VENUS INDIA
Asset Finance Pvt. Ltd.

Know Your Customer and Anti-Money Laundering Measures Policy

VENUS INDIA ASSET-FINANCE PRIVATE LIMITED

INDEX

BACKGROUND:

The Reserve Bank of India has been issuing guidelines in regard to the Know Your Customer (KYC) standards which need to be followed by banks and NBFCs and the measures to be taken in regard to Anti Money Laundering (AML)/ Combating the Financing of Terrorism (CFT). NBFCs are required to put in place a comprehensive policy framework, duly approved by the Board of Directors or competent authority authorized by the Board of Directors, in this regard. This policy document has been prepared in line with the RBI guidelines and also lays down the framework for Customer Due Diligence (CDD), identification, verification, monitoring, and risk management of customers in compliance with RBI KYC Directions and the Prevention of Money Laundering Act (PMLA).

I. OBJECTIVES, SCOPE AND APPLICATION OF THE POLICY

OBJECTIVE: The objective of KYC guidelines is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities or terrorist financing activities. KYC procedures shall also enable the Company to know and understand its Customers and its financial dealings better which in turn will help it to manage its risks prudently. Thus, the KYC policy has been framed by the Company for the following purposes:

a) To prevent criminal elements from using Company for money laundering activities.
b) To enable Company to know and understand its customers and their financial dealings better which, in turn, would help the Company to manage risks prudently.
c) To put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws/laid down procedures.
d) To comply with applicable laws and regulatory guidelines.
e) To ensure that the concerned staff are adequately trained in KYC/AML/CFT procedures.
f) To have a proper Customer Due Diligence (CDD) process before onboarding a client.
g) To monitor/maintain records of all cash transactions of the value of more than Rs.10 lacs.
h) To monitor and report suspicious transactions.
i) To discourage and identify money laundering or terrorist financing activities.

j) To take adequate and appropriate measures to follow the spirit of the PMLA.

SCOPE AND APPLICATION: The scope of this policy is to ensure explicit criteria are laid off for acceptance, identification, monitoring, risk assessment and due diligence of customers as detailed below:

a) To lay down explicit guidelines and criteria for identification/acceptance of customers.
b) To lay down processes around monitoring of transactions in an account.
c) To lay down processes and measures around risk assessment of client.
d) To lay down measures for conducting Customer Due Diligence (CDD)

To ensure above scope find its logical end, Company has adopted Eight (8) Key Elements in this policy as under:

I. Customer Acceptance Policy (CAP).
II. Customer Identification Procedures (CIP).
III. Monitoring of Transactions.
IV. Risk Management.
V. Customer Due Diligence. (CDD)
VI. Record Keeping.
VII. Appointment of Principal Officer.
VIII. Reporting to FIU – India.

II. DEFINITION

Aadhaar number: It shall have the meaning assigned to it in clause (a) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016).

Act and Rules: It shall mean the Prevention of Money Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, respectively and amendments thereto.

Beneficial Owner (BO): A list of persons who are to be considered as BOs in relation to a customer is given below:

Type of Customer	Persons to be considered Beneficial Owners (BOs)
Public / Private Limited Companies	a) If the customer is a company, whether alone or together, or through one or more juridical person, ownership of or entitlement to more than 10% of shares or capital or profits of the Company; or b) "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements
Partnership Firm	a) Where the customer is a partnership firm, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has/have ownership of/entitlement to more than 10 per cent of capital or profits of the partnership
Unincorporated association of persons or body of individuals	a) Where the customer is an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has/have ownership of/entitlement to more than 15 per cent of the property or capital or profits of the unincorporated association or body of individuals

Trust/ Foundation	a) Where the customer is a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with 10% or more interest in the trust and any other natura person exercising ultimate effective control over the trust through a chain of control or ownership

Central KYC Records Registry" (CKYCR): It shall mean an entity defined under Rule 2(1) of the Rules, to receive, store, safeguard and retrieve the KYC records in digital form of a customer.

Certified Copy: It shall mean obtaining a certified copy by the Company and shall mean comparing the copy of the proof of possession of Aadhaar number (where offline verification cannot be carried out) or officially valid document so produced by the customer with the original and recording the comparison on the copy by the authorised officer of the company as per the provisions contained in the Act

Customer: For the purpose of this policy, a 'Customer' means a Person as defined under Know Your Customer Guidelines issued by RBI (and any amendment from time to time by RBI) which are at present as under: -
a) A person or entity that has a business relationship with the Company.
b) A Person who has a financial transaction or activity with the Company.
c) A Person on whose behalf the person who is engaged in the transaction or activity, is acting.

Customer Due Diligence (CDD) : means identifying and verifying the customer and the beneficial owner using reliable and independent sources of identification information as mentioned under section 15 of the RBI's Guidelines, as a 'proof of identity' and a 'proof of address' in the manner provided under this Policy read along with the manner prescribed under the RBI's Guidelines on "Know Your Customer" and Anti-Money Laundering Measures, as amended from time to time. If a customer wishes to open a new account or avail of additional services, no fresh Customer Due Diligence (CDD) procedure will be required.

Designated Director: It shall mean a person designated by the Board of the Company to ensure overall compliance with the obligations imposed under Chapter IV of the

PML Act and Rules and shall include those persons as defined Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025 dt. 28th November, 2025

Loan Account: For the purpose of this policy, loan account shall mean a credit facility or lending relationship established by the Company in favour of a borrower, pursuant to which any loan, advance, or other form of funded financial accommodation has been sanctioned and is outstanding and subsisting, whether fully or partially disbursed. It shall refer to any ongoing loan facility granted by the Company to its customer, forming the basis of an account-based relationship for the purposes of customer due diligence (CDD), ongoing monitoring, and KYC compliance.

