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POLITICALLY EXPOSED PERSONS (PEP) POLICY

(Enhanced Due Diligence for PEPs and their Family Members / Close Relatives)

Document Control

Policy Name	Politically Exposed Persons (PEP) Policy
Version	2.0
Effective Date	16-10-2025
Approved By	Board of Directors, Pawan Parmeshwar Capital Pvt Ltd
Owner	Principal Officer (PMLA) — Mr. Bhumit Choudhary
Review Frequency	Annual
Parent Policy	AML/PMLA Policy (Version 2.0)
Supersedes	PEP Policy adopted under proprietorship name (approximately 80 words, brief framework)

1. Preamble and Objective

Politically Exposed Persons (PEPs) — individuals entrusted with prominent public functions — present a higher risk of involvement in money laundering, corruption and abuse of power because of their position and the influence they may hold. To mitigate this risk, Indian law and SEBI's AML/CFT framework require enhanced due diligence and ongoing monitoring of PEP relationships, the family members and close relatives of PEPs, and the entities through which they may operate.

This Policy is a focused, dedicated framework for PEPs and forms part of the Company's AML/PMLA framework. It supplements the AML/PMLA Policy (Version 2.0) without duplicating the broader framework set out therein.

2. Scope and Applicability

- This Policy applies to every prospective and existing client of the Company who is, or whose Beneficial Owner is, a PEP, a family member of a PEP, or a close relative of a PEP;
- This Policy also applies to legal entities (companies, trusts, partnerships, etc.) where a PEP holds a senior management position, has a controlling interest or is a Beneficial Owner;
- All Covered Persons of the Company who are engaged in client onboarding, ongoing client relationships and monitoring shall observe this Policy.

3. Regulatory References

- Prevention of Money Laundering Act, 2002 — Section 12, 12A, 12AA;
- Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 — Rule 2(1)(db) (definition of PEP) and Rule 9(8) (additional measures for PEPs);
- SEBI Master Circular SEBI/HO/MIRSD/MIRSDSECFATF/P/CIR/2024/78 dated June 6, 2024 — Paragraphs 13 (Clients of Special Category) and 14 (PEPs);
- SEBI Circular SEBI/HO/MIRSD/SEC-FATF/P/CIR/2023/0170 dated October 13, 2023 — amending the definition of PEP and extending PEP norms to family members and close relatives of PEPs;
- SEBI (Stock Brokers) Regulations, 1992 — Schedule II Code of Conduct.

No regulation having effect outside India is incorporated by reference into this Policy.

4. Definitions

"PEP" or "Politically Exposed Person": Per Rule 2(1)(db) of the PML Rules — individuals who have been entrusted with prominent public functions by a foreign country, including the heads of states or governments, senior politicians, senior government or judicial or military officers, senior executives of state-owned corporations and important political party officials. (Note: the PML Rules definition is limited to foreign PEPs; domestic PEPs are not within this statutory definition but the Company may, on a risk-based approach, treat domestic prominent public-function holders as higher risk for purposes of enhanced monitoring.)

"Family Member of a PEP": For the purposes of this Policy and Paragraph 14 of the SEBI AML Master Circular — spouse, children (including step-children), parents, siblings, in-laws and any other person who, by reason of family or personal relationship, may be expected to benefit from or facilitate transactions for a PEP.

"Close Relative / Close Associate of a PEP": Any individual who is publicly known to maintain a close business or personal relationship with the PEP, including persons who have joint beneficial ownership of any entity or arrangement with the PEP, persons who are sole beneficial owners of an entity set up for the benefit of the PEP, or persons who maintain a personal close relationship with the PEP.

"Enhanced Due Diligence" or "EDD": The additional due diligence measures specified under Paragraph 14 of the SEBI AML Master Circular and Rule 9(8) of the PML Rules.

5. Identification of PEP Status

5.1 Self-Declaration at Onboarding

Every new client (and the Beneficial Owners of every non-individual client) shall be required, as part of account opening, to declare whether they (or their family members or close relatives) are or have been a PEP. The self-declaration shall be incorporated into the Account Opening Form.

5.2 Independent Verification

Self-declaration shall not be the sole basis. The Compliance / Principal Officer shall perform independent verification by:

- Screening the client's name (and BO names) against a reputable PEP database / sanctions screening tool;
- Reviewing publicly available information, including online searches and adverse media;
- Considering the client's occupation, source of funds and source of wealth declared during CDD;
- For non-individual clients, reviewing the directors, KMP, senior management, controlling shareholders and Beneficial Owners for PEP status.

5.3 Ongoing Identification

PEP status may arise during the course of a relationship (for example, when an existing client is appointed to a public office). The Company shall:

- Periodically re-screen the entire client base against updated PEP lists (at least quarterly);
- Where a client's PEP status changes, treat the relationship as a PEP relationship from the date of the change and apply the EDD measures set out in Section 7 below;
- Document the date and reason for the change in classification.

