

WEALTHSTREET FINANCIAL SERVICES PRIVATE LIMITED

ANTI-MONEY LAUNDERING (AML) AND COMBATING FINANCING OF TERRORISM (CFT) POLICY

Institutional Mechanism for Prevention and Detection of Fraud or Market Abuse

Policy Version	4.0
Effective Date	25.03.2026
Review Frequency	Annually or upon regulatory change
Prepared By	Compliance Department
Reviewed By	Operations Committee
Approved By	Internal Committee/ Board of Directors

Wealthstreet Financial Services Private Limited

Formerly Known as Wealthstreet Advisors Private Limited

CIN: U74999GJ2016PTC094432

Regd. Off : A-1101, Mondeal Heights, 11th Floor, Besides Wide Angle, S.G Highway, Ahmedabad-380015

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1. PREAMBLE

Wealthstreet Financial Services Private Limited (“Wealthstreet” or “the Company”) is committed to preventing misuse of the securities market for money laundering, terrorist financing, fraud, market abuse, or any other unlawful activities.

This Anti-Money Laundering (“AML”) and Combating Financing of Terrorism (“CFT”) Policy (“Policy”) is framed in accordance with the provisions of the Prevention of Money Laundering Act, 2002 (“PMLA”), Prevention of Money Laundering (Maintenance of Records) Rules, 2005, SEBI Master Circular on AML/CFT, FIU-IND guidelines, FATF recommendations, and other applicable laws and regulations.

The objective of this Policy is to establish robust internal systems and controls for client acceptance, customer due diligence, transaction monitoring, suspicious transaction reporting, employee awareness, sanctions screening, risk management, surveillance coordination, and regulatory compliance.

The Company shall maintain AML systems, internal controls, and monitoring mechanisms commensurate with the scale, size, complexity, and regulatory requirements applicable to its business operations.

2. OBJECTIVES

The objectives of this Policy are:

- To prevent the Company from being used for money laundering, terrorist financing, fraud, or other unlawful activities.
- To establish systems and controls for client identification and verification.
- To implement risk-based customer due diligence and ongoing monitoring.
- To identify, monitor, investigate, and report suspicious transactions.
- To comply with PMLA, SEBI, FIU-IND, FATF, and Exchange requirements.
- To safeguard the integrity and reputation of the Company.
- To coordinate AML monitoring with the Company’s Trade Surveillance framework.

3. REGULATORY FRAMEWORK

This Policy is framed in accordance with:

- Prevention of Money Laundering Act, 2002 (“PMLA”)
- Prevention of Money Laundering (Maintenance of Records) Rules, 2005
- SEBI Act, 1992

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- SEBI (Stock Brokers) Regulations
- SEBI Master Circular on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT)
- Guidelines issued by FIU-IND
- NSE/BSE/MSEI circulars issued from time to time
- KYC Registration Agency (KRA) requirements
- Central KYC Registry (CKYC) requirements
- FATF guidance and recommendations
- UN Security Council Sanctions List requirements
- Other applicable laws, circulars, notifications, and regulatory directions.

4. APPLICABILITY

This Policy shall apply to:

- Equity Segment
- Equity Derivatives Segment
- Currency Derivatives Segment
- Commodity Derivatives Segment
- Debt Segment
- Depository Participant Operations
- Internet Based Trading
- Proprietary Trading Activities
- All clients and beneficial owners
- All employees, authorised persons, dealers, branches, and associated persons.

5. GOVERNANCE STRUCTURE

5.1 Board of Directors

The Board of Directors shall:

- Approve this Policy and amendments thereto.
- Ensure effective AML/CFT framework and internal controls.
- Review AML compliance framework periodically.

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- Ensure compliance with regulatory obligations.

5.2 Designated Director

The Company shall appoint a Designated Director as required under PMLA.

The Designated Director shall ensure overall compliance with obligations under PMLA and applicable AML regulations.

