

**Vridhi Finserv Home Finance Limited (VFHFL)  
(formerly Vridhi Finserv Limited)**

**ANTI-MONEY LAUNDERING (AML)  
&  
KNOW YOUR CUSTOMER (KYC) POLICY**

**Version V4.0**

<b>Approving Authority</b>	Board of Directors
<b>Reviewing Authority</b>	Compliance Department
<b>Original Issue Date</b>	5 <sup>th</sup> January 2023
<b>Last Review Date</b>	28 <sup>th</sup> December 2024
<b>Policy Making Body</b>	Compliance Department
<b>Effective Date</b>	28 <sup>th</sup> December 2024

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## 1. Background

The Prevention of Money Laundering Act, 2002 ('PMLA') and PML (Maintenance Of Records) Rules 2005 impose several obligations on Banks, Non-Banking Financial Companies, Housing Finance Companies ('HFCs'), Chit Fund Company and other defined intermediaries to inter alia verify identity of clients, maintain records and furnish requisite information to Financial Intelligence Unit- India ('FIU-IND').

As per the circular dated 19th May, 2020 issued by the Reserve Bank of India ('RBI'), the Master Direction-Know Your Customer ('KYC') Direction, 2016 prescribed by the **RBI ('Master Direction')** for various regulated entities has been made applicable to the Housing Finance Companies ('HFCs') also and HFCs will now be classified as Regulated Entity ('RE') under RBI KYC Master Direction.

In accordance with the PMLA and the RBI KYC Master Direction, **VRIDHI FINSERV HOME FINANCE LIMITED ('Vridhi', 'HFC' or 'Company')**, as a Housing Finance Company, has laid down Know Your Customer ('KYC') and Anti-Money Laundering ('AML') Policy ('**KYC and AML Policy**').

## 2. Key objectives of the KYC and AML Policy

1. To establish regulatory compliant KYC mechanism to on-board customers;
2. To ensure compliance throughout the life-cycle of customers as per the laid down norms;
3. To prevent the Company's business channels/ products/ services from being used as a channel for Money Laundering (ML)/ Terrorist Financing (TF);
4. To establish a framework for adopting appropriate AML procedures and controls in the operations/ business processes of the Company;
5. To ensure compliance with the laws and regulations in force from time to time;
6. To lay down KYC-AML compliance norms for the employees of the Company;
7. To protect the Company's reputation.

## 3. Applicability

All the employees of the Company, while dealing with its customers, will have to ensure adherence with the KYC and AML Policy.

## 4. Definitions

Terms that are defined under the Master Direction shall have the same meaning as assigned therein.

Term	Meaning
Audit Committee/ ACB	Shall mean the Audit Committee constituted by the Board.
Board/ BoD	Shall mean the Board of Directors of the Company.
Cash Transaction Report/ CTR	CTR will include the following: <ol style="list-style-type: none"> <li>a. all cash transactions of the value of more than Rs.10 lakh (rupees ten lakhs) or its equivalent in foreign currency</li> <li>b. all series of cash transactions integrally connected to each other which have been individually valued below Rs.10 lakh (rupees</li> </ol>

Term	Meaning
	ten lakhs) or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds Rs.10 lakh (rupees ten lakhs or its equivalent in foreign Currency.
Certified Copy of Officially Valid Document (OVD)	Shall mean comparing the copy of OVD with the original and recording the same by an authorised official of the Company as per the extant law and guidelines/ directions.
Counterfeit Currency Note Report	Shall mean reporting Quarterly Report on status of receipt of counterfeit note by any HFC to NHB.
Counterfeit Currency Transaction	Shall mean cash transactions where forged or counterfeit Indian currency notes have been used as genuine. These transactions should also include transactions where forgery of valuable security or documents have taken place.
Designated Director	Shall mean the Managing Director or a whole-time Director designated by the Board of Directors of the Company to ensure overall compliance with the obligations prescribed by the PMLA and the Rules. The Designated Director of the Company for the purpose of these regulations is Mr. Sunku Ramnaresh.
Digital KYC	Shall mean 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 an authorised officer of the Company as per the provisions contained in the PMLA. The Company will adhere to the applicable requirements in this regard which may be prescribed by the Government/ the Reserve Bank of India (RBI) from time to time.
Non-face-to-face customers	Shall mean customers who open accounts without visiting the branch/ offices of the Company or meeting its officials.
Officially valid document/ OVD	Shall mean the list of documents mentioned in Annexure - I and as provided in the Master Direction.
Person	Shall have the same meaning as defined in the PMLA and includes: <ol style="list-style-type: none"> <li>an individual,</li> <li>a Hindu undivided family,</li> <li>a company,</li> <li>a firm,</li> <li>an association of persons or a body of individuals, whether</li> </ol>

Term	Meaning
	<p>incorporated or not,</p> <p>f. every artificial juridical person, not falling within anyone of the above persons (a to e), and</p> <p>g. any agency, office or branch owned or controlled by any of the above persons (a to f).</p>
Principal Officer /PO	Shall mean a senior 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. The Principal Officer of the Company for the purpose of these regulations is Mr. Sandeep Arora.
Risk Management Committee/ RMC	Shall mean the Risk Management Committee constituted by the Board

#### 5. Policy Norms-Compliance of KYC policy

- 1) Senior Management for the purpose of KYC compliance shall mean Designated Director and Principal Officer.
- 2) Designated Director on recommendation of the Principal Officer shall be responsible for setting up the policies which will be approved by the Board.
- 3) Principal Officer will be responsible for overseeing the KYC operations of the Company.
- 4) Field sales, operations and credit team shall be responsible for ensuring that policy is followed.
- 5) KYC operations compliance audit by internal/ concurrent audit function.
- 6) Quarterly audit notes and compliance shall be submitted to the Audit Committee.
- 7) Vridhi will not outsource decision-making functions of determining compliance with KYC norm.

In line with the Master Direction, this Policy has the following four key elements:

- 1) Criteria for Customer Acceptance (CAP).
- 2) Risk Management
- 3) Customer Identification Procedures (CIP)
- 4) Monitoring of transactions

#### 6. Customer Acceptance Policy (CAP) And Customer Due Diligence (CDD)

The Company will adhere to the following criteria for acceptance of customers:

- 1) The Company will not open any account(s) in anonymous, fictitious or benami name(s).
- 2) No account will be opened where the Company is unable to apply required CDD measures, either due to non-cooperation of the customer or non-reliability of the documents/information furnished by the Customer.
- 3) No transaction or account-based relationship will be undertaken without following appropriate CDD procedure.
- 4) The mandatory information as specified in this Policy shall be sought for KYC purpose while opening an account and during the periodic updation.

