

KYC, AML & CFT Policy - 2022

Version: 1.3

Contents

SI No	Particulars	Page no.
1.	Section I – Introduction & Objective	4
2.	Section II- Documents for Individuals	7
3.	Section III- Documents for Non-Individuals	15
4.	Section IV- Others	32

Section I – Introduction & Objective

Introduction

Protium Finance Limited (hereinafter referred to as “Company”) is registered as a Non-Deposit taking - Systemically Important – Non-Banking Financial Company (“NBFC-ND-SI”) with the Reserve Bank of India (“RBI”).

The RBI, has issued guidelines on anti-money laundering and Know Your Customer (KYC) norms for NBFCs in the Master Directions - Know Your Customer (KYC) Direction, 2016, as amended from time to time (“Master Directions”). The Master Directions require NBFCs to ensure that a policy framework on ‘Know Your Customer’ and ‘Anti-Money Laundering’ measures is formulated and put in place with the approval of the Board of Directors (“Board” or “BoD”) of the Company or any committee of the Board to which power has been delegated.

Accordingly, the Company has formulated and put in place this Know Your Customer and Anti Money Laundering & Combating Financing of Terrorism Policy (“Policy”) with the approval of the Board.

Objective of the Policy

The objective of this Policy is to know and understand the Company’s customers and their financial dealings better which in turn shall help in managing the risks prudently and prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities and lay down the minimum KYC requirements that the Company needs to ensure while on- boarding customers.

This Policy incorporates the following four key elements:

1. Customer Acceptance Policy;
2. Risk Management;
3. Customer Identification Procedures (CIP); and
4. Monitoring of Transactions

Definitions

Unless otherwise defined or apparent from context, the following terms shall have the meaning as assigned herein below, and cognate expressions shall be construed accordingly:

Act	Shall mean the Prevention of Money-Laundering Act, 2002 and subsequent amendments thereto
Beneficial Owner (BO)	Shall mean a person or an entity who is to be considered a beneficiary of the financial transaction entered into with the Company.

Board/ BoD	Shall mean Board of Directors of the Company
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 any other OVD produced by the customer, with the original and recording the same on the copy by the authorised officer of the Company as per the provisions contained in the Act.
Company	Shall mean Protium Finance Limited.
Customer	Shall mean any person, as defined in the Master Directions
Digital KYC	Shall mean the process of capturing live photo of the Customer and officially valid document 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 the authorized officer of the Company, in accordance with provisions of the Act.
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.
Directions	Shall mean Master Direction - Know Your Customer (KYC) Direction, 2016 issued by the RBI as amended from time to time
Equivalent e-document	Shall mean 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.
Officially Valid Document (OVD)	Shall mean 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.
Offline verification	Shall have the same meaning as assigned to it in clause (pa) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016).
Policy	Shall mean this KYC, AML & CFT Policy formulated by the Company.
Rules	Shall mean Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and subsequent amendments thereto.

Senior Management	Shall mean personnel of the Company who are members of its core management team excluding the Board, comprising all members of the executive committee(s) of the Company, including the functional heads and shall include Business and Compliance Head;
Unique Customer Identification Code (UCIC)	Shall mean a unique code provided by the Company to each Customer while entering into an account-based relationship with the Customer in order to maintain identification records at person/Customer level- commonly referred to as _____ UCIC/CIF
V-CIP	Shall mean the process of Customer identification, by undertaking seamless, secure, real-time, consent based audio-visual interaction with the Customer to obtain identification information including the documents 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.

Customer Acceptance Policy (CAP)

Customer Acceptance Policy (“CAP”) forms the foundation stone for KYC Standards for internal controls and anti-money laundering measures. CAP envisages acceptance of only those clients whose sources of wealth and funds can be reasonably established to be legitimate. Application of CAP will minimize the risk of accounts being used for money laundering or terrorist financing and will help in identifying suspicious transactions. This will also protect the financial institution against fraud, operational, Compliance, legal and reputation risks.

The framework of the CAP comprises of the following –

- (a) Mandatory Features of CAP
- (b) Risk Based Categorization

(a) Mandatory Features of CAP

The Company shall follow the following norms while accepting and dealing with its Customers –

- (a) No account should be opened in anonymous or fictitious/benami name(s).
- (b) No account should be opened if appropriate due diligence measures cannot be applied to a customer for want of verifiable documents on account of non-co-operation of the Customer or non-reliability of the data/information furnished by the Customer to the Company.
- (c) No transaction or account-based relationship is undertaken without following the Customer Due Diligence (“CDD”) procedure.
- (d) No account should be opened, or transactions conducted in the name of or on behalf of banned individuals, organizations, entities, etc. For the purpose, necessary cross checks should be made with the lists of such individuals/organizations/entities, to ensure that the identity of a customer does not match with any person with known criminal background or with banned entities.

- (e) No numbered accounts should be opened.
- (f) Verticals /Branches should align Customer acceptance to the potential money laundering risk associated with it. Based on risk assessment, Customers should be grouped into the following three different categories viz., Low Risk, Medium Risk, and High Risk.
- (g) All Customers should be assigned to one of these three categories as per the guidance provided in Annexure 1.
- (h) The category of risk assigned to an account / customer will determine the applicable Customer Identification Procedures (“CIP”), subsequent monitoring and risk management. However, it should be ensured at all times that the adoption of CAP or its implementation does not become too restrictive and should not result in denial of services to the general public. On the other hand, enhanced due diligence detailed under CIP should be applied to customers/ accounts with higher risks.
- (i) Business units should identify on a continuous basis the money laundering risks in their respective business areas, keeping in view the risk assessment methodology and the emerging regulatory requirements.
- (j) Where Permanent Account Number (“PAN”) is obtained, the same shall be verified from the verification facility of the issuing authority.
- (k) Where an equivalent e-document is obtained from the Customer, the Company shall verify the digital signature as per the provisions of the Information Technology Act, 2000.

(b) Risk based Management/ Categorization

The Company has a risk-based approach which includes the following:

1. Customers shall be categorized as low, medium and high-risk category, based on the assessment and risk perception of the Company.
2. 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. While considering Customer's identity, the ability to confirm identity documents through online or other services offered by issuing authorities may also be factored in.
3. Annexure 1 provides an overview of the manner of risk categorisation to be followed by the Company

It will be ensured that the aforementioned CAP shall not result in denial of banking/financial facility to members of the general public, especially those, who are financially or socially disadvantaged.

Anti -Money Laundering/ Monitoring of transactions

Ongoing monitoring is an essential element of effective KYC procedures. The Company can effectively control and reduce their risk only if they understand 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. However, the extent of monitoring will depend on the risk sensitivity attached with the client. The Company will pay special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose.

The Company may prescribe threshold limits for a particular category of clients and pay particular attention to the transactions which exceed these limits. Transactions that involve large amounts of cash inconsistent with the normal and expected activity of the Customer would particularly attract the attention of the Company. The Company ensures that its branches continue to maintain proper record of all cash transactions. The internal monitoring system will have an inbuilt procedure for reporting of such transactions and those of suspicious nature to controlling/ head office on a fortnightly basis.

