

**SAHARA HOUSINGFINA CORPORATION LIMITED**  
(CIN No.L18100WB1991PLC099782)

**POLICY ON  
'KNOW YOUR CUSTOMER' & 'ANTI-MONEY LAUNDERING'**

The above is adopted by the Company as a Policy in accordance with the revised regulations/directions issued in public interest by the Reserve Bank of India and aptly covered under **"Para 3.1.8 of Master Direction – Know Your Customer (KYC) Direction, 2016 forming a part of the Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021** notified vide RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/ 2020-21 dated 17/02/2021" (*hereinafter referred to as "RBI-HFC Directions, 2021."*)

**1 INTRODUCTION, BACKGROUND AND SCOPE**

The "Know Your Customer" (KYC) Directions issued by the Reserve Bank of India / National Housing Bank (NHB) aims at **preventing the Housing Finance Companies (HFCs) from being used intentionally or unintentionally by criminal elements for committing financial frauds, transferring or deposits of funds derived from criminal activity or for financing terrorism.** Accordingly, to safeguard its interest and to comply with regulatory guidelines, the Company had prepared the policy on 'Know Your Customer and Anti-Money Laundering Measures' which is applicable to all the "customer reach branches" and to be complied by all the Branch Managers, Frontline Staff, Compliance Staff and the staff/s dealing with the customers, and also third parties, subject to reliance on them or used by the company to perform any of the requirements of its KYC and Anti-Money Laundering (AML) Policy.

Money laundering refers to concealing or disguising the origin and ownership of the proceeds from criminal activity, including drug trafficking, public corruption, terrorism, fraud, human trafficking, and organized crime activities. Tax evasion also can figure in money laundering schemes. Terrorist financing is the use of legally or illegally obtained funds to facilitate terrorist activities. Money laundering and terrorist financing may involve a wide variety of financial products, services, and transactions, including lending and investment products, and the financing of equipment and other property that could be used to facilitate terrorism and other criminal activity. As per the Section 3 of the Prevention of Money Laundering Act 2002 ("PMLA"), the offence of Money Laundering is defined as:

"Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming it as untainted property shall be guilty of offence of money-laundering. "Proceeds of crime" means any property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to scheduled offence or the value of any such property".

Money Laundering thus includes illegally acquiring of money through financial systems so that it appears to be legally acquired. There are three common stages of money laundering as detailed below which are resorted to by the launderers:

- a) Placement - the physical disposal of cash proceeds derived from illegal activity;
- b) Layering - separating illicit proceeds from their source by creating complex layers of financial transactions designed to disguise the source of money, subvert the audit trail and create anonymity; and
- c) Integration - creating the impression of apparent legitimacy to criminally derived wealth.

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	<p>As per the Prevention of Money Laundering Act, 2002 ("PMLA") and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, ("PML Rules") notified by the Government of India, various Regulated Entities ("REs") like Banks, Non-Banking Financial Companies ("NBFCs"), Financial Institutions etc. are required to follow prescribed customer identification procedures while undertaking a transaction either by establishing an account-based relationship or otherwise and monitor such transactions.</p> <p>In this regard, the Reserve Bank of India ("RBI") has prescribed the Reserve Bank of India (Know Your Customer) Directions, 2016 ("RBI KYC Directions") to ensure compliance by every entity regulated by RBI with the provisions of the PMLA and the PML Rules.</p> <p>In accordance with the latest RBI KYC Directions, Sahara Housingfina Corporation Limited ("SHCL" or "Company") has reviewed its existing Know Your Customer and Anti-Money Laundering Policy ("KYC &amp; AML Policy" or "Policy").</p>
2	<p><b>OBJECTIVES &amp; KEY ELEMENTS OF POLICY ON KYC &amp; AML MEASURES</b></p> <p>a) This KYC &amp; AML Policy seeks to define minimum requirements to establish, implement, and maintain Know Your Customer ("KYC") and Anti- Money Laundering ("AML") framework with the following objectives:</p> <p>a) To prevent SHCL's business channels/products/services from being used as a channel for Money Laundering("ML")/ Terrorist Financing("TF").</p> <p>b) To establish a framework for adopting appropriate AML procedures and controls in the operations/business processes of the Company.</p> <p>c) To ensure compliance with the applicable laws and regulations from time to time.</p> <p>d) To protect the Company's reputation and accordingly to cover the following:</p> <p>i) Customer Acceptance Policy ("CAP") and Criteria for Customer Due Diligence.</p> <p>ii) Risk Management practices to be followed to mitigate the money laundering risk.</p> <p>iii) Lay down explicit criteria for Customer Identification Procedures ("CIP").</p> <p>iv) Monitoring of financial transactions and to establish processes and procedures to monitor high value cash transactions and/or transactions of suspicious nature.</p> <p>v) Develop measures for conducting due diligence in respect of customers and reporting of such transactions.</p> <p>vi) Establish procedures to verify the bona-fide identification of individuals/non-individuals customers.</p> <p>vii) Manage the risk/s.</p>
3	<p><b>APPLICABILITY</b></p> <p>The KYC and AML Policy applies to the Company and its employees. This Policy also applies to any third parties relied upon or used by the Company to perform any of the requirements prescribed under the RBI KYC Directions.</p> <p>This Policy requires the Company and each of its employees to:</p> <p>a) Protect the Company from being used for money laundering or funding terrorist activities.</p>

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	<p>b) Conduct themselves in accordance with the highest ethical standards.</p> <p>c) Comply with the Policy in the letter and the spirit.</p> <p>d) Be alert to and escalate suspicious activity and not knowingly provide advice or other assistance to individuals who attempt to violate or avoid this Policy.</p> <p>e) Cooperate with the government law enforcement agencies and regulatory/supervisory authority to the extent required and permitted under the applicable laws.</p> <p>This KYC &amp; AML Policy and guidelines shall come into effect upon being uploaded in our website, and will supersede/rescind the previous policy to this effect.</p> <p>The Guidelines on 'Know Your Customer' &amp; 'Anti-Money Laundering Measures' for Housing Finance Companies issued under <i>RBI-HFC Directions, 2021</i> encompasses some directives/guidelines/strictures that are more suitable/applicable to Banks and HFCs accepting Public Deposits. SHCL has been granted Certificate of Registration as a <b>"Non Public Deposit Taking"</b> HFC and as a result, few guidelines even though included in the Policy considering its relevance to the activity of an HFC, may not purely relate to us, and to that extent, it may be exempted especially ones that involve/revolve around commencement/continuation of account while accepting "Public Deposit". Besides, as SHCL's dynamics, business volume and activities being extremely modest, few aspects such Digital KYC, V-CIP, Wire transfer etc. are not undertaken, thus such the guidelines shall be covered (albeit in advance), if and when it is actually implemented/undertaken/carried out by the Company.</p>
4	<p><b>DEFINITIONS</b></p> <p>In this policy, unless the context unless otherwise requires, the terms herein shall bear the meanings assigned to them below:</p> <p>a) "Aadhaar Number" means an identification number as defined under sub-section (a) 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016, henceforth the "Aadhaar Act".</p> <p>b) "Act" and "Rules" means the Prevention of Money-Laundering Act, 2002 and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, respectively and amendments thereto;</p> <p>c) "Authentication" means the process as defined under sub-section (c) of section 2 of the Aadhaar Act;</p> <p>d) A <u>"Beneficial Owner" (BO)</u> is:</p> <p>i) Where the <b>customer is a company</b>, the BO is the natural person(s), who, whether acting alone or together, or through one or more juridical person has/have a controlling ownership interest or who exercise control through other means.</p> <p><i>Explanation – For the purpose of this sub-clause:</i></p> <ul style="list-style-type: none"> <li>• "Controlling ownership interest" means ownership of/entitlement to more than 10 per cent of the shares of capital or profits of the company.</li> <li>• "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements.</li> </ul>

