

Anti-Money Laundering (AML) Policy

Urban PGM Pvt. Ltd.

Effective Date: 1st may 2024

1. Purpose

The purpose of this Anti-Money Laundering (AML) Policy is to establish robust internal procedures for identifying, mitigating, and reporting any suspicious activity that may be related to money laundering or terrorist financing. Urban PGM is committed to full compliance with the Prevention of Money Laundering Act (PMLA), 2002 and its associated rules, regulations, and amendments.

2. Scope

This policy applies to:

- All employees, directors, contractors, Suppliers, Buyers and agents of Urban PGM
 - All branches, subsidiaries, and business units across India
 - All customers, vendors, and third-party stakeholders engaged in business with Urban PGM
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3. Regulatory Framework

This AML Policy aligns with:

- **The Prevention of Money Laundering Act (PMLA), 2002**
 - **Financial Action Task Force (FATF) Recommendations**
 - **SEBI and RBI AML Guidelines**, as applicable
 - **Customs and DGFT Notifications for Exporters and Recyclers of Precious Metals**
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4. Key Principles

Urban PGM adopts the following AML principles:

4.1 Customer Due Diligence (CDD)

Before entering into any commercial relationship, Urban PGM will conduct thorough identity verification and background checks. This includes:

- KYC documents (PAN, Aadhaar, GSTIN, IEC, etc.)
- Verification of business licenses, Udyam/MSME registration
- Physical verification of business premises (if required)
- Ultimate Beneficial Owner (UBO) identification for entities

4.2 Know Your Supplier (KYS)

Suppliers of scrap catalytic converters or related materials will be subject to due diligence to ensure materials are sourced from legitimate and legal channels.

4.3 Risk-Based Approach

Transactions will be categorized into low, medium, and high risk based on:

- Nature of customer or supplier
- Geography
- Value and frequency of transactions
- Source of materials

Enhanced due diligence (EDD) will be conducted for high-risk parties or jurisdictions.

5. Record-Keeping

Urban PGM will maintain the following records for a minimum of 5 years:

- Customer and supplier identification data
- Transaction logs (purchase, sales, export documentation)
- Any suspicious transaction reports (STRs)
- Audit trails of financial transactions and payments

6. Monitoring & Reporting

6.1 Transaction Monitoring

Urban PGM will monitor all cash, electronic, and export transactions through its ERP and accounting systems. Alerts will be generated for:

- Large cash transactions (above INR 2 lakh)
- Irregular patterns or multiple transactions just below threshold
- Mismatched documentation or unverifiable identities

6.2 Suspicious Transaction Reporting (STR)

Any suspicious transaction will be reported to the **Financial Intelligence Unit – India (FIU-IND)** without alerting the involved parties.

7. Employee Responsibility & Training

- All staff involved in commercial, finance, procurement, and compliance functions will receive periodic AML training.
 - Employees are obligated to report any suspicious activity to the designated **Compliance Officer** immediately.
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8. Designated AML Compliance Officer

Name: [Insert Name]

Designation: [Insert Title]

Email: [Insert Email]

Responsibilities:

- Implementing AML measures
 - Reporting STRs to FIU-IND
 - Liaising with regulatory authorities
 - Conducting internal audits and reviews
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9. Internal Controls and Audit

Urban PGM will periodically:

- Review internal AML processes
 - Conduct risk assessments
 - Perform audits of customer/vendor databases and financial records
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10. Penalties for Non-Compliance

Any breach of this policy or willful blindness to AML risks may lead to:

- Disciplinary action or termination
 - Regulatory penalties
 - Criminal liability under PMLA
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11. Policy Review

This policy will be reviewed annually or as required by law or operational changes.

This AML Policy reflects Urban PGM's commitment to transparency, ethical business conduct, and compliance with all applicable financial and environmental regulations.