- 5) A Unique Customer Identification Code (UCIC) shall be allotted while entering into new relationships with individual customers.
- 6) CDD procedure is being applied at the customer level & thus, if an existing KYC compliant customer of Vridhi desires to open another account with Vridhi or avail any other product or service from Vridhi, there shall be no need for a fresh CDD exercise as far as identification of the customer is concerned.
- 7) Optional or additional information will be obtained with explicit consent of the customer.
- 8) CDD Procedure will be followed for all joint account holders also while opening a joint account.
- 9) A customer will be permitted to act on behalf of another person/ entity in accordance with the legal requirements.
- 10) Identity of the customer should not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organisations, etc. For this purpose, the Company will maintain lists of individuals or entities issued by RBI, United Nations Security Council, UAPA, other regulatory & enforcement agencies etc. Details of accounts/ customers bearing resemblance with any of the individuals/ entities in such a list shall be treated as suspicious and reported.
- 11) PAN number will be verified from the verification facility of the issuing authority.
- 12) 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 will conduct appropriate due diligence. Beneficiaries of the relationship/ account shall also be identified.
- 13) The nature and extent of basic due diligence measures to be conducted at the time of establishment of account opening/ relationship, will depend upon the 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 identification and verification of the applicant and wherever relevant, ascertaining of occupational details, legal status, ownership and control structure and any additional information in line with the assessment of the risks posed by the applicant and the applicants expected use of the Company's products and services from an AML perspective.
- 14) The Company may rely on third party verification subject to the conditions prescribed by the RBI or the PMLA and the Rules thereunder in this regard.
- 15) For non-face-to-face customers, appropriate due diligence measures (including certification requirements of documents, if any) will be devised for identification and verification of such Customers.
- 16) 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 expressed consent of the customer.
- 17) Appropriate Enhanced Due Diligence ('EDD') measures shall be adopted for high-risk customers from AML perspective, especially those for whom the sources of funds are not clear and customers who are Politically Exposed Persons ('PEPS').
- 18) 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.
- 19) 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 closing the account or terminating the business relationship. However, the decision to close an existing account shall be taken at the Principal Officer's level, after giving due notice to the customer explaining the reasons for such a decision.

The aspects mentioned in the CAP would be reckoned while evolving the KYC/AML procedures for various types of customers and products. However, while developing the KYC/CDD procedures, the Company will ensure that its procedures do not become too restrictive or pose significant difficulties in availing its services by deserving the general public, especially the financially and socially disadvantaged sections of society.

### **7. Risk Management**

The Company will ensure that it has effective and appropriate KYC procedures. The overall KYC/ AML program will cover proper management oversight, systems and controls, segregation of duties, training and other related matters. KYC/AML related risk management shall be performed as per the provisions of this Policy.

### **8. Risk Categorization**

The Company will categorise its customers into low, medium and high-risk categories based on the assessment, profiling and perceived money laundering risk. To assess the risk category Vridhi will use customer information like social financial status, nature of business activity, and information about the client's business etc.

The risk categorisation of a customer and the specific reasons for such categorisation shall be kept confidential and shall not be revealed to the customer to avoid tipping off the customer.

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 defined, people belonging to lower economic strata of the society whose accounts show small balances and low turnover, Government departments & 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.

For customers that are likely to pose a higher-than-average risk, the Company may categorize it 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 shall 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.

Illustrative examples of customers requiring higher due diligence may include –

- (a) non-resident customers,
- (b) high net worth individuals,
- (c) trusts, charities, NGOs and organizations receiving donations,
- (d) companies having close family shareholding or beneficial ownership,
- (e) firms with 'sleeping partners',
- (f) politically exposed persons (PEPs) of foreign origin,
- (g) non-face to face customers, and
- (h) those with dubious reputation as per public information available, etc.

*It is important to bear in mind that the adoption of Customer Acceptance Policy and its implementation should not become too restrictive and must not result in denial of Company's services to general public, especially to those, who are financially or socially disadvantaged.*

### 9. Periodic Updation of KYC

The Company will conduct periodic updation of KYC documents at least once in every 2 years for high-risk customers, once in every 8 years for medium risk customers and once in every 10 years for low-risk customers in any of the following manner:

- 1) PAN verification from the verification facility available with the issuing authority.
- 2) Authentication of Aadhaar Number by an authorized KUA, having an agreement with the Company, with the explicit consent of the customer in applicable cases
- 3) In case identification information available with Aadhaar does not contain current address an OVD containing current address may be obtained.
- 4) Certified copy of OVD containing identity and address shall be obtained at the time of periodic updation from individuals except those who are categorised 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.
- 5) In case of legal entities, the Company should review the documents sought at the time of opening of account and obtain fresh certified copies.
- 6) The Company will 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.
- 7) The Company will provide acknowledgment with the date of having performed KYC updation.
- 8) The time limits prescribed above would apply from the date of opening of the account/ last verification of KYC.

### 10. Internal Audit and Assurance

Vridhi will institutionalise the internal/ concurrent audit process to assure compliance and effectiveness of KYC & AML procedures, audit finding, and compliance thereof would be presented before the Audit Committee of the Board till closure of audit findings.

### 11. Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment

It is understood that the ML and TF risks for the Company are likely to be low due to the following reasons:

- 1) The Company does not operate in other countries/ geographies
- 2) The Company does not source/ originate loans from other countries/ geographies and its customer base consists of Indian nationals only
- 3) The Company extends loans to identified borrowers for which rigorous KYC checks have been put in place
- 4) The company verifies the end-use of the loan
- 5) The Company offers loans/ credit facilities with defined end use

However, in accordance with the regulatory requirements, the Company will carry out ML and TF risk assessment exercises periodically to identify, assess and take effective measures to mitigate money laundering and terrorist financing risk to which the Company may be exposed to, in accordance with the following -

- 1) The periodicity of risk assessment exercise shall be determined by the RMC, in alignment with the outcome of the risk assessment exercise. However, the same shall be reviewed at least 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 ACB/ RMC 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 RMC shall monitor the implementation of such controls and enhance them if necessary.

