DEXIF SECURITY BROKING PRIVATE LIMITED
KNOW YOUR CUSTOMER (KYC) POLICY

Version: 1.00

Version History

Version	***Date of Approval***	***Approver***	***Owner***
1.0	*04-Dec-2024*	*Board of Directors*	*Team Compliance*

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Contents

1. Objective

The Know Your Customer (KYC) Policy outlines the framework for verifying and identifying customers, ensuring compliance with applicable laws, and mitigating risks of money laundering, terrorist financing, and other financial crimes. This policy is developed in accordance with regulatory guidelines issued by SEBI and international best practices.

- To prevent misuse of the company's services for illegal activities.
- To ensure compliance with applicable legal and regulatory requirements.
- To safeguard the integrity of financial systems by identifying and mitigating risks.
- To establish clear processes for customer identification and due diligence.

2. Scope

This policy applies to all customers, prospective customers, employees, agents, and business partners involved in the operations of Dexif Stock Broking Private Limited. It covers account opening, ongoing transactions, and monitoring to ensure customer identity verification and risk assessment.

3. Background

KYC and Client Due Diligence (CDD) policies as part of KYC are the foundation of an effective Anti-Money Laundering process. The KYC process requires every SEBI registered intermediary to obtain and verify the Proof of Identity (PoI) and Proof of Address (PoA) from the client at the time of commencement of an account-based relationship.

Dexif being a registered intermediary with Stock Broker License (and any other future license/registration that it may acquire) shall not open or keep any anonymous account or account in fictitious names or account on behalf of other persons whose identity has not been disclosed or cannot be verified.

In accordance with the provisions of the SEBI Master Circular on Know Your Client (KYC) norms for the securities market, Dexif, being a SEBI Registered Intermediary shall follow the standard KYC template as issued by Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) for individuals and for legal entities for capturing the KYC information.

4. Requirement of Permanent Account Number (PAN)

4.1 Company shall identity every participant in the securities market with their respective PAN thereby ensuring sound audit trail of all the transactions.

4.2 The company shall verify the PAN of their clients online at the Income Tax website. PAN is the key identification number and part of KYC requirements for all transactions in the securities market, all registered intermediaries shall ensure valid PAN in the KYC documentation for all clients.

Exemptions/Clarifications to PAN requirements

The following are exempted from the mandatory requirement of PAN:

i. Transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator,

Court receiver etc. (under the category of Government) for transacting in the securities market.

ii. Investors residing in the state of Sikkim.

iii. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.

iv. SIP of Mutual Funds upto ₹50,000/- per year.

In case there is change in the name subsequent to issuance of PAN of the client, registered intermediaries can collect the PAN card proof as submitted by the client provided it is supported by a marriage certificate issued by the State Government or gazette notification, indicating such a change of name.

The e-PAN issued by Central Board of Direct Taxes (CBDT) can also be produced by client for KYC compliance. e-PAN is a digitally signed PAN card issued in electronic format by the Income-tax department.

5. List of documents admissible as Proof of Identity (PoI)

5.1. The company shall, at the time of commencement of an account-based relationship shall identify its clients, verify their identity and obtain information on the purpose and intended nature of the business relationship.

5.2. The name as mentioned in the KYC form shall match the name as mentioned in the Proof of Identity (PoI) submitted.

5.3. The following documents shall be accepted as PoI:

Officially valid document (OVD)

i. the passport;

ii. the driving licence;

iii. proof of possession of Aadhaar number;

iv. the Voter's Identity Card issued by Election Commission of India;

v. job card issued by NREGA duly signed by an officer of the State Government;

vi. the letter issued by the National Population Register containing details of name address; or

vii. any other document as notified by the Central Government in consultation with the Regulator.

5.4. The company *shall not store/ save the Aadhaar number of client* in their system. The company shall, where the client submits his Aadhaar number, ensure that such client redacts or blacks out his Aadhaar number by appropriate means where the authentication of Aadhaar number is not required.

