UC INCLUSIVE CREDIT PRIVATE LIMITED

KNOW YOUR CUSTOMER

AND

ANTI-MONEY LAUNDERING POLICY

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UC INCLUSIVE CREDIT
PRIVATE LIMITED

(“UCIC” or the “Company”)

KNOW YOUR CUSTOMER AND ANTI-MONEY LAUNDERING POLICY

1. Introduction:

The Reserve Bank of India (RBI) has been regularly issuing guidelines regarding standards for Know Your Customer (KYC) to be followed by Non-Banking Financial Companies (NBFCs) and the steps to be taken on Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT). NBFCs are required to establish a comprehensive policy framework, approved by the Board of Directors or an authorized authority designated by the Board. This policy document has been prepared in accordance with the RBI guidelines on the “Master Circular – Know Your Customer (KYC) Guidelines – Anti-Money Laundering Standards (AML) - Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules notified thereunder” and the Master Direction - Know Your Customer (KYC) Direction, 2016 issued by RBI, as amended from time to time.

2. Preamble

Through this Policy, UC Inclusive Credit Private Limited (UCIC) is committed to:

a. Accepting only clients whose identities are verified through appropriate due diligence based on their risk profile.
b. Recording and preserving an audit trail of customer transactions to support investigations.
c. Reporting transaction details to the Financial Intelligence Unit – India (FIU-Ind) or any other agency designated by regulatory bodies like the Reserve Bank of India or the Securities and Exchange Board of India, as required.
d. Cooperating with investigating and law enforcement agencies in tracing money laundering activities and individuals involved in such activities.

3. Objective

The primary objective is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities or terrorist financing activities and to ensure the integrity and stability of the financial system. KYC procedures also help the UCIC to understand its customers and their financial dealings better, enabling the company to manage risks more effectively.

4. General Guidelines

All information collected from customer will be kept confidential and will not be used for cross-selling or other purposes. UCIC will ensure that the requested information is relevant, genuine and complies with regulatory guidelines. Any additional information will be requested separately with the borrower's consent.

UCIC’s KYC approach is based on assessing the risk and potential money laundering threats posed by different types of customers. The company follows the KYC standards prescribed by the RBI for NBFCs.

KYC Standards and AML measures include:

1. **Customer Acceptance Policy**: Setting criteria for accepting customers based on risk assessment.

2. **Customer Identification Procedure:** Conducting enhanced due diligence for higher-risk accounts and monitoring for suspicious activities.

These standards are crucial for risk management, helping UCIC to identify and control risks to protect itself and its genuine borrowers from suspicious transactions or fraudulent activities.

5. Definitions

For the purpose of this Policy:

- **"Customers or Clients":** Refers to entities that receive loans from UCIC. This includes any person or an entity acting on behalf of these clients or providing guarantees for them.
- **"Eligibility Criteria":** The criteria for loan eligibility is as approved by the UCIC from time to time.
- **"Person":** Includes:
  - An individual
  - A Hindu Undivided Family (HUF)
  - A company
  - A firm
  - An association or group of people, whether incorporated or not
  - Any artificial legal entity not covered above
  - Any agency, office, or branch owned or controlled by any of the above
- **"Sanctioned Person":** Refers to individuals or entities listed on sanction lists from authorities such as the U.N., U.S., U.K., E.U., or the World Bank. These lists include:

  a. UN Sanctions: Found at UN Sanctions, covering various Security Council Resolutions.
  b. ISIL (Da'esh) & Al-Qaida Sanctions List: ISIL & Al-Qaida List.
  c. Taliban Sanctions List: Taliban List.
  d. UNSCR 1718 Sanctions List: UNSCR 1718 List.
  e. Prevention and Suppression of Terrorism Orders: Lists available in the official orders.
  f. WMD Act, 2005: Includes lists related to weapons of mass destruction.
  g. Unlawful Activities (Prevention) Act, 1967: Lists in the first and fourth schedules.
  h. EU Sanctions: EU Sanctions.
  i. UK Sanctions: UK Sanctions List.
  j. US Sanctions: US SDN List.
  k. World Bank Ineligible Firms: World Bank List.

- **"Transaction"**: For UCIC, a transaction includes any of the following activities related to corporate lending:

  1. Issuing or managing a loan.
  2. Receiving or disbursing loan payments, including any electronic transfers or other forms of payment.
  3. Managing loan agreements or modifications.
  4. Creating or modifying legal agreements related to loans.
  5. Any payment related to a loan or financing arrangement.
  6. Creating or establishing any personal guarantor or corporate guarantor for the purpose of securing or managing loans.
  7. Setting up and managing National Automated Clearing House (NACH) transactions for loan repayments.
  8. Security Cheques: Submission and handling of security cheques to the bank in case of loan repayment failure.