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	<p>ii) Where a <b>customer is a partnership firm</b>, the BO is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has/have ownership of/entitlement to more than 10 per cent of capital or profits of the partnership or who exercises control through other means (Explanation – For the purpose of this sub-clause, “control” shall include the right to control the management or policy decision).</p> <p>iii) Where the <b>customer is an unincorporated association or body of individuals</b>, the BO is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has/have ownership of/entitlement to more than 15 per cent of the property or capital or profits of the unincorporated association or body or individuals. (Explanations – Term “body of individuals” includes societies. Where no natural person is identified under (a), (b) or (c) above, the BO is the relevant natural person who holds the position of senior managing official.</p> <p>iv) Where the <b>customer is a trust</b>, the identification of BO shall include identification of the author of the trust, the trustee, the beneficiaries with 10 per cent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.</p> <p>e) “Certified Copy” - Obtaining a certified copy shall mean comparing the copy of the proof of possession of Aadhaar number where offline verification cannot be carried out or officially valid document so produced by the customer with the original and recording the same on the copy by the authorised officer as per the provisions contained in the Act. Provided that in case of Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs), as defined in Foreign Exchange Management Deposit) Regulations, 2016 {FEMA 5(R)}, alternatively, the original certified copy, certified by any one of the following, may be obtained:</p> <ul style="list-style-type: none"> <li>• authorised officials of overseas branches of Scheduled Commercial Banks registered in India,</li> <li>• branches of overseas banks with whom Indian banks have relationships,</li> <li>• Notary Public abroad,</li> <li>• Court Magistrate,</li> <li>• Judge,</li> <li>• Indian Embassy/Consulate General in the country where the non-resident customer resides.</li> </ul> <p>f) “Cash Transactions” means “Cash Transactions: as defined under rule 3 of the Rules.</p> <p>g) “Central KYC Records Registry” (CKYCR) means an entity defined under Rule 2(1)(aa) of the Rules, to receive, store, safeguard and retrieve the KYC records in digital form of a customer.</p> <p>h) “Customer” means a “Person” (further defined below), who is engaged in a financial transaction or activity with the Company and includes a person on whose behalf the person is engaged in transaction or activity, is acting.</p> <p>i) “Customer Due Diligence (CDD)” means identifying and verifying the customer and the beneficial owner using reliable and independent sources of identification.</p>
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	<p>Explanation – The CDD, at the time of commencement of an account-based relationship or while carrying out occasional transaction of an amount equal to or exceeding rupees fifty thousand, whether conducted as a single transaction or several transactions that appear to be connected, or any international money transfer operations, shall include:</p> <p>i) Identification of the customer, verification of their identity using reliable and independent sources of identification, obtaining information on the purpose and intended nature of the business relationship, where applicable;</p> <p>ii) Taking reasonable steps to understand the nature of the customer's business, and its ownership and control;</p> <p>iii) Determining whether a customer is acting on behalf of a beneficial owner, and identifying the beneficial owner and taking all steps to verify the identity of the beneficial owner, using reliable and independent sources of identification.</p> <p>j) “Customer Identification” means undertaking the process of CDD.</p> <p>k) “Designated Director” means a “Designated Director” as defined under rule 2(ba) of the PML Rules.</p> <p>l) “Digital KYC” means the capturing live photo of the customer and the OVD or the proof of possession of Aadhaar, where offline verification cannot be carried out, along with the latitude and longitude of the location where such live photo is being taken by an authorised official of the Company as per the provisions contained in the PMLA</p> <p>m) “Digital Signature” shall have the same meaning as assigned to it in clause (p) of subsection (1) of section (2) of the Information Technology Act, 2000 (21 of 2000).</p> <p>n) “Equivalent e-document” means an electronic equivalent of a document, issued by the issuing authority of such document with its valid digital signature including documents issued to the digital locker account of the customer as per rule 9 of the Information Technology (Preservation and Retention of Information by Intermediaries Providing Digital Locker Facilities) Rules, 2016.</p> <p>o) “FIU-IND” shall mean Financial Intelligence Unit-India.</p> <p>p) "KYC Templates" means templates prepared to facilitate collating and reporting the KYC data to the CKYCR for individuals and legal entities.</p> <p>q) “Know Your Client (KYC) Identifier” means the unique number or code assigned to a customer by the CKYCR.</p> <p>r) “Non-face-to-face customers” means a customer who open accounts without visiting the branch/officers of the Company or meeting the officials of the Company.</p> <p>s) “Officially Valid Document” (OVD) means the passport, the driving licence, proof of possession of Aadhaar number, the Voter's Identity Card issued by the Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government and letter issued by the National Population Register containing details of name and address. Provided that,</p>
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	<p>i) where the customer submits his proof of possession of Aadhaar number as an OVD, he may submit it in such form as are issued by the Unique Identification Authority of India.</p> <p>ii) where the OVD furnished by the customer does not have updated address, the following documents or the equivalent e-documents thereof shall be deemed to be OVDs for the limited purpose of proof of address:</p> <p>I. utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill);</p> <p>II. property or Municipal tax receipt;</p> <p>III. pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;</p> <p>IV. letter of allotment of accommodation from employer issued by State Government or Central Government Departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies and leave and licence agreements with such employers allotting official accommodation;</p> <p>iii. the customer shall submit OVD with current address within a period of three months of submitting the documents specified above.</p> <p>iv. where the OVD presented by a foreign national does not contain the details of address, in such case the documents issued by the Government departments of foreign jurisdictions and letter issued by the Foreign Embassy or Mission in India shall be accepted as proof of address. (Explanation: For the purpose of this clause, a document shall be deemed to be an OVD even if there is a change in the name subsequent to its issuance provided it is supported by a marriage certificate issued by the State Government or Gazette notification, indicating such a change of name.</p> <p>t) “Offline Verification” means the process of verifying the identity of the Aadhaar number holder without authentication, through such offline modes as may be specified by the UIDAI under clause (pa) of section 2 of the Aadhaar Act.</p> <p>u) “On-going Due Diligence” means regular monitoring of transactions in accounts to ensure that they are consistent with Company’s knowledge about the customers, customer’s business and risk profile, the source of funds/wealth.</p> <p>v) “Periodic Updation” means steps taken to ensure that documents, data or information collected under the CDD process is kept up-to-date and relevant by undertaking review of existing records at periodicity prescribed by the RBI/NHB.</p> <p>w) <i>“Person” has the same meaning as defined in the Act (PMLA Rules, 2005) and includes”</i></p> <p>i) <i>an Individual;</i></p> <p>ii) <i>a Hindu Undivided Family (HUF);</i></p> <p>iii) <i>a Company;</i></p>
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	<p>iv) <i>a Firm;</i></p> <p>v) <i>an association of persons or a body of individuals, whether incorporated or not;</i></p> <p>vi) <i>every artificial juridical person, not falling within any one of the above persons (i to v above), and</i></p> <p>vii) <i>any agency, office or branch owned or controlled by any of the above persons (i to vi);</i></p>
x)	“Politically Exposed Persons” (PEPs) are individuals who are or have been entrusted with prominent public functions <b>by a foreign</b> country, including the Heads of States/Governments, Senior Politicians, Senior Government/Judicial/Military Officers, Senior Executives of State-Owned Corporations, important party officials, etc.
y)	“PMLA” or “Act” means the ‘Prevention of Money-Laundering Act, 2002’, & amendments thereto.
z)	“PML Rules” or “Rules” means the ‘Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, & amendments thereto
aa)	"Principal Officer" or “PO” means, as defined under rule 2(f) the Rules, an official designated by the Board of Directors of the Company for overseeing and managing the KYC & AML policies and processes. The PO will be responsible for ensuring compliance, monitoring transactions, and sharing and reporting information as required under the law/regulations.
bb)	<p>“Regulated Entities” or “REs “mean:</p> <p>i) All Scheduled Commercial Banks (SCBs)/ Regional Rural Banks (RRBs)/ Local Area Banks (LABs)/ All Primary (Urban) Co-operative Banks (UCBs)/ State and Central Co-operative Banks (SCBs / CCBs) and any other entity which has been licenced under Section 22 of Banking Regulation Act, 1949, which as a group shall be referred as ‘banks’;</p> <p>ii) All India Financial Institutions (AIFIs);</p> <p>iii) <b>All Non-Banking Finance Companies (NBFCs) including Housing Finance Companies</b>, Miscellaneous Non-Banking Companies (MNBCs) and Residuary Non-Banking Companies (RNBCs);</p> <p>iv) All Payment System Providers (PSPs)/ System Participants (SPs) and Prepaid Payment Instrument Issuers (PPI Issuers);</p> <p>v) All authorised persons (APs) including those who are agents of Money Transfer Service Scheme (MTSS), regulated by the Regulator.</p>
cc)	<p>“Suspicious transaction” means a “transaction” as defined below, including an attempted transaction, whether or not made in cash, which, to a person acting in good faith:</p> <p>i) gives rise to a reasonable ground of suspicion that it may involve proceeds of an offence specified in the Schedule to the Act, regardless of the value involved; or</p> <p>ii) appears to be made in circumstances of unusual or unjustified complexity; or</p> <p>iii) appears to not have economic rationale or <i>bona-fide</i> purpose; or</p> <p>iv) gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism.</p> <p>Explanation: Transaction involving financing of the activities relating to terrorism includes transaction involving funds suspected to be linked or</p>

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	<p>related to, or to be used for terrorism, terrorist acts or by a terrorist, terrorist organization or those who finance or are attempting to finance terrorism.</p> <p>dd) “Transaction” means a purchase, sale, loan, pledge, gift, transfer, delivery or the arrangement thereof and includes:</p> <ul style="list-style-type: none"> <li>i) opening of an account;</li> <li>ii) deposit, withdrawal, exchange or transfer of funds in whatever currency, whether in cash or by cheque, payment order or other instruments or by electronic or other non-physical means;</li> <li>iii) the use of a safety deposit box or any other form of safe deposit;</li> <li>iv) entering into any fiduciary relationship;</li> <li>v) any payment made or received, in whole or in part, for any contractual or other legal obligation; or</li> <li>vi) establishing or creating a legal person or legal arrangement.</li> </ul> <p>ee) “UIDAI” means ‘Unique Identification Authority of India’.</p> <p>ff) “Video based Customer Identification Process” (“V-CIP”) means an alternate method of customer identification with facial recognition and customer due diligence by an authorized official of the Company by undertaking seamless, secure, live, informed-consent based audiovisual interaction with the customer to obtain identification information required for CDD purpose, and to ascertain the veracity of the information furnished by the customer through independent verification and maintaining audit trail of the process. Such processes complying with prescribed standards and procedures shall be treated on par with face-to-face CIP for the purpose of the Master Direction – KYC Directions, 2016 of RBI.</p> <p>gg) “Walk-in Customer” means a person who does not have an account-based relationship with the Company but undertakes transactions with the Company.</p> <p>hh) All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Banking Regulation Act, 1949, the Reserve Bank of India Act, 1935, the Prevention of Money Laundering Act, 2002, the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and regulations made there under, any statutory modification or re-enactment thereto or as used in commercial parlance, as the case may be.</p>
5	<p><b>DESIGNATED DIRECTOR</b></p> <p>The Company will nominate a Director from its Board of Directors as the “Designated Director” (other than the Principal Officer) under the Act, who shall ensure overall compliance with the obligations imposed under the Act. The name, designation and address of the “Designated Director” including changes that may occur from time to time, shall be communicated to Director, FIU-IND and also to NHB, New Delhi.</p>
6	<p><b>PRINCIPAL OFFICER</b></p> <p>The Company shall nominate “Principal Officer” for the purpose of KYC &amp; AML, who shall be preferably of Senior Rank and will ensure compliance, monitor transactions, and share &amp; report information as required under the law/regulations. The name,</p>

