

Kay Kay Hire Purchase Private Limited

KYC, Anti-Money Laundering & Combating the Financing of Terrorism

1. Purpose and legal basis

To prevent the Company being used for money laundering, terrorist financing, proliferation financing, fraud or other unlawful activity; to identify and verify customers and beneficial owners under the RBI KYC Directions, the Prevention of Money Laundering Act, 2002 and the rules made under it, and the Unlawful Activities (Prevention) Act, 1967; to understand the nature and purpose of each relationship and monitor it on a risk-sensitive basis; and to maintain records and make regulatory reports without tipping off where disclosure is prohibited.

2. Governance

The Board approves this Policy. The Company has designated a **Principal Officer** and a **Designated Director** as required under the PMLA, and furnishes their particulars to the Financial Intelligence Unit — India. Internal audit independently tests compliance and reports to the Audit Committee.

3. Customer acceptance

- No anonymous, fictitious or benami relationship is opened or continued.
- Acceptance is based on documented risk criteria and does not unlawfully exclude a person solely because of social or economic status. **No customer is denied a facility on the ground of belonging to a low-income group.**
- The Company may decline, restrict or exit a relationship where identity cannot be verified, information is materially false, risk is unacceptable, or the law requires it.
- No relationship is entered into with a shell entity, or where the beneficial owner cannot be established.

4. Customer identification and due diligence

- Obtain and verify officially valid documents, PAN or the equivalent declaration, address, and other information relevant to the customer type, for every customer and, where applicable, every beneficial owner, guarantor, co-borrower and authorised representative.
- Use legally permitted modes — digital KYC, CKYCR records, offline Aadhaar verification, Video-based Customer Identification Process, or certified copies of Officially Valid Documents.
- Understand occupation, business, source of funds or income, and intended product use, proportionate to risk.
- Apply **enhanced due diligence** for higher-risk relationships, unusual structures, high-risk jurisdictions, politically exposed persons and other prescribed categories; apply simplified due diligence where permitted.

Kay Kay Hire Purchase Private Limited

5. Risk categorisation

Each customer is assigned a risk category — low, medium or high — on the basis of identity, social and financial status, nature of activity, source of funds, geography, product, channel, expected transaction pattern and screening outcomes. **Unsecured and bullet-repayment products are treated as presenting a higher inherent risk** than secured vehicle finance for this purpose. The categorisation is reviewed at the prescribed periodicity and on any material change, and is **confidential**.

6. Sanctions and adverse information

Screen customers, beneficial owners, guarantors and authorised signatories against applicable sanctions, terrorist, prohibited and internal caution lists, at onboarding and on an ongoing basis, and whenever a list is updated. Review credible adverse information and resolve potential matches through approved procedures. Freeze, reject, report or take other action when required by a competent authority or by law.

7. Ongoing due diligence and monitoring

- Keep KYC information reasonably current under the risk-based periodic-update framework; where nothing has changed, obtain a self-declaration through the permitted channels.
- Monitor transactions and account behaviour for consistency with the known profile and product. Particular attention is paid to complex or unusually large transactions, patterns without apparent economic or lawful purpose, activity inconsistent with declared income, structuring to avoid thresholds, unusual repayment behaviour such as immediate prepayment from an unexplained source, multiple facilities sought in quick succession, and transactions connected with high-risk jurisdictions.
- Alerts are investigated and outcomes documented.
- Avoid unnecessary service disruption for low-risk customers where the law provides a facilitated update route.

8. Money mule and account-misuse controls

The Company maintains controls to identify and prevent use of its products by money mules or for the layering of illicit funds, including verification of the beneficiary account, verification of the dealer and the invoice in asset finance, monitoring of disbursement and repayment patterns, and investigation of accounts exhibiting mule-like characteristics.

9. Reporting, confidentiality and records

- File the prescribed reports with the Financial Intelligence Unit — India and other competent authorities through authorised officers, in the prescribed form and within the prescribed timelines. A suspicious transaction is reported irrespective of amount and irrespective of whether it is completed.
- **Tipping off is strictly prohibited.**
- Maintain identity and transaction records for the period prescribed under the PMLA and RBI directions, sufficient to permit reconstruction of an individual transaction, and make them available to a competent authority on demand.

Kay Kay Hire Purchase Private Limited

- Upload KYC records to the Central KYC Records Registry in the prescribed format and timelines.

10. Reliance, dealers and third parties

Reliance on a third party does not remove the Company's regulatory responsibility.

Dealers, sourcing partners and vendors may perform approved tasks under due diligence, written contract, access control, monitoring and audit rights. The Company obtains third-party-sourced records immediately and satisfies itself of their adequacy.

11. Training and non-compliance

Employees, dealers and relevant service providers receive role-appropriate training at induction and periodically, covering identification of suspicious activity, the escalation route and the prohibition on tipping off. Failure to comply is a disciplinary matter and, for a dealer or agent, a ground for termination.