Such an assessment process will consider various relevant risk factors and will take cognizance of overall sector-specific vulnerabilities, if any, that the regulator/supervisor may share. It should involve the relevant functions and have the following stages.

- **Identification-** Development of list of potential risks or risk factors drawn from known suspected threats or vulnerabilities. For this purpose, various important aspects of the KYC Policy (non-compliance of which may pose threat to the Company) will be identified along with the risks which the Company may be exposed to due to the same.
- **Analysis-** Implementation of key requirements under the KYC Policy should be analysed. This stage should analyse the likelihood and the impact of each of the identified risks. It will help in assigning priority/ importance to each of the risks.
- **Evaluation-** It should involve taking the results found during the analysis process to determine priorities for addressing the risks. These priorities should contribute to development of a strategy for their mitigation.

## **12. Customer Identification Procedure (CIP)**

The Company shall undertake identification of customers in the following cases:

- 1) Commencement of an account-based relationship with a customer.
- 2) When there is a doubt about the authenticity or adequacy of the customer identification data it has obtained.
- 3) Selling third party products as agents, selling their own products or any other product for more than rupees fifty thousand.
- 4) Carrying out transactions for a non-account-based customer where the amount involved is equal to or exceeds Rs.50,000/- (rupees fifty thousand) whether conducted as a single transaction or several transactions that appear to be connected.
- 5) When it has reason to believe that a customer is intentionally structuring a transaction into a series of transactions below the threshold of Rs.50,000/- (rupees fifty thousand).

### **Reliance on Customer Due Diligence (CDD) done by third party.**

For the purpose of verifying the identity of customers at the time of commencement of an account-based relationship the Company, may at their option, rely on customer due diligence done by a domestic third party, subject to the following conditions:

- 1) Records or the information of the customer due diligence carried out by the third party is obtained within two days from the third party or from the Central KYC Records Registry;
- 2) Copies of identification data and other relevant documentation relating to the customer due diligence requirements shall be made available from the third party upon request without delay;

- 3) The third party is regulated, supervised or monitored for, and has measures in place for, compliance with customer due diligence and record-keeping requirements in line with the requirements and obligations under the PMLA;
- 4) The third party shall not be based in a country or jurisdiction assessed as high risk and
- 5) The ultimate responsibility for customer due diligence and undertaking enhanced due diligence measures, as applicable, will be with the Company.

### **13. Customer Due Diligence (CDD) Procedures**

The Company will ensure compliance with the regulatory/ statutory requirements with respect to the Customer Identification Procedure to be carried out at different stages, i.e., while establishing a relationship, carrying out a financial transaction or when the Company has a doubt about the authenticity/veracity or the adequacy of the previously obtained customer identification data.

Customer identification means identifying the customer and verifying his/ her identity by using reliable independent source documents, data or information. The Company will obtain sufficient information necessary to establish the identity of each customer, whether regular or occasional and the purpose of the intended nature of the relationship.

#### **A. CDD Procedure in case of Individuals**

##### **Documents/ Information to be collected.**

From an individual (who is prospective customer or a Beneficial Owner, Authorised Signatory/ Power of Attorney Holder related to any legal entity) the following documents/ information will be obtained:

- 1) Recent photograph;
- 2) Certified copy of Permanent Account Number (PAN) or the equivalent e-document thereof;
- 3) Certified copy of one of the OVDs as mentioned in Annexure 1, to be taken for verification of the identity and the address or the equivalent e-document thereof and
- 4) Other document including in respect of the nature of business and financial status of the client or the equivalent e-document thereof, as may be required by the Company
- 5) If PAN is not availed then Form No. 60 as defined in Income-tax Rules, 1962 may be taken;
- 6) **Aadhaar Offline Verification-** The Company, being a non-bank, 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 not required under section 7 of the Aadhaar Act.
- 7) **Authentication using e-KYC authentication facility provided by the UIDAI-** As and when the Company is authorised 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 KYC & AML Guidelines
- 8) If the customer provides an equivalent e-document of any OVD, the Company should verify the digital signature as per the provisions of the Information Technology Act, 2000 (21 of 2000) and any rules issued thereunder and take a live photo as specified under Digital KYC Process defined below.
- 9) The Company may also carry-out KYC verification under Digital KYC Process defined below

#### **B. CDD Measures for Sole Proprietary Firms**

For opening an account in the name of a sole proprietary firm, identification information in respect of the individual (proprietor) shall be obtained.

In addition to the above, any two of the following documents as a proof of business/ activity in the name of the proprietary firm shall also be obtained:

- 1) Registration certificate including Udyam Registration Certificate (URC) issued by the Government.
- 2) Certificate/licence issued by the municipal authorities under Shop and Establishment Act.
- 3) Sales and income tax returns.
- 4) CST/VAT/GST certificate (provisional/ final).
- 5) Certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities.
- 6) 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 a statute.
- 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.
- 8) Utility bills such as electricity, water, and landline telephone bills.
- 9) In cases where the Company is satisfied that it is not possible to furnish two such documents, Company may, at their discretion, accept only one of those documents as proof of business/activity.
- 10) Vridhi may undertake contact point verification/visit by its employee/representative and collect such other information and clarification as would be required to establish the existence of such a firm and shall confirm and satisfy itself that the business activity has been verified from the address of the proprietary concern.

### **C. CDD Measures for Legal Entities**

*For opening an account of a company, one certified copy of each of the following documents shall be obtained or the equivalent e-documents thereof shall be obtained:*

- (a) Certificate of incorporation;
- (b) Memorandum and Articles of Association;
- (c) Permanent Account Number of the company;
- (d) A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf;
- (e) One copy of an OVD containing details of identity and address, one recent photograph and PAN or Form 60 of the managers, officers or employees, as the case may be, holding an attorney to transact on its behalf.

*For opening an account of a registered partnership firm/LLP (limited liability partnership), one certified copy of each of the following documents shall be obtained or the equivalent e-documents thereof shall be obtained:*

- (a) Registration certificate;
- (b) Partnership deed;
- (c) Permanent Account Number of the partnership firm;
- (d) One copy of an OVD containing details of identity and address, one recent photograph and PAN or Form 60 of the managers, officers or employees, as the case may be, holding an attorney to transact on its behalf.
- (e) Names of all the partners; and
- (f) Address of the registered office, and the principal place of its business, if it is different.