- **"Suspicious Transaction":** A transaction that raises concern if it:
  a. Seems to involve money from illegal activities.
  b. Is unusually complex without a clear reason.
  c. Lacks a legitimate purpose or economic sense

- **“Officially valid document (OVD)” -** OVD means the passport, the driving licence, the Permanent Account Number (PAN) Card, 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, letter issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number, or any other document as notified by the Central Government in consultation with the Regulator.
- **“Designated Director”**: The Designated Director is a person appointed by the UCIC’s Board to ensure compliance with the obligations under Chapter IV of the Prevention of Money Laundering Act (PMLA) and associated rules. This includes:
    a. **Managing Director**: An individual appointed by the Board of Directors to oversee compliance.
    b. **Senior Management**: A senior executive or equivalent who is designated as the 'Designated Director' for compliance purposes. Which shall include Chief Risk Officer, Head of Monitoring and such other officer as designated by the Board from time to time.

  Explanation: In this context, "Managing Director" have the meanings assigned to them under the Companies Act, 2013.

- **“Principal Officer”:** UCIC has appointed Mr. Shrihari Vasant Kulkarni, as Principal Officer (PO). PO is reporting directly to the Board of Directors. The PO is responsible for ensuring compliance, monitoring transactions, and sharing and reporting information as required under the law/regulations. The name, designation and address of the Principal Officer has been communicated to the FIU-IND.

6. No relationship with Sanctioned Persons

Neither the Company nor its subsidiaries shall do any business with or issue shares to any Sanctioned Person

7. Customer Acceptance Policy (CAP)

Before Accepting a Customer, UCIC Shall Ensure the Following:

a. **Due Diligence**: Any new customer, including financial institutions or otherwise, must meet UCIC’s Underwriting Guidelines and Eligibility Criteria through the due diligence process and receive approval from the Credit Committee. The KYC procedures outlined in paragraph **7** (Customer Identification Procedure) must be followed for all new customers. Additional information, if required, will be obtained with the explicit consent of the customer.
b. **Document Collection**: The Company will collect various documents and information from different customer categories based on perceived risk, in accordance with the Prevention of Money Laundering Act, 2002, and RBI guidelines as detailed in **Annexure 1**.
c. **Screening**: Before accepting a new customer, UCIC will:
    a. Perform checks against RBI’s watch lists and other relevant lists.
    b. Conduct manual screening for adverse news using publicly available sources on the internet.
    c. Ensure the customer’s identity does not match any known criminal background or banned entities.
    d. For exposures greater than INR 5 crores, perform similar checks on key managerial personnel, as defined by the Companies Act, 2013. Relevant e-forms Relevant e-forms (e.g., DIR-12, MR-1 which containing details of key managerial personnel) filed with the Registrar of Companies (ROC) will be downloaded and stored.
d. **Customer Profile**: UCIC may create a brief profile for each customer, including information on their identity, social/financial status, business activity, and location. This profile will be confidential and will not be used for cross-selling or other purposes.
e. **Unique Customer Identification Code (UCIC)**: Each new and existing customer will be assigned a Unique Customer Identification Code.
f. **Reliance on Third Parties**: UCIC may rely on customer due diligence performed by a regulated intermediary, provided:
    a. Records or information are obtained within two days from the third party or the Central KYC Records Registry.
    b. Adequate measures are in place to ensure identification data and documentation are available upon request without delay.

c. The third party is regulated and has measures in place for compliance with KYC requirements.

g. **Suspicion of Money Laundering**: If UCIC suspects money laundering or terrorist financing and believes that proceeding with customer due diligence might alert the customer, UCIC will not continue the process but will instead file a Suspicious Transaction Report (STR) with FIU-IND.

8. Customer Identification Procedure (CIP)

For corporate or other entities seeking loans from UCIC, the following steps will be taken:

a. **Verification of Legal Status**: UCIC will verify the legal status of the corporate or other entity using the relevant documents listed in **Annexure 2.**

b. **Authorization Check**: UCIC will confirm that any individual acting on behalf of the corporate entity is authorized to do so. The identity of this person will also be verified.

c. **Identification of Beneficial Owners**: UCIC will gather sufficient information to identify persons who beneficially own or have substantial control over the corporate or other entity. All KYC documents for the beneficial owner will be collected as per **Annexure 2.**

   i. **For a Company**: The beneficial owner is the natural person(s) with controlling ownership (more than 10% of shares or capital) or who controls the company through other means. This verification will be repeated whenever there is a change in controlling ownership.

