

Brilliant Portfolios Limited

Address: B - 09, 412, ITL Twin Tower, Netaji Subhash Place, Pitampura, New Delhi - 110088
Tel.: 011-45058963 Email - brilliantportfolios@gmail.com
Website: www.brilliantportfolios.com
CIN - L74899DL1994PLC057507

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY BOARD OF DIRECTORS OF M/s BRILLIANT PORTFOLIOS LIMITED IN THEIR MEETING HELD ON 07TH JULY, 2014 AT THE REGISTERED OFFICE OF THE COMPANY AT 11:30 A.M

ADOPTION OF 'KNOW YOUR CUSTOMER' (KYC) GUIDELINES - ANTI MONEY LAUNDERING STANDARDS (AML) - 'PREVENTION OF MONEY LAUNDERING ACT, 2002 AND FAIR PRACTICES CODE'

The Chairman informed the Board that the Reserve Bank of India has come out with a recent circular on 'KNOW CUSTOMER' (KYC) GUIDELINES - ANTI MONEY LAUNDERING STANDARDS (AML) - PREVENTION OF MONEY LAUNDERING ACT, 2002 VIDE CIRCULAR No. DNBS (PD).CC.No.387/03.10.042/2014-15 Dated July 01, 2014 with the object of better identification of customers and for prevention of Money Laundering. He also informed the Board that the Reserve Bank of India has come out with the circular on FAIR PRACTICE CODE vide Circular No. DNBS (PD).CC.No.388/03.10.042/2014-15 Dated July 01, 2014. He placed before the Board copy of the said Circular and read out the same to the Board members. He placed before the Board the draft 'KNOW YOUR CUSTOMER' (KYC) GUIDELINES - ANTI MONEY LAUNDERING STANDARDS (AML) that has been drafted as per the Circular No. DNBS (PD).CC.No.387/03.10.042/2014-15 Dated July 01, 2014 and also the FAIR PRACTICE CODE drafted in terms of Circular No. DNBS (PD).CC.No.388/03.10.042/2014-15 Dated July 01, 2015. The Board had a detailed discussion on the same and thereafter it was unanimously:

"RESOLVED THAT the KNOW YOUR CUSTOMERS (KYC) GUIDELINES - ANTI MONEY LAUNDERING STANDARDS - PREVENTION OF MONEY LAUNDERING ACT, 2002 drafted in terms of circular No DNBS(PD).CC.No.387 /03.10.042/2014-15 Dated July 01,2014 and as placed before the Board and initiated by the Chairman for the purpose of identification be and is hereby adopted.

"RESOLVED FURTHER THAT Mr. Ravi Jain, Director of the Company be and is hereby designated as the "PRINCIPAL OFFICER" to ensure overall compliance with the obligations imposed under chapter IV of the PML Act and the Rules.

"RESOLVED FURTHER THAT Mr. Ravi Jain, Director of the Company be and is hereby designated as the "DESIGNATED DIRECTOR " to ensure overall compliance with the obligations imposed under chapter IV of the PML Act and the Rules."

"RESOLVED THAT the FAIR PRACTICE CODE as contained in Circular No.DNBS(PD).CC.No.388 /03.10.042/2014-15 Dated July 01, 2014 as placed before Board and initial by the Chairman for the purpose of identification be and is hereby approved and adopted as the FAIR PRACTICE CODE to pursued by the company."

"RESOLVED THAT the draft policy formulated in accordance with circular no. DNBS(PD).CC.No.387 /03.10.042/2014 - 15 Dated July 01, 2014 which includes Know Your Customer guidelines , Manner of opening customer account , appointment of officer , Maintenance of records of Transactions, Preservation of information's, Maintenance and Preservation of records, Reporting norms under Prevention and Money Laundering Act (PMLA), 2002, combating financing of terrorism as placed before the Board, be and is hereby approved and adopted".



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"RESOLVED FURTHER THAT Mr. Ravi Jain, Director of the Company, be and is hereby authorized to personally monitor the implementation of policy formulated on KYC & AML at all operational level".

"RESOLVED FURTHER THAT Mr. Ravi Jain, Director of the Company who was earlier appointed as principal officer continuous to be the principal officer for reporting of suspicious / cash and other transactions as required under Prevention of Money Laundering Act (PMLA), 2002 to Financial Intelligence Unit- India".