Section 3 of the Act has defined the "offence of money laundering" as under:

"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".

All transactions of suspicious nature shall be reported. The Principal Officer of the Company shall ensure

that such reporting system is in place and shall monitor receipt of the reports.

All transactions of suspicious nature and/ or any other type of transaction notified under section 12 of the Act, shall be reported to the appropriate law enforcement authority by the Principal Officer.

The necessary documents, information and records would be maintained and preserved for the period prescribed under Act would be maintained.

The Company shall not collect cash above INR 50,000/- without collecting PAN of the depositor. No refunds should be allowed in cash.

Designated Director

- (a) A "Designated Director" shall be nominated by the Board to ensure overall compliance with the obligations imposed under Chapter IV of the PML Act and Rules.
- (b) The name, designation and address of the Designated Director shall be communicated to the FIU-IND.
- (c) In no case, the Principal Officer shall be nominated as the 'Designated Director'.

Principal Officer

- (a) The Principal Officer shall be responsible for ensuring compliance, monitoring transactions, and sharing and reporting information as required under the law/regulations.
- (b) The name, designation and address of the Principal Officer shall be communicated to the FIU-IND.
- (c) The Principal Officer is appointed basis the experience and expertise on regulatory and compliance matters. The appointment of Principal Officer is made after approval from the Risk Management Committee and Board

Section II

Customer Identification Procedure

Customer Identification Procedure means undertaking Customer Due Diligence (CDD) measures such as identifying the Customer and verifying his/her identity using reliable, independent source documents, data or information for the Customers as well as Beneficial Owners.

Documents for Individuals

A. General Guidelines

B. Acceptable identity & address proof documents

A. General Guidelines:

1. General Rules

- Documents are required for all co- applicants / beneficial owners (as defined in the various credit policies) / signatories.
- Recent photograph of the customer is mandatory.
- If address proof document does not have Floor number or Landmark; same can be added in communication address mentioned on the application to complete communication address subject to written declaration from customer. In absence of customer declaration SM(Sales Manager) can certify the same basis verbal confirmation from customer.
- In case documents are submitted in vernacular language, SM to translate the key information on the KYC document in English & should declare “Document is translated in English to the best of my/our knowledge” with employee name, number & signature.
- For name change cases; if customer is able to provide ISA (Identification, Signature, Address) documents in old name & Gazette notification confirming old name & new name, account can be processed in new name.
- Original Seen and Verified (for disbursal cases only):
 - The original of KYC documents should be seen by the Company Staff / empaneled channel partner (for disbursal cases only).
 - Physical documents - Copies obtained should bear stamp – ‘Original Seen & Verified’.
 - The signature of the Company staff / empaneled channel partner who sighted the original should be affixed along with name and employee code under the stamp and signature.
 - In case of digital documents, confirmation maybe digitally derived.

Video Based Customer Identification Process:

The Company may undertake V-CIP to carry out:

- i. CDD in case of new customer on-boarding for individual customers, proprietor in case of proprietorship firm, authorized signatories and Beneficial Owners (BOs) in case of Legal Entity (LE) customers.

Provided that in case of CDD of a proprietorship firm, the Company will also obtain the equivalent e- document of the activity proofs with respect to the proprietorship firm, as mentioned in Section 28, apart from undertaking CDD of the proprietor.

- ii. Conversion of existing accounts opened in non-face to face mode using Aadhaar OTP based e-KYC/O-KYC as applicable the same needs to be authenticated as per Master Directions.
- iii. Updation/Periodic updation of KYC for eligible customers.

V-CIP Infrastructure:

To undertake V-CIP, the Company shall adhere to the following minimum standards:

- a) The Company shall comply with the RBI guidelines on minimum baseline cyber security and resilience framework for banks, as updated from time to time as well as other general guidelines on IT risks. The technology infrastructure should be housed in own premises of the Company and the V-CIP connection and interaction shall necessarily originate from its own secured network domain. Any technology related outsourcing for the process should be compliant with relevant RBI guidelines.
- b) The Company shall ensure end-to-end encryption of data between Customer device and the hosting point of the V-CIP application, as per appropriate encryption standards. The Customer consent should be recorded in an auditable and alteration proof manner.
- c) The V-CIP infrastructure / application should be capable of preventing connection from IP addresses outside India or from spoofed IP addresses.
- d) The video recordings should contain the live GPS co-ordinates (geo-tagging) of the Customer undertaking the V-CIP and date-time stamp. The quality of the live video in the V- CIP shall be adequate to allow identification of the customer beyond doubt.
- e) The application shall have components with face liveness / spoof detection as well as face matching technology with high degree of accuracy, even though the ultimate responsibility of any customer identification rests with the Company. Appropriate artificial intelligence (AI) technology could be used by the Company to ensure that the V-CIP is robust.
- f) Based on experience of detected / attempted / 'near-miss' cases of forged identity, the technology infrastructure including application software as well as workflows shall be regularly upgraded. Any detected case of forged identity through V-CIP shall be reported as a cyber-event under extant regulatory guidelines.
- g) The V-CIP infrastructure shall undergo necessary tests such as Vulnerability Assessment, Penetration testing and a Security Audit to ensure its robustness and end-to-end encryption capabilities. Any critical gap reported under this process shall be mitigated before rolling out its implementation. Such tests should be conducted by suitably accredited agencies as prescribed by RBI. Such tests should also be carried out periodically in conformance to internal / regulatory guidelines.
- h) The V-CIP application software and relevant APIs / web services shall also undergo appropriate testing of functional, performance, maintenance strength before being used in live environment.

Only after closure of any critical gap found during such tests, the application should be rolled out. Such tests shall also be carried out periodically in conformity with internal/ regulatory guidelines.

V-CIP Procedure

- i. The Company will formulate a clear workflow and standard operating procedure for V-CIP and ensure adherence to it. The V-CIP process shall be operated only by officials of the Company specially trained for this purpose. The official should be capable to carry out liveness check and detect any other fraudulent manipulation or suspicious conduct of the customer and act upon it.
- ii. If there is a disruption in the V-CIP procedure, the same should be aborted and a fresh session initiated.
- iii. The sequence and/or type of questions, including those indicating the liveness of the interaction, during video interactions shall be varied in order to establish that the interactions are real-time and not pre-recorded.
- iv. Any prompting, observed at end of customer shall lead to rejection of the account opening process.
- v. The fact of the V-CIP customer being an existing or new Customer, or if it relates to a case rejected earlier or if the name appearing in some negative list should be factored in at appropriate stage of workflow.
- vi. The authorized official of the Company performing the V-CIP shall record audio-video as well as capture photograph of the customer present for identification and obtain the identification information using any one of the following:
 - OTP based Aadhaar e-KYC authentication or Offline Verification of Aadhaar for identification as applicable.
 - KYC records downloaded from CKYCR, in accordance with Section 56 of the Master Directions, using the KYC identifier provided by the customer.
 - Equivalent e-document of Officially Valid Documents (OVDs) including documents issued through Digi locker.
 - The Company will ensure to redact or blackout the Aadhaar number in terms of Section 16. In case of offline verification of Aadhaar using XML file or Aadhaar Secure QR Code, it shall be ensured that the XML file or QR code generation date is not older than 3 days from the date of carrying out V-CIP.

