

Bansal In-Hold Limited

Anti-Money Laundering (AML) & Know Your Customer (KYC) Policy

1. Introduction

Bansal In-Hold Limited ("the Company"), a registered Non-Banking Financial Company (NBFC), is committed to adhering to the highest standards of Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), and Know Your Customer (KYC) compliance.

This Policy has been designed in line with:

- The Prevention of Money Laundering Act, 2002 (PMLA) and Rules thereunder,
- RBI Master Directions on KYC (DBR.AML.BC.No.81/14.01.001/2015-16, updated from time to time),
- Other relevant guidelines issued by the Reserve Bank of India (RBI) and Government of India.

The aim is to prevent the Company from being misused for money laundering, terrorist financing or other unlawful activities.

2. Objectives

The objectives of this Policy are:

- To ensure compliance with RBI directions and PMLA requirements.
- To establish effective procedures for customer identification, due diligence, and monitoring.
- To detect and report suspicious transactions to FIU-IND.
- To protect the Company from reputational, legal, and regulatory risks.
- To maintain robust internal controls and staff training on AML/KYC norms.

3. Definitions

Key definitions shall be as per the RBI Master Directions and PMLA, including:

- Customer, Beneficial Owner, Politically Exposed Persons (PEPs),
- Customer Due Diligence (CDD),
- Suspicious Transactions,
- Officially Valid Documents (OVDs),
- Principal Officer and Designated Director.

4. Customer Acceptance Policy

The Company shall:

- Not open accounts in fictitious or anonymous names.
- Not open accounts where the identity cannot be verified.
- Apply risk-based categorization of customers (Low, Medium, High).
- Obtain sufficient information to establish customer identity and beneficial ownership.
- Carry out Enhanced Due Diligence (EDD) for high-risk customers, including PEPs and NRIs.

5. Customer Identification & Due Diligence (CDD)

The Company shall undertake Customer Due Diligence at:

- Commencement of an account-based relationship.
- Carrying out occasional transactions of ₹50,000 or more
- Suspicion of money laundering or terrorist financing.

Documents required:

- Individuals: PAN, Aadhaar (offline verification), proof of address, photo ID.
- Companies: Certificate of Incorporation, Memorandum & Articles, PAN, Board Resolution, details of directors/beneficial owners.

- Partnership Firms: Partnership Deed, registration proof, PAN, details of partners/beneficial owners.
- Trusts: Trust Deed, registration certificate, details of trustees/settlers/beneficiaries.

6. Risk Categorization

Customers shall be classified as:

- Low Risk: Salaried individuals, government departments, regulated entities.
- Medium Risk: SMEs, private companies with verifiable credentials.
- High Risk: PEPs, high net worth individuals, entities from high-risk jurisdictions, cash-intensive businesses.

Risk categorization shall be reviewed periodically.

7. Ongoing Monitoring

The Company shall continuously monitor transactions to ensure they are consistent with customer profile.

Unusual or suspicious transactions shall be flagged for review. High-risk accounts shall be subject to enhanced monitoring.

8. Record Keeping

The Company shall maintain:

- Customer identification documents for at least 10 years after the end of relationship.
 - Transaction records for at least 5 years from the date of transaction.
- Records shall be available for inspection by RBI or competent authorities.

9. Reporting Obligations

The Company shall report to Financial Intelligence Unit – India (FIU-IND):

- Cash Transaction Reports (CTR): Cash transactions of ₹10 lakh or more in a month.
- Suspicious Transaction Reports (STR): Transactions inconsistent with customer profile or lacking economic rationale.
- Non-Profit Organization Transactions (NTRs): Above ₹10 lakh.
- Cross-border Wire Transfers (CBWTs) as applicable.

10. Monitoring of Transactions

The Company shall employ IT-enabled systems for monitoring large, complex or inconsistent transactions.

Any unusual pattern shall be reviewed by the Compliance Officer and reported where necessary.

11. Identification of Beneficial Owners

Beneficial ownership shall be established as per RBI guidelines:

- For companies: Natural persons with 10% or more ownership.
- For partnerships: Persons with 15% or more ownership.
- For trusts: Author, trustees, and beneficiaries with 10% or more interest.

12. Combating Financing of Terrorism

The Company shall verify customers against UN sanction lists, RBI circulars and Government notifications.

No account shall be opened or maintained for individuals/entities appearing in terrorist lists circulated by RBI/UNSC.

Any match shall be reported to FIU-IND and Ministry of Home Affairs immediately.

13. Training and Employee Awareness

The Company shall conduct regular training programs for employees on:

- AML/KYC obligations,
- Identifying suspicious transactions,
- Reporting obligations to Compliance Officer.

14. Internal Controls & Audit

The Company shall ensure:

- A designated Principal Officer oversees AML/KYC compliance.
- A Designated Director ensures Board-level oversight.
- Periodic internal audits verify compliance with policy and RBI directives.
- Findings are reported to the Board/Audit Committee.

15. Customer Education

Customers shall be educated about the necessity of KYC compliance and the Company's commitment to lawful, transparent operations.

16. Principal Officer & Designated Director

The Board shall appoint:

- A Principal Officer (Compliance Officer) responsible for reporting to FIU-IND and monitoring compliance.
- A Designated Director responsible for overall policy implementation and Board reporting.

17. Simplified KYC for Small Accounts

For small accounts (balances < ₹50,000; annual credits < ₹1,00,000), simplified KYC may be applied as permitted under RBI directions, with restrictions on operations until full KYC is completed.

18. Reliance on Third Parties

The Company may rely on KYC carried out by regulated third parties, subject to conditions under PMLA and RBI guidelines.

Ultimate responsibility, however, rests with the Company.

19. Policy Review

This Policy shall be reviewed annually, or earlier if RBI guidelines or PMLA provisions are amended. Any material changes shall be approved by the Board of Directors.

20. Penalties for Non-Compliance

Failure to comply with AML/KYC obligations may attract regulatory penalties, reputational damage, and internal disciplinary action against responsible employees.