"RESOLVED FURTHER THAT the grievance redressal mechanism including reporting system made by the Company to resolve disputes between borrowers and the Company be and is hereby approved.

"RESOLVED FURTHER THAT the name of Mr. Ravi Jain, as PRINCIPAL OFFICER and DESIGNATED DIRECTOR and the address of the local office of the Reserve Bank of India will be displayed both in English and in the vernacular language for the customers to understand and address all their grievances."

"RESOLVED FURTHER THAT the Company will call for such compliance from all its borrowers and customers in requirement with the FAIR PRACTICE CODE. "

//Certified True Copy//

For Brilliant Portfolios Limited



Ravi Jain

Director

DIN: 02682612

Address: 61, Vaishali,

Pitampura, New Delhi, - 110088

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FAIR PRACTICE CODE

The Reserve Bank of India (RBI) has issued guidelines on Fair Practice Code for Non Banking Finance Companies (NBFCs) thereby setting standards for fair business and corporate practice while dealing with their customers. Pursuant to the notification issued by the Reserve Bank of India by its circular No. DNBS (PD) CC. No. 388/03.10.042/2014-15, dated July 1st 2014 and amendment from time to time, BRILLIANT PORTFOLIOS LIMITED has formulated this code of Fair Practice to lay down the following practice in dealing with the business transactions.

(1) Applications for Loans and their Processing

- (a) All communication to the borrower will be in vernacular language or a language as understood by the borrower. All relevant information pertaining to the loan, if any, provided by the Company will be made available in the relevant loan application form / agreements including the necessary loan information and documents required to be submitted together with the duly completed application form.
- (b) Loan applications forms of BRILLIANT PORTFOLIOS LIMITED will include necessary information which are likely to affect the interest of prospective borrower, so that a meaningful comparison with the terms and conditions offered by other NBFC can be made and informed decision can be taken by the prospective borrower.
- (c) The documents required to be submitted with the loan application including KYC documents will be informed to the prospective borrower separately.
- (d) Brilliant Portfolios Limited shall provide to the prospective borrower an acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement.

(2) Loan Appraisal and Terms / Conditions

- (a) Brilliant Portfolios Limited shall convey in writing to the borrower in vernacular language or a language as understood by the borrower, the fate of loan application by means of sanction letter or otherwise. In case of sanction of loan, the sanction letter shall contain the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof.



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- (b) The acceptance of the terms and conditions communicated by the borrower shall be preserved by the Brilliant Portfolios Limited on its record and the copy of same shall be provided to the borrower upon its request.
- (c) Brilliant Portfolios Limited shall mention the penal interest charged for late repayment in bold in the sanction letter and loan agreement.
- (d) Brilliant Portfolios Limited will furnish a copy of loan agreement along with a copy of each enclosure quoted in the loan agreement to all borrowers at the time of sanction / disbursement of loan in vernacular language or a language as understood by the borrower.

(3) Disbursement of loans including changes in terms and conditions

- (a) Brilliant Portfolios Limited shall give notice to the borrower in vernacular language or a language as understood by the borrower, of any change in terms and conditions including disbursement schedule, annualized interest rates, service charges, prepayment charges etc. Changes in interest rates and charges shall be effected prospectively and a suitable condition in this regard shall be incorporated in the loan agreement.
- (b) Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
- (c) Brilliant Portfolios Limited shall release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim Brilliant Portfolios Limited may have against borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which Brilliant Portfolios Limited are entitled to retain the securities till the relevant claim is settled / paid.

(4) General

- (a) Brilliant Portfolios Limited will refrain from interference in the affairs of borrower except for the purposes provided in the terms and conditions of the loan agreement, unless new information, not earlier disclosed by the borrower, has come to its notice.



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- (b) In case of receipt of request from the borrower for transfer of borrowal account, the consentor otherwise i.e. objection of Brilliant Portfolios Limited, if any, should be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms entered into with the borrower and in consonance with law, statutes, rules, regulations and guidelines as may be applicable from time to time.
- (c) In the matter of recovery of loans, Brilliant Portfolios Limited shall not resort to undue harassment viz. persistently bothering the borrower at odd hours, use of muscle power for recovery of loans etc.
- (d) Brilliant Portfolios Limited shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
- (e) Brilliant Portfolios Limited will not charge foreclosure charges / pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.
- (f) Pursuant to notification no. DNBS.PD/Central Circle. No.95/03.05.002 dated May 24, 2007 in respect to the complaints about excessive interest charged by NBFC, Brilliant Portfolios Limited has laid appropriate internal principles and procedures in determining interest rates and processing and other charges.
- (g) Pursuant to notification no. DNBS.204 / CGM (ASR)-2009 dated January 2, 2009 in respect to excessive interest charged by NBFC, Brilliant Portfolios Limited has adopted an interest rate model taking into account relevant factors such as cost of funds, margins and risk premium etc. to determine the annualized rate of interest to be charged for loans and advances. Brilliant Portfolios Limited will disclose the annualized rate of interest and approach of gradations of risk and rationale for charging different interest to different categories of borrowers in the application form and will communicate explicitly in the sanction letter. The same is published and disseminated on the web-site of the Company.