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	<p>designation and address of the Principal Officer/s under KYC &amp; AML, including changes from time to time, shall be communicated to the Director – FIU – India and also to RBI/NHB.</p> <p>In the present, the Company has appointed the following KMPs &amp; Senior Management Personnel, <b>Shri D. J. Bagchi, Principal Officer &amp; Company Secretary</b> and <b>Shri Vivek Kapoor, Chief Financial Officer (CFO)</b> as the '<b>Principal Officer/s</b>' designate who shall be responsible for reporting all transactions and sharing of information. They will also be responsible to ensure that proper steps are taken to fix accountability for serious lapses and intentional contraventions of the KYC guidelines.</p> <p>Any change to the above names of the KMPs designated as "Principal Officer/s" under KYC and AML Policy of the company, shall be suitably intimated to all concerned, at the time of such happening.</p>
7	<p><b>COMPLIANCE OF KYC POLICY</b></p> <p>a) The "Senior Management" for the purpose of KYC Policy and its compliance shall denote officials of the Company who are designated as the "<b>Key Managerial Persons (KMPs)</b>" of the Company and shall include changes that may happen from time to time.</p> <p>b) The Senior Management of the Company to separately allocate the responsibility for effective implementation of the policy, measures and procedures in respect of KYC &amp; AML across all levels of its operations.</p> <p>c) The Internal Auditors of the Company must be well versed with the KYC policies and must ensure adherence to the KYC procedures and therein to verify the application of the KYC procedures and offer comments on the lapses observed in this regard (if any). The compliance of the KYC guidelines and the specific cases of violation must be put before the Audit Committee at regular intervals.</p> <p><b>d) The decision making functions of determining compliance with KYC norms shall not be outsourced.</b></p>
8	<p><b>CUSTOMER ACCEPTANCE POLICY (CAP) OF THE COMPANY</b></p> <p>The Company shall adopt a Customer Acceptance Policy ("CAP") which lays down the criteria for the acceptance of Customers. The features of the CAP are as under:</p> <p>a) The Company shall not open any account(s) in anonymous, fictitious or 'benami' name(s) or where the Company is unable to apply appropriate customer due diligence (CDD) measures either due to non-cooperation of the customer or non –reliability of the documents/ information furnished by the customer</p> <p>b) In order to avoid fictitious and fraudulent applications of the customers, and to achieve a reasonable degree of satisfaction as to the identity of the customer, the Company shall conduct appropriate basic customer due diligence. Further, it shall not undertake transaction or account-based relationship without following the CDD measures.</p> <p>c) CDD procedure is followed by the Company for all the joint account holders, while opening a joint account.</p>

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d)	Optional/ additional information is obtained with the explicit consent of the customer after the account is opened.
e)	The mandatory information to be sought for KYC purpose while opening an account and during the periodic updation is sought.
f)	Circumstances, in which a customer is permitted to act on behalf of another person/ entity, should be clearly spelt out in conformity with the established law and practices, as there could be occasions when an account is operated by a mandate holder or where an account may be opened by an intermediary in a fiduciary capacity;
g)	The Company shall ensure that necessary checks before opening a new account to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations, etc. For this purpose, the Company shall maintain sanction lists issued by UN Security Council circulated by the RBI from time to time. Full details of accounts/ customers bearing resemblance with any of the individuals/ entities in the list shall be reviewed and reported if found suspicious or matching with any entry in the sanction list.
h)	A Unique Customer Identification Code (UCIC) shall be allotted while entering into new relationships with customers. However, the Company shall not issue UCIC to occasional customers such as purchasers of third-party products.
i)	The Company shall conduct due diligence at the UCIC level. Thus, if an existing KYC compliant customer desires to open another account with the Company, there shall be no need for a fresh CDD exercise.
j)	The nature and extent of due diligence to be conducted, at the time of establishment of account opening/ relationship, would depend upon risk category of the customers and involve collection and recording of information by using reliable independent documents, data or any other information. This may include information relating to the customer's identity, social/ financial status, nature of business activity, information about his clients' business and their location, etc.
k)	The Company, while preparing customer profile, shall ensure that it obtains only such information from the customer which is relevant to the risk category and is not intrusive, and is in conformity with the guidelines issued. The customer profile shall be treated as a confidential document and details contained therein shall not be divulged for cross selling or any other purposes without the customer's consent.
l)	The purpose of commencing the relationship/opening of accounts shall be established and the beneficiary of the relationship/ account shall also be identified.
m)	The information collected from the customer shall be kept confidential.
n)	Appropriate Enhanced Due Diligence (EDD) measures shall be adopted for customers, with a high-risk profile, especially those for whom the sources of funds are not clear, customers who are Politically Exposed Persons (PEPs), resident outside India and their relative.
o)	In respect of unusual or suspicious transactions/applications or when the customer moves from a low risk to a high-risk profile, appropriate EDD measures shall be adopted.
p)	Where the Company is unable to apply appropriate KYC measures due to non- furnishing of information and /or non-cooperation by the customer, the Company may consider terminating the business relationship. However, the decision to close an existing account shall be taken at a reasonably senior level of the Company, after giving due notice to the customer explaining the reasons for such a decision.

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	<p>q) Where Permanent Account Number ("PAN") is obtained, the same shall be verified from the verification facility of the issuing authority.</p> <p>r) Where an equivalent e-document is obtained from the customer, the Company will verify the digital signature as per the provisions of the Information Technology Act, 2000 (21 of 2000).</p> <p>s) Where Goods and Services Tax (GST) details are available, the company shall verify, the GST number from the search/verification facility of the issuing authority.</p> <p>t) Where the company forms a suspicion of money laundering or terrorist financing, and it reasonably believes that performing the CDD process will tip-off the customer, it shall not pursue the CDD process, and instead file an STR with FIU-IND.</p> <p>The aspects mentioned in the CAP would be reckoned while evolving the KYC/AML procedures for various customers/products. However, while developing the KYC/CDD procedures, the Company shall ensure that its procedures do not become too restrictive or pose significant difficulties in availing its services by deserving general public, especially the financially and socially disadvantaged sections of society.</p>
9	<p><b>RISK MANAGEMENT :</b></p> <p>The Company shall put in place an effective KYC procedure and ensure its effective implementation so as to aptly cover proper management oversight, systems and controls, segregation of duties, training and other related matters. The responsibility should be explicitly allocated within the Company for effective implementation of the policy and procedures.</p> <p>The Company will devise a procedure for creating Risk Profiles of their existing and new customers based on risk categorization. The Company will categorize the customers according to the risk perceived to facilitate undertaking due diligence for the purpose of risk categorization. The customer profile will contain amongst others information relating to the customers identity, social/ financial status, nature of business activity, information about the customers clients' business and their location etc. Further, the company will seek information from its customers which is relevant for the loan and is in conformity to the guidelines. The customers profile with the company will remain a confidential document and the information shall not be divulged for cross selling or any other purpose.</p> <p>The company shall categorize risk profile of individual customers <b>into 3 (three) basic categories</b> in order with the profile and risk assessed. The category along-with the illustrative example are as below:</p> <p><b>a) Low Risk</b></p> <p>Low Risk individuals are those individuals (other than high net worth) and entities whose identities and sources of wealth can be easily identified and the transactions in whose accounts by and large conform to known profile. Low – risk customers will include:</p> <ul style="list-style-type: none"> <li>i) salaried employees whose salary structures are well defined.</li> <li>ii) people belonging to lower economic strata of the society whose accounts show small balances and low turnover.</li> <li>iii) Government departments/ Govt. owned companies regulators and statutory bodies etc.</li> <li>iv) Performing Accounts.</li> </ul>