6. Approval for Onboarding / Continuation of PEP Relationships

Per Paragraph 14 of the SEBI AML Master Circular read with Rule 9(8) of the PML Rules:

- Onboarding of any new PEP client (or non-individual client where the BO is a PEP, family member of PEP or close relative of PEP) shall require the prior approval of the Board of Directors. Where the Board has not formally delegated this approval, the Principal Officer shall escalate every PEP onboarding to the Board for approval;
- Where the PEP status arises during the course of an existing relationship, continuation of the relationship shall require the approval of the Board / senior management (depending on Board delegation);
- The decision to onboard / continue, with the basis for the decision, shall be recorded in writing and minuted at the Board;
- The Company may, at its discretion and on the recommendation of the Principal Officer, decline to onboard or to continue any PEP relationship if it is unable to apply appropriate EDD or if the relationship is otherwise inconsistent with the Company's risk appetite.

7. Enhanced Due Diligence (EDD) for PEPs

7.1 Information to be Obtained

In addition to standard CDD documentation, the following shall be obtained for PEP clients:

- Detailed information on the PEP's public function, including position, jurisdiction, and dates of holding such public function;
- Detailed information on the PEP's family members and close relatives who are clients of the Company or BOs of clients of the Company;
- Source of Funds — written, contemporaneous evidence of the source of the funds being used for the transactions through the Company (e.g., salary slips, dividend statements, business income statements, sale-proceeds documents);
- Source of Wealth — written, contemporaneous evidence of the source of the overall wealth of the PEP (e.g., family inheritance documents, business ownership records, asset holdings);
- Expected pattern of activity — volume, frequency, types of securities, expected counterparties;
- Reference checks, including from at least one independent verifier where the relationship is High Risk.

7.2 Documentation Standard

- Source of Funds / Source of Wealth declarations shall be supported by documentary evidence;

- Where the client is unwilling or unable to provide adequate documentation, the relationship shall not be commenced;
- The Principal Officer shall maintain a separate file for each PEP relationship containing all PEP-specific documentation.

8. Ongoing Monitoring

PEP relationships shall be subject to enhanced ongoing monitoring:

- All transactions shall be reviewed against the expected pattern of activity declared at onboarding;
- Any deviation (in volume, frequency, counterparty, security type) shall be inquired into by the Principal Officer;
- A documented annual relationship review shall be conducted for every PEP client, covering: re-confirmation of PEP status; re-confirmation of source of funds / wealth; review of transaction activity against expected pattern; review of any adverse media; renewed Board / senior management noting of the relationship;
- Any change in the PEP's public function or any adverse development shall trigger an immediate ad-hoc review;
- Where a PEP ceases to hold the public function, the Company shall continue to apply EDD for a reasonable period (which shall not be less than 12 months) commensurate with the residual risk.

9. Family Members and Close Relatives of PEPs

Per the SEBI Circular SEBI/HO/MIRSD/SEC-FATF/P/CIR/2023/0170 dated October 13, 2023 (which amended Paragraph 14 of the then SEBI AML Master Circular), the additional norms applicable to PEPs apply equally to:

- Family members of PEPs; and
- Close relatives of PEPs.

Accordingly, all the measures set out in Sections 6, 7 and 8 of this Policy apply to family members and close relatives of PEPs in the same manner as they apply to the PEPs themselves.

10. Non-Individual Clients with PEP Beneficial Owners

Where a non-individual client (company, partnership, trust, association) has a PEP, family member of a PEP or close relative of a PEP as a Beneficial Owner, controlling shareholder, settlor, trustee, protector, beneficiary, senior management official or director:

- The non-individual client shall be treated as a PEP relationship for the purposes of this Policy;
- All measures in Sections 6, 7 and 8 shall apply, with appropriate adaptation;
- The relationship between the PEP and the non-individual client shall be documented, and any change in the PEP's role shall be intimated by the client and re-assessed.

11. Trigger for Suspicious Transaction Report (STR)

Where ongoing monitoring of a PEP relationship gives rise to any reasonable ground of suspicion (e.g., transactions inconsistent with declared source of funds / wealth, unexplained large transactions, layering patterns, counterparties of concern), the Principal Officer shall:

- Document the basis of suspicion;
- File a Suspicious Transaction Report (STR) with FIU-IND within seven working days, per the AML/PMLA Policy (Version 2.0);
- Comply strictly with the tipping-off prohibition under Section 12A of the PMLA — the PEP client shall not be informed of the STR filing;
- Continue to apply EDD pending any FIU-IND / regulatory action.