Offline verification: shall have the same meaning as assigned to it in clause (pa) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016)

Persons: It shall have the meaning as defined under KYC Directions of RBI (and any amendment from time to time by RBI) which at present is as follows: 'Person' shall include:

i. an Individual.
ii. a Hindu Undivided Family.
iii. a Company.
iv. a Limited Liability Partnership
v. a Firm.
vi. an association of persons or a body of individuals, whether incorporated or not;
vii. every artificial juridical person, not falling within any one of the above person (i to v);
viii. any agency, office or branch owned or controlled by any one of the above persons (i to vi).

Politically Exposed Persons (PEP): PEPs are persons who are or have been entrusted with prominent public functions by a foreign country (Heads of States/Governments, senior politicians, senior government/judicial/military officers, senior executives of state owned corporations, important political party officials, etc.) would be subjected to enhanced CDD and such accounts would be permitted at least at a level higher than what is otherwise permitted to approve the account. Close relative of PEP also would be treated at par with PEP. In the event of an existing customer or the beneficial owner of an existing account subsequently becoming a PEP, senior management's approval is obtained to continue the business relationship.

Principal Officer: It shall mean an officer nominated by the Company, responsible for furnishing information as per rule 8 of the Rules**.**

Senior Management: the senior management for this policy will constitute of Ms. Prerna Bajaj and Mr. Pawan Badhla.

Walk-in Customer: It shall mean a person who does not have an account-based relationship with Venus but undertakes transactions with the Company.

III. CUSTOMER ACCEPTANCE POLICY (CAP)

The Company's CAP lays down the criteria for acceptance of Customers. The guidelines in respect of Customer relationship in the Company broadly includes the following:

- The company shall not provide any loan facility to any person in anonymous or fictitious/benami name(s)/entity(ies).
- The company shall accept customers only after verifying their identity, as laid down in Customer Identification Procedures. Necessary checks before entering any transaction with the customer 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 company shall not provide any loan facility to any person without following the CDD Procedure.
- The company shall classify customers into various risk categories and, based on risk perception, apply the acceptance criteria for each category of customers. Also, a profile of each customer will be prepared based on risk categorization. customer requiring very high level of monitoring.
- The company shall collect documents and other information's in respect of different categories of customers depending on perceived risk and compliances with Prevention of Money Laundering Act, 2002 (PMLA) and RBI/ Company's guidelines/instructions.
- Suitable system is put in place to ensure that the identity of the customer does not match with any person or entity, whose name appears in the sanctions lists circulated by Reserve Bank of India.
- Where Permanent Account Number (PAN) is obtained, the same shall be verified from the verification facility of issuing authority. Where an equivalent e-document is obtained from the customer, the company shall verify the digital signature as per the provisions of the Information Technology Act, 2002 (21 of 2000)

- The company shall not grant/provide any loan facility where it is unable to apply appropriate CDD measures, either due to non-cooperation of the customer or unreliability of the documents / information furnished by the customer.
- The company shall consider filing a suspicious transaction, if necessary, when it is unable to comply with the relevant CDD measures in relation to the customer.
- The Company shall specify the mandatory information to be sought for KYC purposes while sanctioning/granting any loan facility and during the periodic updation and obtain additional information, where its internal KYC Policy has not specified such information requirement, with the explicit consent of the customer.
- The Company shall apply the CDD procedure at the Unique Customer Identification Customer (UCIC) level. Thus, if an existing KYC-compliant customer of the company desires to open another account or avail of any other product or service from the same company, there shall be no need for a fresh CDD exercise as far as identification of the customer is concerned.
- CDD Procedure is followed for all the joint account holders, while opening a joint account.
- Circumstances in which a customer is permitted to act on behalf of another person/entity, is clearly spelt out
- While carrying out due diligence the Company will ensure that the procedures adopted will not result in the denial of services to genuine customers.
- For the purpose of risk categorisation of customers, the Company shall obtain the relevant information from the customer at the time of account opening.
- The company will prepare a profile for each new customer, based on risk categorisation. The customer profile may contain information relating to customer's identity, social/financial status, nature of business activity, information about his clients' business , their location, their credit information i.e. CIBIL report, their financials and nature of security provided etc.
- The Company shall make sure that the Customer Acceptance Policy shall not result in denial of a financial facility to members of the general public, especially those who are financially or socially disadvantaged, including the Persons with Disabilities (PwDs). The company shall not reject an application for onboarding or periodic updation of KYC without application of mind but shall duly record the reason(s) for rejection.
- If the company forms a suspicion of money laundering or terrorist financing, and it reasonably believes that performing the CDD process will

tip off the customer, it shall not pursue the CDD process and instead file an STR with FIU-IND.

The Company shall prepare a profile for each new Customer during the credit appraisal based on risk categorization. The Customer profile shall contain the information relating to the Customer's identity, social and financial status and nature of employment or business activity. The nature and extent of due diligence will depend on the risk perceived by Company. At the time of credit appraisal of the Customer the details are recorded along with his profile based on the documents provided by the Customer and verified by Company either by itself or through third party sources. The documents collected will be as per the product norms as may be in practice. However, while preparing Customer profile, the Company shall seek only such information from the Customer which is relevant to the risk category and is not intrusive. The Customer profile will be a confidential document and details contained therein shall not be divulged for cross selling or for any other purposes. As per KYC policy, for acceptance and identification, Company's Customers shall be categorized based on perceived risk broadly into three categories – High risk, Medium Risk, Low Risk. None of the Customers will be exempted from Company's KYC procedure, irrespective of the status and relationship with Company or its Promoters.

