RAJKOT INVESTMENT TRUST LIMITED

KNOW YOUR CUSTOMER (KYC) AND ANTI-MONEY LAUNDERING (AML) POLICY

1. PREAMBLE

This Know Your Customer (“KYC”) and Anti-Money Laundering (“AML”) Policy (“Policy”) is formulated in accordance with:

- Reserve Bank of India Act, 1934;
- RBI Master Direction – Know Your Customer (KYC) Directions, 2016, as amended from time to time;
- Prevention of Money Laundering Act, 2002 (“PMLA”);
- Prevention of Money Laundering Rules, 2005;
- RBI Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023;
- Other applicable laws, regulations and guidelines.

The purpose of this Policy is to prevent the Company from being used, intentionally or unintentionally, for money laundering, terrorist financing or other unlawful activities.

2. OBJECTIVES

The objectives of this Policy are:

a) To establish robust customer identification procedures;

b) To prevent money laundering and terrorist financing activities;

c) To ensure compliance with applicable laws and RBI directions;

d) To identify, assess and mitigate AML/CFT risks;

e) To maintain customer records and reporting systems as prescribed by law.

3. APPLICABILITY

This Policy shall apply to:

- All customers of the Company;
- Directors and employees;
- Branches and offices;
- Outsourced service providers and agents;
- Business correspondents and intermediaries, where applicable.

4. DEFINITIONS

Customer

A person or entity that maintains an account and/or has a business relationship with the Company.

Beneficial Owner

The natural person(s) who ultimately owns or controls a customer and/or the person on whose behalf a transaction is conducted.

Officially Valid Document (OVD)

Documents prescribed under RBI KYC Directions, including:

- Passport;
- Driving Licence;
- Proof of Possession of Aadhaar;
- Voter Identity Card;
- NREGA Job Card;
- National Population Register Letter.

Politically Exposed Person (PEP)

Individuals who are or have been entrusted with prominent public functions in India or abroad.

5. KEY ELEMENTS OF THE POLICY

The Policy consists of the following four components:

A. Customer Acceptance Policy (CAP)

B. Customer Identification Procedures (CIP)

C. Risk Management Framework

D. Monitoring of Transactions

6. CUSTOMER ACCEPTANCE POLICY (CAP)

The Company shall:

- Obtain sufficient information to establish customer identity;
- Not open accounts or establish relationships where customer identity cannot be verified;

- Not permit anonymous or fictitious accounts;
- Categorize customers based on risk profile;
- Conduct enhanced due diligence for high-risk customers.

The Company reserves the right to reject applications where customer information is incomplete or unsatisfactory.

7. CUSTOMER IDENTIFICATION PROCEDURE (CIP)

The Company shall verify the identity of customers using:

- Officially Valid Documents (OVDs);
- Aadhaar-based e-KYC, where permitted;
- CKYCR records;
- Digital KYC, where permitted under law.

The Company shall verify:

Individuals

- Name;
- Date of Birth;
- Address;
- PAN or Form 60;
- Photograph.

Companies

- Certificate of Incorporation;
- Memorandum and Articles of Association;
- PAN;
- Board Resolution;
- Authorized Signatory Details;
- Beneficial Ownership Information.

Partnership Firms

- Registration Certificate (if registered);
- Partnership Deed;

- PAN;
- Beneficial Ownership Information.

Trusts

- Trust Deed;
- Registration Certificate (if any);
- PAN;
- Details of Trustees and Beneficiaries.

8. CUSTOMER RISK CATEGORISATION

Customers shall be categorized into:

Low Risk

Examples:

- Salaried individuals;
- Government entities;
- Regulated institutions.

Medium Risk

Examples:

- Small businesses;
- Proprietorship concerns.

High Risk

Examples:

- Politically Exposed Persons (PEPs);
- Non-resident customers;
- Trusts and NGOs;
- Cash-intensive businesses;
- High-net-worth individuals with complex structures.

Enhanced Due Diligence (EDD) shall be carried out for high-risk customers.

9. BENEFICIAL OWNERSHIP IDENTIFICATION

The Company shall identify and verify the beneficial owner(s) of legal entities in accordance with RBI KYC Directions and PMLA requirements.

The Company shall maintain records of beneficial ownership and update them periodically.

10. ONGOING DUE DILIGENCE

The Company shall conduct ongoing monitoring of customer relationships and transactions to ensure consistency with:

- Customer profile;
- Nature of business;
- Source of funds;
- Risk categorization.

KYC records shall be updated periodically as prescribed under RBI guidelines.

11. MONITORING OF TRANSACTIONS

The Company shall monitor transactions to identify:

- Unusual transactions;
- Suspicious transactions;
- Structuring or smurfing activities;
- Transactions inconsistent with customer profile;
- Transactions involving sanctioned persons or entities.

Appropriate alerts and controls shall be maintained for effective monitoring.

12. REPORTING OF SUSPICIOUS TRANSACTIONS

The Company shall report:

Suspicious Transaction Reports (STRs)

To the Financial Intelligence Unit – India (FIU-IND) in accordance with applicable laws.

Cash Transaction Reports (CTRs)

Where required under applicable regulations.

The Company shall ensure confidentiality of reporting and shall not disclose to customers that an STR has been filed.

13. POLITICALLY EXPOSED PERSONS (PEPs)

Relationships with PEPs shall be subject to:

- Enhanced Due Diligence;
- Senior Management approval;
- Source of wealth verification;
- Enhanced transaction monitoring.

14. SANCTIONS SCREENING

The Company shall screen customers against:

- UN Sanctions Lists;
- Government notifications;
- RBI directions;
- Other applicable sanctions lists.

Transactions involving prohibited persons or entities shall be dealt with in accordance with applicable laws.

15. RECORD RETENTION

The Company shall preserve:

KYC Records

For at least five years after the end of the business relationship or as prescribed by law.

Transaction Records

For at least five years from the date of transaction or such longer period as required by law.

Records shall be made available to regulators and law enforcement agencies whenever required.

16. EMPLOYEE TRAINING

The Company shall provide periodic training to employees regarding:

- KYC requirements;
- AML/CFT regulations;
- Identification of suspicious transactions;
- Regulatory reporting obligations.

17. APPOINTMENT OF PRINCIPAL OFFICER

The Company shall designate a Principal Officer responsible for:

- Monitoring compliance;
- Reporting to FIU-IND;
- Coordinating with regulators;
- AML compliance oversight.

18. INTERNAL CONTROLS AND AUDIT

The Company shall maintain:

- Internal control systems;
- AML monitoring mechanisms;
- Independent audit and testing of KYC/AML compliance.

Audit observations shall be placed before the Board or appropriate authority.

19. CONFIDENTIALITY

Customer information shall remain confidential and shall be disclosed only:

- With customer consent;
- Pursuant to statutory requirements;
- To regulatory authorities and law enforcement agencies.

20. REVIEW OF POLICY

This Policy shall be reviewed annually or earlier if required due to regulatory changes, operational requirements or emerging AML/CFT risks.

21. AMENDMENTS

The Board of Directors may amend this Policy from time to time to align with RBI directions, PMLA requirements and other applicable laws.

22. EFFECTIVE DATE

This Policy shall come into force from the date of approval by the Board of Directors and shall remain effective until amended or replaced.