12. Record Keeping

All PEP-related records (CDD documents, EDD documents, source-of-funds / source-of-wealth evidence, internal approvals, Board minutes, ongoing-monitoring records, STR filings) shall be maintained for the periods set out in the AML/PMLA Policy (Version 2.0), with the higher of the periods applicable. PEP-related records shall be segregated and access shall be restricted to the Principal Officer, the Compliance Officer and authorised Board / senior management members.

13. Training

- Training on PEP identification, EDD measures, ongoing monitoring and tipping-off prohibition shall form part of the AML/CFT induction and annual refresher programme set out in Section 15 of the AML/PMLA Policy (Version 2.0);
- Specific training on PEP identification techniques (PEP databases, adverse media search, BO identification for non-individuals) shall be provided to the account-opening team and the Principal Officer's team.

14. Sanctions for Non-Compliance

Breach of this Policy by any Covered Person may attract disciplinary action by the Company and may also attract regulatory action by SEBI / FIU-IND, and criminal proceedings under the PMLA. The specific sanctions framework is the same as set out in the AML/PMLA Policy (Version 2.0) and the Conflicts of Interest Policy (Version 2.1).

15. Cross-Policy References

- AML/PMLA Policy (Version 2.0) — broader AML/CFT framework;
- KYC Policy — account opening procedure;
- Internal Control Policy — broader internal control framework;
- Registers & Records Manual — record-keeping requirements (in particular the PEP Register);
- Conflicts of Interest Policy (Version 2.1) — sanctions framework.

16. Policy Review and Effective Date

- This Policy shall be reviewed at least once every financial year by the Principal Officer along with the AML/PMLA Policy and placed before the Board for re-approval;
- Earlier review shall be conducted on any material amendment to the PMLA, PML Rules, SEBI AML Master Circular or any update to the PEP framework;
- This Policy shall come into effect from the date of its approval by the Board of Directors.

Annexure A — PEP Self-Declaration (Account Opening)

To be included in the Account Opening Form for every new client (individual and non-individual). For non-individual clients, the declaration shall be obtained for each Beneficial Owner, director, senior management official and controlling shareholder.

Name of person / entity	
PAN	
Capacity (Self / BO / Director / KMP / etc.)	

Declaration:

I declare that (please tick the applicable):

- I am NOT a PEP, family member of a PEP, or close relative of a PEP; OR
- I AM a PEP — Particulars: ____; OR
- I AM a family member of a PEP — Relationship: ________________________; PEP name and public function: ____; OR
- I AM a close relative / close associate of a PEP — Particulars: ____.

I undertake to inform Pawan Parmeshwar Capital Pvt Ltd immediately of any change in my PEP status.

Signature: ____ Date: _____________________

Annexure B — PEP Onboarding Approval Note

To be prepared by the Principal Officer for every prospective PEP relationship; presented to the Board for approval before account activation.

Client name / UCC	
Date	
PEP — Name and public function	
Family member / close relative — Relationship to PEP	
Country / jurisdiction	
Source of Funds (with evidence reference)	
Source of Wealth (with evidence reference)	
Expected pattern of activity (turnover, segments, counterparties)	
Adverse media check — date and outcome	
Sanctions screening — date and outcome	
Risk category	High
Principal Officer recommendation	
Board decision (Approve / Decline / Conditional)	
Conditions (if any)	
Board meeting date	
Board minute reference	

Annexure C — Annual PEP Relationship Review

To be completed by the Principal Officer once a year for every PEP client, family member of PEP and close relative of PEP. Submit to Board for noting.

Client name / UCC	
Year of review	
Re-confirmation of PEP status (Yes / No; details if change)	
Source of Funds — any change?	
Source of Wealth — any change?	
Transactions during the year — Total turnover / number of trades / segments	
Consistency with expected pattern (Y / N; if N, explanation)	
Adverse media during the year — Y / N; details	
Any STR filed during the year? (Y / N)	
Action recommended (Continue / Continue with additional conditions / Exit)	
Board noting / approval reference	
Signature of Principal Officer	

Board Approval

This PEP Policy (Version 2.0) has been reviewed and approved by the Board of Directors of Pawan Parmeshwar Capital Pvt Ltd at its meeting held on 16-10-2025.

The Board has also recorded, on the same date, the following:

- Principal Officer responsible for PEP framework: Mr. Rajkumar Pandey
- Authority for PEP onboarding approval: Board of Directors (delegation, if any, by separate resolution)
- Frequency of full client-base PEP re-screening: at least quarterly
- Frequency of individual PEP relationship review: annual

For PAWAN PARMESHWAR CAPITAL PVT. LTD.

Director / Authorised Signatory

PAWAN PARMESHWAR CAPITAL PVT. LTD. MUMBAI

Director / Authorised Signatory

Name: Pawankumar Choudhary

Designation: Director

Date: 16-10-2025

Place: Mumbai