The System should be in place to capture Customer classification from the Money Laundering perspective including flagging of negative profile customers, terrorist organizations as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) etc.

IV. <u>CUSTOMER IDENTIFICATION PROCEDURES ("CIP")</u>

Customer identification means identifying the customer and verifying his/her identity using reliable, independent source documents, data, or information. Venus shall obtain sufficient information necessary to verify the identity of each new customer, along with brief details of its promoters and management, whether for establishing a regular or occasional relationship, and the purpose and intended nature of the business relationship.

Besides risk perception, the nature of information/documents required would also depend on the type of customer (individual, corporate etc). For Customers that are natural persons, Company shall obtain sufficient identification data to verify the identity of the Customer, his address/location, and also his recent photograph. For customers that are legal persons or entities, the Company shall;

i) verify the legal status of the legal person/ entity through proper and relevant documents.

ii) verify that any person purporting to act on behalf of the legal person/entity is so authorized and identify and verify the identity of that person.

iii) Understand the ownership and control structure of the customer and determine who are the natural persons who ultimately control the legal person. Customer identification requirements keeping in view the applicable provisions of Prevention of Money Laundering Act and Rules

Venus shall undertake customer identification procedures in the following circumstances:

- At the time of commencement of an account-based relationship with the customer.
- When there is doubt about the authenticity or adequacy of the customer identification data previously obtained.
- When carrying out transactions for a non-account-based customer (walk-in customer), where the amount involved is equal to or exceeds ₹50,000, whether conducted as a single transaction or several transactions that appear to be connected.
- Where Venus has reason to believe that a customer (whether account-based or walk-in) is intentionally structuring transactions into a series of transactions below the threshold of ₹50,000.

Venus shall not seek or rely on customer introductions while opening accounts.

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

For the purpose of verifying the identity of customers at the time of commencement of an account-based relationship, or while carrying out occasional transactions of an amount equal to or exceeding ₹50,000 (whether as a single transaction or connected transactions), or any international money transfer operations, Venus may, at its discretion, rely on customer due diligence (CDD) carried out by a third party, subject to the following conditions:

- Venus shall obtain the records or information of the customer due diligence carried out by the third party immediately, either directly from the third party or through the Central KYC Records Registry (CKYCR).
- Venus shall take adequate steps to satisfy itself that the third party will make available copies of identification data and other relevant documentation relating to customer due diligence requirements upon request without delay.
- The third party is regulated, supervised, or monitored by a competent authority and has measures in place for compliance with customer due diligence and record-keeping requirements in line with applicable legal and regulatory obligations.
- Venus shall ensure that the third party is not based in a country or jurisdiction assessed as high-risk.
- Venus shall retain ultimate responsibility for customer due diligence and shall undertake enhanced due diligence measures, wherever applicable.

The requirements mentioned herein may be moderated based on risk perception. For instance, in the case of a publicly listed company, it may not be necessary to identify all shareholders.

V. CUSTOMER DUE DILIGENCE(CDD)

A. CDD Procedure in case of Individuals

For undertaking CDD, Venus shall obtain the following from an individual while establishing an account-based relationship or while dealing with the individual who is a beneficial owner, authorised signatory or the power of attorney holder related to any legal entity:

Kyc document requirements: **proof of identity and proof of address in case of individuals**

Proof of Identity:
One Self Attested copy of any one of the following:

- Passport
- Photo Pan Card
- Voter's ID
- Driving License

- Letter issued by Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number.

Proof of Address:
Self Attested copy of any one of the following:

- Passport
- Latest Telephone bill
- Latest Electricity bill
- Latest Bank Account statement
- Letter issued by Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number.

Mode of Verification

Venus shall conduct only in-person verification (IPV)

B. CDD for Non-Individual Customers:

Kyc document requirements: proof of identity and principal place of business in case of non-individuals:

a. Sole Proprietary Firms

For opening an account in the name of a sole proprietary firm, Venus shall carry out the CDD of the individual (proprietor) and it shall also obtain any two of the following documents or the equivalent e-documents thereof as proof of business / activity in the name of the proprietary firm:

- Registration certificate including Udyam Registration Certificate (URC) issued by the Government.
- Certificate / licence issued by the municipal authorities under Shop and Establishment Act
- Sales and income tax returns
- GST certificate
- Certificate / registration document issued by Sales Tax / Service Tax / Professional Tax authorities
- IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT or Licence / certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute

- Complete Income Tax Return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected, duly authenticated / acknowledged by the Income Tax authorities
- Utility bills such as electricity, water, landline telephone bills, etc.
- FATCA, if applicable

In cases where Venus is satisfied that it is not possible to furnish two such documents, then it may, at its discretion, accept only one of those documents as proof of business / activity.

b. Company

A certified true copy of all the below documents, duly signed and stamped by a Company Secretary or a Director of the applicant company:

- Certificate of Incorporation issued by Registrar of Companies
- Certificate of Commencement of Business (if applicable)
- Memorandum and Articles of Association (MOA/AOA)
- PAN card
- List of Directors
- Latest shareholding structure
- Resolution of the Board of Directors to borrow the loan amount u/s 179 of the Companies Act, 2013.
- Declaration/ disclosure on Beneficial Owners
- KYC of authorised signatories & beneficial owners
- FATCA, if applicable

