

## KYC & AML POLICY

### Karamjyoti Sales Private Limited

(An NBFC Registered with the Reserve Bank of India)

Last updated: November 2025

#### 1. Introduction

This KYC & Anti-Money Laundering (AML) Policy is adopted in accordance with:

- a) The Prevention of Money-laundering Act, 2002 (PMLA)
- b) The Prevention of Money-laundering (Maintenance of Records) Rules, 2005
- c) RBI Master Direction – Know Your Customer (KYC), 2016 (as amended)
- d) RBI Master Directions for NBFCs

Karamjyoti Sales Private Limited (“**Company**”) is committed to preventing money laundering, terrorist financing, fraud, and financial crimes.

#### 2. Objectives

- a) To verify the identity of customers
- b) To ensure proper risk assessment and customer profiling
- c) To comply with regulatory requirements and maintain necessary records
- d) To prevent misuse of the Company’s products/services

#### 3. Definitions

- a) **Customer:** Any individual, entity, borrower, co-borrower, guarantor, or beneficial owner.
- b) **KYC:** The process of verifying the identity of customers.
- c) **Beneficial Owner (BO):** Individuals controlling/owning 25% or more (company), 15% or more (trust), or exercising control.
- d) **Politically Exposed Person (PEP):** Persons who hold prominent public functions and their family members/associates.

#### 4. Key Components of KYC Policy

##### 4.1 Customer Acceptance Policy (CAP)

The Company shall:

- a) Not open accounts in anonymous, fictitious, or benami names
- b) Collect only necessary information
- c) Reject/close relationships with high-risk customers where due diligence cannot be completed
- d) Not discriminate unlawfully while accepting customers

#### 4.2 Customer Identification Procedures (CIP)

KYC is conducted using:

- a) **Officially Valid Documents (OVDs):** Aadhaar\*, PAN, Passport, Driving Licence, Voter ID, NREGA Job Card
- b) **Digital KYC** – as per RBI guidelines
- c) **CKYC** database for verification
- d) **Video KYC / V-CIP** (if applicable)
- e) Verification of: (i) Identity, (ii) Address, (iii) Beneficial owners, (iv) PAN, (v) Source of funds/income

*Aadhaar handled strictly as per applicable law (voluntary and with consent).*

#### 4.3 Risk Categorisation

Customers are classified as:

- a) **Low Risk** – Salaried individuals, small borrowers
- b) **Medium Risk** – SMEs, professionals
- c) **High Risk** – PEPs, NRIs, entities with opaque ownership structures

Factors considered: (i) Nature of business/occupation; (ii) Geography; (iii) Transaction; (iv) patterns; (v) Reputation/negative media reports

#### 4.4 Ongoing Due Diligence

- a) Periodic KYC updates (Low Risk – 10 yrs, Medium – 8 yrs, High – 2 yrs, or as per RBI changes)
- b) Monitoring of transactions for unusual, suspicious, or inconsistent behaviour
- c) Review of high-risk borrowers and groups
- d) Screening against sanctions lists

## **5. AML Measures & Controls**

### **5.1 Monitoring & Reporting**

The Company will monitor transactions to identify:

- a) Large cash transactions
- b) Suspicious loan applications or repayments
- c) Structuring and layering
- d) Identity discrepancies

Mandatory filings with **FIU-IND**:

- a) **STR (Suspicious Transaction Report)**
- b) **CTR (Cash Transaction Report)**
- c) **CCR (Cross-border wire transfer report)** — if applicable
- d) **NTR (Non-Profit Organisation Transaction Report)** — if applicable

### **5.2 Record-Keeping**

The Company maintains:

- a) KYC records – minimum 5 years after exit
- b) Transaction records – minimum 5 years
- c) Customer identity documents, account files, loan documents
- d) Logs of attempted suspicious activities

All records are readily available to regulators.

### **5.3 Employee Training**

Periodic training is conducted on:

- a) KYC norms
- b) Identifying suspicious transactions
- c) Reporting obligations
- d) Customer interaction guidelines

#### **5.4 Audit & Compliance**

- a) Internal audit ensures compliance
- b) Principal Officer and Nodal Officer oversee AML/KYC compliance
- c) Board reviews KYC/AML Policy annually

#### **6. Roles & Responsibilities**

##### **Principal Officer**

Responsible for:

- a) FIU-IND reporting
- b) Oversight of AML programme
- c) Coordination with law enforcement/regulators

##### **Designated Director**

Ensures overall compliance with PMLA obligations.

#### **7. Prohibitions**

The Company will not:

- a) Open accounts where identity cannot be verified
- b) Enter into relationships with shell companies
- c) Deal with individuals/entities on sanction lists
- d) Finance activities connected to terrorism, crime, or money laundering

#### **8. Policy Review**

This policy is reviewed annually or upon change in law/regulations.