

COMPREHENSIVE POLICY ON “KNOW YOUR CUSTOMER (KYC) GUIDELINES AND ANTI MONEY LAUNDERING STANDARDS”

The following shall be the comprehensive “Know Your Customer (KYC) Guidelines and Anti Money Laundering Standards” as adopted by the Board of Directors at its meeting held on 29th May 2014 as per the revised guidelines of Reserve Bank of India.

'Know Your Customer' (KYC) Guidelines – Anti Money Laundering Standards

1. The ‘Know Your Customer’ guidelines were issued in February 2005 by Reserve Bank of India revisiting the earlier guidelines issued in January 2004 in the context of the Recommendations made by the Financial Action Task Force (FATF) on Anti Money Laundering (AML) standards and on Combating Financing of Terrorism (CFT). These standards have become the international benchmark for framing Anti Money Laundering and combating financing of terrorism policies by the regulatory authorities. Compliance with these standards by Galada Finance Limited (hereinafter referred to as “Company”) has become necessary for international financial relationships. The Reserve Bank of India has issued detailed guidelines based on the Recommendations of the Financial Action Task Force and the paper issued on Customer Due Diligence (CDD) for Banks and NBFCs. Accordingly the Company shall adopt the same to ensure that a proper policy framework on ‘Know Your Customer’ and Anti-Money Laundering measures is formulated and put in place with the approval of the Board as per the directives of Reserve Bank of India.
2. The Company shall keep the information collected from the customer for the purpose of opening of account confidential and shall not divulge any details thereof for cross selling or any other purposes; that the Company shall ensure that information sought from the customer is relevant to the perceived risk, is not intrusive, and is in conformity with the guidelines issued by the Reserve Bank of India in this regard. Any other information from the customer shall be sought separately with his /her consent and after opening the account.
3. As it is necessary that the guidelines should be equally applicable to the persons authorized by the Company including brokers/agents etc. collecting public deposits on behalf of the Company, the following shall be scrupulously followed:

- i. Adherence to Know Your Customer (KYC) guidelines by the Company and persons authorized by the Company including brokers/agents etc.
- ii. The Company shall comply with certain requirements in regard to maintenance of record of the transactions of prescribed nature and value, furnishing of information relating to those transactions and verification and maintenance of the records of identity of all its clients in prescribed manner as per the instructions issued by the Reserve Bank of India to NBFCs vide circular DNBS (PD) CC No. 48 /10.42/ 2004-05 dated February 21, 2005.
- iii. As regards deposits collected by persons authorized by the Company including brokers/agents etc. inasmuch as such persons are collecting the deposits on behalf of the Company, it shall be the sole responsibility of the Company to ensure full compliance with the KYC guidelines by such persons. The Company shall make available all information to the Reserve Bank of India to verify the compliance with the KYC guidelines and accept full consequences of any violation by the persons authorized by the Company including brokers/agents etc. who are operating on behalf of the Company..
- iv. Due diligence of persons authorized by NBFCs including brokers/agents etc.

As an extension of the KYC Guidelines, the Company shall put in place a process of due diligence in respect of persons authorized by the Company including brokers/agents etc. collecting deposits on behalf of the company through a uniform policy for appointment and detailed verification; that the Details of due diligence conducted may be kept on record with the company for verification; .
- v. In the depositors' interests and for enhancing transparency of operations, the company shall have systems in place to ensure that the books of accounts of persons authorized by the Company including brokers/agents etc, so far as they relate to brokerage functions of the company, are available for audit and inspection whenever required.
- vi. Customer service in terms of identifiable contact with persons authorized by the Company including brokers/agents etc.

- vii. All deposit receipts should bear the name and Registered Office address of the Company and must invariably indicate the name of the persons authorized by the Company including brokers/agents etc. and their addresses who mobilized the deposit and the link office with the telephone number of such officer and/or persons authorized by the Company including brokers/agents etc in order that there is a clear indication of the identifiable contact with the field persons and matters such as unclaimed / lapsed deposits, discontinued deposits, interest payments and other customer grievances are appropriately addressed. The company shall also evolve suitable review procedures to identify persons authorized by the Company including brokers/agents etc. in whose cases the incidence of discontinued deposits is high for taking suitable action.

The Company is to ensure that all documents collected from the customers/depositors forming part of its documentation as per KYC/AML standards to be verified with the original documents and proper authentication of the same to be ensured by an authorized representative. Also Periodical Updation of KYC data - Customer Identification Data in the form of Declaration by the deposit holder / Borrower to be obtained on an ongoing basis