      1. **Controlling Ownership**: Ownership of or entitlement to more than 10% of shares, capital, or profits.
      2. **Control**: The right to appoint a majority of directors or influence management or policy decisions.

   ii. **For a Partnership Firm**: The beneficial owner is a natural person(s) with ownership of or entitlement to more than 10% of the capital or profits.

   iii. **For an Unincorporated Association or Body of Individuals**: The beneficial owner is the natural person(s) with ownership of or entitlement to more than 15% of the property, capital, or profits.

   iv. **If No Natural Person is Identified**: The beneficial owner is the senior managing official.

   v. **For a Trust**: The identification includes the author of the trust, the trustee, beneficiaries with 10% or more interest, and any other person exercising ultimate effective control over the trust.

   vi. **For Listed Companies**: No need to identify individual shareholders or beneficial owners if the company is listed on a stock exchange or is a subsidiary of such a company.

d. **Use of Reliable Sources**: UCIC may verify the customer's identity, including that of the beneficial owner, using reliable, independent source documents, data, and information if available.

e. **Handling Information Discrepancies**: UCIC will have procedures to resolve any discrepancies in the information provided and to decide whether to continue or cease business with a customer if their identity cannot be reasonably verified. These procedures will include identifying responsible decision-makers, escalation paths, and standards for actions to be taken if verification is inadequate.

9. Existing Customers:

The requirements specified in the earlier paragraphs do not apply to transactions conducted by existing customers before, on, or after the effective date of this Policy, provided that UCIC has already verified the customer's identity and continues to reasonably believe that it knows the true identity of the customer. However, KYC waiver letter shall be obtained from existing customers, at the time of providing further enhancement/ facility to them and existing transactions will be continuously monitored. Any unusual patterns in account activity will prompt a review of the due diligence measures.

10. Identification of Beneficial Owners

When opening an account for a legal entity, UCIC will identify the beneficial owner(s) and take all reasonable steps to verify their identity as per Rule 9(3) of the Rules, considering the following:

a. **Listed Companies**: If the customer or the owner of the controlling interest is a company listed on a stock exchange, or a subsidiary of such a company, it is not necessary to identify or verify individual shareholders or beneficial owners.
b. **Trusts/Fiduciary Accounts**: For accounts involving trusts, nominees, or fiduciaries, UCIC will determine if the customer is acting on behalf of another person. In such cases, UCIC will obtain satisfactory evidence of the identity of the intermediaries and the persons on whose behalf they are acting, as well as details about the nature of the trust or other arrangements.

11. Reporting

UCIC does not accept deposits and does not permit cash transactions. If cash transactions were to occur in the future, the following reporting procedures will be followed:

a. **Suspicious Transactions**: UCIC will have an internal system for reporting suspicious transactions and cash transactions, whether they are single transactions or a series of connected transactions within a month. The Principal Officer will submit information about these transactions to FIU-IND electronically.
b. **High-Value Transactions**: If a single transaction or a series of connected transactions valued at Rs.10 lakh or more is suspected to defeat the provisions of the PMLA regulations, the Principal Officer will report these transactions to FIU-IND Director within the prescribed time.
c. **Sanctioned Entities**: Accounts resembling individuals or entities on UNSC Sanctions Lists or those specified in the Prevention and Suppression of Terrorism (Implementation of Security Council Resolutions) Order, 2007, will be reported immediately by the Operations function to the Principal Officer. If the Principal Officer confirms the match, they will report it to FIU-IND and advise the Ministry of Home Affairs (MHA) as required under UAPA notification dated February 2, 2021.
d. **WMD Lists**: In case of matches with names on the designated lists under the Weapons of Mass Destruction (WMD) Act, 2005, available on the FIU-India portal, the Operations function will report this to the Principal Officer. If confirmed, the Principal Officer will inform the Central Nodal Officer (CNO) of FIU-India with full details of the funds, financial assets, or economic resources involved. A copy will be sent to the State Nodal Officer and the RBI. An STR will be filed with FIU-IND covering all relevant transactions.
e. **Unfreezing Requests**: If UCIC receives an application for unfreezing assets frozen under Section 12A of the WMD Act, 2005, the Principal Officer will forward the application along with details of the frozen assets to the CNO, i.e., Director of FIU-India, within two working days via email, fax, and post.

12. Record Retention:

UCIC will document and implement appropriate procedures to retain records related to KYC due diligence and anti-money laundering measures. The following procedures will be implemented for retaining records:

Definition of Transaction: “Transaction” shall have the same meaning assigned under Rule 2(h) of the Prevention of Money Laundering (Maintenance of Records) Rules, 2013, i.e., Transaction means a purchase, sale, loan, pledge, gift, transfer, delivery or the arrangement thereof and includes:

a. Opening of an account.
b. Deposits, withdrawals, exchanges, or transfers of funds in any currency, whether in cash or by cheque, payment order, or other instruments, or by electronic or other non-physical means.
c. Use of a safety deposit box or any other form of safe deposit.

d. Entering any fiduciary relationship.
e. Any payment made or received in part or whole of any contractual or legal obligation.
f. Payments made in respect of gaming activities for cash or kind, including those associated with casinos.
g. Establishing or creating a legal person or legal arrangement.