Further, in line with the prescribed period of three days for usage of Aadhaar XML file / Aadhaar QR code, the Company will ensure that the video call process of the V-CIP is undertaken within three days of downloading / obtaining the identification information through CKYCR / Aadhaar

authentication / equivalent e- document, if in the rare cases, the entire process cannot be completed at one go or seamlessly. However, the Company will ensure that no incremental risk is added due to this.

- vii. If the address of the Customer is different from that indicated in the OVD, suitable records of the current address shall be captured, as per the existing requirement. It shall be ensured that the economic and financial profile/information submitted by the customer is also confirmed from the customer undertaking the V-CIP in a suitable manner.
- viii. The Company will capture a clear image of PAN card to be displayed by the Customer during the process, except in cases where e-PAN is provided by the customer. The PAN details shall be verified from the database of the issuing authority including through Digi locker.
- ix. Use of printed copy of equivalent e-document including e-PAN is not valid for the V-CIP.
- x. The authorized official of the Company will ensure that photograph of the Customer in the Aadhaar/OVD and PAN/e-PAN matches with the customer undertaking the V-CIP and the identification details in Aadhaar/OVD and PAN/e-PAN shall match with the details provided by the Customer.
- xi. Assisted V-CIP shall be permissible when the Company takes help of agents facilitating the process only at the customer end. FIs shall maintain the details of the BC assisting the customer, where services of BCs are utilized. The ultimate responsibility for customer due diligence will be with the FI.
- xii. All accounts opened through V-CIP shall be made operational only after being subject to concurrent audit, to ensure the integrity of process and its acceptability of the outcome.
- xiii. All matters not specified under the paragraph but required under other statutes such as the Information Technology (IT) Act shall be appropriately complied with by the Company.

V-CIP Records and Data Management

- i. The entire data and recordings of V-CIP shall be stored in a system / system located in India. The Company will ensure that the video recording is stored in a safe and secure manner and bears the date and time stamp that affords easy historical data search. The extant instructions on record management, as stipulated in this MD, shall also be applicable for V-CIP.
- ii. The activity log along with the credentials of the official performing the V-CIP shall be preserved.

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Sr.No	Intro Issues	Documentation	Caveats
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1	Alphabets Interchange (e.g., i = ee / w=v / u=oo / w=u / y=i) (puneet = puni t)	SM or above to Sign Off stating “satisfied with customer’s bona fide”
2	Full Name v/s Initials (i.e., Champaklal Ojha v/s Champak L Ojha)	SM or above to Sign Off Declaration to be administered on plain paper & Strictly not to be used in case of accounts in ‘Alias’ names]
3	Title Usage (Bhai/ Ben) (Like Bhai/ Ben in Gujarat)	SM or above to Sign Off stating “satisfied with customer’s bona fide”
4	Spell Errors in supporting Govt Dox (i.e., Shankar is spelt as Sankar/ Kaushalya is spelt as Koshalya)	SM or above to Sign Off stating “satisfied with customer’s bona fide”

Acceptable identity & address proof documents

Sr. No	Valid Document	Identity Proof	Address Proof
1	Passport	Accept	Accept
2	Driving License	Accept	Accept
3	Voter Id card	Accept	Accept
4	Aadhar card	Accept	Accept
5	PAN	Accept	NA
6	NREGA Job card – having photo & address on it	Accept	Accept
In addition to OVD the following documents can be accepted as an identity and address proof (Deemed OVD)			
7	Utility Bill - Electricity/Landline Telephone/post-paid Mobile /Piped Gas/not more than two months or Property Tax /Water Tax Bill/House Tax Receipt not more than 1- year-old. The date of referral should be the App Submission date.	NA	Accept
8	Pension or family pension payment orders (PPOs)	NA	Accept
9	Letter of allotment of accommodation issued by Central or State Government Department	NA	Accept
10#	Documents issued by the Government departments of foreign jurisdictions and Letter issued by the Foreign Embassy or Mission in India in case the OVD presented by a foreign national does not contain the details of address	NA	Accept

Other Guidelines:

- Consumer Gas connection card is not acceptable as address proof if city/area does not have piped gas line.
- CDD procedure, shall be carried out for all the joint account holders.
- The Customer shall submit OVD with current address within a period of three months of submitting the documents specified at 7, 8 & 9 above
- A document shall be deemed to be an OVD even if there is a change in the name after its issuance provided it is supported by a marriage certificate issued by the State Government or Gazette notification, indicating such a change of name.

#The Company does not provide loans to Foreign Nationals

Politically Exposed Persons (“PEP”)

The Company will have the option of establishing a relationship with PEPs provided that:

- (a) sufficient information including information about the sources of funds accounts of family members and close relatives are gathered on the PEP;
- (b) the identity of the person shall have been verified before accepting the PEP as a Customer;
- (c) the decision to open an account for a PEP will be taken by the Co- founders or the CFO/CRO in accordance with the Company’s CAP;
- (d) all such accounts are subjected to enhanced monitoring on an on- going basis;
- (e) in the event of an existing customer or the beneficial owner of an existing account subsequently becoming a PEP, Co- founders/CFO/CRO approval is obtained to continue the business relationship;
- (f) the CDD measures as applicable to PEPs including enhanced monitoring on an on-going basis are applicable.

These instructions shall also be applicable to accounts where a PEP is the beneficial owner.

Section III

A. General Rules – Applicable for Non-Individual KYC

a) General Rules

1. The documents submitted for opening loan account should be self-attested by the customers, for disbursed cases.
2. Documents are required for all Ultimate Beneficial Owners /authorized signatories. Please refer to Section C on Beneficial Owner
3. Only valid documents are acceptable for KYC – expired / invalid documents are not acceptable. Documents issued by a government department with an endorsement that they are not valid as KYC documents will not be accepted as KYC documents by the Company.
4. If address proof document does not have floor number or Landmark; same can be added in communication address mentioned in the application to complete communication address subject to written declaration from customer.
5. In case documents are submitted in vernacular language, SM to translate the key information on the KYC document in English & should declare “Contents of the Document is translated in English to the best of my/our knowledge” with employee name, number & signature.
6. Original Seen and Verified. The original of all documents should be seen. Copies obtained should bear stamp – ‘Original Seen & Verified’. The signature of the Company staff who sighted the original should be affixed along with name and employee code under the stamp and signature.
7. In case of digital documents, confirmation maybe digitally derived.

b) PAN requirement for non-individuals (Proprietorship/ Partnership Firms /LLP/ Companies (Pvt / Public)

- PAN card is mandatory for non-individual entities accounts.

B. Industry specific documents to be collected as part of KYC for opening of Non-Individual Accounts (except Public Ltd company)

In addition to the regular KYC documents collected from the Customer, if the Customer's line of business is such wherein a specific license/certificate/approval is required from the govt. authorities, the same should be collected along with the AOF & KYC documents as listed in the KYC grid.