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<p><b>b) Medium Risk</b></p> <p>The medium and high risk customers will be categorized on the basis of the customer's background, nature and location of activity, country of origin, sources of funds and client profile. Medium Risk customers will include:</p> <ul style="list-style-type: none"> <li>i) Non- resident customers.</li> <li>ii) high net worth individuals.</li> <li>iii) trust, charitable organizations, Non Govt. Organization (NGO) and organization receiving donations.</li> <li>iv) companies having closed family share holding or beneficial ownership.</li> <li>v) Sub-standard Accounts (Non Performing Accounts).</li> </ul> <p><b>c) High Risk</b></p> <p>High risk customer will typically include:</p> <ul style="list-style-type: none"> <li>i) non-resident customers.</li> <li>ii) high net-worth individuals.</li> <li>iii) trusts, charities, NGOs and organizations receiving donations and its employees.</li> <li>iv) companies having close family shareholding or beneficial ownership.</li> <li>v) firms with sleeping partners.</li> <li>vi) politically exposed persons (PEPs).</li> <li>vii) non face to face to customers.</li> <li>viii) persons with dubious reputation as per public information available.</li> <li>ix) persons whose sources of income are not clear.</li> <li>x) Core Non Performing Accounts and Account where legal recourse has been initiated.</li> <li>xi) Accounts where security cover available is inadequate to cover the loan amount outstanding or where erosion in security value has been observed/reported.</li> <li>xii) Account where fraud has been observed or notified.</li> <li>xiii) Clients accounts managed by professional service providers such as law firms, agents, brokers, fund managers, trustees, custodians etc.</li> <li>xiv) Multi level marketing company.</li> <li>xv) Pawn brokers.</li> <li>xvi) Real Estate Developers.</li> <li>xvii) Chit fund &amp; lottery employees / owners.</li> <li>xviii) Money Changer/currency exchange activities.</li> <li>xix) Jewellers and Bullion Traders and its employees.</li> <li>xx) Arms and ammunition manufacturers &amp; dealers and its employees.</li> <li>xxi) Owners of wine shop &amp; bar (excluding restaurant cum bar)</li> <li>xxii) Multiple company name changes.</li> <li>xxiii) Associated with Casinos &amp; other gambling business.</li> <li>xxiv) Account maintenance in countries causing high risk of money laundering, drug trafficking, terrorism acts &amp; terrorism financing.</li> <li>xxv) Convicted in money laundering, drug trafficking &amp; terrorism acts &amp; terror financing cases.</li> <li>xxvi) HUF property</li> <li>xxvii) Pries, Religious Leaders (Priest, pandit, maulanans etc.)</li> </ul> <p>The Company will subject such high risk categorized customers to intensive due diligence</p> <p>In the event of an existing customer subsequently becoming PEP, the company will obtain necessary approval of the Principal Officer/s to continue the business</p>	
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	<p>relationship with such person and if in the affirmative than the company to undertake enhanced monitoring at regular period, more descriptively stated in <b>Annexure - 1.</b></p> <p>The Company shall collect information and documents in respect of different categories of customers depending on perceived risk and keeping in mind the requirements of Act / Rules and guidelines issued by RBI/NHB from time to time. The Company may apply enhanced due diligence measures based on the risk assessment, thereby requiring intensive 'due diligence' for higher risk customers, especially those for whom the sources of funds are not clear.</p> <p>The Company to take appropriate steps to verify the identity and/or obtain documents required as per the risk categorization and shall refuse to open an account where the prospective customer does not co-operate with the Company in obtaining these details or where the Company is not sure about the reliability of the data furnished by the prospective customer.</p> <p>The Company shall prepare a profile for new and existing customers based on risk categorization. The customer profile must contain information relating to the customer's identity, social/financial status, nature of business activity, information about his clients' business and their location, etc. The nature and extent of due diligence will depend on the risk perceived by the company. However, the seeking of such information must not be intrusive and the Company must not use such confidential information cross selling or any other purposes.</p> <p>In case the Company is unable to apply appropriate KYC measures due to non-furnishing of information and /or non-cooperation by the customer, the company may consider closing the account or terminating the business relationship after issuing due notice to the customer explaining the reasons for taking such a decision. Such decisions need to be taken consulting the Principal Officer.</p> <p>The Company shall refer to the recommendations made by Financial Action Task Force (FATF) on Anti-Money Laundering (AML) standards and on Combating Financing of Terrorism (CFT) standards for the purpose of risk assessment. Accordingly, the Company shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967 and amendments thereto, it does not have any account in the name of individuals/entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are periodically circulated by the RBI:</p>
10	<p><b>CUSTOMER IDENTIFICATION PROCEDURE (CIP) OF THE COMPANY</b></p> <p>Customer identification means identifying the customer and verifying his/her/their identity by using reliable, independent source documents, data or information to the satisfaction of the Company. The Company shall presently undertake identification of customers in the following cases:</p> <ol style="list-style-type: none"> <li>While commencement of an fresh account based relationship and</li> <li>When there is a doubt about the authenticity or adequacy of the customer;</li> </ol> <p><i>However, in case the Company so decides in future to sell/market third party products as agents, it shall undertake identification of customers in line with the Act/Rules.</i></p> <p><b>The CDD for the purpose of verifying the identity of the customer (i.e KYC) done at the time of commencement of an account based relationship shall be</b></p>

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	<p><b>compulsorily done by the official of the company and shall not be outsourced or delegated to a third party. Nonetheless, in exceptional circumstances (and pursuant to approval of the Principal Officer/s), if the Company so decides in future to outsource the exercise to a third party, the conditions listed in the guidelines of NHB shall be followed including that the ultimate responsibility for CDD shall rest with the Company.</b></p> <p>The true identity and bonafide of the existing customers and new potential customers opening accounts with the Company and obtaining basic background information would be of paramount importance</p> <p>The Company will obtain sufficient identification data to verify</p> <ul style="list-style-type: none"> <li>c) the identity of customer (Photo Identification)</li> <li>d) his/her/their, address/location (Valid Address Proof) and</li> <li>e) his/her recent photograph.</li> </ul> <p>The customer identification will be through an introductory reference from an existing customer with a satisfactorily conducted account or a person known to the Company and on the basis of documents provided by the customer or through staff members knowing the potential customer or any other document from the indicative lists given in <b>Annexure - 2</b> for identification and proof of residence.</p> <p>In addition to the above, the Company must also ask the applicants to give an additional document e.g. a letter from the employer giving the Correct/Current Address, Bank Statement, Credit Card Statement etc. In case of joint account, applicants who are not closely related to each other would be required to establish their identity and address independently.</p> <p>In respect of NRI accounts, introduction and authentication/ verification of signatures will be made by a Bank/Indian Embassy/High Commissioner/ Consulate/ Notary Public/Persons known to the Company.</p> <p>For establishing identity or proof of residence Ration Card will normally not be used as document. However, in the event of non-availability of any other document, Ration Card may also be accepted as proof of residence from Minors/Illiterate persons or house wives etc. who are unable to produce other documents.</p> <p><b>Accounts of Legal Persons or Entities</b></p> <p>The Company must verify the legal status of the legal person/ entity through proper and relevant documents as indicated in the Annexure.</p> <p>The Company must verify the identity of any person purporting to act on behalf of the legal person/entity and whether he/she/they is/are so authorized and understand the ownership and control structure of the customer and determine who are the natural persons who ultimately control the legal person.</p> <p>In case of client accounts opened by a professional intermediary the Company will not only identify the client/Beneficial Owner but also satisfy itself that the intermediary is regulated and supervised and has adequately system in place to comply with KYC norms.</p> <p><b>The decision to open accounts of a Politically Exposed Person (PEP) will be taken only in consultation with the Principal Officer/s.</b></p>
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	<p>In the case of non-face-to-face customers, apart from applying the usual customer identification procedures, adequate care must be taken to mitigate the higher risk involved. Certification of all the documents presented must be insisted upon and, if necessary, additional documents may be called for.</p> <p>For various types of non-individual, the documents stated against their names in Annexure and any other documents/ introduction that the Company feels necessary to comply with KYC guidelines will be obtained for identification.</p> <p>The company shall follow in letter and spirit the guidelines covered under Rule 9 of the Prevention of Money-Laundering (Maintenance of Records of the Nature and Value of Transactions), The Procedure and Manner of Maintaining and Time for Furnishing information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 (hereinafter referred to as PML Rules).</p>
11	<p><b>CUSTOMER DUE DILIGENCE (CDD) PROCEDURE OF THE COMPANY</b></p> <p>The Company shall obtain certified Officially Valid Documents (OVD)/ KYC documents in accordance with the regulatory requirements to verify the customer's identity, beneficial owner and location (<b>also recent photograph for individuals involved</b>) along with such other documents pertaining to the nature of business or financial status as may be specified by the Company.</p> <p>This paragraph shall be applicable in respect of CDD procedure to an individual who himself/ herself is a customer or is a beneficial owner or an authorized signatory/ power of attorney holder on behalf of a legal entity who is proposed to be a customer of the Company.</p> <p>a) <b>Documents to be obtained-</b> From an individual, along with one recent photograph and certified copy of Permanent Account Number (PAN) or the equivalent e-document thereof, certified copy of one of the OVDs or the equivalent e-document thereof as defined in the Policy shall be taken for verification of the identity and the address.</p> <p>b) <b>Exception for PAN</b> - If PAN has not been obtained by the customer, then Form No. 60 as defined in Income-tax Rules, 1962 should be taken.</p> <p>c) <b>Aadhaar related Policy Norms:</b> Aadhaar number may be obtained in the following scenarios:</p> <p>i) If the customer is desirous of receiving any benefit or subsidy under any scheme notified under section 7 of the Aadhaar Act, or certified copy of an Officially Valid Document" (OVD) containing details of identity and address, and one recent photograph and</p> <p>ii) If customer decides to submit his Aadhaar number voluntarily to the Company, provided the Company notified under first proviso to sub-section (1) of section 11A of the PMLA for e-KYC authentication facility provided by the UIDAI.</p> <p>d) The Company may carry out offline verification of a customer if he is desirous of undergoing Aadhaar offline verification for identification purpose. However, where its customer submits his Aadhaar number, the Company will ensure such customer to redact or blackout his Aadhaar number through appropriate means where the authentication of Aadhaar number is</p>

