

RADIANT FINANCIAL SERVICES LTD.

POLICY AND PROCEDURES ON 'KNOW YOUR CUSTOMER' - KYC NORMS/ ANTI-MONEY LAUNDERING STANDARDS

PREAMBLE

Reserve Bank of India (RBI) and Securities and exchange Board of India (SEBI) has been issuing guidelines on Know Your Customer (KYC) norms, norms/ Anti- Money Laundering (AML) standards/ Combating Financing of Terrorism (CFT)/ Obligations of NBFCs under PMLA, 2002 and measures to be taken in this regard.

NBFCs are required to ensure that a proper policy framework on 'Know Your Customer' and Anti-Money laundering measures with the approval of the Board is formulated and put in place. This policy document has been prepared in line with the RBI/ SEBI guidelines. As a part of the policy, the Company shall ensure that the information collected from the customer for the purpose of opening of account is kept as confidential and shall not divulge any details thereof for cross selling or any other purposes. The Company shall, therefore, ensure that the information sought from the customer is relevant to the perceived risk, is not intrusive, and is in conformity with the guidelines issued by RBI/ SEBI. Any other information from the customer should be sought separately with his/ her consent after opening the account.

MEANING OF MONEY LAUNDERING

Money Laundering is any transaction or series of transactions undertaken to conceal or disguise the nature and source of funds that have been obtained from illegal activity. The main objective of the money launderer is to transform 'dirty' money into seemingly clean money or other assets in a way to leave as little trace as possible of the transformation.

GENERAL PROVISIONS

This Policy represents the basic standards of Anti-Money Laundering and Combating Terrorism Financing (hereinafter collectively referred to as AML). Changes in the Policy will become effective upon approval by the Board of Directors of the Company. All relevant employees must be thoroughly familiar or made familiar with it and make use of the material contained in this Policy.

Objectives, Scope And Application Of The Policy

The primary objective of the policy is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities or terrorist financing activities.

Objectives pursued by this Policy are as follows:

- Promote a "KYC" Policy as a cornerstone principle.
- Introduce a controlled environment where no business with a customer is transacted until all essential information concerning the customer has been obtained.
- Conduct Self - Assessments of Compliance with Anti Money Laundering Policy & Procedures.
- To lay down explicit criteria for acceptance of customers.
- To establish procedures to verify the bona-fide identification of individuals/ non individuals for opening of account.
- To establish processes and procedures to monitor transactions of suspicious nature in accounts.
- To develop measures for conducting due diligence in respect of customers and reporting of such transactions.

Definition of Customer

For the purpose of KYC policy a 'Customer' means a person defined under KYC policy of RBI/ SEBI and any amendment from time to time by RBI / SEBI which are at present as under :-