(5) Grievance Redressal Mechanism

A Grievance Redressal mechanism has been incorporated in the Investor Grievance Committee of the Company comprising of three Directors to resolve all the disputes arising in this regard. The mechanism will ensure that all the disputes arising out the decision of lending institutions functionaries are heard and disposed of at least at the next higher level.



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The Board of Directors will periodically review the compliances of Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of Management. The consolidated report of such reviews may be submitted to the Board at regular intervals. For grievances, customer can write to:

Ravi Jain
Director
Brilliant Portfolios Limited
B-09, 412, IITL Twin Tower,
Netaji Subhash Place, Pitampura,
New Delhi – 110088
Contact no. 011-45058963

(6) Regulation of excessive interest charged

The Company shall frame appropriate internal Principles and procedures for determining the interest rates and processing and other charges, if any, and also to ensure that they are not excessive. The Company shall, at the time of disbursal, ensure that the interest rate and other charges, if any on loan and advances are in strict adherence to above referred internal principles and procedures.

The rate of interest shall be annualized rates to make the borrower aware of the exact rates that would be charged to the account



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(SPECIMEN)

LOAN APPLICATION FORM

(FOR CORPORATES)

To,

Date

Place

The Director,

M/s. Brilliant Portfolios Limited.

B-09,412, ITL Twin Tower,

Netaji Subhash Place, Pitampura,

New Delhi - 110088

Dear Sir,

We hereby apply for a loan of Rs. _____

Purpose of Loan _____

Name of the Company _____

Address _____

Date of Registration _____

Registration No _____

PAN No _____

Name of Directors _____

Address of Directors _____

PAN no of Directors _____

Nature of Business of Company _____

Working Results _____



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Nature of Securities to be provided _____

Details of Other loan availed _____

Banker of the Company _____

Details of Bank Accounts _____

Auditors _____

Whether Company has defaulted in repaying any borrowings _____

Details of other group concerns _____

I, _____ Director of _____
do hereby declare that the information provided above are true and correct.

Signature with Rubber stamp _____

Documents required duly certified :

- 1) Request Letter by the Company for Loan stating the purpose
- 2) Memorandum and Articles of Association
- 3) Audited Balance sheet for last three years
- 4) Current up to date proforma Balance Sheet
- 5) Board Resolution for authority to avail Loan and authorization to Sign documents
- 6) Form 32 for Directors with filing receipts
- 7) Form 18 and trade licence of Company
- 8) PAN cards of Directors & Company
- 9) Detail report on projects
- 10) Photo of Directors
- 11) Initially Xerox copy of title deed if security is immovable property like land
- 12) Residential proof of Directors
- 13) Signature proof of directors from bank.
- 14) Other documents if any after processing above application.



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LOAN APPLICATION FORM

(SPECIMEN)

(FOR INDIVIDUALS)

To,

Date

Place

The Director,
M/s. Brilliant Portfolios Limited.
B-09,412, ITL Twin Tower,
Netaji Subhash Place, Pitampura,
New Delhi - 110088

Dear Sir,

| |
|---|
| We hereby apply for a loan of Rs. _____ |
| Purpose of Loan _____ |
| Name of the Borrower _____ |
| Address _____ |
| Nationality _____ |
| Residential Status _____ |
| Religion _____ |
| Date of Birth _____ |
| PAN No. _____ |
| VOTER I CARD NO. _____ |
| Occupation of the borrower _____ |
| INCOME OF THE BORROWER AS PER FORM - 16 / IT RETURN _____ |
| Nature of Securities to be provided _____ |
| _____ |
| Details of Other loan availed _____ |
| _____ |
| Details of Bank Accounts _____ |
| _____ |



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I, _____ SON of _____
do hereby declare that the information provided above are true and correct.