Transactions for Record Retention:

a. All series of cash transactions integrally connected to each other that occur within a month.

b. All cash transactions where forged or counterfeit currency or bank notes have been used as genuine and where any forgery of a valuable security has occurred.

c. All suspicious transactions, whether or not made in cash.

Information to be Preserved:

a. For the above transactions, the following information must be preserved:
    a. Nature of the transactions.
    b. Amount and currency in which it was denominated.
    c. Date of the transaction.
    d. Parties to the transaction.
b. A copy of this information should be signed by the person heading the transaction and maintained in a separate file with all related transaction documents.

Periodicity of Retention: The following records shall be retained for a minimum period of 5 (five) years from the date of the relevant transaction:

i. Customer identification and residence identification information, including documentary evidence.
ii. All other records related to transactions that could be used as evidence in the prosecution of criminal activity.
iii. Descriptions of methods used to verify customer identity and resolutions of any discrepancies in verification.
iv. Registration records of non-profit organizations should be maintained for five years after the business relationship ends or the account is closed, whichever is later.

Records of customer identity and transactions may be maintained in hard or soft format. These records must be made available to competent authorities upon request promptly.

Non-Profit Organizations: For customers that are non-profit organizations, UCIC will ensure their details are registered on the DARPAN Portal of NITI Aayog. If not already registered, UCIC will complete the registration on the DARPAN Portal.

13. Enhanced Due Diligence

For customers who are onboarded remotely, without a physical meeting or through Video-based Customer Identification Process (V-CIP), UCIC will treat these as high-risk and apply enhanced due diligence until their identity is verified face-to-face or via V-CIP. The enhanced due diligence measures include:

1. **V-CIP as First Option**: If UCIC offers V-CIP, it should be the primary method for remote onboarding. Processes that meet V-CIP standards are treated the same as face-to-face verification.
2. **Mobile Number Security**: For fraud prevention, UCIC will not link alternate mobile numbers for transactions. Transactions must be conducted using the mobile number used during account opening. UCIC will have a Board-approved policy to handle requests for changing registered mobile numbers securely.

3. **Address Verification**: UCIC will verify the current address of the customer through positive confirmation before allowing account operations.
4. **PAN Verification**: UCIC will obtain the PAN from the customer and verify it using the issuing authority's verification facility.
5. **Initial Transaction**: The first transaction in the account must be a credit from an existing KYC-complied bank account of the customer.

High-Risk Customer Management:

- UCIC does not engage with high-risk customers who could pose potential risks of money laundering, terrorist financing, or political corruption.
- UCIC will apply a Risk-Based Approach (RBA) to manage and mitigate these risks.

Annually, UCIC will perform a Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment to identify, assess, and mitigate risks related to clients, countries, products, services, and transactions. The results will be reported to the Audit Committee of the Board of Directors.

Review and Action:

- UCIC will periodically review the risk categorization of accounts at least every six months and apply enhanced due diligence measures as needed.
- If necessary, UCIC may use external investigative services or consult databases to assess risk.
- Procedures will be in place to decline or end relationships with customers if adequate enhanced due diligence cannot be completed or if the information presents significant reputational risk.

14. Monitoring of Transactions

Ongoing monitoring is a critical part of UCIC's KYC procedures. To manage and mitigate risks effectively, UCIC needs to understand normal customer activities to identify transactions that deviate from the expected patterns. The extent of monitoring will depend on the risk sensitivity of each customer. Special attention is given to complex or unusually large transactions and patterns that lack an apparent economic or lawful purpose. High-risk customers require more intense monitoring.

Monitoring Procedures:

1. **Transaction Monitoring**: Regularly review transactions for any deviations from the customer's usual activity. High-risk customers must undergo more rigorous monitoring.
2. **Review and Enhancement**: Periodically assess the need for enhanced due diligence based on the customer's risk category. UCIC will track the end usage of funds provided to customers and monitor the assets created from these funds.
3. **Risk-Based Categorization**: Customers are categorized based on risk factors such as:
   - Identity and verification status
   - Social and financial status
   - Nature and location of business activities
   - Type of transactions (cash, cheques, wire transfers, etc.)

   The final categorization may vary and will be determined on a case-by-case basis. The risk categorization must be kept confidential to avoid tipping off the customer.

