) is committed to conducting all aspects of its business in keeping with the highest legal and ethical standards and expects all employees and other persons acting on its behalf to uphold this commitment. In accordance with this commitment, the Company has adopted this Anti-Money Laundering Policy (the “**Policy**”), which is applicable to all directors, officers, employees, agents, representatives and other associated persons of the Company (collectively “**Company Personnel**”).

According to PMLA and Rules (“**PML Rules/Rules**”) framed thereunder, TML as a proactive measure has developed and implemented the Policy designated to achieve and monitor the compliance with the requirement.

Anti-money laundering procedures set out by TML are reviewed regularly and updated as necessary, based on any legal/regulatory or business/operational changes, such as additions or amendments to existing anti-money laundering rules & regulations or business expansion.

The Company Personnel who violate this Policy may be subject to disciplinary action, up to and including termination. The pages that follow provide a general guide to sanctions compliance but do not address every potential scenario that may implicate issues bearing on compliance with this Policy. Therefore, any Company Personnel who have any questions concerning the requirements of this Policy should consult with Ethics Officer.

Definitions

“**Company**” or “**TML**” means Tirupati Medicare Limited and its subsidiaries.

“**Ethics Officer**” means officer as appointed by Ethics Committee.

“**STR**” means Suspicious Transaction Report.

“**PMLA**” means Prevention of Money Laundering Act, 2002.

“**Suspicious transactions**” means a transaction whether or not made in cash which to a person acting in good faith –

- a. gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime,
or
- b. appears to be made in circumstances of unusual or unjustified complexity, or
- c. appears to have no economic rationale or bonafide purpose, or
- d. gives rise to a reasonable ground of suspicion that it may involve financing of the that
it may involve financing of the activities relating to terrorism.

Money Laundering

Section 3 of the PMLA, described the offence under Money Laundering. Section 3 reads as under:

“Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money laundering.”

There are three different steps in money laundering described by three terms as follows:

- a. **Placement:** Dirty Money, generally in the form of Cash is inserted into a legitimate financial institution.
- b. **Layering:** Layering involves sending the money through various financial transactions to change its form and make it difficult to follow. Layering may consist of several bank-to-bank transfers, wire transfers between different accounts in different names in different countries, changing the money's currency, and purchasing high-value items to change the form of the money.
- c. **Integration:** At the integration stage, the money re-enters the mainstream economy in legitimate-looking form. This may involve a final bank transfer into the account of a local business in which the launderer is “investing” in exchange for a cut of the profits.

Mandatory Requirements

For the purpose of compliance with requirements and provisions of the Act, TML is maintaining a record of such transactions the nature and value of which has been prescribed in the Rules under the PMLA. Such transactions include:

- a. All cash transactions of the value of more than INR 10 lacs or its equivalent in foreign currency;
- b. All series of cash transactions integrally connected to each other which have been valued below INR 10 lakhs or its equivalent in foreign currency where such series of transactions take place within one calendar month; and
- c. All other suspicious transactions whether or not made in cash.

Monitoring of Transactions

Regular monitoring of transactions is vital for ensuring effectiveness of the Policy. Following internal processes to be followed while monitoring the transactions:

- a. Pay special attention to all complex, unusually large transactions/ patterns which appear to have no business purpose;
- b. Verify genuineness of transactions and all confirmation records;
- c. Verify bank transactions whether funds received from / paid in linked account only;
- d. Records of transactions are preserved and maintained in terms of section 12 of the PMLA and that transaction of suspicious nature or any other transaction notified under section 12 of the act are reported to the Ethics Officer.

Suspicious Transaction Reporting

The Suspicious Transaction Report (“STR”) shall be furnished 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 Ethics Officer shall record his reasons for treating any transaction or a series of transactions as suspicious. It shall be ensured that there is no undue delay in arriving at such a conclusion once a suspicious transaction report is received. Such report shall be made available to the competent authorities on request.

TML shall not put any restriction on operations in the accounts where an STR has been made. TML and their directors, officers and employees (permanent and temporary) shall be prohibited from disclosing (“**tipping off**”) the fact that a STR or related information is being reported or provided to the FIU-IND. This prohibition on tipping off extends not only to the filing of the STR and/or related information but even before, during and after the submission of an STR. Thus, it shall be ensured that there is no tipping off to the client at any level. In exceptional circumstances, consent may not be given to continue to operate the account and transactions may be suspended.

Company Personnel, irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences specified in Part B of Schedule of PMLA, shall report to Ethics Officer if they have reasonable grounds to believe that the transactions involve proceeds of crime.

Suspicious activity can occur either at the outset of the client relationship or long after the relationship has been initiated. Transactions are viewed in the context of other account activity and a determination of whether the transaction is actually suspicious would necessarily depend on the customer and the particular transaction, compared with the customer's normal business activity. Unusual or questionable transactions may include transactions that appear to lack a reasonable economic basis or recognizable strategy based upon what the firm knows about the particular customer. Examples of activity that may be indicative of unusual or potentially suspicious activity are provided to all appropriate firm personnel through standard distribution channels and are being incorporated into the firm's anti-money laundering policies and procedures, as well as its anti-money laundering training materials.

Any transactions that are related to unlawful activities such as fraud and market manipulation is equivalent to a suspicion that they are related to money laundering, and must be strictly reported.

The Ethics Officer ensures to take appropriate steps to enable suspicious transactions to be recognized and have appropriate procedures for reporting suspicious transactions.

Employees' Training

TML will have adequate procedure to provide ongoing employee training program so that the members of the staff are adequately trained in AML procedures.

While sales people having direct contact with clients are in the best position to identify some forms of suspicious activity, other business units or areas also benefits from training, including treasury, operations, margin, credit, corporate security, audit and legal and compliance.

Record Keeping

The Ethics Officer ensures that we are in compliance with the record keeping requirements contained in the PMLA as well as other relevant legislation, Rules, Regulations, Exchange Bye-laws and Circulars. It is ensured to maintain and preserve the records evidencing the identity of its clients, customers, vendors, beneficial owners as well as account files and business correspondence for a period of eight years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later.

The Ethics Officer ensures that all customer transaction records and information are available on a timely basis to the competent investigating authorities. Further ensured to 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 PML Rules, for a period of five years from the date of transaction between the client and the intermediary.

Retention of Records

Following documents shall be retained:

- a. All necessary records on transactions, both domestic and international, shall be maintained at least for the minimum period prescribed under the PMLA and rules framed thereunder and other legislations, Regulations or exchange bye-laws or circulars; and
- b. Records on client identification (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents), account files and business correspondence shall also be kept for the same period.