Sr. No.	Nature of Business	License / Certificate issued by the concerned Authority regarding the Line of Business
1	Chemist or Drug retailer	Drug License
2	Hospital	License from CMO/ Health Department
3	Petrol-Pump	License from the Oil company
4	Securities/ Stock Broking	SEBI License
5	Commodity Trading	MCX License
6	Liquor Business	Liquor License
7	NBFC Companies	RBI License
8	Dealing in Foreign exchange	RBI License
9	Chartered Accountant	Certificate issued by ICAI (Institute of Chartered Accountant of INDIA)
10	Cost Accountant	Certificate issued by ICWAI (Institute of cost & Works Accountants of INDIA)
11	Company Secretary	Certificate issued by ICSI (Institute of Company Secretaries of INDIA)
12	Law Firm	Bar Council Registration
13	Chit/Lottery Business/Money Lenders	Certificate/License issued by Chit Commissioner/Respective State Govt.
14	Arms/Explosive Business	Certificate Issued by Home Ministry
15	Import & Export	IEC certificate

Further, if the industry specific document is one of the KYC documents collected (as per applicable KYC grid) then a separate document need not be collected from the customer. Example – If IEC certificate is collected from a customer involved in Import & Export business, then a separate Industry specific document is not required.

In cases where the Company is satisfied that it is not possible to furnish two such documents,

the Company may, at its discretion, accept only one of those documents as proof of business/activity.

Provided the Company undertakes contact point verification and collect such other information and clarification as would be required to establish the existence of such firm and shall confirm and satisfy

itself that the business activity has been verified from the address of the proprietary concern.

C. Beneficial Owner (BO)

- When a Customer / applicant is Partnership / LLP firm and BO/BOs hold shares or more than 15% in the firm, then identity and address proof of the ultimate beneficiary/ies needs to be obtained.
- When a Customer / applicant is Association of Persons (AOP) or Body of Individuals (BOI) and individual/s hold more than 15% shares / capital / profits in the association / BOI, then identity and address proof of the ultimate beneficiary/ies needs to be obtained.
- In case a Customer / applicant (Pvt. Ltd / Public Ltd. Company) is a registered entity and an unlisted company on any stock exchange and BO/ BOs who hold shares of more than 25% in the said company, then identity and address proof of the ultimate beneficiary/ies needs to be obtained.
- In case the Customer is a listed company on a stock exchange or is a majority owned subsidiary of such a listed company, the BO shall be identified and their identity shall be verified.
- In case the Customer / applicant is not listed company on a stock exchange or is a majority owned subsidiary of such an unlisted company, below is the protocol to be followed:
 - Beneficial Owners along with the percentage of shareholding or controlling interest in the entity or at each of the level if there are multi- level holdings.
 - Identity and Address Proof documents of the BO.
 - Shareholding pattern in respect of “company” if not available on public domain, A self-declaration on Company’s letter head is required to be obtained and the declaration is to be signed by the Company Secretary or one of the Directors on the Board who should be a signatory to open and operate the account.
 - Organization Structure showing share holding pattern at each level from the company. This should be self-attested by at least one Director/Company Secretary.

However, in some cases it has been observed that the BO is not able / available to sign the BO form. In such case, the BO form can be signed by the AUS(Authorized Signatory)/ Company Secretary of the entity. However, the protocol for verification of original documents submitted for Identity and Address

Proof will be as below-

- Certified by the Company staff OR
- To be notarized by a notary or anyone equivalent to notary OR
- By Indian Embassy overseas or by Company Secretary / Authorized signatory of “Account opening entity”. (This is applicable only for “Foreign” entities or individual beneficial owner).
- Self-certified by the company or the concerned BO, if the above is not possible for overseas based entities.

- BO details of all Pvt Ltd / Ltd / Partnership / Trust / AOP / BOI entities whose CRNs have been created prior to 17th April 2013 and are opening new accounts under the same CRN, the above-mentioned documents are required to be obtained.
- KYC of BO which already with an existing CRN with the any of the branches of the Company, need not be obtained if the same is BO in any other entity whose loan account is being opened and only BO form should be obtained.

In case there is no single individual holding more than 25% / 15% of the last Beneficial entity then BO CRF, Address and Identity Proof of the controlling / senior most official to be obtained. In case of difficulty in obtaining the above documents relating to senior officials or foreigners located overseas, the names of these officials may be certified by the Indian entity who is establishing relationship with the NBFC.

D. Documentation requirement for different entity types

a) Sole Proprietorship:

No.	Features	Documents	Guidelines
1	Name, Address & Activity proof of the proprietorship concern	<p>Any of the following documents along with BV / physical PD. In case no BV / physical PD then 2 documents are required:</p> <ol style="list-style-type: none"> 1. Registration certificate 2. Shops & Establishment License issued by Municipal Authorities. Downloaded online S & E certificate is acceptable as entity proof other than Delhi. SM to certify the same as "Downloaded and Verified from website" & mention Employee name, ID & signature. (Downloaded Online S & E certificate & Online MCD Tax Bill/Receipt for Delhi will be acceptable as "second entity proof" only in cases where client is able to provide First entity/activity proof issued by Government department. <p>Downloaded copy of Online S & E certificate & Online MCD Tax Bill/ Receipt will not be considered for cases wherein; client is not able to provide First Government issued entity proof).</p> 	<ul style="list-style-type: none"> ▪ Name of the entity should be present in both the identity documents. ▪ If the name of the Sole Proprietorship resembles the name of an existing publicly known entity, extra precaution should be taken in establishing the bona fide and to be approved by Business Heads or above. No accounts with abbreviated names are to be opened. For Ex. SBI, AEPC etc., ▪ Sales tax registration certificates are usually issued for a period of 1 year & need to be renewed every year. If an expired certificate is taken the same would need to be supported with not only a renewal receipt (OSV'd) but also a copy of invoice (OSV'd) of the last 30 Days. Both the renewal receipt & invoice need to obviously state this sales tax registration number.

		<p>3. Municipal Registration</p> <p>4. Monthly Sales Tax Returns filed with the Sales Tax Department (not more than 3 months old). This should be accompanied with the latest Income Tax Returns filed (Less than 1-year-old) CGST/ VAT/ GST/TIN Certificate issued by GST/ Income Tax Department (provisional/final)</p> <ul style="list-style-type: none"> • Downloaded GST/TIN certificate from Government website is also acceptable. SM to certify the same as "Downloaded and Verified from website" & mention Employee name, ID & signature. <p>5. Certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities.</p> <p>6. License/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute</p> <p>7. 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.</p> <p>8. Utility bills such as electricity, water, and landline telephone bills.</p>	<ul style="list-style-type: none"> ▪ Identity documents obtained should contain the name of the proprietorship firm and the Proprietor. However, in cases, if such Government issued documents does not have both, it should be ensured that the KYC documents obtained establishes linkage between the proprietor and his / her firm. In the event of no such linkage being provided the form will be rejected. <p>Illustrations of linkages (not exhaustive)</p> <ul style="list-style-type: none"> ▪ Copy of Acknowledged application for the government issued license / certificate that has been collected showing name and details of the proprietor ▪ IEC certificate which has the PAN number of the Sole Proprietor and copy of the Sole Proprietor's PAN Card. ▪ Banker's verification certificate from existing bank. The IP Cheque also to be issued from the same bank account <p>For instances where no linkage document is available, CPV (Contact Point Verification)</p>
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2	KYC of the Proprietor	ISA of the Proprietor to be obtained as applicable for individuals (Refer Comprehensive List of KYC Docs for Resi-individual updated on the Intranet)	
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Note:

- AOP & Partnership firms cannot be proprietor in Sole Proprietorship account
- Company (Pvt Ltd/ Ltd) acts as Proprietor - Such accounts should be treated as accounts opened by the company itself & IT type should be company. PAN of company to be captured as firm PAN. Customer will have to provide two entity/activity proofs as per gird & complete KYC of company including BR to be obtained.

b) Partnership firms

SI No.	Features	Documents	Guidelines
1	Proof of Business Name, Partnership & Signatures of all Partners/Beneficial Owners	<ol style="list-style-type: none"> 1. Registration Certificate (If the deed is registered) 2. Partnership Declaration signed by all the partners (all pages should be on the letterhead and should be signed by all the partners) 3. PAN Card (Mandatory) 4. List of Partners along with capital/profit percentage (to be signed by all partners) <p>Note - For firms incorporated less than 3 months (as on date of opening of loan account), in addition to the documents mentioned above, ONE government issued certificate confirming the name, address & activity of the firm should be collected (refer Sole Proprietorship KYC – Part I for acceptable documents). This is Mandatory. Alternatively:</p> <ol style="list-style-type: none"> 1. PAN can also be accepted as the 	<ul style="list-style-type: none"> • In case the Mode of Operation on the Partnership Letter is different than prescribed in the Partnership Deed, a separate letter to be obtained signed by all the partners (as per the deed) stating that the Mode of Operation is to be different from the Partnership Deed. • Execution date cannot be earlier than stamp purchase date • Deed to include the borrowing clause from financial institutions. • Deed to indicate the name(s) of partner(s) as authorized signatories for the general purpose or financing as a specific purpose.

		<p>government issued document along with a certificate from the customer's CA confirming the date of incorporation and the name of all partners. In this case an acknowledgement of application for PAN will not be acceptable.</p> <p>2. Certificate issued by registrar of firms, mentioning the name of the firm</p>	
2	Proof of Business Address	<p>Any one of the documents prescribed for proof of Activity / Entity in the proprietorship grid in name of Firm.</p> <p>OR</p> <p>Address proof in the name of any Partner of the Firm along with CPV at the business address by an external agency or by SM.</p> <p>OR</p> <p>Address mentioned on a registered partnership deed. The deed should be registered with the Registrar of Firms under Indian partnership Act 1932.</p>	
3	Identity & Address of partners	<p>Identity & Address proof documents as prescribed in the Grid for individual customer shall be obtained from all Partners of the partnership firm who are identified as Beneficial Owners.</p> <p>If one or more partners is / are an entity, complete KYC of the entity needs to be obtained including BO. In case partner is a Pvt Ltd/ LTD company, Board Resolution authorizing one or more individual to represent the company in Partnership firm.</p>	<p>1. Partnership letter should be signed by all the partners (Beneficial Owners only).</p> <p>2. Signature on partnership letter & AOF should match with Deed.</p>

General Guidelines for common discrepancies:

Sl No.	Issue	Resolution
1	Date of Incorporation different in partnership deed & on PAN card	<p><u>In case date of incorporation mentioned in the partnership deed.</u></p> <p>The Company to collect the following documents:</p> <ol style="list-style-type: none"> 1. Declaration cum Indemnity (Path: Intranet-> Forms, Manuals & Processes -> Forms & Format ->Loan Account Opening) stating the specific reason for the mismatch in the date. 2. Form 3CB (audit report of the firm signed by CA), 3CD (statement of particulars of the firm signed by CA) & IT returns to ascertain the genuineness of the firm 3. Original PAN Card to be viewed while collecting the documents. 4. IP Cheque Mandatory (no waiver allowed) 5. All partnership deeds* 6. CPV- Contact Point Verification by SM/BOM/BM/FI. Note:- <p>Where the firm is new & IT returns & form 3CB & 3CD is not available we will not process the AOF & inform to customer to get the deed rectified.</p> <p>*Note:</p> <p>If customer is not able to provide all previous deeds except latest partnership deed and there is mismatch in DOI on PAN; such cases to be referred to legal team.</p>
3.	Proprietorship firms converted to Partnership Firms however the Partnership firm continues using the PAN of Proprietorship or Character mentioned in the PAN card confirms that the PAN does not belong to the partnership firm.	<p>Such accounts can be opened provided: Customer applies for a new PAN and submits new PAN / proof of PAN application.</p> <p>Customer provides the copy of PAN application so that we can ascertain whether the same is erroneously done by the IT dept. or customer is continuing with the PAN card which was issued in the name of old firm. PAN card of the firm will be checked to ascertain whether the customer is continuing with the PAN card which was issued in the name of old firm.</p>

4	Date of stamping of the partnership deed is later than the deed execution date & the deed.	<p>Illustration 1 – This is acceptable</p> <ul style="list-style-type: none"> • Stamp Purchase Date & Deed execution date – 1st Feb 2012 • Date of Incorporation mentioned on deed – 1st Jan 2012 <p>Illustration 2 – This is acceptable</p> <ul style="list-style-type: none"> • Stamp Purchase Date – 15th Jan 2012 • Deed Execution date – 1st Feb 2012 • Date of Incorporation mentioned on deed – 1st Jan 2012 <p>Illustration 3 – This is not acceptable</p> <ul style="list-style-type: none"> • Stamp Purchase Date – 15th Feb 2012 • Deed Execution date – 1st Feb 2012 • Date of Incorporation mentioned on deed – 1st Feb 2012 <p>Illustration 4 – This is not acceptable</p> <ul style="list-style-type: none"> • Stamp Purchase Date – 15th Feb 2012 • Deed Execution date – 1st Feb 2012 • Date of Incorporation mentioned on deed – 1st Jan 2012 <p>Illustration 5 - Stamp paper purchase/franking date on the partnership deed after execution date.</p> <p>Bombay and Gujarat Stamp Act, permits stamping/ franking on the next immediate working day. Karnataka Stamp Act permits stamping/franking subsequently under an order of the Registrar U/s 10A of the Act. For rest of the state's; advice customer to submit new/ rectified partnership deed giving reference of the old deed.</p> <p>Note – For Illustration 3 & 4, Customer to submit new / rectified Partnership deed giving the reference of the old deed which was not executed properly</p>
5.	Date of incorporation not mentioned on the deed	If date of incorporation is not mentioned on deed, then date of agreement execution is considered as date of incorporation.
6.	Alterations on the partnership deed/LLP agreement in hand	<ul style="list-style-type: none"> • If alterations are duly counter signed by all the partners, the same is acceptable. • Authentication should be done on the original deed.