Customer Risk Categories:

- **High Risk (Category A)**:
  - Non-resident Customers
  - High net worth Individuals (applying for loans of ₹1 crore or more) with non-validated identity documents

    - Trusts, charities, NGOs, and similar organizations
    - Firms with sleeping partners
    - Unlisted companies with complex ownership structures
    - Politically exposed persons (PEPs)
    - Partnership where the identity document of both the Partnership its partners and authorised signatory are not validated online or any other services offered by the issuing authority.
    - Entities with adverse media reports or high-risk business sectors
- **Medium Risk (Category B)**:
    - Individuals (excluding microfinance borrowers and HNIs) with non-validated identity documents
    - High net worth Individuals(applying for loans of ₹1 crore or more) with validated identity documents
    - Sole proprietorships with non-validated documents
    - Educational trusts and private limited companies
    - Partnerships with validated documents
    - Private Limited Companies(which is not a subsidiary of Listed Company)
    - Partnership where the identity document of both the Partnership its partners and authorised signatory are not validated online or any other services offered by the issuing authority.
    - Companies with close family shareholding or beneficial ownership (excluding regulated financial sector entities)
    - LLPs
    - Customers not otherwise classified as High Risk or Low Risk
- **Low Risk (Category C)**:
    - Salaried Employees
    - Microfinance borrowers,
    - Individuals(other than Microfinance Borrowers and HNIs)with validated identity documents
    - Sole proprietorships (self employed) with validated identity documents of both proprietorship and proprietor.
    - Professionals (whose profession are governed by regulated professional bodies.
    - Entities governed by regulated bodies
    - Self Employed customers with a business track record of at least 3 years
    - Government-owned companies, listed companies, and regulated entities

Explanation: High risk accounts have to be subjected to more intense monitoring.

Periodic KYC Updates:

- **Low-Risk Customers**: KYC updates every 6 years
- **Medium-Risk Customers**: KYC updates every 4 years
- **High-Risk Customers**: KYC updates every 2 years

KYC Update Procedures:

1. **For Individual Such as Directors/ Authorised signatories of the entities/body corporate**

    - **No Change**: Obtain self-declaration via email or digital channels, confirming no change in KYC information.
    - **Change in Address**: Self-declaration of new address with positive confirmation within 2 months shall be obtained via customer's registered mobile no./email ID.
    - **Minor to Major Transition**: Fresh photographs and updated KYC documents required when a minor becomes an adult.
    - **Updation/Periodic Updation**: Use Aadhaar OTP-based e-KYC for periodic updates if applicable.

2. **For Entities/Body Corporates**

- **No Change**: self-declaration from the legal entity, in the KYC Waiver letter (as per Annexure III), confirming that there is no change in the KYC information. Further, the company shall ensure during this process that Beneficial Ownership information available with them is accurate and shall update the same, is required to keep it as up to date as possible.
- **Change**: Re-conduct the KYC process as if onboarding a new entity.

Additional Measures:

- Ensure KYC documents meet current standards, and expired documents require a new KYC process.
- Verify PAN details from the issuing authority's database.
- Provide an acknowledgment of received documents and update records promptly.
- Consider offering KYC update services at branches.
- Advise customers to submit document updates within 30 days.

By adhering to these procedures, UCIC ensures comprehensive monitoring and maintenance of KYC compliance.

15. Adherence

UCIC's operations function is responsible for ensuring adherence to KYC policies and procedures. The internal audit and compliance functions play a crucial role in auditing this adherence. Compliance reports are presented to the Audit Committee of the Board on a quarterly basis.

Customer Education

If required, the company may prepare specific pamphlets/literature to educate customers of the objective of the KYC programme.

Employee Training

UCIC maintains an ongoing employee training program to ensure that employees handling KYC are well-versed in the procedures. It is vital that all relevant employees understand the rationale behind the KYC policies and apply them consistently.

Senior Management

For KYC compliance, the senior management team includes:

- Manging Director
- Chief Executive Officer (CEO)
- Head of Operations & Monitoring
- Legal & Compliance Department

16. Applicability to Branches and Subsidiaries in/outside India

If UCIC establishes any branches or majority-owned subsidiaries in future, especially in case of outside India jurisdictions that do not fully adhere to FATF Recommendations, UCIC will ensure that these guidelines are implemented where local laws permit. If local regulations prevent this, UCIC will notify the Reserve Bank of India.