If any of the above documents are in any language other than English, it must be translated into English along with a certificate from a translator / notary public.

c. Limited Liability Partnership (LLP)

A certified true copy of all the below documents, duly signed and stamped by a Partner of the applicant firm:

- Certificate of Incorporation issued by Registrar of Companies
- Copy of PAN card of firm & partners
- Partnership deed
- Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf

- Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses
- List of partners along with addresses
- PAN Card of partners
- Declaration/ disclosure on Beneficial Owners
- KYC of partners & beneficial owners FATCA
- FATCA, if applicable

d. Partnership Firms:

A certified true copy of all the below documents, duly signed and stamped by a Partner of the applicant firm:

- Registration certificate, if registered
- Copy of PAN card of firm & partners
- Partnership deed
- Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf
- Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses
- List of partners along with addresses
- PAN Card of partners
- Declaration/ disclosure on Beneficial Owners
- KYC of partners & beneficial owners
- FATCA, if applicable

e. Trust & Foundations:

A certified true copy of all the below documents, duly signed and stamped by a Trustee or Board of the applicant Trust & Foundations:

- Certificate of registration, if registered
- Copy of PAN Card of Trust
- Trust Deed
- Power of Attorney granted to transact business on its behalf
- Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney, founders/ managers/ directors and their addresses
- PAN Card of trustee.
- List of trustees
- Details of trustees/beneficiaries

- KYC of authorised persons
- FATCA, if applicable

Other mandatory documents are mentioned in Annexure 1.

C. Identification of Beneficial Owner

For opening an account of a Legal Person who is not a natural person, Venus shall identify the beneficial owner(s) and shall undertake all reasonable steps in terms of sub- rule (3) of Rule 9 of the Rules to verify their identity, keeping in view the following:

(1) Where the customer or the owner of the controlling interest is:

(i) an entity listed on a stock exchange in India, or
(ii) it is an entity resident in jurisdictions notified by the Central Government and listed on stock exchanges in such jurisdictions, or
(iii) it is a subsidiary of such listed entities;
it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such entities.

(2) In cases of trust / nominee or fiduciary accounts, Venus will determine whether the customer is acting on behalf of another person as trustee / nominee or any other intermediary. In such cases, Venus shall obtain satisfactory evidence of the identity of the intermediaries and of the persons on whose behalf they are acting, as well as details of the nature of the trust or other arrangements in place.

D. Accounts of Politically Exposed Persons (PEPs):

Presently, Venus neither grants nor intends to grant any credit facilities to politically exposed persons. In the event that the Company decides to grant any credit facilities to politically exposed persons, in the future, it shall first formulate and adopt an appropriate policy governing such lending before commencing such activities.

Important: Venus will follow clear NBFC guidelines on the Customer Identification Procedures to be carried out at different stages, i.e. while establishing a relationship; carrying out a financial transaction (especially international money transfer operations for a person who is not an account holder) or when Venus has a doubt about the authenticity/veracity or the adequacy of the previously obtained customer identification data.

CIRCUMSTANCES IN WHICH A CUSTOMER IS PERMITTED TO ACT ON BEHALF OF ANOTHER PERSON/ENTITY:

A customer may be permitted to act on behalf of another person or entity only where such authority is validly granted under applicable law and adequate documentary evidence is obtained by Venus. Such circumstances may include:

1. **Operation through Registered Power of Attorney (POA) holder:**
   Where an individual authorises another person through a valid Registered Power of Attorney to operate the account or execute transactions and as acceptable to Venus.

2. **Authorised signatories of legal entities:**
   Directors, partners, employees, officers, or representatives authorised by valid Board Resolution, Partnership Authorisation, LLP Resolution, Authority Letter, Mandate, or other valid authorisation to act on behalf of a company, LLP, partnership firm, trust, society, or other entity and as acceptable to Venus.

3. **Guardians acting for minors**
   Natural or legally appointed guardians operating accounts or availing financial services on behalf of minors, through a valid official document and as acceptable to Venus.

4. **Trustees / Fiduciaries / Nominees**
   Trustees, executors, administrators, custodians, nominees, or fiduciaries acting on behalf of beneficiaries or principals, through a valid official document and as acceptable to Venus.

5. **Court-appointed or statutory representatives**
   Persons appointed under court orders or applicable laws, including legal heirs, administrators, insolvency professionals, receivers, or authorised officials, through a valid official document and as acceptable to Venus.

6. **Intermediary relationships**
   Where accounts or transactions are undertaken through intermediaries in fiduciary capacity, subject to identification of the intermediary, the beneficial owner, and the nature of the relationship, through a valid official document and as acceptable to Venus.

7. **Temporary inability or non-availability of customer**
   Where the customer is medically unfit, incapacitated, hospitalised, physically unable to act, or is not available in India, Venus may permit another person to act on behalf of such customer based on valid authorisation documents, mandate, Power of Attorney, or other legally acceptable authority, subject to satisfactory verification and compliance with applicable KYC and AML requirements, through a valid official document and as acceptable to Venus.

Venus shall verify the identity of both the customer and the person acting on behalf of the customer, obtain and verify authorisation documents, identify the beneficial owner wherever applicable, and ensure compliance with applicable RBI KYC Directions and AML laws.