6. Proof of Address (PoA)

6.1. The following documents shall be accepted as PoA:

a. "officially valid document"

i. the passport;

ii. the driving licence;

iii. proof of possession of Aadhaar number;

iv. the Voter's Identity Card issued by Election Commission of India;

v. job card issued by NREGA duly signed by an officer of the State Government;

vi. the letter issued by the National Population Register containing details of name, address; or
vii. any other document as notified by the Central Government in consultation with the regulator

b. In case the officially valid document furnished by the client does not contain updated address, the following documents (or their equivalent edocuments thereof) shall be as deemed to be officially valid document for the limited purpose of proof of address, provided that the client shall submit updated officially valid document (or their equivalent e-documents thereof) with current address within a period of three months of submitting the following documents
i. utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill);
ii. property or municipal tax receipt;
iii. pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;
iv. 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 and leave and licence agreements with such employers allotting official accommodation

6.2. Cases where the client submits his proof of possession of Aadhaar number as an officially valid document, he may submit it in such form as is issued by the UIDAI.
6.3. A document shall be deemed to an officially valid document even if there is a change in the name subsequent to its issuance provided it is supported by a Marriage Certificate issued by the State Government or a gazette notification, indicating such change of name
6.4. For non-residents and foreign nationals, (allowed to trade subject to RBI and FEMA guidelines), copy of passport/Persons of Indian Origin (PIO) Card/Overseas Citizenship of India (OCI) Card and overseas address proof is mandatory.
6.5. In case the officially valid document presented by a foreign national does not contain the details of address, the documents issued by the Government departments of foreign jurisdictions and letter issued by the Foreign Embassy or Mission in India shall be accepted as proof of address.
6.6. If any proof of address is in a foreign language, then translation into English shall be required.
6.7. If correspondence and permanent address is different, then proof for both shall be submitted.
6.8. A client can authorize to capture address of a third party as a correspondence address, provided that all prescribed 'Know Your Client' norms are also fulfilled for the third party. The intermediary shall obtain proof of identity and proof of address for the third party. The intermediary shall also ensure that client due diligence norms are complied with in respect of the third party.
6.9. Registered intermediaries at the time of commencement of an accountbased relationship shall determine whether the client purports to act on behalf of juridical person or individual or trust and the registered intermediary shall verify that any person purporting to act on behalf of such client is so authorized and verify the identity of that person.

7. **Identification of Beneficial Ownership**

In accordance with SEBI Master Circular SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023 on Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under

Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party shall be identified using client identification and verification procedures.

8. **Requirement of additional documents for non-individuals (Legal Entities)**

In case of non-individuals, additional documents (certified copies of equivalent e-documents) including but not limited to below shall be :

8.1 **Corporate body:**

i. Certificate of incorporation.
ii. Memorandum and Articles of Association.
iii. Board Resolution for investment in securities market.
iv. Power of Attorney granted to its managers, officers or employees, as the case may be, to transact on its behalf.
v. Authorised signatories list with specimen signatures.
vi. Copy of the balance sheet for the last financial year (initially for the last two financial years and subsequently for every last financial year).
vii. Latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/whole time director/ MD (to be submitted every year).
viii. Photograph, POI, POA, PAN and DIN numbers of whole time directors/two directors in charge of day to day operations.
ix. Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly.

8.2 **Partnership firm:**

i. Certificate of registration (for registered partnership firms only).
ii. Copy of partnership deed.
iii. Copy of the balance sheet for the last financial year (initially for the last two financial years and subsequently for every last financial year).
iv. Authorised signatories list with specimen signatures.
v. Photograph, POI, POA, PAN of Partners.

8.3 **Trust:**

i. Certificate of registration (for registered trust only).
ii. Copy of Trust deed.
iii. Copy of the balance sheet for the last financial year (initially for the last financial years and subsequently for every last financial year).
iv. List of trustees certified by managing trustees/CA.
v. Photograph, POI, POA, PAN of Trustees.