5.3 Principal Officer

The Company shall appoint a Principal Officer responsible for:

- Monitoring AML compliance.
- Monitoring suspicious transactions.
- Reporting suspicious transactions to FIU-IND.
- Coordinating with regulators and law enforcement agencies.
- Ensuring implementation of AML controls.

5.4 Compliance Department

The Compliance Department shall:

- Conduct AML monitoring and review.
- Monitor suspicious transactions and alerts.
- Maintain records and documentation.
- Conduct risk assessment and due diligence reviews.
- Escalate suspicious matters to senior management and regulators.

The review of AML/CFT systems and procedures shall be carried out periodically by officials or departments independent from the person(s) framing or implementing such Policy to ensure effectiveness and objectivity.

6. CLIENT ACCEPTANCE POLICY (CAP)

The Company shall adopt a risk-based approach for acceptance of clients.

The Company shall not open:

- Anonymous accounts
- Fictitious accounts
- Benami accounts
- Accounts where client identity cannot be verified.

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The Financial Engineers

The Company reserves the right to reject account opening applications where adequate information, documentation, KYC details, beneficial ownership details, or due diligence information is not available.

No account shall be opened where the Company is unable to apply appropriate Customer Due Diligence (CDD), KYC procedures, or ongoing monitoring measures.

The Company shall ensure that all client accounts are opened only after proper verification of identity, address, PAN, financial details, and beneficial ownership.

7. CUSTOMER IDENTIFICATION PROCEDURE (CIP)

The Company shall follow Know Your Client ("KYC") procedures prescribed by SEBI, Exchanges, KRA, CKYC, and other regulatory authorities.

The Company shall verify:

- Identity of clients
- Address proof
- PAN
- Bank account details
- Financial information
- Mobile number and email ID
- Occupation and income details
- Beneficial ownership details.

No account shall be activated unless KYC verification is completed.

The Company may conduct IPV, video verification, or other verification procedures as permitted under applicable regulations.

Appropriate documentary evidence and information shall be collected depending upon the risk profile and category of the client.

8. BENEFICIAL OWNERSHIP IDENTIFICATION

The Company shall obtain sufficient information to identify and verify the beneficial owner(s) who ultimately own, control, or influence the securities account.

The Company shall identify and verify beneficial owners in case of non-individual clients including:

- Companies
- LLPs

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- Partnership firms
- Trusts
- Societies
- Associations
- Other legal entities.

Appropriate ownership structure documents, declarations, authorized signatory details, and beneficial ownership information shall be obtained and verified.

The Company shall ensure identification of the natural person(s) exercising ultimate effective control over the client entity.

9. RISK CATEGORISATION

Clients shall be categorized into:

- Low Risk
- Medium Risk
- High Risk

Risk categorization shall be based on factors including:

- Nature of business
- Financial profile
- Source of funds
- Country of residence
- Trading pattern
- Client type
- PEP status
- Adverse regulatory or media information
- Mode of onboarding
- Sanctions screening status.

The Company shall periodically review and update risk categorization.

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10. CHECKS AGAINST CRIMINAL / SANCTIONED ENTITIES

The Company shall maintain systems and controls to ensure that no client is enrolled whose name appears in:

- SEBI banned/debarred lists
- Exchange disciplinary lists
- RBI caution lists
- UN Security Council sanctions lists
- Terrorist organizations lists
- Regulatory watchlists
- Any other prohibited/sanctioned entity lists.

The Company shall screen clients against applicable sanctions and watchlists during onboarding and periodically thereafter.

The Company shall continuously scan and monitor existing accounts to ensure that no account is held by or linked to any individual or entity included in sanctions or prohibited lists.

Where any match or suspicion is identified, appropriate escalation, freezing, reporting, or regulatory action shall be initiated as required under applicable laws and regulations.

Enhanced monitoring shall be conducted for clients connected with FATF identified high-risk or non-cooperative jurisdictions.