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	<p>not required under Section 7 of the Aadhaar Act.</p> <p>e) Authentication using e-KYC authentication facility provided by the UIDAI- As and when the Company is authorized to conduct authorization through e-KYC authentication facility provided by the UIDAI, it may conduct such authorization and use the e-KYC facility in accordance with the conditions prescribed under the PMLA/ the Aadhaar Act/the RBI KYC Directions. Further, in such a case, if customer wants to provide a current address, different from the address as per the identity information available in Central Identities Data Repository of the UIDAI, he may give a self- declaration to that effect to the Company.</p> <p>Accounts opened using OTP based e-KYC authentication, in non-face-to- face mode, shall be subject to the following conditions:</p> <p>f) There must be a specific consent from customer for authentication through OTP.</p> <p>g) Accounts opened using OTP based e-KYC shall not be allowed for more than one year unless identification as per Section 16 or as per Section 18 (V-CIP) is carried out. If Aadhaar details are used under Section 18, the process shall be followed in its entirety including fresh Aadhaar OTP authentication.</p> <p>h) If the CDD procedure as mentioned above is not completed within a year, no further debits shall be allowed.</p> <p>i) A declaration shall be obtained from the customer to the effect that no other account has been opened nor will be opened using OTP based KYC in non-face-to face mode with any other RE. Further, while uploading KYC information to CKYCR, the Company shall clearly indicate that such accounts are opened using OTP based e-KYC.</p> <p>j) The Company shall not open accounts based on the KYC information available in the CKYCR of accounts opened with OTP based e-KYC procedure in non-face-to face mode, as per the information available.</p> <p>k) The use of Aadhaar, proof of possession of Aadhaar etc., shall be in accordance with the Aadhaar Act and the regulations made thereunder.</p> <p>l) In case proof of possession of Aadhaar has been submitted by a customer, the Company shall carry out offline verification wherever possible.</p> <p>m) Where a customer has submitted an equivalent e-document of any OVD, the Company shall verify the digital signature as per the provisions of the Information Technology Act, 2000 (21 of 2000) and any rules issues thereunder and take a live photo as specified under the Digital KYC Process as specified in the paragraph below.</p> <p>n) Where a customer submits any OVD or proof of possession of Aadhaar number and it offline verification of such OVD/ proof of possession of Aadhaar cannot be carried out, the Company shall have option to carry out verification through Digital KYC Process as specified in the paragraph below.</p> <p><b>The company in its present volume of business, scale and size, geographical reach etc, currently does NOT intend to implement/undertake “Digital KYC Process” and “Video based Customer Identification Process (V-CIP)”. It shall frame the process related to the above, as and when it decides to undertake the above process.</b></p> <p>Further, the company shall not deal with any Foreign National and if it does so, the documents issued by the Government departments of foreign jurisdictions and letter issued by the Foreign Embassy or Mission in India shall be accepted as proof of address.</p>
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	<p>The CDD procedures/measures in case of Individuals, Sole Proprietary Firms, Legal Entities and for identification of Beneficial Owners are more explicitly covered in <b>Annexure – 2</b>.</p> <p>The customer shall be duly informed about this provision while opening of the account based relationship.</p>
12	<p><b>ENHANCED DUE DILIGENCE</b></p> <p><b>a) Accounts of Non face-to-face customers</b></p> <p>The first payment is to be effected through the customer's KYC complied account, for enhanced due diligence of non face-to-face customers.</p> <p><b>b) Accounts of Politically Exposed Persons (PEPs)</b></p> <p>The Company shall establish a relationship with PEPs subject to:</p> <ol style="list-style-type: none"> <li>sufficient information including information about the sources of funds accounts of family members and close relatives must be gathered on the PEP.</li> <li>the identity of the person shall have been verified before accepting the PEP as customer.</li> <li>the decision to open an account for a PEP shall be taken by the Senior Management.</li> <li>all such accounts shall be subjected to enhanced monitoring on an on-going basis.</li> <li>in the event of an existing customer or the beneficial owner of an existing account subsequently becoming a PEP, the Senior Management shall consider/approve the continuity of the business relationship.</li> </ol> <p><b>c) Customer's accounts opened by Professional Intermediaries</b></p> <p>Prior to opening a customer based relationship through professional intermediaries, the Company shall ensure that:</p> <ol style="list-style-type: none"> <li>the customer shall be identified when client account is opened by a professional intermediary on behalf of a single client.</li> <li>the Company shall have the option to hold "pooled" accounts managed by professional intermediaries on behalf of entities like mutual fund, pension funds or other types of fund.</li> <li>the Company shall not open accounts of such professional intermediaries who are bound by any client confidentiality that prohibits disclosure of the client details to the Company.</li> <li>all the Beneficial Owners shall be identified where funds held by the intermediaries are not co-mingled at the level of the Company, and there are "sub-accounts", each of them attributable to a beneficial owner, or where such funds are co-mingled at the level of the Company, the Company shall look for the beneficial owner.</li> <li>the Company shall, at their discretion, rely on the CDD done by an intermediary, provided that the intermediary is a regulated and supervised entity and has adequate systems in place to comply with the KYC requirements of the customer.</li> <li>the ultimate responsibility of knowing the customer lies with the Company.</li> </ol>

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13	<p><b>ONGOING DUE DILIGENCE</b></p> <p>a) The company should pay special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose.</p> <p>b) The extent of monitoring shall be aligned with the risk category of the customer. A system of periodic review of risk categorization of accounts, with such periodicity as may be specified by the company shall be put in place.</p> <p>c) For the purpose of risk categorization, individuals (other than High Net Worth) and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile, may be categorized as low risk. Illustrative examples of low risk customers could be salaried employees whose salary structures are well define, people belonging to lower economic strata of the society whose accounts show small balances and low turnover, Government Departments &amp; Government owned Companies, regulators and statutory bodies, etc. In such cases, the policy may require that only the basic requirements of verifying the identity and location of the customer are to be met.</p> <p>d) Customers that are likely to pose a higher than average risk to the company may be categorized as medium or high risk depending on customer's background, nature and location of activity, country of origin, sources of funds and his client profile, etc. The company may apply enhanced due diligence measures based on the risk assessment, thereby requiring intensive "due diligence" for higher risk customers, especially those for whom sources of funds are not clear. Example of customers requiring higher due diligence may include:</p> <ul style="list-style-type: none"> <li>- Non-resident customers,</li> <li>- High Net worth individuals,</li> <li>- Trusts, charities, NGOs and organizations receiving donations,</li> <li>- Companies having close family shareholding or Beneficial Ownership,</li> <li>- Firms with sleeping partners,</li> <li>- Politically exposed persons (PEPs) of foreign origin,</li> <li>- No face to face customers, and</li> <li>- Those with dubious reputation as per public information available etc.</li> </ul>
14	<p><b>INTENSIFIED MONITORING AND PERIODIC UPDATION OF KYC</b></p> <p><b>A system of periodic review of risk categorization of accounts at periodicity of atleast once in six months shall be put in place.</b> Further, periodic KYC updation shall be carried by the Company 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 as per the following procedures:</p> <p>a) The Company shall carry out</p> <ul style="list-style-type: none"> <li>i) PAN verification from the verification facility available with the issuing authority and</li> <li>ii) Authentication, of Aadhaar Number already available with the company with explicit consent of the customer in applicable cases;</li> <li>iii) In case identification information available with Aadhaar does not contain current address an OVD containing current address may be obtained;</li> </ul>

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	<p>iv) Certified copy of OVD containing identity and address shall be obtained at the time of periodic updation from individuals except those who are categorized as “low risk”. In case of low risk customers when there is no change in status with respect to their identities and addresses, a self certification to that effect shall be obtained;</p> <p>v) In case of Legal entities, the company shall review the documents sought at the time of opening of account and obtain fresh certified copies;</p> <p>b) The company may not insist on the physical presence of the customer for the purpose of furnishing OVD or furnishing consent for Aadhaar authentication unless there are sufficient reasons that physical presence of the account holder/holders is required to establish their bona-fides. Normally, OVD/ Consent forwarded by the customer through mail/post, etc., shall be acceptable.</p> <p>c) The company shall ensure to provide acknowledgment with date of having performed KYC updation.</p> <p>d) The time limits prescribed above would apply from the date of opening of the account/last verification of KYC.</p>
15	<p><b>MONITORING OF TRANSACTIONS</b></p> <p>The Company must pay special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose. The Company must also have understanding of the normal and reasonable activity of the customer so that they have the means of identifying transactions that fall outside the regular pattern of activity in order to effectively control and reduce the risk. Transactions that involve large amounts of cash inconsistent with the normal and expected activity of the customer should be noted and must be reported to the Corporate Office.</p> <p>High-risk accounts shall be subjected to intensified monitoring. The Company to put in place a system of periodical review of risk categorization of accounts and the need for applying enhanced due diligence measures. The Company shall ensure that a record of transactions in the accounts is preserved and maintained as per the relevant Act. It may also be ensured that transactions of suspicious nature, and/or any other type of transaction notified under the Act are reported to the appropriate law enforcement authority, within the stipulated time frame.</p> <p>The Company must ensure that proper records of all cash transactions of Rs. 10 lakhs and above. The branches must report such transactions and other transactions of suspicious nature to the Corporate Office of the Company on a fortnightly basis.</p> <p>The cash transactions will be monitored in the following manner :</p> <p>The transactions involving cash withdrawals and/ or cash <b>deposits for Rs.10 lacs and above</b> or Rupee equivalent in Foreign Currency in deposit or loan accounts as well as all series of cash transactions integrally connected to each other which have been valued below rupees ten lakh or its equivalent in foreign currency where such <b>series of transactions have taken place within a month and the aggregate value of such transactions exceeds rupees ten lakh;</b> will be monitored closely by the branches and the record of details of such transactions will be kept in separate register and must be reported to the Principal Officer.</p>