*For opening an account of a trust, one certified copy of each of the following documents shall be obtained:*

- (a) Registration certificate or the equivalent e-documents thereof shall be obtained;
- (b) Trust deed;

- (c) Permanent Account Number or Form No.60 of the trust;
- (d) One copy of an OVD containing details of identity and address, one recent photograph and Permanent Account Numbers or Form 60 of the managers, officers or employees, as the case may be, holding an attorney to transact on its behalf.
- (e) the names of the beneficiaries, trustees, settlor and authors of the trust
- (f) the address of the registered office of the trust; and
- (g) list of trustees and documents, as specified in Section 16, for those discharging role as trustee and authorised to transact on behalf of the trust.

*For opening an account of an unincorporated association or a body of individuals, one certified copy of each of the following documents shall be obtained or the equivalent e-documents thereof shall be obtained:*

- (a) Resolution of the managing body of such association or body of individuals;
- (b) Permanent Account Number or Form No.60 of the unincorporated association or a body of individuals;
- (c) Power of attorney granted to transact on its behalf;
- (d) One copy of an OVD containing details of identity and address, one recent photograph and Permanent Account Numbers or Form 60 of the managers, officers or employees, as the case may be, holding an attorney to transact on its behalf
- (e) Such information as may be required by the Company to collectively establish the legal existence of such an association or body of individuals.

Unregistered trusts/partnership firms shall be included under the term 'unincorporated association' and the term 'body of individuals, including societies.

*For opening accounts of juridical persons not specifically covered in the earlier part, such as Government its departments, societies, universities and local bodies like village panchayats, one certified copy of the following documents shall be obtained, or the equivalent e-documents thereof shall be obtained and verified:*

- (a) Document showing name of the person authorised to act on behalf of the entity;
- (b) Aadhaar/PAN/ OVD for proof of identity and address in respect of the person holding an attorney to transact on its behalf and
- (c) Such documents as may be required by the HFC to establish the legal existence of such an entity/juridical person.

#### **14. Video based Customer Identification Process ('V-CIP')**

The Company may undertake live V-CIP to be carried out by an official of the Company, specially trained for this purpose for establishment of an account-based relationship with an individual customer after obtaining his informed consent. The Company, if implements V-CIP will adhere to the extant applicable requirements.

#### **15. Digital KYC Process**

In case Digital KYC Process is adopted by the Company, it will ensure compliance with the following requirements:

- 1) It will use an application to be made available at customer touch points for undertaking KYC of their customers and the KYC process shall be undertaken only through this authenticated application of the Company.
- 2) The access to such application should be controlled by the authorised persons of the Company. The application shall be accessed only through login-id and password, or Live OTP or Time OTP controlled mechanism defined by the Company

- 3) The customer, for the purpose of KYC, shall visit the location of the Authorised Official of the Company ('Authorised Official') or vice-versa. The original OVD should be in possession of the customer.
- 4) The Company must ensure that the live photograph of the customer is taken by the Authorised Official and the same photograph is embedded in the Customer Application Form (CAF). Further, the application shall put a water-mark in readable form having CAF number, GPS coordinates, Authorised Official's name, unique employee code (assigned by Company) and date (DD:MM:YYYY) and time stamp (HH:MM:SS) should be put on the captured live photograph of the customer.
- 5) The Application should have the feature that only a live photograph of the customer is captured, and no printed or video-graphed photograph of the customer is captured. The background behind the customer while capturing live photograph should be of white colour and no other person shall come into the frame while capturing the live photograph of the customer.
- 6) The live photograph of the original OVD or proof of possession of Aadhaar (where offline verification cannot be carried out), placed horizontally, shall be captured vertically from above and watermarking in readable form as mentioned above shall be done. No skew or tilt in the mobile device should be there while capturing the live photograph of the original documents.
- 7) The live photograph of the customer and his original documents shall be captured in proper light so that they are clearly readable & identifiable.
- 8) Thereafter, all the entries in the CAF should be filed as per the documents and information furnished by the customer. In those documents where Quick Response (QR) code is available, such details can be auto populated by scanning the QR code instead of manually filing the details. For example, in case of physical Aadhaar/e-Aadhaar downloaded from UIDAI where QR code is available, the details like name, gender, date of birth and address can be auto populated by scanning the QR available on Aadhaar/e-Aadhaar.
- 9) Once the above-mentioned process is completed, a One Time Password (OTP) message containing the text that "Please verify the details filled in form before sharing OTP' shall be sent to the customer's own mobile number. Upon successful validation of the OTP, it will be treated as customer signature on CAF. However, if the customer does not have his/her own mobile number, then the mobile number of his/her family/relatives/known persons may be used for this purpose and be clearly mentioned in CAF. In any case, the mobile number of the Authorised Official should not be used for customer signature. The Company will check that the mobile number used in customer signature shall not be the mobile number of the Authorised Official.
- 10) This process may be done by the customer himself or in Vridhi's Authorised Official presence. Authorised official to have selfie with the customer which needs to be uploaded in system to validate customer application in presence of Authorised official.
- 11) Subsequent to all these activities, the Application should give information about the completion of the process and submission of activation request to activation officer of the Company, and also generate the transaction-id/reference-id number of the process. The Authorised Official shall intimate the details regarding transaction-id/referenced number to customer for future reference.
- 12) The Authorised Official should check and verify that: (i) information available in the picture of the document is matching with the information entered by the Authorised Official in CAF. (ii) live photograph of the customer matches with the photo available in the document., and (ii) all of the necessary details in CAF including mandatory field are filled properly.

- 13) On successful verification, the CAF shall be digitally signed by the Authorised Official who will take a print of CAF. get signatures/thumb impressions of customers at appropriate places, then the scan and upload in the system. Original hard copy may be returned to the customer.

#### **16. Simplified procedure for opening accounts of Individuals**

In case a person who desires to open an account is not able to produce any of the OVDs as specified in para 16 of the Master Direction, the Company may at its discretion open accounts subject to the following conditions.