Signature _____

Documents required duly certified :

1. Request Letter for Loan stating the purpose
2. Xerox Copy of Pass Book for last Six Months
3. It return Copies for last 3 Years
4. Copy of Form - 16 in case of salaried person
5. Audited Balance sheet for last three years - for small traders
6. Proforma Balance Sheet - not older than 2 months.
7. PAN card
8. Voter I card
9. Adhar card (optional)
10. Photograph of the borrower
11. Initially Xerox copy of title deed if security is immovable property like land
12. Residential proof
13. Signature proof from bank.
14. Other documents if any after processing above application.

Acknowledgement

We acknowledge the receipt of loan application from _____
which would be processed by us within 30 days of the date of this acknowledgement.



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M/s BRILLIANT PORTFOLIOS LIMITED

KNOW YOUR CUSTOMER (KYC) AND ANTI MONEY LAUNDERING (AML) POLICY

1. INTRODUCTION

This KNOW YOUR CUSTOMER (KYC) AND ANTI MONEY LAUNDERING (AML) POLICY has been approved by the Board of Directors of the Company at its meeting held on 15.05.2014 and supercedes all earlier KNOW YOUR CUSTOMER (KYC) AND ANTI MONEY LAUNDERING (AML) POLICY approved by the Board of Directors of the Company. The said Policy will come into effect immediately.

This policy document is prepared in line with the RBI guidelines.

2. POLICY AND OBJECTIVES

It is the Policy of Company that statutory and regulatory obligations to prevent money laundering are to be met in full.

The Company will exercise due care in order to minimize the risk of its services being abused for the purposes of laundering funds associated with drug trafficking, terrorism and other serious crime.

The objectives of the Policy are as follows:

- (i) To prevent criminal elements from using the Company as terminal for money laundering activities.
- (ii) To enable the Company to know/understand the customers and their financial dealings better, which in turn would help the Company to manage risks prudently.
- (iii) To put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws/laid down procedures.
- (iv) To comply with applicable laws and regulatory guidelines.
- (v) To take necessary steps to ensure that the concerned staff are adequately trained in KYC/AML procedures.

3. SCOPE OF THE POLICY

This policy is applicable to all the offices of the company and is to be read in conjunction with related operational guidelines issued from time to time.

4. MONEY LAUNDERING

Money laundering is a process to make illegitimate money appear legitimate. It involves cleansing of dirty money engaging in a series of financial transactions. It is called 'dirty money' because it originates from criminal activities like drug trafficking, embezzlement, tax evasion, corruption, illegal gambling, smuggling, arson racketeering, illegal prostitution,



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fraud or any other illegal activity, with the objective of hiding their true source and making them legally usable.

Section 3 of the Prevention of Money Laundering Act, 2002 defines offence of money laundering 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."

The Company being a financial institution may be used at any point in the money laundering process. All financial centers are vulnerable and all financial institutions within those centers need to play their part in preventing the criminals from successfully laundering their criminal money.

5. OBLIGATIONS UNDER THE PML ACT 2002

Section 12 of PML Act 2002 places certain obligations on every banking company, financial institution and intermediary which include

- (i) Maintaining a record of prescribed transactions
- (ii) Furnishing information of prescribed transactions to the specified authority
- (iii) Verifying and maintaining records of the identity of its clients
- (iv) Preserving records in respect of (i), (ii), (iii) above for a period of 10 years from the date of cessation of transactions with the clients

6. COMPANY'S ROLE IN PREVENTING MONEY LAUNDERING

The prevention of money laundering from the point of view of Company has three objectives:

- **Ethical** – taking part in the fight against crime.
- **Professional** – ensuring that Company is not involved in recycling the proceeds of crime that would call into question its reputation, integrity and, if fraud is involved, its solvency.
- **Legal** – complying with RBI Regulations that impose a series of specific obligations on financial institutions and their employees.

The management and staff of the Company are expected to be aware of their personal legal obligations and the legal obligations of the Company, be alert for anything suspicious, and report suspicions in line with internal procedures.



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7. DEFINITION OF CUSTOMER

A Customer for the purpose of this policy is defined as:

- (i) A person or an entity that maintains an account and/or has a business relationship with the Company
- (ii) One on whose behalf the account is maintained (i.e. the beneficial owner).
- (iii) Beneficiaries of transactions conducted by professional intermediaries, such as Stock Brokers, Chartered Accountants, Solicitors etc. as permitted under the law and
- (iv) Any person or entity connected with a financial transaction.

