



**ROADSTAR INFRA INVESTMENT TRUST**

**Anti-Money Laundering Policy**

## ANTI-MONEY LAUNDERING POLICY

- A. Preamble:** This anti-money laundering policy (“**Policy**”) aims to establish the controls around prevention of money laundering in the Roadstar Infra Investment Trust (“**Trust**”), in accordance with the Prevention of Money Laundering Act, 2002 (“**PMLA**”) and other applicable anti-money laundering (“**AML**”) laws. This Policy is applicable to the Trust, the special purpose vehicles owned by the Trust (“**SPVs**”), and the investment manager (“**Investment Manager**”), project manager (“**Project Manager**”), sponsor (“**Sponsor**”), sponsor groups (*as defined under the InvIT Regulations*) and trustee(s) (“**Trustee**”) of the Trust (collectively referred to as the “**Trust Entities**”).
- B.** The objective of this Policy is to:
- (a) To create awareness among Trust Personnel (as defined herein below) about the legal and regulatory framework for AML requirements;
  - (b) To interpret the obligations under the PMLA and the rules notified thereunder, and how they may be implemented in practice; and
  - (c) To align the Trust Entities’ operations with best industry practices in AML procedures.
- C.** Money laundering refers to the process of concealing the source of illegally obtained money. It involves disguising financial assets so that they can be used without detection of the illegal activity that produced them. Through money laundering, a person seeks to transform the monetary proceeds derived from criminal activity into funds with an apparently legal source.

Under Section 3 of the PMLA, 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 and projecting it as untainted property shall be guilty of offence of money-laundering.

- D.** The following are the key terms referred in this Policy:
- (i) “**Trust Personnel**” - all directors, officers, employees, vendors, agents, representatives, staff, consultants and other associated persons/business partners of the Trust Entities
  - (ii) “**Potential Red Flags**” - These are actions or situations or parties that Trust Personnel should be careful about - which when appearing together or individually should raise ‘Red Flag’ concerns. The Compliance Officer shall identify ‘Red Flag’ actions or situations in relation to the Trust Entities. Set out below are certain indicative actions or situations or parties that may be considered Potential Red Flags:
    - (a) parties who are reluctant to provide complete information and/or provide insufficient, false, or suspicious information; or
    - (b) parties who appear to be acting as an agent for another company or individual, but decline or are reluctant to provide information regarding that company or individual;
    - (c) parties who express concern about, or want to avoid, reporting or record keeping requirements; or
    - (d) sudden and unanticipated changes in a parties’ transaction pattern.
  - (iii) A “**Suspicious Transaction**” includes an attempted transaction, whether or not made in cash, which to a person acting in good faith:

- (a) gives rise to a reasonable ground of suspicion that it may involve the proceeds of an offence specified under the PMLA (including under the Schedule to the PMLA), regardless of the value involved; or
  - (b) appears to be made in circumstances of unusual or unjustified complexity; or
  - (c) appears to have no economic rationale or bona fide purpose; or
  - (d) gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism or other forms of criminal activity.
- (iv) **“Violations”** under this Policy include the following actions by Trust Personnel:
- (a) any violation of the compliance steps under this Policy by a Trust Personnel;
  - (b) requesting others to violate this Policy;
  - (c) failure to promptly raise a known or suspected violation of this Policy or notify a potential ‘Red Flag’ or Suspicious Transaction;
  - (d) failure to cooperate in investigations of possible violations of this Policy;
  - (e) retaliation against another Trust Personnel for reporting a concern under this Policy;
  - (f) failure to demonstrate leadership, initiative, and diligence to ensure compliance with this Policy, PMLA and other applicable laws; and
  - (g) involvement in any form of money laundering activities, whether in the course of employment with any Trust Entity or otherwise.
- (v) **“Designated Director”** shall be Chairperson of the Audit Committee of the Investment Manager.
- (vi) **“Kickbacks”** - A bribe to obtain an undue advantage, where a portion of the undue advantage flows to the person who gave, or is supposed to give, the undue advantage.
- E.** Each Trust Personnel has an obligation under this Policy to immediately and, without delay, report to the Compliance Officer any Suspicious Transaction or suspicious activity or Potential Red Flag (**“Report”**). Further, each Trust Personnel shall be aware of and follow applicable laws in relation to reporting of cash transactions.
- F.** The Compliance Officer shall be the “Chief Financial Officer” of the Investment Manager.
- G.** The Compliance officer has the following obligations under this Policy:
- (i) Monitoring the Trust Entities with regards to the compliance with PMLA and, overseeing communication and training for the Trust Personnel.
  - (ii) Ensure that Trust Entities keep and maintain all records as required under the PMLA and other applicable laws for such periods as prescribed.
  - (iii) Based on facts and circumstances of an incident covered in the report received by the Compliance Officer, he/she shall take one or more steps, such as:
    - (a) conducting a probe into the incident himself/herself;

- (b) setting up an internal inquiry into the incident;
- (c) in case of Aggravated Cases, determine and recommend whether the incident should be reported to the appropriate authority as specified under PMLA.

(“**Aggravated Cases**” shall mean incidents of money laundering that need to be reported to the relevant regulatory or enforcement authorities, for example the Financial Intelligence Unit, India. All Aggravated Cases must be escalated, without delay, to the Designated Director).

- (iv) In case of violations of this Policy, the Compliance Officer shall, after considering inputs, if any, from the Designated Director, have the discretion to do the following:
  - (a) **Corrective Action:** If necessary, corrective actions shall be prescribed by the Compliance Officer to Trust Personnel for implementation.
  - (b) **Penalties:** The Compliance Officer shall, based on the investigation reports (if any) have the discretion to recommend appropriate disciplinary action, including suspension, wage freeze, recovery, clawback and termination of service, against such a defaulting Trust Personnel. Depending on the nature and scale of default of this Policy, the Compliance Officer may also recommend to the Board to commence civil and/or criminal proceedings against such Trust Personnel in order to enforce remedies available to the Trust Entities under applicable laws.
  - (c) Ensure that order of attachment or complaint has been filed by a person authorized to investigate the offence before the relevant magistrate or court in terms of the PMLA.

**H. Staff Awareness:** The Compliance Officer shall raise awareness of the employee(s)/director(s)/personnel of the Trust and Parties to the Trust on the risks, ability to identify such transactions and report to the correct authority.

Training sessions should be periodically conducted among employees to keep them updated on the latest amendments to AML laws, internal controls, legal requirements and reporting authority.

- I.** Any amendment/variation of this Policy shall require the prior approval of the board of directors of the Investment Manager.
- J.** Notwithstanding the above, this Policy will stand amended to the extent of any change in applicable law, including any amendment to the PMLA, without the requirement of any further action from the Investment Manager or the Unitholders of the Trust.

<b>Date Adopted</b>	<b>January 25, 2024</b>
<b>Date Last Updated</b>	-