- a. The Company shall obtain a self-attested photograph from the customer
- b. The Authorised Officer of the Company should certify under his signature that the person opening the account has affixed his signature or thumb impression in his presence
- c. The account shall remain operational initially for a period of 12 months, within which CDD as prescribed above should be carried out.
- d. Balances in all their accounts taken together shall not exceed Rs.50,000 (rupees fifty thousand) at any point of time.
- e. The total credit in all the accounts taken together shall not exceed Rs.1,00,000 (rupees one lakh) in a year.
- f. The customer shall be made aware that no further transactions will be permitted until the full KYC procedure is completed in case Directions (d) and (e) above are breached by him.
- g. When the balance reaches Rs.40,000 (rupees forty thousand) or the total credit in a year reaches Rs.80,000 (rupees eighty thousand) The customer shall be notified that appropriate documents for conducting the KYC must be submitted otherwise the operations in the account shall be stopped when the total balance in all the accounts taken together exceeds the limits prescribed in direction (d) and (e) above.

#### **17. On-boarding the Borrowers through Central KYC Registry**

Company shall endeavour to provide options to the applicants to be on-boarded through verifying their antecedents through Central KYC Registry.

#### **18. CDD Measures for Legal Entities**

For due diligence with respect to legal entities, the Company will obtain the documents as listed in the **Annexure 1**.

#### **19. Identification of Beneficial Owner**

For opening an account of an entity who is not a natural person, the beneficial owner(s) as defined above shall be identified and all reasonable steps to verify his/her identity shall be undertaken. While doing so, the Company will keep the following in view

- Where the customer or the owner of the controlling interest is a company listed on a stock exchange or is a subsidiary of such a listed entity it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.
- In cases of trust/ nominee or fiduciary accounts, where it is determined that the customer is acting on behalf of another person as trustee/ nominee or so, identity of the intermediaries and of the persons on whose behalf he is acting, as also details of the nature of the trust or other arrangements in place will be obtained.

#### **20. Enhanced Due Diligence (EDD) Procedures**

**Accounts of non-face-to-face customers:**

Following EDD measures shall be undertaken by the Company for non-face-to-face customer onboarding

- a) In case RE has introduced the process of V-CIP, the same shall be provided as the first option to the customer for remote onboarding. In line with the Master Directions, customers onboarded using V-CIP process as documented in the Policy and as per the Master Directions shall be treated on par with face-to-face customers.
- b) In order to prevent frauds, alternate mobile numbers shall not be linked post CDD with such accounts for transaction OTP, transaction updates, etc. Transactions shall be permitted only from the mobile number used for account opening.
- c) Apart from obtaining the current address proof, the Company shall verify the current address through positive confirmation before allowing operations in the account. Positive confirmation may be carried out by means such as address verification letter, contact point verification, deliverables, etc.
- d) RE shall obtain PAN from the customer and the PAN shall be verified from the verification facility of the issuing authority.
- e) First transaction in such accounts shall be a credit from an existing KYC-complied bank account of the customer.
- f) Such customers shall be categorised as high-risk customers and accounts opened in non-face to face mode shall be subjected to enhanced monitoring until the identity of the customer is verified in face-to-face manner or through V-CIP.

**Accounts of Politically Exposed Persons (PEPs):** If the Company decides to establish a business relationship with PEPs, it will ensure the following:

- sufficient information including information about the sources of funds of PEP is gathered;
- the identity of the person shall have been verified before accepting the PEP as a customer;
- the decision to open an account for a PEP is taken at a senior level in accordance with the Company's CAP;
- all such accounts will be classified as high risk and will be subjected to required due diligence and monitoring, as applicable;
- if it gets confirmed to the Company that an existing customer or the beneficial owner of an existing account has subsequently become a PEP an approval from Senior Management of the Company will be obtained to continue the business relationship;
- further, such existing accounts which get classified PEPs subsequently will be subjected to enhanced due diligence, as applicable.

The above will also be applicable to accounts where a PEP is the beneficial owner.

**21. Monitoring Of Transactions/ On-Going Due Diligence**

Ongoing monitoring is an essential element of effective KYC procedures. The Company can effectively control and reduce its risk only if it has an understanding of the normal and reasonable activity of the customer so that it can identify transactions that fall outside the regular pattern. The Company will put in place a process to identify and review complex and unusual transactions/ patterns which have no apparent economic or visible lawful purpose, or transactions that involve large amounts of cash or are inconsistent with the normal and expected activity of the customer.

The extent of monitoring an account shall be aligned with the risk category of the Customer. The Company shall maintain a proper record of all cash transactions of Rs.10 lakh and above and have in place an internal monitoring system.

In case of such unusual transactions that fall outside the regular pattern of activity, the Company shall strive to have an understanding of the normal and reasonable activity of the Customer through personal visits and by observing the transactions and conduct of the borrower account.

The illustrative list of transactions, as provided in Annexure 3, will be regularly monitored by the Company.

The Company shall implement robust software, capable of throwing alerts when the transactions are inconsistent with risk categorisation and updated profile of the customers.

## **22. Appointment Of the Designated Director And The Principal Officer**

- **Designated Director**- The Company will nominate a 'Designated Director' to ensure compliance with the obligations prescribed by the PMLA and the Rules thereunder.
- **Principal Officer**- The Company will designate one of its senior officials as the 'Principal officer' who will be responsible for ensuring compliance, monitoring transactions, and sharing and reporting information as required under the law/ regulations.
- The name, designation and address of the Principal Officer & Designated Director, including changes from time to time, shall be communicated to the Director, Financial Intelligence Unit - India (FIU-IND) and also to the RBI and the National Housing Bank.

## **23. Reporting The Financial Intelligence Unit-India (FIU-IND)**

In accordance with the requirements under the PMLA, the Company will furnish the following reports, as and when required, to the Director, Financial intelligence Unit-India (FIU-IND):

- **Cash Transaction Report (CTR)**- If any such transactions are detected, Cash Transaction Report (CTR) for each month by 15th of the succeeding month.
- **Counterfeit Currency Report (CCR)**-All such cash transactions where forged or counterfeit Indian currency notes have been used as genuine as Counterfeit Currency Report (CCR) for each month by 15th of the succeeding month.

Additionally, the Company will submit 'Statement showing the details of Counterfeit Banknotes detected' to the NHB within 7 days from the last day of the respective quarter. Even in case of nil instance also, the statement is to be submitted to the NHB.