7.	Other Guidelines	<ul style="list-style-type: none">• Trust cannot be a partner in a partnership.• Partnership firm cannot be a partner in another firm.• Proprietorship concern cannot be partner in partnership firm.• Original partnership deed should have been signed by the partners in their individual capacities.• Before accepting a company as one of the partners, confirm that the company's MOA/AOA specifically permits the company to be a partner in a firm.• Minor can be a partner. (Legal department's opinion is not required in such cases.)• As per RBI circular dated June 11, 2013 DNPS.PD/CC.No.328/03.02.002/2012-13, NBFCs are prohibited from contributing capital to any partnership firm or to be partners in partnership firms.
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Permissible or Otherwise variances in name(s) and/or spellings in ISA documents –

Applicable for Sole Proprietorships & Partnerships:

Sr. No	Intro Documentation Issues	Caveats [Applicable to CA Non-Individuals entities]	Documentation
1	Alphabets Interchange Lakshmi Enterprises as Lakshmi Enterprise or Lakshmi Enterprese or Luxmi Enterpise eg1: Shreeram Textile as Shriram Textiles or Sriram Textile or Sreeram Textiles. eg2: Arham Apparels or as, Arham Apperals	Regional Manager or above to Sign Off stating “satisfied with customer’s bona fide” along with CPV by SM.	At least one Govt. entity Proof should be in the correct name, in which account is to be opened.
2	Spelling error or typing error and singular / Plural cases (usage of 's') eg1: Ram Metal Works as Ram Metals Works or Ram Metal Work or Ram Metals Work Global Exports as Global Export or Global Experts	Regional Manager or above to Sign Off stating “satisfied with customer’s bona fide” along with CPV by SM/BOM/BM/BSM.	At least one Govt. entity Proof should be in the correct name, in which account is to be opened.
3	Ram Metal Works as Ram Works or Ram Metal	Not Allowed	Not allowed. (Any missing word will not be allowed).

c) Limited Liability Partnerships:

Sr No.	Features	Documents	Guidelines
1.	Proof of business, Name, Partnership & Signatures of all partners	<ul style="list-style-type: none"> • LLP Agreement – Written Agreement between the partners or between the LLP and its partners. • Certificate of Incorporation issued by the Registrar of Cos. • PAN Card • LLP Resolution • IP Cheque. 	<ul style="list-style-type: none"> • Signatures in the LLP resolution (To be signed by all partners as provided in the partnership deed. • If any matter is not dealt with in the LLP agreement First Schedule of the Act to the referred which is available on www.mca.gov.in.

2.	Proof of registered business address	LLP Agreement OR Any one of the documents prescribed for proof of Activity / Entity in the Sole - proprietorship grid in name of Firm.	The communication address should be preferably as per LLP agreement/MCA site however, if mailing address is other than as per the LLP agreement; resolution specifying the address to be used as mailing address, subject to verification by Company personnel / CPV (Contact point verification) done at the business address by an external agency or by SM.
3.	Identity & Address of Partners	<ul style="list-style-type: none"> Identity & Address proof documents as prescribed in the Grid for individual customer (Refer Comprehensive List of KYC Docs for Resident individual updated on the Intranet) shall be obtained from all Partners of the partnership firm, along with CRF which will be linked to the account (if the person is not an authorized signatory in the account, then the CRN will be created but not linked to the account) In case of partner/s is/are an entity, the KYC of the natural person who is beneficial owner of that entity should be obtained. <p>E.g.: In case a Pvt Ltd is a partner holding more than 15% share capital in the company then identity document of the company and identification & address documents of all shareholders holding more than 25% share capital in the company along with CRF</p> <ul style="list-style-type: none"> Designated Partner Identification Number (D-PIN) /Director Identification Number (DIN) 	<p>There shall be two Designated partners who shall be individuals, out of which one shall be a resident Indian.</p> <p>If a document equivalent to Board Resolution is provided by LLP authorizing partner/s to open and operate the loan account, there may not be any necessity in obtaining KYC of all the partners (subject to the holding of the partner is not in excess of 25% or there is no controlling interest exercised by the non – signing partner/s).</p>

d) Private / Public Limited Companies:

Sr. No	Features	Documents	Guidelines
1.	Proof of Identity of the Name of the company	1. Certificate of Incorporation (In absence of sign / seal on COI or digitally signed COI, CIN should be downloaded from the	Status of Company on MCA website should be Active.

		<p>MCA web site – SM to certify the copy as “Downloaded at Branch” & mention employee name, code & signature.</p> <p>2. Certificate of commencement of business (only for limited Companies incorporated under Companies Act 1956)</p> <p>3. Updated Memorandum & Articles of Association</p> <p>4. PAN Card</p>	<p>Extract of the Board Resolution / Copy of original Board Resolution (all pages should be on the letterhead and should be signed) to be signed by at least 2 Directors one of which should be non-operating director or Company Secretary. Identity and signature proof for the non-operating director will also be taken along with the I & S proof of the authorized signatory.</p>
2.	<p>Proof of Principal place of Business, Registered Office, Mailing Address</p>	<p>MOA -AOA/ Certificate of Incorporation / Utility Bills / Form 18 along with ROC Receipt (In Case Form 18 has been applied online (E filing), the downloaded details from the MCA website attested by any one of the director or Company Secretary can be accepted.) / GST Registration / Certificate from the Company Secretary indicating the Details of registered office, business office, mailing address, etc.</p> <p>If mailing address is different than registered office address: Mailing address proof and Registered office address proof needs to be obtained: For mailing office address proof client can provide any one of the documents prescribed for proof of Activity / Entity in the Sole-Proprietorship Grid in company name If customer does not have mailing address proof - Resolution specifying the address to be used as mailing address subject to Registered office proof is obtained.</p> <p>In case the registered address is in a city other than the mailing address Refer Note given below#</p> <p><u>Registered office address for companies incorporated under Companies Act 2013:</u></p> <p>Acknowledged copy of Form No.INC 22 along with the copy of the document for verification of registered office submitted before the ROC.</p>	<p>i.e., BR states only Director A & B to open and operate the loan account, then the BR is to be signed by at least one other director other than director A/B. To clarify further if there are only two directors and both can operate the loan account then the BR should be signed by both the Directors.</p> <p>In case the MOA, AOA, Cert of Incorporation, ITR all carry the same name; however, the PAN card carries a slight variance in name.</p> <p>For e.g.: Name of the company</p> <ul style="list-style-type: none"> • M/S Jatan Constructions. The above name is mentioned in all the documents; however, PAN has the name mentioned as M/S Jatan Construction. Only restricted to typo error of “S” being missing, the protocol as mentioned below to be followed: <ul style="list-style-type: none"> - SM or above to Sign Off stating “satisfied with customer’s bona fide” along with CPV. - At least one Govt. Entity Proof should be in the correct name, in which loan account is to be opened. - The protocol is applicable for only typo error in PAN card