17. Principal Officer

Mr. Shrihari Vasant Kulkarni shall be designated as Principal Officer for the purpose of compliance with the rules and regulations of this policy. The Principal Officer can be contacted at the following address:

Attn: Mr. Shrihari Vasant Kulkarni
Chief Risk Officer
UC Inclusive Credit Pvt. Ltd.
No. 9/3, Kaiser-E-Hind,
Richmond Road, Bangalore –
560025
PH: +91 9663314662
Email: skulkarni@ucinclusive.com

The Principal Officer is responsible for monitoring and reporting transactions and sharing information as required under the law and ensures compliance with the obligations under the Prevention of Money Laundering (Amendment) Act, 2012.

18. Secrecy Obligations and Sharing of Information

- **Secrecy Obligations**: UCIC maintains confidentiality of customer information and adheres to laws regarding secrecy in banking transactions.

  Exceptions to confidentiality include:

  - Disclosure required by law
  - Disclosure in the public interest
  - Disclosure necessary for UCIC's interests
  - Disclosure with the customer's consent

  Confidentiality is maintained as per Section 45NB of the RBI Act 1934.

19. Sharing Information with Central KYC Registry (CKYCR):

UCIC shall capture customer's KYC records and upload onto CKYCR within 10 days of commencement of an account-based relationship with the customer/client.

UCIC shall capture the KYC information for sharing with the CKYCR in the manner mentioned in the PML Rules, as per the KYC templates prepared for 'Individuals' and 'Legal Entities' (LEs), as the case may be. The templates may be revised from time to time, as may be required and released by CERSAI.

Once KYC Identifier is generated by CKYCR, UCIC shall ensure that the same is communicated to the individual/LE as the case may be.

In order to ensure that all KYC records are incrementally uploaded on to CKYCR, UCIC shall upload/update the KYC data pertaining to accounts of individual customers and LEs opened prior to the dates mentioned as per clauses (e) and (f) of paragraph 56, at the time of periodic updation as specified in paragraph 38 of this Master Direction, or earlier, when the updated KYC information is obtained/received from the customer. Also, whenever UCIC obtains additional or updated information from any customer, UCIC shall within seven days or within such period as may be notified by the Central Government, furnish the updated information to CKYCR, which shall update the KYC records of the existing customer in CKYCR. CKYCR shall thereafter inform electronically all the reporting entities who have dealt with the concerned customer regarding updation of KYC record of the said customer. Once CKYCR informs UCIC regarding an update in the KYC record of an existing customer, UCIC shall retrieve the updated KYC records from CKYCR and update the KYC record maintained by the UCIC.

UCIC shall ensure that during periodic updation, the customers are migrated to the current Customer Due Diligence (CDD) standard.

For the purpose of establishing an account-based relationship, updation/ periodic updation or for verification of identity of a customer, UCIC shall seek the KYC Identifier from the customer or retrieve the KYC Identifier, if available, from the CKYCR and proceed to obtain KYC records online by using such KYC Identifier and shall not require a customer to submit the same KYC records or information or any other additional identification documents or details, unless–

- there is a change in the information of the customer as existing in the records of CKYCR; or
- the KYC record or information retrieved is incomplete or is not as per the current applicable KYC norms; or
- the validity period of downloaded documents has lapsed; or
- UCIC considers it necessary in order to verify the identity or address (including current address) of the customer, or to perform enhanced due diligence or to build an appropriate risk profile of the customer.

20. Policy Review

The policy compliance will be reviewed regularly by Management, and a consolidated report will be submitted to the Board of Directors annually or upon significant changes in the law.

21. Independent Assessment

An independent assessment of the policy's functioning is conducted annually by internal auditors. Observations on adherence to this policy and relevant guidelines are reported to the Audit Committee.

Annexure 1

Customer Identification Requirements

A) Transactions with Trusts, Nominees, or Fiduciaries

1. **Verification Requirements**: The Company must assess whether a customer is acting on behalf of another person as a trustee, nominee, or intermediary. If so, the Company should obtain satisfactory evidence of the identity of the intermediaries and the individuals on whose behalf they are acting. Details of the nature of the trust or arrangement should also be gathered.
2. **Trust Transactions**: When engaging in transactions with a trust, the Company must take reasonable steps to verify the identities of the trustees, settlors, grantors, protectors, beneficiaries, and signatories. For foundations, the verification should include the founder, managers, directors, and defined beneficiaries.

B) Transactions with Companies and Firms

1. **Front Companies**: The Company must be vigilant to ensure that business entities are not used as fronts for individuals conducting transactions.
2. **Control Structure**: The Company should scrutinize the control structure of the entity, determine the source of funds, and identify individuals with controlling interests and those in management positions. For public companies, it is not necessary to identify all shareholders.

