



RAMSONS PROJECTS LIMITED
("RPL" / "Company")

**Know Your Customer (KYC),
Anti Money Laundering
(AML) and Combating
Financing of Terrorism (CFT)
Policy**

KYC/AML/CFT Policy

Reserve Bank of India (RBI) vide Master direction DBR.AML.BC.No.81/14.01.001/2015-16 had directed Non-Banking Financial Company (NBFC) to follow the (KYC) 'Know Your Customer directions', wherein certain profile information of the customer to be obtained along with KYC documents. Objective of doing so is to enable the Company to identify its customers. KYC also ensures making reasonable efforts to determine true identity and beneficial ownership of accounts, source of funds, the nature of customer's business, reasonableness of operations in the account in relation to the customer's business, etc. which in turn helps the Companies to manage their risks prudently. In line with the direction, **Know Your Customer (KYC), Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) policy** (the "KYC/AML/CFT Policy" or the "Policy") has been adopted by the Ramsons Projects Limited (the "RPL" or the "Company").

Background

The Company has a comprehensive KYC/AML/CFT Policy (in line with the RBI guidelines/provisions of the Prevention of Money Laundering Act (PMLA), 2002) incorporating the key elements of Customer Acceptance Policy, Customer Identification Procedures, Risk Management and Monitoring of Transactions. This policy is subject to an annual review and is duly approved by the Board.

Customer Acceptance Policy

The Customer Acceptance Policy (CAP) lays down the broad criteria for acceptance of customers and forms an integral part of the Policy. The Company shall not open/keep loan accounts in fictitious/Benami names, shall not undertake transactions where it is unable to apply appropriate Customer Due Diligence (CDD) measures, shall not deal with shell companies, shall exercise caution while dealing with foreign companies located in jurisdictions with deficient AML/CFT regime, while establishing correspondent relationships and opening Politically exposed Persons (PEP) loan accounts. Only the Senior level has the power to decide whether the account of Politically exposed Persons (PEP) shall be opened or not.

Customer Identification & Due Diligence

Customer identification means undertaking client due diligence measures while commencing an account-based relationship including identifying and verifying the customer and the beneficial owner. The Company would obtain mandatory and Officially Valid Documents (OVDs) in respect of different categories of customers depending on perceived risk and keeping in mind the requirements of PMLA and instructions/guidelines issued by regulators from time to time.

Procedure for Customer identification

Customer identification shall be undertaken at the time of commencement of an account-based relationship which would include identify its customers, verify their identity, obtain information on the purpose and intended nature of the business relationship; and determine whether a client is acting on behalf of a beneficial owner, and identify the beneficial owner and take all

steps to verify the identity of the beneficial owner.

1. The Company shall undertake identification of customers in the following cases:
 - Commencement of a loan account-based relationship with the customer.
 - When there is a doubt about the authenticity or adequacy of the customer identification data it has obtained.
2. The Company shall obtain satisfactory evidence of the identity of the customer depending upon the perceived risks at the time of commencement of relationship/ opening of account. Such evidence shall be substantiated by reliable independent documents, data or information or other means like physical verification etc.
3. The Company will obtain Permanent account number (PAN) of customers as per the applicable provisions of Income Tax Rule 114B. Form 60 shall be obtained from persons who do not have PAN.
4. Officially Valid Documents (OVDs)

Following Officially Valid Documents (OVDs) can be used as proof of address and / or proof of identity:

Passport, driving license, proof of possession of Aadhaar number, the Voter's Identity Card issued by the Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government and letter issued by the National Population Register containing details of name and address.

Provided, where the OVD furnished by the customer does not have updated address, the following documents or the equivalent e-documents thereof shall be deemed to be OVDs for the limited purpose of proof of address:

- a. Utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill).
 - b. property or Municipal tax receipt.
 - c. pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address.
 - d. letter of allotment of accommodation from employer issued by State Government or Central Government Departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies and leave and license agreements with such employers allotting official accommodation.
5. For the customers that are legal person or entities:
 - The Company will verify the legal status for the legal person/ entity through proper and relevant documents.
 - The Company will understand the beneficial ownership and control structure of the customer and determine who the natural persons are and who ultimately controls the legal person.

6. Additional documentation may be obtained from the customers with higher risk perception as may be deemed fit. This shall be done having regard to but not limited to location (registered office address, correspondence address and other addresses as may be applicable), nature of business activity, repayment mode & repayment track record.
7. For the purpose of verifying the identity of customers at the time of commencement of a loan account-based relationship, the Company, at its discretion may at its option, rely on customer due diligence done by a third party, subject to the following conditions:
 - Necessary information of such customers' due diligence carried out by the third party is immediately obtained by the Company.
 - Adequate steps are taken by the Company to satisfy that copies of identification data and other relevant documentation relating to customer due diligence shall be made available from the third party upon request without delay.
 - The third party is regulated, supervised or monitored for, and has measures in place for, compliance with customer due diligence and record-keeping requirements in line with the requirements and obligations under the PML Act.
 - The third party shall not be based in a country/ jurisdiction assessed as high risk.
 - The ultimate responsibility for customer due diligence and undertaking enhanced due diligence measures (as per Annexure I), as applicable, will be with the Company.
8. While undertaking customer identification, the Company will ensure that:
 - Decision-making functions of determining compliance with KYC norms shall not be outsourced.
 - The customers shall not be required to furnish an additional OVD, if the OVD submitted for KYC contains proof of identity as well as proof of address e.g. Passport.
 - The customers will not be required to furnish separate proof of address for permanent and current addresses, if these are different. In case the proof of address furnished by the customer is the address where the customer is currently residing, a declaration shall be taken from the customer about her/ his local address on which all correspondence will be made by the Company. The local address for correspondence, for which their proof of address is not available, shall be verified through 'positive confirmation' such as cheque books, ATM cards, telephonic conversation, positive address verification, Rent agreement, etc.
 - In case of change in the address mentioned on the 'proof of address', fresh proof of address should be obtained within a period of six (6) months.