CDD Procedure and sharing KYC information with Central KYC Records Registry (CKYCR)

In order to ensure that all KYC records are incrementally uploaded on to CKYCR, Veritas will upload/update the KYC data pertaining to accounts of borrower, at the time of periodic updation, or earlier, when the updated KYC information is obtained/received from the customer. Also, whenever Venus obtains additional or updated information from any customer as per clause (j) below in this paragraph or Rule 9(1C) of the PML Rules, Venuswill 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.

VI. LEI CERTIFICATE

As per RBI Circular bearing reference RBI/DOR/2025-26/361 DOR.AML.REC.No.280/14.01.003/2025-26 dated November 28, 2025, all Non-Individual Borrowers, having an "Exposure" of Rs.5.00 Crores and above "shall" be required to obtain "Legal Entity Identifier [LEI]" codes.

"Exposure" means and includes all fund based and non-fund based (credit as well as investment) availed by such Borrowers, from Banks/Financial Institutions. "shall" be required to obtain "Legal Entity Identifier [LEI]" codes.

Borrowers who do not obtain LEI codes will not to be sanctioned any new exposure including renewal or enhancement of credit facilities by our Company.

VII. MONITORING AND REPORTING OF TRANSACTIONS:

Monitoring of transactions will be conducted taking into consideration the risk profile of the account. Venus shall make endeavours to understand the normal and reasonable activity of the customer so that the transactions that fall outside the regular/pattern of activity can be identified, Special attention will be paid to all complex, unusually large transactions and all unusual patterns, which have no apparent economic or visible lawful purpose. Background of the customer, country of origin, sources of funds, the type of transactions involved and other risk factors shall determine the extent of monitoring. Higher risk accounts shall be subjected to intensify monitoring. Venus shall carry out the periodic review of risk categorization of transactions/customers and the need for applying enhanced due diligence measures at a periodicity of not less than once in six months. Venus shall explore the possibility of validating the new accounts opening application with various watch lists available in the public domain, including the RBI watch list. After due diligence, any transactions of a suspicious nature will be duly reported by a principal officer to Director, Financial Intelligence Unit- India (FIU-IND). Further, to ensure monitoring and reporting of all transactions and sharing of information as required under the law for KYC, the Board may nominate any Director or authorized any other officer(s) to be designated as Venus's Principal Officer with respect to KYC/ AML/ CFT.

VIII. RISK MANAGEMENT

The Board of Directors ensures that an effective KYC programme is put in place by establishing appropriate procedures and ensuring their effective implementation. As the data related to customers are confidential, the decision-making functions of determining compliance with KYC norms are not outsourced. The programme will cover proper management oversight, systems and controls, segregation of duties, training and other related matters. Responsibility would be explicitly allocated within Venus for ensuring that its policies and procedures are implemented effectively.

Venus may, in consultation with its Risk Management Committee, devise procedures for creating Risk Profiles of its existing and new customers and apply various Anti Money Laundering measures keeping in view the risks involved in a transaction, account or business relationship. Venus's internal audit and compliance functions have an important role in evaluating and ensuring adherence to the KYC policies and procedures. As a general rule, the compliance function provides an independent evaluation of Venus's own policies and procedures, including legal and regulatory requirements. Internal auditors should specifically check and verify the compliance of KYC procedures and comment on the lapses observed in this regard. The compliance in this regard may be put up before the Board time to time if required.

The nature and extent of due diligence will depend on the risk perceived by the Company. However, while doing CDD and preparing customer profile, Venus should take care to seek only such information from the customer which is relevant to the risk category and is not intrusive. The customer profile will be a confidential document, and details contains therein shall not be divulged for cross selling or any other purposes.

The classification of risk categorization may vary on the basis of customer's identity, social/financial status, nature of business activity, information about his clients' business, their location, their credit information i.e. CIBIL report, their financials and nature of security provided, geographical risk covering customers as well as transactions, type of products / services offered, delivery channel used for delivery of products / services, types of transactions undertaken such as cash, cheque / monetary instruments, wire transfers, forex transactions, etc. The company may also factor in the ability to confirm identity documents through online or other services offered by issuing authorities, while considering customer's identity.

The Company shall keep the risk categorisation of a customer and the specific reasons for such categorisation confidential and shall not reveal this information to the customer to avoid tipping off.

Broad principles followed by "The Venus" for the risk-categorisation of customers, inclusive of other factors, are as follows:-

a. High Risk - (Category A):

- Non - resident Customers.
- Any person who applies for a loan, whose identity document is not validated online or through other services offered by the issuing authorities.
- Trusts (other than affiliated educational institutions), Charities, NGOs, and organisations receiving donations.
- Firms with sleeping partners.
- Unlisted companies with complex ownership structure.
- Those with dubious reputation as per available public information.
- NRI Customers' if the customers earn Salary in Cash in origin country or employed in Countries that are classified under FATF
- Jewelers and Bullion Dealers

b. Medium Risk - (Category B):

- Educational trusts (affiliated educational institutions).
- Partnership where the identity document of both the partnership its partners and authorised signatories are validated online or through other services offered by the issuing authorities.
- Companies having close family shareholding or beneficial ownership, other than companies regulated by any financial sector regulator.

c. Low Risk - (Category C):

- Government owned companies or its subsidiaries, listed companies or its subsidiaries, reputed multinational companies, regulators and statutory bodies.
- Regulated entities (i.e., entities regulated by any financial services regulator). Private Limited Companies (which is not a subsidiary of a listed company).
- Limited-liability Partnerships (LLPs).

Periodic updation shall be carried out at least once in every two years for high-risk customers, once in every eight years for medium risk customers and once in every ten years for low-risk customers from the date of opening of the account/last KYC updation.
In case there is no change in the KYC information, a self-declaration shall be obtained from the customers through their e-mail id registered with the Company.