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	<p>Suspicious Transactions means a transaction whether or not made in cash which, to a person acting in good faith-</p> <ul style="list-style-type: none"> <li>a) gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or</li> <li>b) appears to be made in circumstances of unusual or unjustified complexity; or</li> <li>c) appears to have no economic rationale or bonafide purpose.</li> </ul> <p>All the transactions of suspicious nature, irrespective of any monetary ceiling (whether more than ten lakh or not), whether or not made in cash should be reported to the Principal Officer of the Company.</p> <p><b>Maintenance and Preservation of Records</b></p> <p>In accordance with Section 12 of PMLA, the company will take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, the Company must also preserve and maintain all necessary records pertaining to the identification of the customer and his address (e.g. copies of documents like passports, identity cards, driving licenses, PAN, utility bills etc.) obtained while opening the account and during the course of business relationship for at <b>least five years</b> from the date of cessation of transaction between the Company and the customer, so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.</p> <p>The Company shall preserve the records pertaining to the identification of the customers and their addresses obtained while opening the account and during the course of business relationship, for <b>at least five years</b> after the business relationship is ended.</p> <p>The Company shall maintain records of the identity and address of their customer, and records in respect of transactions referred to in the PML Rule 3 in hard or soft format.</p> <ul style="list-style-type: none"> <li>a) <b>Records to contain the specified information</b> The company shall ensure that the records referred in Rule 3 of the PML Rules contain the following information; <ul style="list-style-type: none"> <li>The nature of the transactions,</li> <li>i) The amount of the transaction and the currency in which it was denominated,</li> <li>ii) The date on which the transaction was conducted and</li> <li>iii) The parties to the transaction.</li> </ul> </li> <li>b) <b>Reporting to Financial Intelligence Unit - India</b> The company as per the provision of the Rule 8 of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, wherever it notices a reason to believe that a single transaction or series of transactions are integrally connected to each other and have been valued below the prescribed value so as to defeat the provisions of this section, will <i>inter-alia</i> furnish to the Director, FIU such information/transaction as referred under (1) of rule 3 of the said Rules after retaining a copy for records within the prescribed period.</li> </ul> <p>As a continuation of the existing procedure, there is no need for submission of NIL report in respect to the above.</p>
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	<p>The company assures to strictly comply with all the formalities including timely submission of all applicable report and returns in the prescribed format with regards to cash &amp; suspicious transaction qualifying under PML Rules directly to FIU-IND through the designated Principal Officer(s) of the company.</p> <p>The editable electronic utilities to file Cash Transaction Reports (CTR) / Suspicious Transaction Reports (STR) uploaded on the website of FIU – IND shall be made use till such time a suitable technological tools for extracting CTR/STR directly from live transactions data is not installed/adopted by the company.</p> <p>Further, the company and its employees (at all levels) shall maintain strict confidentiality of the fact of furnishing/reporting details of suspicious transactions.</p> <p>The company shall ensure that its software (when fully commissioned) throws alerts when transactions are inconsistent with risk categorization and that an updated profile of the customers is preferably put to use as a part of effective identification and reporting of suspicious transactions. The Company must pay special attention to any threats that may arise from new or developing technologies in the implementation of the policy including on-line transactions that might favour anonymity, and take measures, if needed, to prevent their use in money laundering schemes.</p> <p>The Company being a non-deposit taking HFC, Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS) is not applicable on the Company. Nonetheless, if the Company comes under the said pruvieu anytime in future, it shall comply with the laid guidelines and directives.</p>
16	<p><b>SHARING KYC INFORMATION WITH CENTRAL KYC RECORDS REGISTRY (CKYCR)</b></p> <p>a) The Company will capture the KYC information/ details as the KYC templates and share the same with the CKYCR in the manner as prescribed in the Prevention of Money Laundering (Maintenance of Records) Rules, 2005.</p> <p>b) In terms of provision of Rule 9(1A) of PML Rules, the Company shall capture customer's KYC records and upload onto CKYCR <b>within 10 days of commencement of an account based relationship with the customer.</b></p> <p>c) The Company shall capture the KYC information for sharing with the CKYCR in the manner mentioned in the Rules, as per the KYC templates prepared for 'Individuals' and 'Legal Entities' (LEs), as the case may be.</p> <p>d) The Company shall upload KYC records pertaining to accounts of LEs opened on or after April 1, 2021, with CKYCR in terms of the provisions of the Rules.</p> <p>e) Once KYC Identifier is generated by CKYCR, the Company shall ensure that the same is communicated to the individual/ LE as the case may be.</p> <p>f) In order to ensure that all KYC records are incrementally uploaded onto the CKYCR, in case of accounts of individual customers and LEs opened prior to the date when CKYCR upload became effective, the Company shall upload the updated KYC information to CKCYR as and when the same is obtained/ received from such customer at the time of periodic updation.</p> <p>g) Where a customer, for the purposes of establishing an account based relationship, submits a KYC Identifier to the Company, with an explicit</p>

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	<p>consent to download records from CKYCR, then the Company shall retrieve the KYC records online from the CKYCR using the KYC Identifier and the customer shall not be required to submit the same KYC records or information or any other additional identification documents or details, unless:</p> <ul style="list-style-type: none"> <li>(i) there is a change in the information of the customer as existing in the records of CKYCR; or</li> <li>(ii) the current address of the customer is required to be verified; or</li> <li>(iii) the Company considers it necessary in order to verify the identity or address of the customer, or to perform enhanced due diligence or to build an appropriate risk profile of the client.</li> </ul>
17	<p><b>INTRODUCTION OF NEW TECHNOLOGIES</b></p> <p>Special attention shall be paid to any money laundering threats that may arise from new or developing technologies including on- line transactions that might favor anonymity, and take measures, if needed, to prevent their use in money laundering schemes.</p>
18	<p><b>REPORTING REQUIREMENT UNDER FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND COMMON REPORTING STANDARDS (CRS)</b></p> <p>The Company shall adhere to the provisions of the Income Tax Rules 114F, 114G and 114H, as applicable. It shall determine whether they are a reporting financial institution and shall follow the steps for complying with the reporting requirements, as and when applicable.</p>
19	<p><b>CUSTOMER EDUCATION</b></p> <p>Implementation of KYC Procedures requires the Company to seek information which may be of personal nature or which has hitherto never been called for. This can sometimes lead to a lot of questioning by the customer as to the motive and purpose of collecting such information. To meet such situation it is necessary that the customers are educated and apprised about the sanctity and objectives of KYC procedures so that the customers do not feel hesitant or have any reservation while passing on the information to the Company.</p> <p>The Company shall prepare specific literature/ pamphlets, etc. so as to educate the customer about the objectives of the KYC program. To educate the customers and win their confidence in this regard, the Company will arrange literature containing all the relevant information regarding KYC and AML measures. Such literature may be made available to the customers either directly or through the Company's website. Further, the Company staff will attend to the same promptly and explain reason for seeking any specific information and satisfy the customer in that regard.</p>
20	<p><b>HIRING OF EMPLOYEES AND EMPLOYEE TRAINING</b></p> <ul style="list-style-type: none"> <li>a) The Company shall put in place adequate screening mechanism as an integral part of its personnel recruitment/ hiring process.</li> <li>b) The Company shall organise employee training programme so that the members of staff are adequately trained in the KYC and AML Policy requirements. The focus of the training shall be different for frontline staff, compliance staff and staff dealing with new customers. The front desk staff shall be specially trained to handle issues arising from lack of customer education.</li> </ul>

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21	<p><b>CONSEQUENCES OF NON-COMPLIANCES</b></p> <p><b>Failure to adhere to this Policy and related Procedures shall subject the Company's employees to disciplinary action, up to and including, termination of employment.</b></p>
22	<p><b>GENERAL/OTHER MEASURES</b></p> <p>The Company to ensure</p> <ol style="list-style-type: none"> <li>a) that secrecy shall be maintained regarding the customer information which arises out of the contractual relationship between the lender and customer.</li> <li>b) that while considering requests for data/information from Government and other agencies, the company will satisfy itself that the information being sought is not of nature as will violate the provisions of the laws relating to secrecy in transactions.</li> <li>c) that the illustrative (but not exhaustive) list of suspicious transactions in housing/project loans are annexed with the circular dated 11/03/2019 of NHB is encompassed as Annexure – 3 for the purpose of guidance only.</li> <li>d) to capture KYC information for sharing with the CKYCR in the manner required for “individuals” and “legal entities” as the case may be.</li> <li>e) to put in place an adequate screening mechanism in respect of personnel recruitment process. The Company to put in place an ongoing employee training program so that the members of the staff are adequately trained in KYC procedures. Training requirements will have different focuses for frontline staff, compliance staff and staff dealing with new customers. It is crucial that all those concerned fully understand the rationale behind the KYC policies and implement them consistently and effectively.</li> <li>f) it currently does not act as selling agents of third party products and thus compliance to applicable laws/regulations, including capabilities of capturing, generating and analyzing alerts for the purpose of CTR/STR is not necessary in the said circumstances. However, in case of commencement of the said activity the company shall ensure to comply with applicable laws/regulations.</li> <li>g) that the persons authorized by the company for selling loan related products, their brokers/agents or the like (if any), shall be fully compliant with the KYC guidelines applicable to the company. Further, all information shall be made available to the National Housing Bank 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 operate on their behalf.</li> <li>h) that the provisions of PML Act, Rules framed there-under and the Foreign Contribution (Regulation) Act, 2010 (wherever applicable) are strictly adhered.</li> <li>i) That in a situation wherein the KYC measures cannot be applied satisfactorily due to non-furnishing of information and/or non-cooperation by the customer, the company shall review and consult the status with its “Senior Management” including the Principal Officer(s) and may even consider closing of the account or termination of business relationship after issuing due notice to the customer explaining the reasons for the step.</li> </ol>