8. KEY ELEMENTS OF THE POLICY

- Customer Acceptance Policy
- Customer Identification Procedures
- Monitoring of Transactions
- Risk Management

9. CUSTOMER ACCEPTANCE POLICY (CAP)

The Customer Acceptance Policy ensures that explicit guidelines are in place on the following aspects of customer relationship in the company:

- (i) No accounts is to be opened in anonymous or fictitious/benami name(s);
- (ii) Documentation requirements and other information are to be collected in respect of different categories of customers depending on perceived risk
- (iii) Not to open an account or close an existing account where the existing company is unable to apply appropriate customer due diligence measures
- (iv) Circumstances, in which a customer is permitted to act on behalf of another person/entity, should be clearly spelt out in conformity with the established law and practice and there could be occasions when an account is operated by a mandate holder or where an account may be opened by an intermediary in the fiduciary capacity and
- (v) Necessary checks before opening a new account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organization etc.
- (vi) The Company shall not open the accounts for politicians of foreign origin and other suspect people except by the approval of Principal Officer.



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CUSTOMERS REQUIRING HIGH LEVEL OF MONITORING

| <i>High Risk</i> | <i>Low Risk</i> |
|--|---|
| Non Resident Accounts | Salaried Employees |
| High Net worth individuals | People belonging to lower economic Group with low turn over |
| Trust, Charities, etc. | Government Departments |
| Companies having close family shareholding | |
| Firms with sleeping partners | |
| Politically Exposed Persons (PEP) | |

10. CUSTOMER IDENTIFICATION PROCEDURES (CIP)

This policy spells out the Customer Identification Procedure to be carried out at different stages. Customer identification means identifying the customer and verifying his/her identity by using reliable, independent source documents, data or information. The Company needs to obtain sufficient information necessary to establish, to their satisfaction, the identity of each new customer, whether regular or occasional, and the purpose of the intended nature of business relationship.

For customers that are natural persons, we have to obtain sufficient identification data to verify the identity of the customer, his/her address/location and also his recent photograph.

For customers that are legal persons or entities, we have to (i) verify the legal status of the legal person/entity through proper and relevant documents (ii) verify that any person purporting to act on behalf of the legal person/entity is so authorized and identity and verify the identity of that person (iii) understand the ownership and control structure of the customer and determine who are the natural person who ultimately control the legal person.

The Customer Identification Procedures are to be carried out at the following stages

- When the Company feels it is necessary to obtain additional information from the existing customers based on the conduct or behavior of the account.
- While establishing a business relationship Customers will be classified into three risk categories namely High Medium and Low, based on the risk perception. The risk categorization will be reviewed periodically.

An indicative list of the nature and type of documents/information that may be relied upon for customer identification is given in this policy in the Annexure-1.

11. MONITORING OF TRANSACTION

- On going monitoring is essential.



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- All complex, unusual large amount and unusual pattern should be verified.
- Cash transactions inconsistent with normal activities should be watched.
- Branches should ensure that transaction as per section 12 of PML Act 2002.
- Any unusual high value cash transactions or regular high value business activity of the account holder should be enquired into, so as to safeguard against the possibility of the company being used for money laundering or any illegal activity.
- All cash transactions of Rs.10 lakh and above should be reported to principal Officer immediately.

Ongoing monitoring is an essential element of effective KYC procedures. The Company can effectively control and reduce the risk only if they have an understanding of the normal and reasonable activity of the customer so that they have the means of identifying transactions that fall outside the regular pattern of activity. However the extent of monitoring will depend on the risk sensitivity of the account.

12. RISK MANAGEMENT

The Company should ensure that the staff is well versed in evaluating and ensuring adherence to the KYC policies and procedures, including legal and regulatory requirements. Internal Auditors should specifically check and verify the application of KYC procedures of the Company and comment on the lapses observed in this regard. The compliance in this regard may be put up before the Audit Committee of the Board periodically.

RISK MANAGEMENT AND MONITORING PROCEDURES

In order to check possible abuse of the Company's system for illegal and anti-national activities, the Company clearly lays down a policy for adherence to the above requirements comprising the following:

(i) **Internal Control Systems**

Duties and responsibilities should be explicitly allocated for ensuring that policies and procedures are managed effectively and that there is full commitment and compliance to an effective KYC program in respect of both existing and prospective accounts.