C) Transactions with Politically Exposed Persons (PEPs)

1. **Definition of PEPs**: As per the latest RBI regulations, Politically Exposed Persons (PEPs) are individuals who are or have been entrusted with prominent public functions by a foreign country, including Heads of State/Government, senior politicians, senior government, judicial, or military officers, senior executives of state-owned corporations, and important political party officials.
2. **Information Gathering**: The Company must gather comprehensive information on any customer classified as a PEP intending to establish a relationship. This includes checking all available information in the public domain.
3. **Verification and Sources of Funds**: The Company shall verify the identity of the PEP and seek detailed information about the sources of funds before accepting them as a customer.
4. **Enhanced Monitoring**: Transactions involving PEPs, including their family members and close associates, must be subjected to enhanced ongoing monitoring.
5. **Decision-Making**: The decision to accept a PEP as a customer must be made by the Credit Committee or the relevant credit decision-making authority within the Company.

ANNEXURE II

List of acceptable officially valid KYC documents

Customers are identified and verified based on "officially valid documents" as defined in Clause 2 (d) of the Prevention of Money Laundering (Maintenance of Records) Rules, 2013 as amended from time to time. "Officially valid document" means the passport, the driving license, the Permanent Account Number (PAN) Card, the Voter's Identity Card issued by Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government, the letter issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number or any other document notified by the Central Government in consultation with the regulator.

Type of Customer	Type of Document
For Individuals in case of Personal Guarantee (for proof of identity – PAN being mandatory and address – Any one of the mentioned documents)	1. Passport 2. PAN card 3. Voter's Identity Card 4. Driving license 5. Letter issued by the Unique Identification Authority of India containing details of name, address and Aadhar number. 6. Identity card (subject to the UCIC's satisfaction) 7. Letter from a recognized public authority or public servant verifying the identity and residence of the customer to the satisfaction of UCIC 8. Telephone bill 9. Bank account statement 10. Letter from any recognized public authority 11. Electricity bill 12. Ration card 13. Letter from employer (subject to satisfaction of the bank /NBFC) 14. (any one document which provides customer information to the satisfaction of the UCIC will suffice) 15. Letter issued by Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number 16. ID card issued by any central/state govt. 17. Net worth Certificate certified by the chartered accountant 18. ITR return filed by the guarantor in the last 3 financial year
For companies	In case of Companies: 1. Certificate of Incorporation 2. Memorandum of Association or the equivalent e-document thereof 3. Articles of Association or the equivalent e-document thereof

	4. PAN Card of the applicant, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 5. Proof of Address of the applicant 6. Equity Share Capital Table 7. Share Capital Table on an as-if-converted/fully diluted basis 8. Details of Existing Credit Facilities and Charges 9. Audited Financial Statements of the applicant for the last three years 10. Resolution Passed by the Board of Directors of the applicant and power of attorney granted by the applicant to its managers, officers, employees, or such other persons, as the case may be, to transact on its behalf ("Authorized Persons") 11. PAN Card of Authorized Persons, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 12. Certified Copy of Officially Valid Documents as proof of identity and address of Authorized Persons or the equivalent e-document thereof 13. Recent Photograph of Authorized Persons holding an attorney to transact on behalf of the applicant. 14. PAN Card of Beneficial Owners of the applicant, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 15. Recent Photograph of Beneficial Owners of the applicant 16. Certified Copy of Officially Valid Documents or the equivalent e-document thereof as proof of identity and address of Beneficial Owners of the applicant 17. Names of Relevant Persons Holding Senior Management Positions 18. Registered Office Address and the principal place of its business, if different 19. Goods and Services Tax (GST) Number, if available, verified from the search/verification facility of the issuing authority **In case of NBFC:** 1. Registration certificate issued by RBI; 2. A copy of the letter issued by the Regional Director, **in case of Section 8 Company**

For trusts & foundations **Information required:** **- Names of trustees, settlers, beneficiaries and signatories** **- Names and addresses of the founder, the managers/directors and the beneficiaries**	1. Registration Certificate 2. Trust Deed 3. PAN Card of the applicant, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 4. Proof of Address of the applicant 5. Details of Existing Credit Facilities and Charges 6. Books of Accounts of the applicant for the last three years 7. Resolution Passed by the Managing Body of the applicant and power of attorney granted by the applicant to its managers, officers, employees, or such other persons, as the case may be, to transact on its behalf ("Authorized Persons") 8. PAN Card of Authorized Persons, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 9. Certified Copy of Officially Valid Documents or the equivalent e-document thereof as proof of identity and