Any updation in any KYC document should be informed to Venus within 30days from the date of such change by the customer.

IX. CUSTOMER SCREENING

The risk assessment procedure begins with screening of the Negative/ Freeze lists. On receipt of any caution lists being provided by the Reserve Bank of India to the Legal/ Compliance /Secretarial Department, the same shall be provided to the IT department for uploading in Internal Dedupe Database. The procedure for screening of lists is as follows: (i) The Internal Dedupe database will be enhanced with various lists to screen the name, date of birth and /or relevant data of the customer, (ii) When information of an existing customer or the Beneficial Owner of an existing account, subsequently becoming a PEP is obtained either from information available in public domain or customer interaction at branch or during servicing of accounts, senior management approval would be required to continue the business relationship, and the account shall be subject to enhanced CDD measures.

X. CUSTOMER EDUCATION

Implementation of KYC procedures requires Venus to demand certain information from customers which may be of a 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. Venus will prepare specific literature/ pamphlets etc. so as to educate the customer on the objectives of the KYC programme. The front desk staff needs to be specially trained to handle such situations while dealing with customers.

XI. COMBATING FINANCING OF TERRORISM

In terms of PMLA Rules, suspicious transactions shall include inter alia transactions which give rise to a reasonable ground of suspicion that these may involve financing of the activities relating to terrorism. A suitable mechanism should be developed for enhanced monitoring of accounts suspected of having terrorist links and swift identification of the transactions and making suitable reports to the Financial Intelligence Unit – India (FIU-IND) on priority.

As and when list of individuals and entities, approved by Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs), is circulated by Reserve Bank, Venus shall, before opening any new account, ensure that the name/s of the proposed customer does not appear on the list. Further, Venus shall scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list. Full details of accounts bearing resemblance with any of the individuals/entities in the list shall immediately be intimated to RBI and FIU-IND.

XII. INTRODUCTION OF NEW TECHNOLOGIES

Venus will pay special attention to any money laundering threats that may arise from new or developing technologies including internet transactions that might favour anonymity, and take measures, if needed, to prevent their use in money laundering schemes.

XIII. EMPLOYEES TRAINING/HIRING OF EMPLOYEES

Venus shall have an ongoing employee training programme so that the team members are adequately trained in KYC/ AML/ CFT procedures. Training requirements shall have different focuses for frontline staff, compliance staff and officer/staff dealing with the new customers. It is crucial that all those concerned fully understand the rationale behind the KYC policies and implement them.

XIV. APPOINTMENT OF PRINCIPAL OFFICER

- To ensure the monitoring and reporting of all transactions and sharing of information as required under Rule 7 of the Prevention of Money Laundering (Maintenance of Records etc.) 2005.
- Principal Officer for KYC will act independently and report directly to the concerned Director/MD/CMD or to the Board of Directors.
- Principal Officer shall be located at the head/corporate office of Venus.
- Principal Officer shall be responsible for monitoring and reporting of all transactions and sharing of information as required under the law.
- He/ She will maintain close liaison with enforcement agencies, Venus and any other institution which are involved in the fight against money laundering and combating financing of terrorism.
- Further, the role and responsibilities of the Principal Officer shall include overseeing and ensuring overall compliance with regulatory guidelines on KYC/AML/CFT issued from time to time and obligations under the Prevention of Money Laundering Act, 2002, rules and regulations made there under, as amended form time to time.
- The Principal Officer will also be responsible for timely submission of CTR, STR to FIU-IND.
- With a view to enabling the Principal Officer to discharge his responsibilities effectively, the Principal Officer and other appropriate staff shall have timely access to customer identification data and other CDD information, transaction records and other relevant information

XV. MAINTENANCE OF RECORDS OF TRANSACTIONS

Venus has a system of maintaining proper record of transactions prescribed under Rule 3, of the Prevention of Money-Laundering and value of transactions, the procedure and manner of maintaining and verification and maintenance of records of the identity of the clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, as mentioned below:

- all cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency;

- all series of cash transactions integrally connected to each other which have been valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds rupees ten lakh.
- all transactions involving receipts by non-profit organisations of value more than rupees ten lakh, or its equivalent in foreign currency.
- all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place;
- all suspicious transactions whether or not made in cash and by way of as mentioned in the Rules.

XVI. INFORMATION TO BE PRESERVED

As per the NBFC guidelines, Venus is required to maintain the following information in respect of transactions referred in Rule 3:

- the nature of the transactions;
- the amount of the transaction and the currency in which it was denominated;
- the date on which the transaction was conducted; and
- the parties to the transaction.

XVII. MAINTENANCE AND PRESERVATION OF RECORDS

Venus has a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Venus will maintain for at least Five years from the date of cessation of transaction between Venus and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity. Venus will also ensure that records pertaining to the identification of the customer and his / her address (e.g. copies of documents like passports, identity cards, driving licenses, PAN, utility bills etc.) obtained while opening the account and during the course of business relationship, are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data will be made available to the competent authorities upon request.

XVIII. REGISTRATION AND RECORD MAINTENANCE FOR NON-PROFIT ORGANISATION CUSTOMERS:

Venus shall ensure that in case of customers who are non-profit organisations, it shall register details of such customers on the DARPAN Portal of NITI Aayog. If they are not registered, then Venus shall register the details on the DARPAN Portal. Venus shall also maintain such registration records for a period of five years after the business relationship has ended or the account has been closed, whichever is later.