(ii) **Terrorism Finance**

No account should be opened in the names of the terrorist organizations and RBI has been circulating list of terrorist entities notified by the Government of India to banks/FIs so that they may exercise caution if any transaction is detected with such entities. There should be a system to ensure that such lists are consulted in order to determine whether a person/organization involved in a prospective or existing business relationship appears on such a list.

(iii) **Internal Audit**



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Internal auditors must specifically scrutinize and comment on the effectiveness of the measures taken in adoption of KYC norms and steps towards prevention of money laundering. Such compliance report should be placed before the Audit Committee of the Board periodically.

(iv) Identification and Reporting of Suspicious Transactions

The Company should report transactions of suspicious nature to the appropriate law enforcement authorities designated under the relevant laws governing such activities. If there is any suspicious transaction then such transaction and action taken thereon must be reported to Audit Committee of Directors/Board of Directors.

(v) Adherence to Foreign Contribution Regulation Act (FCRA), 1976

The Company should adhere to the instructions on the provisions of the Foreign Contribution Regulation Act 1976, cautioning them to open accounts or collect cheques only in favour of associations, which are registered under the Act. A certificate to the effect that the association is registered with the Government of India should be obtained from the concerned associations at the time of opening of the account or collection of cheques.

(vi) Record Keeping:

As per RBI regulations, the Company is required to keep records of such as account opening forms, vouchers, ledgers, registers etc pertaining to transactions for 10 years. In addition, the Company should maintain the following documents in respect of accounts, which have been reported for suspicious activities like, Customer Profile, Reports made to Government authorities concerning suspicious activities with supporting documentation, records of all money laundering training etc.

(vii) Training of Staff and Management

It is crucial that all the staff fully understand the need for strict adherence to KYC norms. The Company must, therefore, have an ongoing training program so that staffs are adequately trained for their roles and responsibilities as appropriate to their hierarchical level in complying with anti money laundering guidelines and for implementing KYC policies consistently. The Company has already started training its employees so that the members of the staff are adequately trained in KYC procedures.

13. CUSTOMER EDUCATION

The Company recognizes the need to spread awareness on KYC, Anti Money Laundering measures and the rationale behind them amongst the customers and shall keep taking suitable steps for the purpose.

14. KYC FOR EXISTING ACCOUNTS

While the KYC guidelines will apply to all new customers, the same would be applied to the existing customers on the basis of materiality and risk. However, transactions in existing accounts would be continuously monitored for any unusual pattern in the operation of the



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accounts. On the basis of materiality and risk the existing accounts of companies, firms, trusts, charities, religious organizations and other institutions are subjected to minimum KYC standards which would establish the identity of the natural/legal person and those of the 'beneficial owners'.

15.SUSPICIOUS TRANSACTION REPORT

The Prevention of Money laundering Act, 2002 and the Rules there under require the Company to furnish details of 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

- 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.

It is the duty of every member of management and staff to report any suspicious transactions or suspicions immediately to the Designated Director on the Suspicious Transaction Report Form set out in Annexure-2.

The Designated Director will report information relating to cash and suspicious transactions, if detected, to the Director, Financial Intelligence Unit-India (FIU-IND) as advised in terms of the PMLA rules, in the prescribed formats as designed and circulated by RBI at the following address:

Director, FIU-IND, Financial Intelligence Unit-India,

6th Floor, Hotel Samrat, Chanakyapuri New Delhi-110021.

Broad categories of reason for suspicion and examples of suspicious transactions are indicated as under:

Identity of client

- False identification documents
- Identification documents which could not be verified within reasonable time
- Accounts opened with names very close to other established business entities

Background of client

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



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- Unexplained transfers between multiple accounts with no rationale

Activity in accounts

- Unusual activity compared with past transactions
- Activity inconsistent with what would be expected from declared business

Nature of transactions

- Unusual or unjustified complexity
- No economic rationale or bonafide purpose
- Nature of transactions inconsistent with what would be expected from declared business

Value of transactions

- Value inconsistent with the client's apparent financial standing
- Value just under the reporting threshold amount in an apparent attempt to avoid reporting

16. PRINCIPAL OFFICER [MONEY LAUNDERING REPORTING OFFICER]

The Company will designate one of its Directors as Designated Director who is responsible for implementation of and compliance with this policy. His illustrative duties are as follows:

- Monitoring the implementation of the KYC/AML policy
- Reporting of transactions and sharing of the information as required under the law.
- Maintaining liaison with law enforcement agencies.
- Ensuring submission of periodical reports to the top Management / Board.