Compliance of KYC policy

(a) RPL will ensure compliance with KYC Policy through:

- Specifying 'Senior Management' for the purpose of KYC compliance.
- Allocation of responsibility of Senior Management for effective implementation of policies and procedures.
- Independent evaluation of the compliance functions of RPL's policies and procedures,

- including legal and regulatory requirements.
- Concurrent/internal audit system to verify the compliance with KYC/AML policies and procedures.
- Submission of quarterly audit notes and compliance to the Audit Committee.

(b) RPL will ensure that decision-making functions of determining compliance with KYC norms are not outsourced.

Periodic updation of KYC

'Periodic Updation' means steps taken to ensure that documents, data or information collected under the CDD process is kept up-to-date and relevant by undertaking reviews of existing records periodically. The Company shall carry out periodic updation of every customer based on assigned Money Laundering (ML) risk. Such periodicity shall be at least every 2, 8 and 10 years for Low, Medium and High-risk customers respectively, from the date of opening the loan account / last KYC updation.

In case of no change in the KYC information of the Customer, a self-declaration from the customer in this regard shall be obtained through the customer's email-id registered with the RPL. Further, in case of a change only in the address details of the customer, a self-declaration of the new address shall be obtained from the customer through customer's email-id or Mobile No. registered with the Company, ATMs, digital channels (such as online banking / internet banking, mobile application of the Company), letter etc., along with the proof of address and the declared address shall be verified through positive confirmation within two months, by means such as address verification letter, contact point verification, deliverables etc.

Customer Risk Categorization (CRC)

The customer profile shall contain information relating to customer's identity, entity type for legal entity, social/financial status, nature of business activity, information about clients' business and their location. Based on the gathered profile information, customers will be categorized mainly into three risk parameters viz.; High, Medium or Low Risk.

Ongoing monitoring of transactions & reporting to regulators

The Company shall monitor the customer transactions against pre-defined rules. In the circumstances when the Company believes that it would no longer be satisfied that it knows the true identity of the account holder, the Company shall also file a Suspicious Transaction Report (STR) with FIU-IND.

Where the Company is unable to apply appropriate KYC measures due to non-furnishing of information and / or non-cooperation by the customer, the Company would consider terminating/ the account or relationship after issuing due notice to the customer explaining the reasons for taking such a decision.

In addition to the above, the Policy covers other aspects such as

- i. Risk Management including Money Laundering (ML) and Terrorist Financing (TF) risk assessment.
- ii. Appointment of Designated Director & Principal Officer under PMLA.
- iii. Record Keeping.
- iv. Awareness & Training.

In addition to the above Policy, respective operation functions have their internal guidelines detailing the process to be followed in day-to-day functioning. Every employee of the Company is expected to acquaint themselves with applicable policies, regulations and related code of conduct.

Training Programme

RPL will hold an ongoing employee training programs so that the members of the staff are adequately trained in KYC/ AML/ CFT procedures.

Appointment of Principal Officer

RPL has designated its Company Secretary and Compliance Officer as 'Principal Officer' (PO) who shall be located at the Head/Corporate office and shall be responsible for monitoring and reporting of all transactions and sharing of information as required under the law. The name, designation and address of the Principal Officer shall be communicated to the FIU-IND.

Notes:

- a. For customers / clients who are Legal Person (who is not a natural person), the beneficial owner(s) shall be identified and all reasonable steps in terms of Client Acceptance Policy and CDD measure undertaken to verify his/her identity shall be undertaken.
- b. The customers shall not be required to furnish an additional OVD, if the OVD submitted by the customer for KYC contains both proof of identity and proof of address.
- c. The customers shall not be required to furnish separate proof of address for permanent and current addresses, if these are not different. In case the proof of address furnished by the customer is the address where the customer is currently residing, a declaration shall be taken from the customer about her/his local address on which all correspondence will be made by the Company.
- d. The local address for correspondence, for which their proof of address is not available, shall be verified through 'positive confirmation' such as acknowledgment of receipt of letter, cheque books, ATM cards, telephonic conversation, visits to the place, or the like.
- e. In case it is observed that the address mentioned as per 'proof of address' has undergone a change, it shall be ensured that fresh proof of address is obtained within a period of six months.
- f. Simplified procedure as laid down in KYC Directions, 2016 may be applied for small accounts.