XIX. SECRECY OBLIGATIONS AND SHARING OF INFORMATION:

Venus shall maintain strict confidentiality of customer information obtained during the course of its relationship with customers and shall adhere to applicable legal and regulatory requirements in this regard.

Accordingly, Venus shall:

- Maintain confidentiality of customer information obtained through contractual, if any, and business relationships and ensure that such information is protected against unauthorised access or disclosure.
- Use customer information solely for permitted purposes, including onboarding, KYC compliance, and servicing of the loan account, and shall not use or disclose such information for cross-selling or any other purpose without the explicit consent of the customer.
- Ensure careful handling of regulatory and governmental requests and disclose customer information only after satisfying that such requests are valid, lawful, and do not violate applicable secrecy or data protection laws.
- Permit disclosure of customer information only under the following circumstances:
    - ➢ Where disclosure is mandated under applicable law or regulatory requirements;
    - ➢ Where there is a duty to the public to disclose;
    - ➢ Where disclosure is necessary to protect the legitimate interests of Venus;
    - ➢ Where disclosure is made with the express or implied consent of the customer;

Venus shall ensure that appropriate internal controls and safeguards are in place to maintain the confidentiality and security of customer information at all times.

XX. UPDATING OF THE KYC POLICY OF VENUS

The Board of Venus will authorize, to amend/modify the KYC/ AML/ CFT Policy or such other related guidance notes of Venus, to be in line with RBI or such other statutory authority's requirements/updates/ amendments from time to time if required but reviewed annually.

XXI. FATCA AND CRS REPORTING:

In line with regulatory guidelines, all the customer of Venus needs to provide a FATCA/ CRS declaration/ self-certification form apart from regular KYC information at the time of on-boarding. A loan account becomes reportable under FATCA/CRS if the account holder/controlling persons are tax residents of any country other than India.

XXII. REPORTING TO FINANCIAL INTELLIGENCE UNIT-INDIA

In terms of PMLA Rules, Venus shall be required to report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND) in respect of transactions referred to in Rule 3 at the following address:

Director, FIU-IND
Financial Intelligence Unit-India
6th Floor, Tower-2,
Jeevan Bharati Building,
Connaught Place,
New Delhi-110001, INDIA
Telephone : 91-11-23314429, 23314459
Website – http://fiuindia.gov.in

Venus will ensure that the provisions of the PMLA Rules and the Foreign Contribution and Regulation Act, 1976, wherever applicable, are adhered to strictly. Venus shall strictly comply with all formalities including timely submission of all applicable reports and returns in the prescribed format with regards to cash and suspicious transaction qualifying under the PML Rules directly to FIU-IND through the designated Principal Officer(s) of Venus. However, as has been earlier advised, there is no need for submission of any NIL report in respect to the above. Further, Venus and its employees shall maintain strict confidentiality of the fact of furnishing/reporting details of suspicious transactions.

GENERAL:

a. Closure of Accounts/Termination of Financing/Business Relationship:

Where Venus is unable to apply appropriate KYC measures due to non-furnishing of information and/or non-cooperation by the customer, Venus shall terminate Financing/Business Relationship after issuing due notice to the customer explaining the reasons for taking such a decision. Such decision shall be taken with the approval of the key managerial persons authorized for the purpose.

b. KYC for the Existing Accounts:

While the KYC guidelines will apply to all new customers, the same would be applied to the existing customers on the basis of materiality and risk. However, transactions with existing customers would be continuously monitored for any unusual pattern in the operation of the accounts.

ANNEXURE 1:

MANDATORY DOCUMENTS REQUIRED FOR STARTING A RELATIONSHIP

A. **Individuals**

1. Self-verified copy of photo pan card.
2. Photograph.
3. Self-verified copy of Passport
4. Self-verified copy of Voter's ID card.
5. Address proof as mentioned in KYC documents requirements.
6. Copy of last ITR form filed with Income Tax.
7. Copy of sign LOI.
8. Promissory note, if applicable.
9. CIBIL report or any other report issued by Credit Information Company.
10. Statement of bankers/Statement from CA, giving particulars of facilities taken, contact details etc.
11. Three months bank statement of borrower.
12. CA's networth certificate of the borrower & guarantors;
13. Deed of Guarantee (Corporate Guarantee, Personal Guarantee) (if applicable).
14. Signature verification by banker of borrower/mortgagors/Guarantors/Pledger, if applicable.
15. KFS
16. PDC's/NACH mandate
17. Obligor Certificate
18. FATCA, if applicable

B. Sole Proprietary Firms

For opening an account in the name of a sole proprietary firm, Venus shall carry out the CDD of the individual (proprietor) and it shall also obtain any two of the following documents or the equivalent e-documents thereof as proof of business / activity in the name of the proprietary firm:

1. Registration certificate including Udyam Registration Certificate (URC) issued by the Government.
2. Certificate / licence issued by the municipal authorities under Shop and Establishment Act
3. Sales and income tax returns
4. VAT/ GST certificate

5. Certificate / registration document issued by Sales Tax / Service Tax / Professional Tax authorities
6. IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT or Licence / certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute
7. Complete Income Tax Return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected, duly authenticated / acknowledged by the Income Tax authorities
8. Utility bills such as electricity, water, landline telephone bills, etc.
9. FATCA, if applicable

