

## **POLICY FRAMEWORK ON 'KNOW YOUR CUSTOMER' (KYC) AND ANTI-MONEY LAUNDERING MEASURES**

Sampati Securities Limited (SSL) is a Non-Banking Finance Company (NBFC) bearing registration number 01.00214 registered under Section 45IA of the Reserve Bank of India Act, 1934. The Company has entered into an outsourcing agreement with "Credify Technology Private Limited" (CTPL) to avail their services of Digital Lending through their online Digital Lending Platform called the "Creditt" app, to lend loans of small amount to e-borrowers. The KYC and anti-money laundering measures adopted practically by CTPL are in line with the Policy mentioned herein. The Company ensures that a policy framework on 'Know Your Customer' (KYC Policy) – Anti Money Laundering Guidelines is in place, as per the directions issued by the Reserve Bank of India through its circular DNBS(PD).CC No. 34/10.01/2003-04 dated January 6, 2004

Sampati Securities Limited ensures that:

1. The Company follows the customer identification procedure for opening of accounts and monitoring transactions of a suspicious nature for the purpose of reporting it to appropriate authority.
2. The Company ensures that the information collected from the customer for the purpose of opening of account is kept confidential and the Company does not divulge any details thereof for cross selling or any other purposes.
3. The Company ensures that information sought from the customer is relevant to the perceived risk, is not intrusive, and is in conformity with the guidelines issued in this regard. Any other information from the customer is sought separately with his /her consent and after opening the account.

This Policy is framed by incorporating the following four key elements:

- Customer Acceptance Policy;
- Customer Identification Procedures;
- Monitoring of Transactions; and
- Risk management

### **Customer Acceptance Policy ( CAP )**

The Company has a Customer Acceptance Policy, laying down explicit criteria for acceptance of customers. The following guidelines on the aspects of customer relationship are in place:

- i. No account is opened in anonymous or fictitious/ benami name(s);

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- ii. Parameters of risk perception are clearly defined in terms of the nature of business activity, location of customer and his clients, mode of payments, volume of turnover, social and financial status etc. customers requiring very high level of monitoring, e.g. Politically Exposed Persons may, if considered necessary, be categorised higher;
- iii. Documentation requirements and other information is collected in respect of different categories of customers depending on perceived risk and keeping in mind the requirements of PML Act, 2002 and guidelines issued by Reserve Bank from time to time;
- iv. The Company does not open an account or close an existing account where the Company is unable to apply appropriate customer due diligence measures i.e. the Company is unable to verify the identity and /or obtain documents required as per the risk categorisation due to non co-operation of the customer or non-reliability of the data/information furnished to the Company. There is a suitable built in safeguards to avoid harassment of the customer.
- v. Circumstances, in which a customer is permitted to act on behalf of another person/entity, is clearly spelt out in conformity with the established law and practice of banking as there could be occasions when an account is operated by a mandate holder or where an account may be opened by an intermediary in the fiduciary capacity and
- vi. Necessary checks before opening a new account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations etc.

The Adoption of Customer Acceptance Policy and its implementation is not restrictive and does not result in denial of banking services to general public, especially to those, who are financially or socially disadvantaged

**Customer Identification Procedure ( CIP )**

the Company follows a CIP so as to obtain information and identify the customers. The following guidelines are adhered to:

1. The Company obtains sufficient information necessary to establish, to their satisfaction, the identity of each new customer, whether regular or occasional, and the purpose of the intended nature of banking relationship. Such risk based approach is necessary to avoid disproportionate cost to banks and a burdensome regime for the customers.
2. For customers that are natural persons, the Company obtains sufficient identification data to verify the identity of the customer, his address/location, and also his recent photograph.

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### **Monitoring of Transactions**

1. The Company monitors the activity of the customers so that they have the means of identifying transactions that fall outside the regular pattern of activity. The extent of monitoring depends on the risk sensitivity of the account.
2. The Company pays special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose.
3. Transactions that involve large amounts of cash inconsistent with the normal and expected activity of the customer are brought to the attention of the bank.
4. The Company ensures that a record of transactions in the accounts is preserved and maintained as required in terms of section 12 of the PML Act, 2002 and the transactions of suspicious nature and/ or any other type of transaction notified under section 12 of the PML Act, 2002, are reported to the appropriate law enforcement authority.

### **Risk Management**

The Company ensures that an effective KYC programme is put in place by establishing appropriate procedures and ensuring their effective implementation. It covers proper management oversight, systems and controls, segregation of duties, training and other related matters.

The Company's internal audit and compliance function are in place to evaluate and ensure adherence to the KYC policies and procedures.

The Company has an ongoing employee training programme so that the members of the staff are adequately trained in KYC procedures. Training requirements have different focuses for frontline staff, compliance staff and staff dealing with new customers.

### **Customer Education**

Implementation of KYC procedures requires the Company to demand certain information from customers which may be of personal nature or which has hitherto never been called for. This can sometimes lead to a lot of questioning by the customer as to the motive and purpose of collecting such information. The customer is educated about the objectives of the KYC programme.