

PHL FININVEST PRIVATE LIMITED
BRIEF NOTE OF KNOW YOUR CUSTOMER POLICY (KYC) & ANTI MONEY
LAUNDERING MEASURES

The Reserve Bank of India (RBI) has issued comprehensive 'Know Your Customer' (KYC) Directions vide Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25, 2016 (Master Direction) in line with the provisions of the Prevention of Money Laundering Act, 2002 (PMLA) and the rules therein as amended from time to time,.

In view of the same, PHL Fininvest Private Limited (PHL/ the Company) has adopted the said KYC Master Direction with suitable modifications depending on the activity undertaken by it. The Company has ensured that a proper policy framework on KYC and AML measures be formulated in line with the prescribed RBI guidelines and put in place duly approved by its Board of Directors. 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.

Key elements of the Policy includes:

- (i) Customer Acceptance Policy;
- (ii) Risk Management
- (iii) Customer Identification Procedures; and
- (iv) Monitoring of Transactions

The Company will obtain sufficient information necessary to establish, to its satisfaction, the identity of each new customer, including details of promoters and management, wherever applicable, and the purpose of the intended nature of relationship. The nature of information/documents required would also depend on the type of customer (individual, corporate etc.). For customers that are natural persons, the 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.

Officially valid document' (OVD) is defined to mean the passport, the driving license, the Voter's Identity Card issued by the Election Commission of India, letter issued by the Unique Identification Authority of India, containing details of name, address and Aadhaar Number, Proof of possession of Aadhaar number in such form as issued by UIDAI or any other document as notified by the Central Government in consultation with the regulators. Alternatively in case of Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs), the certified copy by any one of the following may be obtained:

- authorised officials of overseas branches of Scheduled Commercial Banks registered in India,
- branches of overseas banks with whom Indian banks have relationships,
- Notary Public abroad,
- Court Magistrate,
- Judge,
- Indian Embassy/Consulate General in the country where the non-resident customer resides.

The Company shall where its customer submits his Aadhaar number, ensure that such customer redact or blackouts his Aadhaar number through appropriate means where the authentication of Aadhaar number is not required under section 7 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies Benefits and Services) Act

The use of Aadhaar, proof of possession of Aadhaar etc., shall be in accordance with the Aadhaar (Targeted Delivery of Financial and Other Subsidies Benefits and Services) Act, the Aadhaar and Other Law (Amendment) Ordinance, 2019 and the regulations made thereunder.

As provided in the Master Directions, 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.

The Company has a proper Internal Control system in place, which is capable of identifying and evaluating risks and mitigating them by way of reviewing and reporting such risks.

The Company will maintain proper record of all transaction as prescribed under Rule 3, of the Prevention of Money-Laundering (Maintenance of records of the nature and value of transactions) and RBI Guidelines.

The Company has appointed the Principal Officer in compliance of Rule 2 (f) of the Maintenance of Record Rules of the PMLA. The Principal Officer under the supervision and guidance of the Designated Director shall be responsible to ensure overall compliance specified under the Act and the Rules/Regulations thereunder.

The Company has in place a detailed Board approved policy on KYC and AML measures.