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	<p>j) that the decision making functions of determining compliance with KYC norms are not outsourced.</p> <p>k) to take adequate measures to educate the customer on the objectives of the KYC program, especially at the time of obtaining sensitive or personal information from the customers. Wherever the Company desires to collect any information about the customer for the purpose other than KYC requirement, it will not form part of the account opening form. Such information will be collected separately, purely on a voluntary basis in a form prescribed by the Company after explaining the objective to the customer and taking the customer's express approval for the specific uses to which such information could be put. The front desk staff must be specially trained to handle such situations while dealing with customers. The Company will also take care to see that implementation of the KYC guidelines in respect of customer acceptance, identification etc. do not result in denial of opening of new accounts and housing services to general public.</p>
23	<p><b>Annexure - 1</b> <b>CUSTOMER IDENTIFICATION REQUIREMENTS INDICATIVE GUIDELINES</b></p> <p>a) <b>Trust/Nominee or Fiduciary Accounts</b> - There exists the possibility that trust/nominee or fiduciary accounts can be used to circumvent the customer identification procedures. HFCs should determine whether the customer is acting on behalf of another person as trustee/nominee or any other intermediary. If so, HFCs may insist on receipt of satisfactory evidence of the identity of the intermediaries and of the persons on whose behalf they are acting, as also obtain details of the nature of the trust or other arrangements in place. While opening an account for a trust, HFCs should take reasonable precautions to verify the identity of the trustees and the settlors of trust (including any person settling assets into the trust), grantors, protectors, beneficiaries and signatories. Beneficiaries should be identified when they are defined. In the case of a 'foundation', steps should be taken to verify the founder managers/directors and the beneficiaries, if defined. If the HFC decides to accept such accounts in terms of the Customer Acceptance Policy, the HFC should take reasonable measures to identify the beneficial owner(s) and verify his/her/their identity in a manner so that it is satisfied that it knows who the beneficial owner(s) is/are.</p> <p>b) <b>Accounts of companies and firms</b> - HFCs need to be vigilant against business entities being used by individuals as a 'front' for maintaining accounts with HFCs. HFC should verify the legal status of the legal person/entity through proper and relevant documents. HFC should verify that any person purporting to act on behalf of the legal/ juridical person/entity is so authorized and identify and verify the identity of that person. HFCs should examine the control structure of the entity, determine the source of funds and identify the natural persons who have a controlling interest and who comprise the management. These requirements may be moderated according to the risk perception, e.g. in the case of a public company it will not be necessary to identify all the shareholders.</p> <p>c) <b>Client accounts opened by professional intermediaries</b> - When the HFC has knowledge or reason to believe that the client account opened by a professional intermediary is on behalf of a single client, that client must be identified. HFCs may hold 'pooled' accounts managed by professional</p>

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	<p>intermediaries on behalf of entities like mutual funds, pension funds or other types of funds. Where the HFCs rely on the 'customer due diligence' (CDD) done by an intermediary, they should satisfy themselves that the intermediary is regulated and supervised and has adequate systems in place to comply with the KYC requirements. It should be understood that the ultimate responsibility for knowing the customer lies with the HFC.</p> <p><b>d) Accounts of Politically Exposed Persons (PEPs) resident outside India -</b> Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g. Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. HFCs should gather sufficient information on any person/customer of this category intending to establish a relationship and check all the information available on the person in the public domain. HFCs should verify the identity of the person and seek information about the sources of funds before accepting the PEP as a customer. The decision to open an account for PEP should be taken at a senior level which should be clearly spelt out in Customer Acceptance Policy. HFCs should also subject such accounts to enhanced monitoring on an ongoing basis. The above norms may also be applied to the accounts of the family members or close relatives of PEPs.</p> <p><b>e) Accounts of non-face-to-face customers -</b> In the case of non-face-to-face customers, apart from applying the usual customer identification procedures, there must be specific and adequate procedures to mitigate the higher risk involved. Certification of all the documents presented may be insisted upon and, if necessary, additional documents may be called for. In the case of cross-border customers, there is the additional difficulty of matching the customer with the documentation and the HFC may have to rely on third party certification/introduction. In such cases, it must be ensured that the third party is a regulated and supervised entity and has adequate KYC systems in place.</p>
24	<p><b>Annexure - 2</b></p> <p><b>Customer Identification Procedure</b></p> <p>Features to be verified and documents that may be obtained from customers</p> <p><b>a) Accounts of individuals -</b></p> <ol style="list-style-type: none"> <li>i) Legal name and any other name used;</li> <li>ii) Correct permanent address;</li> <li>iii) Aadhaar;</li> <li>iv) Passport;</li> <li>v) PAN/GIR number or Form 60 or 61 (wherever applicable);</li> <li>vi) Voter's Identity Card;</li> <li>vii) Driving License;</li> <li>viii) Identity card (subject to the company's satisfaction);</li> <li>ix) Letter from recognized public authority or public servant verifying the identity and residence of the customer to the satisfaction of Company;</li> <li>x) Latest Telephone bill;</li> <li>xi) Latest Bank Account Statement;</li> <li>xii) Letter from any recognized public authority;</li> <li>xiii) Latest Electricity bill;</li> <li>xiv) Ration Card;</li> </ol>

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	<p>xv) Letter from employer (subject to satisfaction of the company) (any one document which provides customer information to the satisfaction of the Company);</p> <p>In the case of a potential customers being unable to provide PAN or Form 60 owing to injury, illness or infirmity of old age or otherwise and similar cause, the Company shall make arrangement to get the same collected from the potential customer according to his/her/their convenience.</p> <p><b>b) Accounts of Sole Proprietary Firms</b> In addition to the documents obtained under (a) above, any two of the following documents as proof of business/activity in the name of the proprietary firm shall be obtained:</p> <p>i) Registration Certificate; ii) Certificate/license issued by the municipal authorities under Shop and Establishment Act. iii) Sales and Income Tax returns; iv) CST/VAT/GST Certificate (provisional/final); v) Certificate/registration document issued by Professional Tax Authority; vi) IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT/License/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under the statute. vii) Complete Income Tax Return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected, duly authenticated/acknowledged by the Income Tax authorities; viii) Utility bills such as electricity, water and land line telephone.</p> <p>In case, where the Company is satisfied that it is not possible to furnish two such documents, it may (at its discretion) accept only one of those documents as proof of business/identity pursuant to undertaking a contact point verification and collection of such other information and clarification as would be required to establish the existence of such firm, to its complete confirmation and satisfaction that the business activity has been verified from the address of the proprietary concern.</p> <p><b>c) Accounts of Partnership Firms –</b> i) Legal name – ii) Address – iii) Names of all partners and their addresses – iv) Telephone numbers of the firm and partners v) Registration certificate, if registered vi) Certificate copy of Registered Partnership Deed or Partnership Letter vii) Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf viii) Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses ix) Utility bills (electricity, water and landline telephone) in the name of firm / partners.</p> <p><b>d) Account of Limited Companies</b> i) Name of the company ii) Principal place of business iii) Mailing address of the company iv) Telephone/ FAX Number v) Certificate of incorporation</p>
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	<ul style="list-style-type: none"> <li>vi) Memorandum &amp; Article of Association</li> <li>vii) Certificate of commencement of business (in case of Public Limited Company)</li> <li>viii) Resolution of the Board of Directors to open an account and identification of those who have authority to operate the account.</li> <li>ix) List of Directors</li> <li>x) Power of Attorney granted to is managers, officers or employees to transact business on its behalf along-with one copy of OVD containing details of identity and address, one recent photograph and PAN</li> <li>xi) Copy of PAN allotment letter</li> <li>xii) Copy of the telephone bill.</li> <li>xiii) Copy of Audited Accounts, if the Company is an existing company.</li> </ul>
	<p><b>e) Accounts of Clubs, Associations, Societies etc.</b></p> <ul style="list-style-type: none"> <li>i) Name of the Club, Association, Society</li> <li>ii) Mailing address</li> <li>iii) Telephone/ FAX Number</li> <li>iv) Others</li> <li>v) Certificate copy of constitution or Bye-laws of the Club/ Associations/ Society</li> <li>vi) Registration certificate, if registered</li> <li>vii) Resolution of Executive committee or Governing Body to open and operate the account</li> <li>viii) List of members of Executive committee/ Governing Body</li> <li>ix) Telephone Bill.</li> <li>x) Electricity Bill</li> </ul>
	<p><b>f) Accounts of Local Body</b></p> <ul style="list-style-type: none"> <li>i) Name of the Local Body</li> <li>ii) Mailing address</li> <li>iii) Telephone/ FAX Number</li> <li>iv) Certified copy of resolution to open and operate Bank account and attested specimen Signature of persons authorized to operate the account.</li> <li>v) Power of Attorney granted to transact on its behalf</li> <li>vi) One copy of an OVD containing details of identity and address, one recent photograph and PAN of the Managers, Officers or Employees, as the case may be holding the attorney to transact on its behalf identification information as mentioned.</li> <li>vii) Permanent Account Number (PAN)</li> <li>viii) Telephone Bill</li> <li>ix) Electricity Bill</li> </ul>
	<p><b>g) Accounts of Government Department</b></p> <ul style="list-style-type: none"> <li>i) Name of the Department;</li> <li>ii) Mailing address;</li> <li>iii) Telephone/ Fax Number;</li> <li>iv) Certified copy of notification / order authorizing opening of account and attested Specimen signatures of persons authorized to operate the account;</li> <li>x) One copy of an OVD containing details of identity and address, one recent photograph and PAN of the Managers, Officers or Employees, as the case may be holding the attorney to transact on its behalf identification information as mentioned;</li> <li>v) Telephone bill;</li> </ul>