	address of Authorized Persons 10. Recent Photograph of Authorized Persons holding an attorney to transact on behalf of the applicant 11. PAN Card of Beneficial Owners of the applicant, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 12. Recent Photograph of Beneficial Owners of the applicant 13. Certified Copy of Officially Valid Documents or the equivalent e-document thereof as proof of identity and address of Beneficial Owners of the applicant 14. Names of the Beneficiaries, Trustees, Settlor, and Authors of the trust 15. Address of the Registered Office of the trust 16. Goods and Services Tax (GST) Number, if available, verified from the search/verification facility of the issuing authority
For Partnership firms/LLP **Information required:** **- Names and address of the founders** **- Name of the LLP and principal place of business**	1. Registration Certificate 2. Partnership Deed 3. PAN Card of the applicant, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 4. Proof of Address of the applicant 5. Details of Existing Credit Facilities and Charges 6. Books of Accounts of the applicant for the last three years 7. Resolution Passed by the Managing Body of the applicant and power of attorney granted by the applicant to its managers, officers, employees, or such other persons, as the case may be, to transact on its behalf ("Authorized Persons") 8. PAN Card of Authorized Persons, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 9. Certified Copy of Officially Valid Documents or the equivalent e-document thereof as proof of identity and address of Authorized Persons 10. Recent Photograph of Authorized Persons holding an attorney to transact on behalf of the applicant 11. PAN Card of Beneficial Owners of the applicant, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 12. Recent Photograph of Beneficial Owners of the applicant 13. Certified Copy of Officially Valid Documents or the equivalent e-document thereof as proof of identity and address of Beneficial Owners of the applicant 14. Names of All the Partners 15. Address of the Registered Office, and the principal place of its business, if it is different 16. Goods and Services Tax (GST) Number, if available, verified from the search/verification facility of the issuing authority
For Society	1. Registration Certificate 2. Memorandum of Association and Bye-Laws 3. PAN Card of the applicant, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 4. Proof of Address of the applicant 5. Details of Existing Credit Facilities and Charges 6. Books of Accounts of the applicant for the last three years 7. Resolution Passed by the Managing Body of the applicant

	and power of attorney granted by the applicant to its managers, officers, employees, or such other persons, as the case may be, to transact on its behalf ("Authorized Persons") 8. PAN Card of Authorized Persons, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 9. Certified Copy of Officially Valid Documents or the equivalent e-document thereof as proof of identity and address of Authorized Persons 10. Recent Photograph of Authorized Persons holding an attorney to transact on behalf of the applicant 11. PAN Card of Beneficial Owners of the applicant, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 12. Recent Photograph of Beneficial Owners of the applicant 13. Certified Copy of Officially Valid Documents or the equivalent e-document thereof as proof of identity and address of Beneficial Owners of the applicant
For Unincorporated Associations or Body of Individuals	1. Agreement of Association of Persons or Body of Individuals 2. PAN Card of the applicant, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 3. Proof of Address of the applicant 4. Details of Existing Credit Facilities and Charges 5. Books of Accounts of the applicant for the last three years 6. Resolution Passed by the Managing Body of the applicant and power of attorney granted by the applicant to its managers, officers, employees, or such other persons, as the case may be, to transact on its behalf ("Authorized Persons") 7. PAN Card of Authorized Persons, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 8. Certified Copy of Officially Valid Documents or the equivalent e-document thereof as proof of identity and address of Authorized Persons 9. Recent Photograph of Authorized Persons holding an attorney to transact on behalf of the applicant 10. PAN Card of Beneficial Owners of the applicant, verified from the search/verification facility of the issuing authority or the equivalent e-document thereof 11. Recent Photograph of Beneficial Owners of the applicant a. Certified Copy of Officially Valid Documents or the equivalent e-document thereof as proof of identity and address of Beneficial Owners of the applicant
For Proprietorship	1. PAN card of proprietor shall be verified from the search/verification facility of the 2. issuing authority or the equivalent e-document thereof a. Proof of address of proprietary firm b. Details of existing credit facilities and charges c. Books of accounts of the applicant for the last three years d. Certified copy of officially valid documents or the equivalent e-document thereof 3. as proof of identity and address of proprietor a. Recent photograph of proprietor

	b. Any two of the following documents or the equivalent e-document thereof as 4. proof of business in the name of proprietary firm; (a) Registration certificate 5. including Udyam Registration Certificate (URC) issued by the Government, (b) 6. certificate/license issued by municipal authorities under Shops and 7. Establishments Acts, (c) sales and income tax returns, (d) GST certificate, (e) 8. certificate/ registration document issued by sales tax/service tax/professional tax 9. authorities, (f) IEC code or license/certificate of practice issued by any professional 10. body incorporated under a statute, (g) complete income tax return (not just 11. acknowledgment) in the name of proprietor reflecting firm's income, duly 12. authenticated/acknowledged by income tax department, (h) utility bills such as 13. electricity, water, landline telephone bills, etc. a. Where Goods and Services Tax (GST) details are available, the GST number shall b. be verified from the search/verification facility of the issuing authority.

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