9. **Approval and Monitoring**

9.1 Pre-Approval

- All advertisements must be reviewed and approved by the Compliance Officer or an authorized team before publication or distribution.
- Approval records will be maintained for regulatory audit purposes.

9.2 Monitoring

- The company will periodically monitor advertisements for adherence to this code and regulatory requirements.
- Any non-compliance will result in corrective action, including withdrawal or modification of the advertisement.

10. Escalation and Reporting

10.1 Complaints and Feedback

- Investors can report misleading advertisements through email at compliance@dexifbroking.com

10.2 Internal Reporting

- Any employee identifying a potential violation of this code must escalate the matter to the Compliance Officer immediately.

11. Record Maintenance

All advertisement and other educational contents shall be documented and maintained for a minimum of **5 years**.

12. Policy Review and Updates

This policy is subject to periodic review to ensure it remains relevant and effective. The review process will be carried out at least annually or as required based on:

1. **Regulatory Changes:** Updates in SEBI regulations, stock exchange requirements, or amendments to applicable laws.
2. **Organizational Improvements:** Changes in internal processes, introduction of new services, or restructuring within the Organization.

All updates to the policy will be approved by the senior management of the company.

Annexure A: Data Masking Guidelines for KYC and Financial Data

Scope

This document outlines the required masking practices for developers handling sensitive KYC and financial data in compliance with SEBI and UIDAI guidelines. It applies to all client-facing applications collecting data such as Aadhaar, PAN, bank and demat account details, and contact information.

Field-wise Masking Recommendations

Data Type	What to Mask	How to Mask (Example)	Masking Justification
Phone Number	Mask all but last 2–4 digits	999999WXYZ or -------ZYXW	Protects user identity and prevents misuse
Email Address	Mask username part	E---Ö?JH<DI¢>JH or EJCI¢?-----ÖBH<DG¢>JH	Avoids spam, phishing
Bank Account Number	Mask all but last 3–4 digits	9999 9999 WXYZ	Prevents financial fraud
IFSC Code	Usually not masked if needed	Show only if essential	May be visible if needed

Demat Account No.	Mask all but last 2–3 digits	9999999^_V	Sensitive financial access
Aadhaar Number	Show only last 4 digits	9999 9999 WXYZ (as per UIDAI guidelines)	Legally required masking
PAN Number	Mask 5–6 characters	99999WXYZ9 or 99199WXYZ9	Prevents identity theft
Date of Birth	Show full or partial (YYYY/MM only)	99Æ99ÆW__V or W__V	Based on business need
Address	Mask flat number/house number	999¡ 1<MF "Q@IP@¡ .PH=<D ‟ ZVVVVW	Useful for reducing exposure
Client Code / UCC	Mask partially (based on policy)	$-99999]^_	Obfuscates internal IDs

Masking Display Logic (Frontend + API)

- In UI: Display masked values when showing data on dashboards, summaries, and confirmation pages.
- In API: Only send masked data to frontend unless full details are absolutely required (e.g., for e-KYC PDF download or internal RM view).
- For PDFs or reports: If shared with clients, mask; if used for backend/legal storage, show full.

Implementation Notes

- Apply masking in frontend views and API responses.

- For PDFs shared with clients, always use masked values.

- Use role-based access to allow unmasked views only for Compliance or RM roles.

- Log all unmasking actions for audit.

- Aadhaar must only be stored encrypted and shown partially with consent.

Developer Implementation Checklist

- Apply **data masking** in UI components and API responses.
- Architect backend to ensure **data segregation** (e.g., microservices for different data domains).
- Implement **RBAC** with minimal privilege, audit logs, and anomaly detection.
- Use **encryption libraries** (e.g., Node crypto, Web Crypto API, Python cryptography) that are compliant with industry standards.
- Configure **HTTPS** in all environments with auto-renewing certificates (e.g., Let's Encrypt).
- Replace legacy protocols with **SFTP/FTPS/SSH tunnels** for file transfers.
- Conduct regular **penetration testing**, **code reviews**, and **data flow audits**.