		<p>The documents submitted for verification of registered office address under Form No. INC 22 before ROC should be as under:</p> <ul style="list-style-type: none"> a) the registered document of the title of the premises of the registered office in the name of the company; or b) the notarized copy of lease or rent agreement in the name of the company along with a copy of rent paid receipt not older than one month. c) the authorization from the owner or authorized occupant of the premises along with proof of ownership or occupancy authorization, to use the premises by the company as its registered office; and the proof of evidence of any utility service like telephone, piped gas, electricity, etc. depicting the address of the premises in the name of the owner or document which is not older than two months.) 	
3.	Proof of names of Directors	<ul style="list-style-type: none"> 1) Certified copy of Register of Directors OR 2) List of directors signed by Company Secretary OR 3) Form 32 duly acknowledged by ROC or cases where Form 32 have been applied online (E filing) we can accept the downloaded details from the website (www.mca.gov.in) and a printout of the same to be attested by any one of the directors who is an authorized signatory or Company Secretary. Branch staff to reconfirm the same from the site mentioned above & this printout to be countersigned by them as OSV & sent along with the AOF & other documents. In cases where the customer signature cannot be obtained on the downloaded copy 	

		<p>Branch staff to reconfirm the same by mentioning “Downloaded at Branch” with employee name, code and full signature. OR</p> <p>4) List of Signatories downloaded from MCA website (http://www.mca.gov.in) along with a letter from the company confirming that the information uploaded on the website is latest & updated. Both the downloaded copy and the letter to be signed by either only the company secretary or by any one director who is an authorized signatory</p> <p>For point 1, 2 & 3 additionally protocol as under to be followed. DIN number of all the directors that is, both operative and non- operative to be obtained. DIN number downloaded from the MCA website to be attested by the company. SM to certify the copy as “Verified on MCA web site” & mention employee name, code & signature. (In the MCA website details, under the column DSC signature the word 'Expired does not mean the validity of DIN is expired and hence acceptable.)</p>	
4.	Proof of Authorized Signatories	Resolution of the Board of Directors to open loan account and authorization for operating the account. Power of Attorney, where applicable	If BR is more than 3 months old, confirmation from Company Secretary or any one of the directors that ‘there is no other BR superseding this’ should be obtained on the extract of BR.
5.	I & S proof of Authorized Signatories/Company Secretary	<ul style="list-style-type: none"> • Identity and signature proof of all the directors / Company Secretary who are signing the BR copy / extract to be Obtained • Identity and signature proof to be obtained for all the signatories on the loan account (both directors & authorized signatories) 	

Note:

As per Section 2(62) the Companies Act, 2013 – One-person Company (OPC) can have minimum one director and maximum 15 directors (maximum no. can also be increased by a special resolution). In case of OPC having one director, BR can be signed singly by the director.

Note:

In case customer is not able to provide any one of the above-mentioned documents, a CPV at the registered address should be done.

Notes

- The KYC documentation for non-individual entities is independent of the KYC policy defined for individuals (applicant/co-applicant).
- The KYC for non-individual entities to be certified by one of the directors as per the shareholding pattern.
- For proprietary concerns, in addition to the KYC applicable to the individual (proprietor), any two of the following documents in the name of the proprietary concern are required to be submitted. In case only one proof is available, contact point verification should be conducted at the business address has to be conducted.
- In case of company, all shareholders with shareholding greater 25%, KYC should be submitted at the time of login. They might not be on the loan structure, but the KYC policy should be complied with.
- In case of partnership firm/trust, all persons with profit/loss sharing greater 15%, KYC should be submitted at the time of login. They might not be on the loan structure, but the KYC policy should be complied with.
- In case the address proof submitted is in the name of relatives (father, mother, son and wife ONLY), relationship proof along with ID proof of the person on who's name KYC is submitted to be taken.

e) Trusts

For opening a loan account of a trust, one certified copy of each of the following documents shall be obtained at the minimum:

- Registration certificate.
- Trust deed.
- PAN or Form 60 of the trust
- Officially valid documents in respect of the person holding a power of attorney to transact on its behalf.

f) Unincorporated Association or Body of individuals

For opening a loan account of an unincorporated association or a body of individuals, one certified copy of each of the following documents shall be obtained:

- (a) resolution of the managing body of such association or body of individuals
- (b) PAN or Form 60 of the unincorporated association/ body of individuals.
- (c) power of attorney granted to transact on its behalf.
- (d) Officially valid documents in respect of the person holding an attorney to transact on its behalf and
- (e) such information as may be required by the Company to collectively establish the legal existence of such an association or body of individuals. Explanation:
- (f) Unregistered trusts/partnership firms shall be included under the term 'unincorporated association'.

Section IV – Others

1. Ongoing Due Diligence

The Company will undertake on-going due diligence of Customers to ensure that their transactions are consistent with their knowledge about the Customers, Customers' business and risk profile, and the source of funds.

2. Periodic Updation

The Company will adopt a risk-based approach for periodic updation of KYC. However, periodic updation shall be carried out 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 from the date of opening of the account / last KYC updation.

a) Individual Customers:

- i. **No change in KYC information:** In case of no change in the KYC information, a self-declaration from the Customer in this regard shall be obtained through Customer's email-id registered with the Company, Customer's mobile number registered with the Company.
- ii. **Change in address:** In case of a change only in the address details of the Customer, a self-declaration of the new address shall be obtained from the Customer through Customer's email-id registered with the Company, Customer's mobile number registered with the Company, and the declared address shall be verified through positive confirmation within two months, by means such as address verification letter, contact point verification, deliverables etc.

Further, Company, at their option, may obtain a copy of OVD or deemed OVD or the equivalent e- documents thereof, as defined in Section 3(a)(xiii) of the KYC Master Direction, for the purpose of proof of address, declared by the customer at the time of periodic updation.

iii. **Accounts of Customers, who were minor at the time of opening account, on their becoming major:** In case of Customers for whom account was opened when they were minor, fresh photographs shall be obtained on their becoming a major and at that time it shall be ensured that CDD documents as per the current CDD standards are available with the Company. Wherever required, the Company may carry out fresh KYC of such customers i.e., Customers for whom account was opened when they were minor, on their becoming a major.

b) Customers other than individuals:

i. **No change in KYC information:** In case of no change in the KYC information of the LE customer, a self-declaration in this regard shall be obtained from the LE customer through its email id registered with the Company or letter from an official authorized by the LE in this regard, board resolution etc. Further, the Company will ensure during this process that Beneficial Ownership (BO) information available with them is accurate and shall update the same, if required, to keep it as up to date as possible.

ii. **Change in KYC information:** In case of change in KYC information, the Company will undertake the KYC process equivalent to that applicable for on boarding a new LE customer.

c) **Additional Measures:** In addition to the above the Company will ensure that -

- The KYC documents of the customer as per the current CDD standards are available with them. This is applicable even if there is no change in Customer information but the documents available with the Company are not as per the current CDD standards. Further, in case the validity of the CDD documents available with the Company has expired at the time of periodic updation of KYC, the Company will undertake the KYC process equivalent to that applicable for on boarding a new customer.
- Customer's PAN details, if available with the Company, is verified from the database of the issuing authority at the time of periodic updation of KYC.
- Acknowledgment is provided to the Customer mentioning the date of receipt of the relevant document(s), including self-declaration from the Customer, for carrying out periodic updation. Further, it shall be ensured that the information / documents obtained from the customers at the time of periodic updation of KYC are promptly updated in the records / database of the Company and an intimation, mentioning the date of updation of KYC details, is provided to the Customer.
- In order to ensure Customer convenience, the Company may consider making available the facility of periodic updation of KYC through various mechanisms (Online or Offline) in terms of their internal KYC policy duly approved by the Board of Directors of the Company or any committee of the Board to which power has been delegated.
- The Company will adopt a risk-based approach with respect to periodic updation of KYC. Any additional and exceptional measures, which otherwise are not mandated under the above instructions, adopted by the Company will be communicated to the Customer as per the FPC requirement.
- The Company will ensure that their internal KYC policy and processes on updation / periodic

update of KYC are transparent and adverse actions against the customers should be avoided, unless warranted by specific regulatory requirements.

