

Merlin Enclaves Private Limited

KYC policy

The Reserve Bank of India (RBI) has issued comprehensive 'Know Your Customer' (KYC) Guidelines to all Non-Banking Financial Companies (NBFCs) in the context of the recommendations made by the Financial Action Task Force (FATF) and Anti Money Laundering (AML) standards and Combating Financing of Terrorism (CFT) policies. RBI has advised all NBFCs to ensure that a proper policy framework on KYC and AML measures be formulated and put in place with the approval of the Board.

In accordance with the RBI's Master Direction, "Know Your Customer (KYC) Direction, 2016 (as updated from time to time),"Merlin Enclaves Private Limited (henceforth referred to as the "Company") has implemented a thorough KYC policy that has been approved by the Board of Directors.

The objective of KYC & AML Policy is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities. KYC procedures shall also enable the Company to know and understand its Customers and its financial dealings better which in turn will help it to manage its risks prudently.

The policy is applicable to all types of customers including individuals, sole proprietary firms, partnership firms, employees, corporate entities, associations, trusts, societies and juridical persons.

In line with the RBI guidelines, the KYC policy comprises the following components:

A) Customer acceptance B) Customer identification C) Transaction monitoring D) Risk management

The Directors of the Company are the Designated Directors duly authorized by the Board of Directors to ensure overall compliance with the obligations imposed under Chapter IV of the PML Act and the Rules.

The Principal Officer of the Company is responsible for ensuring compliance, monitoring transactions, and sharing reporting information as required under the law/regulations.

The Company shall take reasonable measures to ascertain and verify the true identity of all customers who transact with the Company. The Company will ensure that relevant documents are obtained from prospective Customers/Authorized signatories/Directors/Partners/Trustees in order to carry out the necessary due diligence for establishing their identity and address (current/communication/permanent).

The Company shall categorize its customers based on the risk perceived by the Company. The levels of categorization would be Low Risk, Medium Risk and High Risk. Risk categorization shall be undertaken based on parameters such as customer's identity, social/financial status, nature of business activity, and information about the clients' business and their location etc.

The Company shall maintain secrecy regarding the customer information which arises out of the contractual relationship between the Company and customer.

The information collected from customers for the purpose of opening of account shall be treated as confidential and details thereof shall not be divulged for the purpose of cross selling, or for any other purpose without the express permission of the customer.

The Company will have adequate screening mechanism and training program for the staff recruited. The Company shall also strive to develop an environment which fosters open communication and high integrity amongst the staff.

While considering the requests for data/information from Government and other agencies Company will satisfy themselves that the information being sought is not of such a nature as will violate the provisions of the laws relating to secrecy in transactions.

The exceptions to the said rule shall be as under:

- Where disclosure is under compulsion of law;
- Where there is a duty to the public to disclose;
- The interest of the Company requires disclosure; and
- Where the disclosure is made with the express or implied consent of the customer.