C. <u>Private and Public Limited Companies</u>

1. Certificate of Incorporation issued by ROC.
2. Certificate of commencement of business in case company incorporated under the Provisions of the Companies Act, 2013.
3. Certified True copy (certified by Company Secretary or Director or authorised signatory) of the Memorandum and Articles of Association.
4. List of directors (certified by Company Secretary or Director or authorised signatory).
5. List of shareholders (certified by Company Secretary or Director or authorised signatory).
6. List of directors and shareholders certified by CA/CS/authorised signatory for mortgagors/Guarantors/Pledger, if applicable.
7. Latest audited financials of the company.
8. Certified copy of PAN card.
9. Evidence of listing in a stock exchange, if any.
10. Copy of sign LOI.
11. Promissory note, if applicable.
12. CIBIL report or any other report issued by Credit Information Company.
13. Statement of bankers/Statement from CA giving particulars of facilities taken, contact details etc.
14. Three months self-attested bank statement of borrower.
15. CA’s networth certificate of the borrower & guarantors;
16. Declaration from borrowing company
17. Deed of Guarantee (corporate guarantee, personal guarantee) (if applicable).
18. Board resolution of guarantor company; (if applicable), if third company provides the Corporate Guarantee.
19. Board Resolution in accordance with Sec 179(3) (for borrowing).
20. Shareholder’s resolution u/s 180(1)(c), if the loan amount (including with existing loan borrowed by borrower) exceed aggregate of its paid up capital and free reserve, (Special Resolution).

21. In case, loan is taken for general corporate purpose, then confirmation in form of declaration from the Director on behalf of the Board that loan amount is used only for general corporate purpose and not for other purposes. (Utilization certificate)
22. Memorandum and Articles of Association, Copy of Pan, Latest IT Returns, Latest annual report of mortgagors/Guarantors/Pledger, if applicable.
23. Signature verification by banker of borrower/mortgagors/Guarantors/Pledger/cheque signatories, if applicable.
24. LEI number, if applicable
25. Loan Application form
26. Obligor Certificate
27. Declaration of Facility Documents.
28. CKYC
29. Declaration of UBO or SBO
30. KFS
31. PDCs/NACH MANDATE
32. Declaration/ disclosure on Beneficial Owners
33. KYC of authorised signatories & beneficial owners
34. FATCA, if applicable

D. <u>Partnership Firms/ Limited Liability Partnership:</u>

1. Registration certificate, if registered.
2. Copy of PAN card of firm & partners.
3. Photographs of partners.
4. Certified copy of partnership deed.
5. Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf.
6. Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses.
7. List of partners along with Address.
8. Self-attested Last 3 month bank statement.
9. CA’s networth certificate of the borrower.
10. Photograph of partners.
11. Copy of sign LOI.
12. Promissory Note, if applicable.
13. CIBIL report or any other report issued by Credit Information Company.
14. Statement of bankers / Statement from CA giving particulars of facilities taken, contact details etc.
15. In case, Loan is taken for general corporate purpose, then confirmation in form of declaration from the Partner on behalf of the Firm that loan amount is used only for general corporate purpose and not for other purposes.

16. Signature verification by banker of borrower/mortgagors/Guarantors/Pledger, if applicable.
17. LEI number, if applicable
18. Declaration of UBO or SBO (In case of partner is body corporate)
19. KFS
20. PDC's/NACH mandate
21. Declaration/ disclosure on Beneficial Owners
22. KYC of partners & beneficial owners
23. FATCA, if applicable

E. Trust & Foundations

1. Certificate of registration, if registered.
2. Copy of PAN Card of Trust.
3. Trust Deed.
4. Power of Attorney granted to transact business on its behalf.
5. Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney, founders/ managers/ directors and their addresses.
6. Resolution of the managing body of the foundation/association for borrowing loan.
7. List of Trustee, settlers, beneficiaries & signatories alongwith address
8. Last 3 month Bank Statement.
9. CA's networth certificate of the borrower.
10. PAN Card of trustee
11. Brief profile of the Trust.
12. Copy of sign LOI.
13. Promissory Note, if applicable.
14. CIBIL report or any other report issued by Credit Information Company.
15. Statement of bankers / Statement from CA giving particulars of facilities taken, contact details etc.
16. In case, Loan is taken for general purpose, then confirmation in form of declaration from the Trustee on behalf of the Trust & Foundations that loan amount is used only for general purpose and not for other purposes.
17. Signature verification by banker of borrower/mortgagors/Guarantors/Pledger, if applicable.
18. LEI number, if applicable
19. KFS
20. PDC's/NACH mandate
21. Details of trustees/beneficiaries
22. KYC of authorised persons
23. FATCA, if applicable

Additional documents required for the borrowing secured loans: if property is mortgaged:

1. Title Documents – Original.
2. Memorandum of Entry (if applicable).
3. Mortgage & Undertaking (if applicable).
4. In case of private or public company, copy of Form -CHG 1 (for other than Debentures) or Form No.CHG-9 (for debentures) alongwith challan to be filed with ROC.
5. In case of private or public company, copy of charge certificate issued by the Registrar of Companies.
6. In case of LLP, copy of Form -LLP-8 alongwith challan to be filed with ROC and copy of charge certificate issued by the Registrar.
7. Latest No Encumbrance Certificate

If Shares are Pledged:

1. Agreement of Pledge of shares.
2. Pledger Letter.
3. Irrevocable Power of Attorney.
4. In case of private or public company, copy of Form -CHG 1 alongwith challan to be filed with ROC. (CHG-1 form in accordance with provisions of Companies Act, 2013 as moveable properties is included in the definition).
5. In case of LLP, copy of Form -LLP-8 alongwith challan to be filed with ROC and copy of charge certificate issued by the Registrar.