3. Record Management

The following steps shall be taken regarding maintenance, preservation, and reporting of customer account information, with reference to provisions of PML Act and Rules. The Company will,

- a. maintain all necessary records of transactions between the Company and the Customer, both domestic and international, for at least five years from the date of transaction;
- b. preserve the records pertaining to the identification of the customers and their addresses obtained while opening the loan account and during business relationship, for at least five years after the business relationship is ended;
- c. make available the identification records and transaction data to the competent authorities upon request;
- d. introduce a system of maintaining proper record of transactions prescribed under Rule 3 of Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (PML Rules, 2005);
- e. maintain all necessary information in respect of transactions prescribed under PML Rule 3 to permit reconstruction of individual transaction, including the following:
 - (i) the nature of the transactions.
 - (ii) the amount of the transaction and the currency in which it was denominated.
 - (iii) the date on which the transaction was conducted; and
 - (iv) the parties to the transaction.
- f. 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;
- g. maintain records of the identity and address of their customer, and records in respect of transactions referred to in Rule 3 of PML Rules, 2005 in hard or soft format.

4. Reporting Requirements to Financial Intelligence Unit – India

In line with Rule 3 of the PML Rules, 2005 and in terms of Rule 7 thereof the Company will file Suspicious Transaction Reports and Cash Transaction Reports in line with required formats when applicable.

5. Requirements/obligations under International Agreements - Communications from International Agencies

In line with Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967 and amendments thereto, all prospective customers will be screened against applicable lists prior to onboarding to ensure that the Company does not have any account in the name of the individuals / entities appearing in the lists.

6. Secrecy Obligations and sharing of Information

The Company will maintain confidentiality of information as provided in Section 45 NB of RBI Act 1934.

7. CDD Procedure and sharing KYC information with Central KYC Records Registry (CKYCR)

- The Company will capture the KYC information for sharing with the CKYCR in the manner mentioned in the Rules, as required by the revised KYC templates prepared for 'individuals' and 'Legal Entities' (LE) and upload the same to CERSAI.
- The Company will upload the KYC data pertaining to accounts of LEs opened on or after April 1, 2021, on to CKYCR in terms of Rule 9 (1A) of the PML Rules. For accounts opened prior to the said date, the KYC records shall be uploaded on to CKYCR during the process of periodic updation as specified in Section 38 of the Master Direction, or earlier when the updated KYC information is obtained/received from the customer in certain cases.
- The Company will ensure that during periodic updation, the Customers' KYC details are migrated to current Customer Due Diligence (CDD) standards.
- .
- Where a Customer, for the purpose of establishing an account-based relationship, submits a KYC Identifier to the Company, with an explicit consent to download records from CKYCR, then the Company will retrieve the KYC records online from 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 –
 - a. there is a change in the information of the customer as existing in the records of CKYCR.
 - b. the current address of the customer is required to be verified.
 - c. 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.
- Once KYC Identifier is generated by CKYCR, the Company will ensure that the same is communicated to the individual/legal entity as the case may be.

8. Submission of Financial Information to Information Utilities

According to Section 215 of Insolvency and Bankruptcy Code (IBC), 2016, Company will submit financial information and information relating to assets in relation to which any security interest has been created, to an information utility (IU) in such form and manner as may be specified by regulations. Chapter V of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, which has come into force with effect from April 1, 2017, has specified the form and manner in which financial creditors are to submit this information to IUs. Further, as per Section 238 of the IBC, 2016 the provisions of the Code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law.

9. Unique Customer Identification Code (UCIC)

A UCIC shall be allotted while entering into new relationships with Customers as also existing Customers.

10. Hiring of Employees and Employee training

- a) Adequate screening mechanism as an integral part of personnel recruitment / hiring process is in

place.

b) On-going employee training program will be put in place so that the members of staff are adequately trained in AML/CFT policy. 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.

11. Money Laundering and Terrorist Financing Risk Assessment

The Company shall carry out 'Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment' exercise periodically to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels, etc, in accordance with the following:

1. The risk assessment exercise shall be carried out annually
2. The assessment process, as discussed below, should consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied.
3. The risk assessment shall be properly documented.
4. The outcome of the exercise shall be put up to the Board or any committee of the Board to which power in this regard has been delegated, and should be available to competent authorities and self-regulating bodies.
5. The Company shall apply a Risk Based Approach (RBA) for mitigation and management of the identified risk and should have Board approved policies, controls and procedures in this regard.
6. The Company shall monitor the implementation of the controls and enhance them if necessary.

12. Review of the Policy

This Policy must be reviewed at least once in a financial year or at such intervals as may be deemed necessary by the Board of Directors.

Annexure 1: Risk Categorization Table

Risk Categorization at the time of on boarding		
High Risk	Medium Risk	Low Risk
<ul style="list-style-type: none"> • Non-Resident Indians • Foreign citizens • Cooperative banks • Credit Societies • Companies incorporated overseas. • Charitable originations (Non-Education) • Trusts (Non-Education) • Society (Non-Education) • NGOs (excluding UN promoted NGOs) • Local / domestic foreign Politically Exposed Persons (PEPs) and their relatives. • Customers engaged into the following businesses (with Annual Turnover > 100 Cr.) • Bullion, Gold, Silver, Diamond, Gems/precious stones, Jewellery 	<ul style="list-style-type: none"> • NBFCs • Micro Finance Institutions (MFI) • HUF • Charitable originations (Education) • Trusts (Education) • Society (Education) • Foreign Currency Exchange Dealers • Chit Funds • Association of Persons (AOP)/Body of Individuals (BOI)/ Artificial Judicial Person (AJP) • Customers engaged into the following Real Estate (Individual & Non-individual) Stock Market (Individual & Franchisees of brokers) • Customers engaged into the following businesses (with Annual turnover <= 100 Cr.): Bullion, Gold, Silver, Diamond, Gems/precious stones, Jewellery 	<ul style="list-style-type: none"> • Individual Resident (other than specified in High risk). • Sole proprietorship entity • Partnership • Unlisted Public Limited Companies • Limited Liability Partnership (LLP) • Private Limited company • Domestic Listed companies. • Government depts. & local bodies • Central or State Government owned companies • Regulatory & Statutory bodies • Corporate Financial Intermediaries governed / controlled by RBI/IRDA /SEBI/PFRDA example- • Insurance companies • Mutual funds • Security firms registered with SEBI • Banks (excluding coop. bank) • And everything not covered in high and medium