- **Suspicious Transactions Reporting (STR)**- The Company will monitor transactions to identify potentially suspicious activity. Such triggers will be investigated, and any suspicious activity will be reported to FIU-IND. The Company will file the Suspicious Transaction Report (STR) to FIU-IND within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, or a series of transactions integrally connected are of suspicious nature. However, in accordance with the regulatory requirements, the Company will not put any restriction on operations in the accounts where an STR has been filed.

The Company will maintain confidentiality in investigating suspicious activities and while reporting CTR, CCR/ STR to the FIU-IND/ higher authorities. However, the Company may share the information pertaining to the customers with the statutory regulatory bodies and other organisations such as banks, credit bureaus, income tax authorities, local govt. authorities etc.

## **24. Record Management**

The Company shall 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).



### 1) Record-keeping requirements-

The Company shall ensure maintenance of proper record of transactions required under PMLA as mentioned below:

- i. maintain all necessary records of transactions between the RE and the customer, both domestic and international, for at least five years from the date of transaction;
  - ii. 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 at least five years after the business relationship is ended;
  - iii. make available the identification records and transaction data to the competent authorities upon request
  - iv. introduce a system of maintaining proper record or transactions prescribed under Rule 3 of Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (PML Rules, 2005)
  - v. all cash transactions of the value of more than Rs10 Lakh or its equivalent in foreign currency
  - vi. all series of cash transactions integrally connected to each other which have been individually valued below Rs.10 lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds Rs.10 lakh or its equivalent in foreign currency
  - vii. all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security or a document has taken place facilitating the transactions;
  - viii. all suspicious transactions whether or not made in cash; and
  - ix. records pertaining to identification of the customer and his/her address; and
  - x. should allow data to be retrieved easily and quickly whenever required or when requested by the competent authorities.
- 2) The records should contain the following information so as to permit reconstruction of individual transactions so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity -
- 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.

The Company shall make available the identification records and transaction data to competent authorities upon request.

The Company shall ensure that in case of customers who are non-profit organisations, the details of such customers are registered on the DARPAN Portal of NITI Aayog. If the same are not registered, the Company shall register the details on the DARPAN Portal. The Company shall also maintain such registration records for a period of five years after the business relationship with such customer has ended or the account has been closed, whichever is later.

### 25. Introduction Of New Technologies

#### **Mobile Wallet/ Net Banking/ Mobile Banking/Rtgs/ NEFT/ECS/IMPS ETC.**

Adequate attention shall be paid by Vridhi to any ML or TF threats that may arise from new or developing technologies and it shall be ensured that appropriate KYC procedures issued from time to time are duly

applied before introducing new products/services/technologies.

Further, the Company shall ensure: (a) to undertake the ML/TF risk assessments prior to the launch or use of such products, practices, services, technologies; and (b) adoption of a risk-based approach to manage and mitigate the risks through appropriate EDD measures and transaction monitoring, etc.

### **26. Selling Third Party Products**

The Company, if acting as agents while selling third party products as per regulations in force from time to time, will comply with the following aspects:

- The identity and address of the walk-in customer shall be verified for the transactions as required under the CIP prescribed above
- Transaction details of sale of third-party products and related records shall be maintained as per the requirements laid down in the aforesaid record management section
- Monitoring of transactions for any suspicious activity will be done.

### **27. Quoting Of Pan**

Permanent Account Number (PAN) of customers shall be obtained and verified while undertaking transactions as per the provisions of Income Tax Rule 114B as amended from time to time. Form 60 shall be obtained from persons who do not have PAN or equivalent e-document thereof.

### **28. Customer Education**

Seeking of certain KYC information from customers can sometimes lead to queries from the customer as to the motive and purpose of collecting such information. In this regard, the Company will take appropriate steps to educate customers on the objectives of the KYC measures, by distributing pamphlets or making disclosures on the website.

### **29. Hiring Of Employees and Employee Training**

- Adequate screening mechanism as an integral part of their personnel recruitment/hiring process shall be put in place.
- On-going employee training programs shall be put in place so that the members of staff are adequately trained in the KYC Policy. The focus of the training will be different for frontline staff, compliance staff and staff dealing with new customers.

### **30. Adherence To the KYC And AML Guidelines by The Company's Agents**

- The Company's agents or persons authorised by it, for its business, will be required to be compliant with the applicable KYC & AML Guidelines.
- All requisite information shall be made available to the RBI/ National Housing Bank to verify the compliance with the applicable KYC & AML Guidelines.
- The books of accounts of persons authorised by the Company including agents etc., as far as they relate to business of the company, shall be made available for audit and inspection whenever required.

### **31. Sharing KYC Information with Central KYC Records Registry (CKYCR)**

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.

If the Company receives updated information from the Customer, the Company shall ensure that the same

is filed with the CKYCR portal. The Company shall upload the KYC data pertaining to all new individual accounts opened on with CERSAI in terms of the provisions of the Act and Rules within 10 days of collection of such information. Once a KYC Identifier is generated by CKYCR on sharing of customer information with it, The Company shall ensure that the same is communicated to the customer. Whenever the Company obtains additional or updated information from any customer, the Company shall within seven days, furnish the updated information to CKYCR.

In case of receipt of information from CKYCR regarding an update in the KYC record of an existing customer, the Company shall retrieve the updated KYC records from CKYCR and update the KYC records maintained by it.

For the purpose of establishing an account-based relationship, updation/ periodic updation or for verification of identity of a customer, the Company shall seek the KYC Identifier from the customer or retrieve the KYC Identifier, if available, from the CKYCR and proceed to obtain KYC records online by using such KYC Identifier and shall not require a customer to submit the same KYC records or information or any other additional identification documents or details, unless–

- there is a change in the information of the customer as existing in the records of CKYCR; or
- the KYC record or information retrieved is incomplete or is not as per the current applicable KYC norms; or
- the validity period of downloaded documents has lapsed; or
- the Company considers it necessary in order to verify the identity or address (including current address) of the customer, or to perform enhanced due diligence or to build an appropriate risk profile of the customer.

### **32. Reporting Requirement Under Foreign Account Tax Compliance Act (FATCA) AND Common Reporting Standards (CRS)**

The Company, if applicable, will adhere to the provisions of Income Tax Rules 114E 114G and 114H. If the Company becomes a Reporting Financial institution as defined in Income Tax Rule 114 it will take requisite steps for complying with the reporting requirements in this regard.

