MAKIA CAPITAL TRUST
KNOW YOUR CLIENTS AND ANTI-MONEY LAUNDERING POLICY
(Integrity and Anti-Corruption Compliance System)

1. INTRODUCTION

Makia Capital Trust is a Category-I AIF to manage and dispose of investments with the view of providing returns and long-term capital appreciation and returns to the beneficiaries by investing in permissible securities/instruments in accordance with the Applicable Laws and the Trust Documents.

Pursuant to the recommendations made by the Financial Action Task Force (formed for combating money laundering), the Government of India had notified the Prevention of Money Laundering Act in 2002. SEBI had issued the Guidelines on Anti Money Laundering Standards vide their notification No. ISD/CIR/RR/AML/1/06 dated 18th January 2006 and vide letter No. ISD/CIR/RR/AML/2/06 dated 20th March 2006 had issued the obligations of the intermediaries registered under Section 12 of SEBI Act, 1992.

As per these SEBI guidelines, all intermediaries have been advised to ensure that proper policy frameworks are put in place as per the Guidelines on Anti Money Laundering Standards notified by SEBI. The objective of the SEBI guidelines is that a registered intermediary and any of its representatives should implement, identify and discourage any money laundering or terrorist financing activities. The overriding principle is that the registered intermediary should be able to satisfy themselves that the measures taken by them are adequate, appropriate and follow the spirit of these measures and the requirements as enshrined in the Prevention of Money Laundering Act, 2002 ("**PMLA**") and the Government of India Notification dated 1 July, 2005. The PMLA has been further amended vide notification dated March 6, 2009 and inter alia provides that violating the prohibitions on manipulative and deceptive devices, insider trading and substantial acquisition of securities or control as prescribed in Section 12 A read with Section 24 of the Securities and Exchange Board of India Act, 1992 (SEBI Act) will now be treated as a scheduled offence under Schedule B of the PMLA.

What is Money Laundering?
Money laundering is the criminal practice of putting ill-gotten gains or dirty money through a series of transactions, so that the funds are cleaned to look like proceeds from legal activities. It is driven by criminal activities and conceals the true source, ownership, or use of funds. In simple terms money laundering is most often described as the "turning of dirty or black money into clean or white money". If undertaken successfully, money laundering allows criminals to legitimize "dirty" money by mingling it with "clean" money, ultimately providing a legitimate cover for the source of their income.

Prevention of Money Laundering Act, 2002 ("PMLA Act")

PMLA Act forms the core of the legal framework put in place by India to combat money laundering.

Section 3 of the PMLA Act defines money laundering in following words:
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 PMLA Act 2002 and Rules notified there impose an obligation on intermediaries (including stock brokers and sub-brokers) to verify the identity of clients, maintain records and furnish information to the Financial Intelligence Unit (FIU) – INDIA.

2. OBJECTIVE AND PURPOSE

Makia Capital Trust is committed to examining its Anti Money Laundering strategies, goals, and objectives on an ongoing basis and maintaining an effective Anti Money Laundering program for its business that reflects the best practices for a diversified retail financial services firm.
Makia Capital AML Policy is designed to ensure that it complies with the requirements and obligations set out in Indian legislation, regulations, rules, and Industry Guidance for the financial services sector, including the need to have adequate systems and controls in place to mitigate the risk of the firm being used to facilitate financial crime. The AML Policy sets out the minimum standards which must be complied with and includes:

a) The appointment of a Money Laundering Reporting Officer (MLRO) of sufficient seniority, who has responsibility for oversight of compliance with relevant legislation, regulations, rules and industry guidance;

b) Establishing and maintaining a Risk Based Approach (RBA) toward assessing and managing the money laundering and terrorist financing risks to the Group;

c) Establishing and maintaining risk-based customer due diligence, identification, verification, and know-your-customer (KYC) procedures, including enhanced due diligence for those customers presenting higher risk, such as Politically Exposed Persons (PEPs), Non-Resident Indians (NRIs);

d) Procedures for reporting suspicious activity internally and to the relevant law enforcement authorities as appropriate;

e) Establish AML and KYC standards for compliance by the Fund in respect of its financial dealings and other activities on behalf of the Fund;

f) Provide sufficient safeguards to protect the Fund from being used as a channel for money laundering or terrorist financing activities and to protect the Fund's reputation by ensuring compliance with all the relevant legal and regulatory guidelines;

g) Provide guidance to all employees of the Fund on the AML and KYC procedures that should be followed for due diligence of investors and other activities as may be mandated under applicable laws;

3. APPLICABILITY

a) The Policy shall be applicable to all the investors and the investee entities of the Fund, any person on whose behalf an investment is made in the Fund, any beneficial owner of an investment any person who has any investment advisory relationship with the Investment Manager, employees and vendors providing services to the Fund and the Investment Manager, any person or entity connected with a financial transaction which can pose significant reputational risk to the Investment Manager or the Fund or any person with whom the transaction exceeds INR One Crore.
b) The Policy shall also be applicable to the Investment Manager, its designated partners (Board), employees and outsourced entities supporting it in its operations.