17. REVIEW OF THE POLICY

The policy will be reviewed at yearly intervals or as and when considered necessary by the Board.



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| CUSTOMER IDENTIFICATION PROCEDURE | ANNEXURE-1 |
|--|---|
| Features | Documents |
| Accounts of individuals - Proof of Identity and Address | <p>Any one document from the Officially Valid Document is only allowed. They are: (i) Passport (ii) PAN card (iii) Voter's Identity Card issued by Election Commission (iv) Driving License (v) Job Card issued by NREGA duly signed by an officer of the State Govt (vi) The letter issued by the Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number.</p> <p>Where 'simplified measures' are applied for verifying the identity of customers the following documents shall be deemed to be 'officially valid documents': i. identity card with applicant's Photograph issued by Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, and Public Financial Institutions; ii. letter issued by a gazetted officer, with a duly attested photograph of the person.</p> <p>Where 'simplified measures' are applied for verifying for the limited purpose of proof of address the following additional documents are deemed to be OVDs : i. Utility bill which is not more than two months old of any service provider (electricity, telephone, postpaid mobile phone, piped gas, water bill); ii. Property or Municipal Tax receipt; iii. Bank account or Post Office savings bank account statement; iv. Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public</p> |



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| | |
|---|--|
| | <p>Sector Undertakings, if they contain the address;</p> <p>v. Letter of allotment of accommodation from employer issued by State or Central Government departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies. Similarly, leave and license agreements with such employers allotting official accommodation; and</p> <p>vi. Documents issued by Government departments of foreign jurisdictions and letter issued by Foreign Embassy or Mission in India.</p> |
| Accounts of Companies | <p>(a) Certificate of incorporation;</p> <p>(b) Memorandum and Articles of Association;</p> <p>(c) A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf; and</p> <p>(d) An officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf.</p> |
| Accounts of Partnership firms | <p>(a) Registration certificate;</p> <p>(b) Partnership deed; and</p> <p>(c) An officially valid document in respect of the person holding an attorney to transact on its behalf.</p> |
| Accounts of Trusts and foundations | <p>(a) Registration certificate;</p> <p>(b) Trust deed; and</p> <p>(c) An officially valid document in respect of the person holding a power of attorney to transact on its behalf</p> |
| Accounts of unincorporated association or a body of individuals | <p>(a) Resolution of the managing body of such association or body of individuals;</p> <p>(b) Power of attorney granted to him to transact on its behalf;</p> <p>(c) An officially valid document in respect of the person holding an attorney to transact on its behalf; and</p> <p>(d) Such information as may be required by the bank to collectively establish the legal existence of such an association or body of individuals.</p> |
| Accounts of Proprietorship Concerns Proof of the name, address and activity of | Apart from Customer identification procedure as applicable to the proprietor |



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the concern

any two of the following documents in the name of the proprietary concern would suffice

• Registration certificate (in the case of a registered concern)

• Certificate/licence issued by the Municipal authorities under Shop & Establishment Act, Sales and income tax returns

• CST/VAT certificate

• Certificate / registration document issued by Sales Tax/Service Tax/Professional Tax authorities

• License /certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute. The complete Income Tax return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected, duly authenticated/acknowledged by the Income Tax Authorities.

In cases where the banks are satisfied that it is not possible to furnish two such documents, they would have the discretion to accept only one of those documents as activity proof. In such cases, the banks, however, would have to undertake contact point verification, collect such information as would be required to establish the existence of such firm, confirm, clarify and satisfy themselves that the business activity has been verified from the address of the proprietary concern.



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Annexure-2

SUSPICIOUS TRANSACTION INTERNAL REPORT FORM

REPORTER: -

Date:

Name: Tel:

Dept: Position:

CUSTOMER:

Name: Account No:

Address:

Contact Name: Contact Tel: Date

Relationship started: Customer reference:

Type of business:

INFORMATION/SUSPICION:

Date of suspected offence: Amount concerned:

..... Type of suspected offence:

Reason for Suspicion:

.....

Note: it is an offence to advise the customer/client or anyone else of your suspicion or report.

For PO USE:

Date received: Time Received:

Ref:

PO's Comments:

.....

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