### **33. Compliance with Section 51A of Unlawful Activities (Prevention) Act, 1967**

The Company will ensure compliance with Section 51A of UAPA Act, 1987 by screening the prospective and existing account holders for UN Sanction List or any other list as per UAPA Act, 1987. In event, any account holder that resembles the name of as per the list it will be reported to FIU-IND and Ministry of Home Affairs. Further, other requirements including freezing of assets shall be followed by the Company.

### **34. Secrecy Obligations and Sharing of Information**

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

### **35. Approval and Review of the KYC and AML Policy**

- The Board of Directors of Vridhi will review the Policy annually.

- Board of Directors can at any time modify or amend part or complete Policy in compliance with respective regulatory norms.

### 36. Change control record

Version No.	Change Request by	Memorandum of Change	Approval date
1.0	Operations Department	-	5 <sup>th</sup> January 2023
2.0	Compliance Department	-	28 <sup>th</sup> September 2023
3.0	Compliance Department	-	29 <sup>th</sup> March 2024
4.0	Compliance Department	-	28 <sup>th</sup> December 2024



## ANNEXURE 1

### List of Documents considered valid for verifying identity and proof of address of prospective customer

S No.	Type of Customer	Documents
1.	Individual- Resident Indian (as a Customer/ Beneficial Owner/ Authorised Signatory/ Power of Attorney holder for another individual/ entity)	<ul style="list-style-type: none"> <li>● Recent photograph</li> <li>● Certified copy of Permanent Account Number (PAN) or the equivalent e-document thereof;</li> <li>● Certified copy of one of the OVDs to be taken for verification of the identity and the address or the equivalent e-document thereof and</li> <li>● Other documents including in respect of the nature of business and financial status of the client or the equivalent e-document thereof, as may be required by the Company.</li> </ul> <p>OVD shall mean the following:</p> <ul style="list-style-type: none"> <li>● Proof of possession of Aadhaar number in such forms issued by the Unique identification Authority of India (UIDAI)</li> <li>● Passport</li> <li>● Driving Licence</li> <li>● Voter's identity Card issued by the Election Commission of India</li> <li>● Job Card issued by NREGA duly signed by an officer of the State Government</li> </ul> <p>Letter issued by the National Population Register.</p> <p>“Provided that in case the OVD furnished by the customer does not contain updated address, the following documents shall be deemed to be OVDs for the limited purpose of proof of address:</p> <ul style="list-style-type: none"> <li>● utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill);</li> <li>● property or Municipal tax receipt</li> <li>● pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address</li> <li>● 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 &amp;</li> </ul>

S No.	Type of Customer	Documents
		<p>licence agreements with such employers allotting official accommodation.</p> <p>Provided, the customer shall submit OVD with current address within a period of three months of submitting the alternate documents specified above.</p> <p>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>
2.	Individual- Non-Resident Indian (NRI)/ Persons of Indian Origin (PIOs)	<ul style="list-style-type: none"> <li>● Recent photograph;</li> <li>● Certified copy of Permanent Account Number (PAN) or the equivalent e-document thereof;</li> <li>● In case of Indian Passport Holder- Certified copy of Valid Indian Passport along with copy of valid Employment/ Residence/ Student/ Dependent visa copy or work/ Residence Permit copy;</li> <li>● In case of Foreign Passport holder Certified copy of valid Foreign Passport along with OCI (Overseas Citizen of India) card / PIO (Person of Indian Origin) card</li> <li>● Certified copy of one of the OVDs to be taken for verification of the address or the equivalent e-document thereof, if additionally required;</li> <li>● Valid KYC for the Power of Attorney holder as detailed in the previous para; and</li> <li>● Other documents including in respect of the nature of business and financial status of the client, or the equivalent e-document may be required by the Company.</li> </ul> <p>Further, the original certified copy of OVD, 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 the Company any 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>
3.	Sole Proprietary firms	In addition to OVD, PAN and photograph for the

S No.	Type of Customer	Documents
		<p>proprietor as an individual, any two of the following documents or the equivalent e-document thereof, as a proof of business/ activity in the name of the proprietary firm shall also be obtained:</p> <ul style="list-style-type: none"> <li>● Registration certificate;</li> <li>● Certificate/ Licence issued by the municipal authorities under Shop and Establishment Act;</li> <li>● Sales and income tax returns;</li> <li>● CST/VAT certificate</li> <li>● Certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities;</li> <li>● Licence/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute:</li> <li>● 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</li> <li>● Utility bills such as electricity, water, landline telephone bills etc.</li> </ul> <p>Note: In cases where the Company is satisfied that it is not possible to furnish two such documents as mentioned above, it may accept only one of those documents as proof of business/ activity, subject to contact point verification and collection of such other information and clarification as would be required to establish the existence of such a firm. Further, it should be satisfied that the business activity has been verified from the address of the proprietary concern.</p>
4.	Company	<p>In addition to OVD, PAN and photograph of the director manager/ employee (as an individual) holding authority to transact on the applicant company's behalf, certified copies of the following documents or the equivalent e document thereof</p> <ul style="list-style-type: none"> <li>● Certificate of incorporation,</li> <li>● Memorandum and Articles of Association;</li> <li>● Permanent Account Number of the Company; and</li> <li>● A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf</li> <li>● The names of the relevant persons holding senior management position; and</li> <li>● The registered office and the principal place of</li> </ul>