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	<p><b>h) Accounts of Trusts &amp; foundations</b></p> <ul style="list-style-type: none"> <li>i) Names of trustees, settlers, beneficiaries and signatories;</li> <li>ii) Names and addresses of the founder, the manager/ directors and the beneficiaries;</li> <li>iii) Telephone / Fax number;</li> <li>iv) Certificate of registration, if registered;</li> <li>v) Certified copy of Trust Deed;</li> <li>vi) Power of Attorney granted to transact business on its behalf;</li> <li>vii) any officially valid document to identify the trustees, settlors, beneficiaries and those holding Power of Attorney, founders/managers/directors and their addresses;</li> <li>viii) Resolution of the managing body of the foundation/ association;</li> <li>xi) One copy of an OVD containing details of identity and address, one recent photograph and PAN of the Managers, Officers or Employees, as the case may be holding the attorney to transact on its behalf identification information as mentioned;</li> <li>ix) Telephone bill;</li> </ul> <p><b>i) Accounts of Liquidators/ Receivers/ Executors/ Administrators</b></p> <ul style="list-style-type: none"> <li>i) Names of Liquidators/ Receivers / Executors;</li> <li>ii) Administrators;</li> <li>iii) Mailing address;</li> <li>iv) Telephone / Fax number;</li> <li>v) Certified copy of Resolution passed by the company/ order of the court for appointment of Liquidator/ Receiver/ Administrator or copy of the will appointing executor accompanies with a copy of Probate of will;</li> <li>vi) One copy of an OVD containing details of identity and address, one recent photograph and PAN of the Managers, Officers or Employees, as the case may be holding the attorney to transact on its behalf identification information as mentioned;</li> <li>vii) Telephone bill;</li> </ul> <p><b>j) Accounts of Agents</b></p> <ul style="list-style-type: none"> <li>i) Names of agent;</li> <li>ii) Mailing Address;</li> <li>iii) Telephone / fax number;</li> <li>iv) Power of Attorney by the principal in favour of the Agent on requisite stamp paper duly notarized and</li> <li>v) Specimen Signature of the agent duly attested by principal;</li> <li>vi) Telephone bill;</li> </ul> <p><b>k) Unincorporated Association or a body of individuals</b></p> <ul style="list-style-type: none"> <li>i) resolution of the managing body of such association or body of individuals (b) power of attorney granted to him to transact on its behalf;</li> <li>ii) an OVD of the person holding an attorney to transact on its behalf;</li> <li>iii) and such other information as may be required by HFC to collectively establish the legal existence of such as association or body of individuals;</li> <li>iv) One copy of an OVD containing details of identity and address, one recent photograph and PAN of the Managers, Officers or Employees, as the case may be holding the attorney to transact on its behalf identification information as mentioned;</li> </ul>
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25	<p><b>Annexure – 3</b></p> <p><b>a) Illustrative list of suspicious transactions pertaining to Builder / Project / Corporate Clients:</b></p> <ul style="list-style-type: none"> <li>i) Builder approaching the HFC for a small loan compared to the total cost of the project;</li> <li>ii) Builder is unable to explain the sources of funding for the project;</li> <li>iii) Approvals/sanctions from various authorities are proved to be fake or if it appears that client does not wish to obtain necessary governmental approvals/filings etc.;</li> <li>iv) Management appears to be acting according to instructions of unknown or inappropriate person(s);</li> <li>v) Employee numbers or structure out of keeping with size or nature of the business (for instance the turnover of a company is unreasonably high considering the number of employees and assets used);</li> <li>vi) Clients with multijurisdictional operations that do not have adequate centralized corporate oversight;</li> <li>vii) Advice on the setting up of legal arrangements, which may be used to obscure ownership or real economic purpose (including setting up of trusts, companies or change of name/corporate seat or other complex group structures);</li> <li>viii) Entities with a high level of transactions in cash or readily transferrable assets, among which illegitimate funds could be obscured.</li> </ul> <p><b>b) Illustrative list of suspicious transactions pertaining to Individuals</b></p> <ul style="list-style-type: none"> <li>i) Legal structure of client has been altered numerous times (name, changes, transfer of ownership, change of corporate seat);</li> <li>ii) Unnecessarily complex client structure;</li> <li>iii) Individual or classes of transactions that take place outside the established business profile, and expected activities/transaction unclear;</li> <li>iv) Customer is reluctant to provide information, data, documents;</li> <li>v) Submission of false documents, data, purpose of loan, details of accounts;</li> <li>vi) Refuses to furnish details of source of funds by which initial contribution is made, sources of funds is doubtful etc.;</li> <li>vii) Reluctant to meet in person, represents through a third party/Power of Attorney holder without sufficient reasons;</li> <li>viii) Approaches a branch/office of the HFC, which is away from the customer's residential or business address provided in the loan application, when there is HFC branch/office nearer to the given address;</li> <li>ix) Unable to explain or satisfy the numerous transfers in the statement of account/multiple accounts;</li> <li>x) Initial contribution made through unrelated third party accounts without proper justification;</li> <li>xi) Availing a top-up loan and/or equity loan, without proper justification of the end use of the loan amount;</li> <li>xii) Suggesting dubious means for the sanction of loan;</li> <li>xiii) Where transactions do not make economic sense;</li> <li>xiv) Unusual financial transactions with unknown source;</li> <li>xv) Payments received from un-associated or unknown third parties and payments for fees in cash where this would not be a typical method of payment;</li> <li>xvi) There are reasonable doubts over the real beneficiary of the loan and the flat to be purchased;</li> </ul>
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	<p>xvii) Encashment of loan amount by opening a fictitious bank account;</p> <p>xviii) Applying for a loan knowing fully well that the property/dwelling unit to be financed has been funded earlier and that the same is outstanding;</p> <p>xix) Sale consideration stated in the agreement for sale is abnormally higher/lower than what is prevailing in the area of purchase;</p> <p>xx) Multiple funding of the same property/dwelling unit;</p> <p>xxi) Request for payment made in favour of a third party who has no relation to the transaction;</p> <p>xxii) Usage of loan amount by the customer in connivance with the vendor/builder/developer/broker/agent etc. and using the same for a purpose other than what has been stipulated;</p> <p>xxiii) Multiple funding/financing involving NGP/Charitable Organization/Small/ Medium Establishments (SMEs)/Self Help Groups (SHGs)/Micro Finance Groups (MFGs);</p> <p>xxiv) Frequent requests for change of address;</p> <p>xxv) Overpayment of instalments with a request to refund the overpaid amount;</p> <p>xxvi) Clients incorporated in countries that permit bearer shares.</p>
26	<p><i>The provisions of this Policy shall supersede/rescind the provisions of all the earlier circulars relating to KYC &amp; AML Measures issued by the Company:</i></p> <p>a) <i>Policy on KYC &amp; AML Measures (Revised) approved by the Board on 13/11/2024 and circulated under reference: SHCL/IOM/VK/F.1023, 1101/21-22/1277 dated 20/02/2024.</i></p> <p>b) <i>Policy on KYC &amp; AML Measures (Revised) approved by the Board on 13/11/2021 and circulated under reference: SHCL/IOM/VK/F.1023, 1101/21-22/985 dated 16/11/2021.</i></p> <p>c) <i>Policy on KYC &amp; AML Measures (Amended) approved by the Board on December 13, 2019 and circulated under reference: SHCL/IOM/VK/F.1023, F.1101/19-20/1522 dated 20/01/2020;</i></p> <p>d) <i>Policy on KYC &amp; AML Measures (Amended) approved by the Board on November 10, 2010 and circulated under reference: SHCL/IOM/VK/F.1023, F.1101/10-11/1069 dated 29/11/2010;</i></p> <p>e) <i>Policy on KYC &amp; AML Measures approved by the Board on June 30, 2006 and circulated under reference: SHCL/IOM/DJB/F.1023/06-07/246 dated 01/07/2006;</i></p>
<p>The company shall fully comply with this <b>“Policy on Know Your Customer &amp; Anti-Money Laundering”</b> in letter and spirit and that this revised Policy shall come into force with immediate effect.</p>	

(D J Bagchi)  
CEO

Place : Kolkata  
Date : May 29, 2025

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