11. CLIENTS OF SPECIAL CATEGORY (CSC)

Enhanced Due Diligence (EDD) shall be conducted for Clients of Special Category including:

- Politically Exposed Persons (PEPs)
- High net worth individuals
- Trusts and charities
- NGOs and non-profit organizations
- Foreign clients
- Non-face-to-face clients
- Clients from high-risk jurisdictions
- Companies with complex ownership structures
- Clients with suspicious transaction patterns

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- Clients dealing in high-risk products or securities.

EDD measures may include:

- Additional documentation
- Source of funds verification
- Source of wealth verification
- Senior management approval
- Enhanced monitoring
- Periodic review of client profile
- Verification of beneficial ownership.

12. ONGOING DUE DILIGENCE AND KYC UPDATION

The Company shall conduct ongoing due diligence of clients and transactions throughout the business relationship.

The Company shall:

- Periodically update KYC records and client information in accordance with SEBI/KRA/CKYC requirements.
- Monitor transactions to ensure consistency with client profile, financial status, and risk categorization.
- Conduct periodic review of high-risk accounts.
- Review source of funds and source of wealth wherever required.
- Monitor unusual changes in trading pattern or account behaviour.
- Reassess client risk categorization periodically.

Enhanced monitoring shall be carried out for high-risk clients and suspicious accounts.

13. TRANSACTION MONITORING

The Company shall establish systems and controls for ongoing monitoring of transactions.

Monitoring shall include:

- Sudden increase in turnover
- Transactions disproportionate to declared income/net worth
- Dormant accounts becoming active
- Frequent off-market transfers

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- Suspicious pay-in/pay-out patterns
- Layering of transactions
- Multiple accounts linked through common identifiers
- Significant activity in illiquid securities
- Frequent fund transfers without economic rationale
- Suspicious trading patterns
- Market manipulation indicators
- Mule account indicators
- Suspicious DP transactions
- Third-party fund transfers
- Unmapped bank transactions.

The Company shall discourage and restrict cash transactions in accordance with applicable regulatory provisions.

The Company shall maintain automated or manual systems for generation of alerts based on predefined risk parameters and suspicious transaction indicators.

The Company's AML framework shall operate in coordination with the Trade Surveillance Policy and risk management systems.

14. ALERT GENERATION, SCRUTINY AND INVESTIGATION PROCESS

The Company shall maintain systems for generation of alerts based on predefined parameters, scenarios, thresholds, and risk indicators.

Alerts may be generated for:

- Unusual trading volume
- Sudden increase in turnover
- Multiple linked accounts
- Common IP/device/mobile/email
- Transactions inconsistent with client profile
- Layering patterns
- Suspicious DP activity
- Significant off-market transfers

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- Suspicious fund movements
- Market manipulation indicators.

All alerts shall be reviewed and scrutinized by Compliance and Surveillance teams.

The scrutiny process may include:

- Review of client KYC and financial profile
- Analysis of trading pattern
- Examination of fund movement
- Verification of supporting documents
- Interaction with client wherever required
- Review of historical transactions.

Suspicious alerts shall be escalated immediately upon identification.

Where suspicion persists after review, the matter shall be escalated to the Principal Officer for further investigation and reporting.

15. SUSPICIOUS TRANSACTION REPORTING (STR)

The Company shall identify and monitor suspicious transactions and report the same to FIU-IND wherever required under applicable laws.

Suspicious transactions may include:

- Transactions lacking economic rationale
- Unusual fund movements
- Layering of transactions
- Suspicious market transactions
- Transactions involving proceeds of crime
- Terrorist financing indicators
- Multiple linked accounts
- Structuring of transactions to avoid reporting requirements.

The Principal Officer shall ensure timely filing of Suspicious Transaction Reports (“STRs”) with FIU-IND in accordance with prescribed timelines and procedures.

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The confidentiality of STRs and related information shall be strictly maintained. The Company, its employees, and associated persons shall not disclose the fact of STR filing or related investigation to the client or any unauthorized person.