Policy and Procedural Framework for AML
This Policy inter-alia includes the following:

a) Appointment of key personnel and their role and responsibilities
b) Investors' due diligence
c) AML monitoring and reporting procedure
d) Maintenance and Retention of records
e) Employee hiring and training
f) Vendors and suppliers support

g) Compliance with Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

a) Appointment of key personnel and duties of the management team

The Board and senior management of the Investment Manager is fully committed to establishing appropriate policies and procedures for preventing money laundering and ensuring their effectiveness and compliance with the relevant legal and regulatory requirements. The Board shall appoint the following personnel for specific KYC and AML responsibilities:

i. **Designated Director:** As required under the PML Rules, the managing partner (as applicable) of the Investment Manager shall be appointed as the 'Designated Director', responsible for the overall compliance of this Policy and related procedures.

ii. **Principal Officer:** A senior officer, with the required skill sets and experience, shall be appointed as the 'Principal Officer' to ensure day-to-day compliance and implementation with this Policy and procedures and report to regulators/authorities. The responsibilities of the Principal Officer shall, inter alia, include:

- Facilitate onward reporting of suspicious transactions, play an active role in the identification and assessment of potentially suspicious transactions and have access to and be able to report to senior management at the next reporting level or the Board;
- Monitoring of transactions, and reporting of all suspicious transactions and sharing of information as required under the law and relevant regulations;
- Maintaining close liaison with regulators and concerned authorities on AML and KYC matters;
- Overseeing and ensuring overall compliance with the relevant regulatory guidelines;
- Co-operating with the relevant law enforcement authorities, including the timely disclosure of information.

b) Investor Due Diligence

Investor due diligence means taking into consideration all of the parameters and factors that the Investment Manager needs to identity and verify the investor's identity and determine whether an investor is and continues to be acceptable to the Investment Manager/Fund as per its risk assessment standards.

i. Policy for acceptance of investors

The Investment Manager will adopt the risk-based approach for conducting the overall due diligence of investors. Such due diligence will be carried out based on factors such as the legal status of the entity, organizational structure, publicly available information, nature of transactions, terms agreed under the Fund's documents, etc.

ii. Procedure for due diligence

The Investment Manager will conduct commercially reasonable due diligence of the investor or the person on whose behalf the investment is being made, as well as the identified key personnel of such investee entity. Such due diligence will be conducted at different levels i.e. at the time of onboarding and at subsequent regular intervals as per the applicable laws, while carrying out transactions or as mandated by the regulator from time to time.

While conducting the due diligence, the Investment Manager shall:

- Carry out independent research on the concerned entities through reliable publicly available information and keep on record information obtained from reliable sources. Information and documents available from the KYC Registration Agency (KRA) and Central KYC Registry (CKYC) database and available in public domain may not be called for from the investors.

- In case where the KYC registration has not been done by the client, following steps maybe performed by Procurement of duly executed KYC forms from investors; Performance of KYC check and obtaining KYC documents; Uploading all the information obtained through these with SEBI registered KRA and CKYC.

iii. Conduct verification of the investors where considered necessary and ensure that the details are the same as that in the KYC form; conduct checks by subscribing to relevant databases for identified individuals against civil or criminal proceedings by any enforcement agency worldwide; conduct checks for identified individuals against Politically Exposed Person (PEP) including family members and close relatives of PEPs, non-residents, high net-worth clients, trust, charity and non-governmental organisations receiving donations, companies having close family shareholding or beneficial ownership based on publicly available information;

iv. The Principal Officer will take necessary guidance and advice, as required, from the Board to complete the due diligence including additional information and monitoring processes for PEP, onboarding of whom may take place only with the approval from the Management.

c) AML Monitoring and Reporting Procedures

i. The Investment Manager will, at regular intervals, monitor the transactions conducted by the investors with the Fund (such as drawdown of funds, distribution of funds, transfer of units, etc.) to ensure that the payments being made by the investors are in accordance with the respective contribution agreements, with respect to factors like, mode of payment, third party transfers etc.

ii. The Fund or the Investment Manager will not undertake any 'cash' dealings with the investors.

iii. Reporting under the Unlawful Activities (Prevention) Amendment Act, 2008 (UAPA)

d) Maintenance and Retention of records

i. The Investment Manager shall maintain the records of identification and transactions as follows:

S.No.	Nature of Record	Time for the retention of the record
1.	Transaction-related records (Fund documents etc.)	10 years from the date of termination/ end of term of the Fund or underlying investment period in each investment.
2.	Identity records of investor, investee, etc.	5 years from the date of termination of the investor/investee–fund relationship

ii. The Investment Manager will periodically update the relevant documents obtained from the investors/investees/authorized representatives as part of its due diligence process.

e) Employee Hiring and Training

The Investment Manager shall conduct adequate background checks of all individuals. At the same time, the Investment Manager may provide periodic training to all its employees with respect to various operational and AML regulatory provisions and ensure that new employees undergo the same after joining the Investment Manager. Such training will be devised based on the role and responsibility of the employees.

f) Vendors and suppliers support

The Investment Manager will not carry out any cash transaction. Additionally, receipts or payment of money will be made directly with the counterparty and through a proper banking channel. Financial transactions with unknown third parties shall be prohibited.

g) Compliance with Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

The Investment Manager will at the time of conducting investor due diligence and at various subsequent intervals undertake necessary due diligence of all the reportable accounts as prescribed under FATCA and CRS guidelines. Further, such information shall be maintained and reported in the prescribed forms.

Review of Policy

The Investment Manager will review this policy regularly, in light of changes in regulatory guidelines and for operational reasons.