S No.	Type of Customer	Documents
		its business, if it is different.
5.	Partnership Firm	<p>In addition to OVD, PAN and photograph of the partner manager/ employee (as an individual) holding authority to transact on the applicant firm's behalf; certified copies of the following documents or the equivalent e-document thereof:</p> <ul style="list-style-type: none"> <li>● Document evidencing authority of the person to act on behalf of the entity</li> <li>● Registration Certificate, if registered;</li> <li>● Partnership Deed; and</li> <li>● Permanent Account Number of the partnership firm.</li> <li>● The names of all the partners; and</li> <li>● Address of the registered office, and the principal place of its business, if it is different.</li> </ul>
6.	Trust	<p>In addition to OVD, PAN and photograph of the trustee/ beneficiary/ person (as an individual) holding an attorney to transact on the trust's behalf; certified copies of the following documents or the equivalent e-document thereof:</p> <ul style="list-style-type: none"> <li>● Document evidencing authority of the person to act on behalf of the Trust;</li> <li>● Registration Certificate, if registered</li> <li>● Trust Deed; and</li> <li>● Permanent Account Number or Form No.60 of the trust.</li> <li>● the names of the beneficiaries, trustees, settlor and authors of the trust</li> <li>● the address of the registered office of the trust; and</li> <li>● list of trustees and documents, as specified in Section 16, for those discharging role as trustee and authorised to transact on behalf of the trust.</li> </ul>
7.	Unincorporated Association or a Body of Individuals	<p>In addition to OVD, PAN and photograph of the person (as an individual) holding an attorney to transact on the entity's behalf; certified copies of the following documents or the equivalent e-document thereof</p> <ul style="list-style-type: none"> <li>● Resolution of the managing body of such association or body of individuals;</li> <li>● Power of attorney granted to him to transact on its behalf</li> </ul>



S No.	Type of Customer	Documents
		<ul style="list-style-type: none"> <li>● Permanent Account Number or Form No. 60 of the unincorporated association or a body of individuals; and</li> <li>● Such information as may be required by the Company to collectively establish the legal existence of such an association or body of individuals.</li> </ul>
8.	Other entities not specifically covered above, such as societies, universities and local bodies like village panchayats	<p>In addition to OVD, PAN and photograph of the person (as specifically covered above, such as societies, entity's behalf; certified copies of the following universities and local an individual) holding an attorney to transact on the documents or the equivalent e -document thereof:</p> <ul style="list-style-type: none"> <li>● Document evidencing authority of the person to act on behalf of the entity; and</li> <li>● Such documents as may be required by the Company to establish the legal existence of such an entity/juridical person.</li> </ul>



## ANNEXURE 2

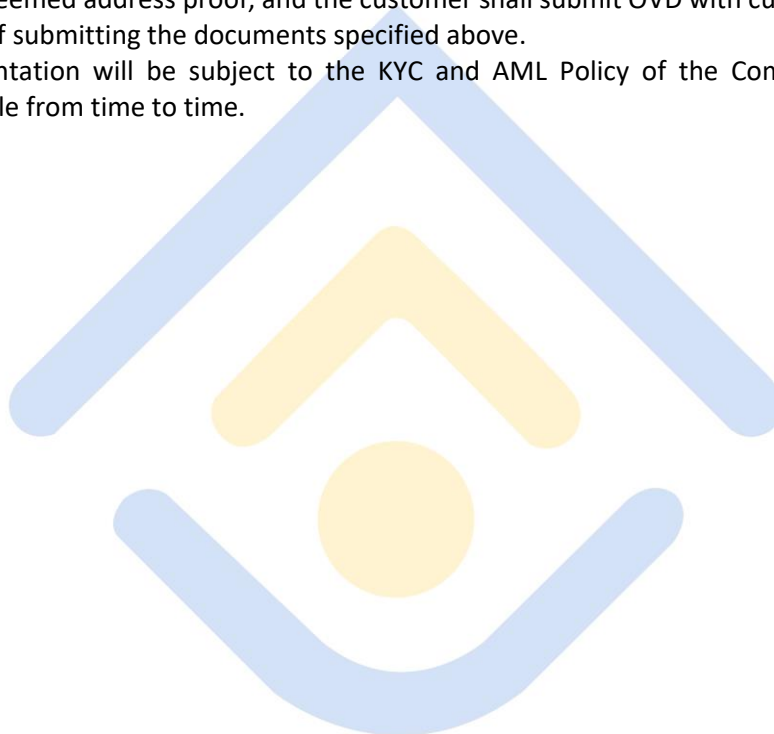
### List of KYC documents for all applicants

Documents	ID Proof	Residential Address Proof	Age Proof	Business Address Proof	Business Existence and Stability
Driving licence (Officially Valid document /'OVD')	✓	✓	✓		
Election ID card (Officially Valid document /'OVD')	✓	✓			
PAN Card	✓		✓		✓
Passport (Officially Valid document /'OVD')	✓	✓	✓		
Proof of possession Aadhaar Card (Officially Valid document/ 'OVD')	✓	✓	✓		
Job card issued by NREGA duly signed by an officer of the State Government and letter issued by the National Population Register (Officially Valid document/ 'OVD')	✓	✓			
Birth Certificate			✓		
Valid Freedom Fighter's pass issued by any other government body	✓				
Utility Bills like electricity bill, telephone bill, postpaid mobile bill, piped gas, water bill (not more than 2 months old)*		✓		✓	✓
Property or municipal tax receipt*		✓			
Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address*		✓			
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*					
School leaving certificate			✓		
SSC/HSC Admit card or Mark sheet			✓		

Documents	ID Proof	Residential Address Proof	Age Proof	Business Address Proof	Business Existence and Stability
School /College Passing certificate			✓		
Shop and Establishment Certificate				✓	✓
Partnership deed				✓	✓
Certificate of information				✓	
MOA/AOA/Form 32				✓	✓
Current Account					✓
Income Tax Return/ITR					✓

\*These are considered deemed address proof, and the customer shall submit OVD with current address within a period of three months of submitting the documents specified above.

The above KYC documentation will be subject to the KYC and AML Policy of the Company and regulatory requirements as applicable from time to time.



### ANNEXURE 3

#### Illustrative List of Transactions

- i. Use of Bank accounts of third parties for payment of EMIs on more than three occasions
- ii. Change in the bank account from which PDC/ ECS are issued more than three times in last 12 months
- iii. Total amount of payments through Demand Draft (DD), cash and third-party cheques above ₹ 2,00,000 (Rupees Two Lakhs Only) EMIs / part payments in last 90 days
- iv. Same Customer appearing in the Cash Transaction Report (CTR) more than 3 times during a span of 6 months;
- v. Total cash received from a Customer in a financial year exceeding Rs. 10 lacs;
- vi. Being an NBFC/HFC, the Company is not empowered to seize any counterfeit currency like in the case of banks. However, the following incidents of counterfeit currency at the cash counters would be recorded and repeated occurrence would be reported -
  - a. Bulk counterfeit currency of more than 10 pieces at a time;
  - b. Repeated event within a week from a collection executive or Customer