16. RED FLAG INDICATORS

The Company shall monitor indicative AML/CFT red flags including:

- Sudden increase in trading activity
- Disproportionate turnover
- Frequent modification in KYC details
- Multiple accounts with common contact details
- Same bank account linked to multiple clients
- Common IP/device among unrelated clients
- Transactions inconsistent with client profile
- Suspicious fund transfers
- Layering of transactions
- Frequent off-market transfers
- Trading in penny or illiquid stocks
- Suspicious DP transactions
- Unauthorized operation of accounts
- Use of mule accounts
- Adverse media or regulatory information.

The above indicators are illustrative and not exhaustive.

17. RECORD KEEPING

The Company shall maintain records relating to:

- Client identification documents
- KYC records
- Beneficial ownership information
- Transaction records
- STR filings

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- AML investigations
- Client communications
- Monitoring reports
- Alert review records.

Records shall be preserved for a minimum period of five years or such higher period as prescribed under applicable regulations.

18. EMPLOYEE TRAINING AND AWARENESS

The Company shall implement appropriate employee screening and background verification procedures while hiring employees and associated persons.

Periodic AML/CFT training programs shall be conducted covering:

- AML/PMLA obligations
- Customer Due Diligence
- Suspicious transaction indicators
- STR reporting
- Regulatory updates
- Internal reporting procedures
- Sanctions screening
- FATF and UN sanctions compliance.

Relevant employees shall obtain certifications prescribed by SEBI/NSE from time to time.

19. CUSTOMER AWARENESS AND COMMUNICATION

The Company shall sensitize and educate customers regarding AML/CFT requirements through:

- Account opening documents
- Client disclosures
- Website disclosures
- Email/SMS communications
- Investor awareness initiatives
- Regulatory communications.

Clients shall be informed regarding KYC obligations, reporting requirements, and prohibition on suspicious or unlawful transactions.

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20. INTERNAL CONTROLS AND AUDIT

The Company shall maintain adequate internal controls including:

- Maker-checker mechanism
- Segregation of duties
- Escalation procedures
- Access controls
- Monitoring systems
- Surveillance coordination.

The Internal Auditor shall periodically review:

- AML systems and controls
- STR framework
- Client due diligence process
- Monitoring systems
- Regulatory compliance
- Effectiveness of AML/CFT framework.

Audit observations shall be reported to management and corrective actions shall be implemented promptly.

Where reliance is placed on third-party due diligence, ultimate responsibility for customer due diligence and AML compliance shall remain with the Company.

The AML/CFT framework shall be subject to periodic independent testing and review.

21. COOPERATION WITH REGULATORY AUTHORITIES

The Company shall cooperate with SEBI, Exchanges, FIU-IND, Depositories, law enforcement agencies, and other regulatory authorities and furnish records, reports, and information as required under applicable laws and regulations.

Where required under applicable law, the Company may freeze accounts, suspend transactions, or report to competent authorities.

22. NON-COMPLIANCE

Any violation of this Policy or AML/CFT obligations may result in:

- Disciplinary action

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- Suspension of trading privileges
- Regulatory reporting
- Financial penalties
- Termination of employment or association.

The Company reserves the right to suspend or terminate relationships where AML/CFT concerns cannot be satisfactorily resolved.

23. REVIEW OF POLICY

This Policy shall be reviewed at least annually or earlier if required due to:

- Changes in laws or regulations
- SEBI or FIU-IND circulars
- Operational requirements
- Internal audit findings
- Business requirements.

Any amendment to this Policy shall be approved by the Board of Directors or competent authority.

24. APPROVAL

This Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) Policy is approved and adopted by the Board of Directors of Wealthstreet Financial Services Private Limited.

The Board of Directors and Senior Management of the Company are committed to ensuring effective implementation of this Policy in letter and spirit and to maintaining adequate AML systems, internal controls, governance mechanisms, and monitoring frameworks in compliance with applicable SEBI, FIU-IND, Exchange, Depository, FATF, and other regulatory requirements.

The Company shall review this Policy periodically and submit the same to regulatory authorities, wherever applicable, in accordance with prescribed regulatory requirements and timelines.

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