

**JJ FINCAP PRIVATE LIMITED**  
(Formerly Known as Radhasoami Resources Private Limited)

## **KNOW YOUR CUSTOMER POLICY**

J J Manor,  
No. 146 Rukmani Lakshmiipathy Road  
II Floor, Egmore,  
Chennai - 600008,  
T: 044 – 4213 4343/44  
E: [jjfincap@gmail.com](mailto:jjfincap@gmail.com)  
W: [www.jjfincap.com](http://www.jjfincap.com)

**This Know Your Customer Policy (KYC Policy) supersedes the existing KYC Policy adopted by JJ Fincap Private Limited (“Company”).**

**This KYC Policy, would be put up on the Company’s website for information of various stakeholders.**

#### **EXECUTIVE SUMMARY**

The Reserve Bank of India (RBI) has issued comprehensive ‘Know Your Customer’ (KYC) Guidelines to all Non-Banking Financial Companies (NBFCs) in the context of the recommendations made by the Financial Action Task Force (FATF) and Anti Money Laundering (AML) standards and Combating Financing of Terrorism (CFT) policies, as these are being used as the International Benchmark for framing the stated policies, by the regulatory authorities.

The primary objective of “Know Your Customer” (KYC) policy is to prevent JJ Fincap Private Limited (herein after referred as the “Company”) from being used, intentionally or otherwise, by unscrupulous elements for fraudulent/money laundering and terrorist financing activities.

In view of the same, the company has adopted the said KYC guidelines with suitable modifications depending on the activity undertaken by it. The Company has ensured that a proper policy framework on KYC and AML measures are formulated in line with the prescribed RBI guidelines and duly approved by its Board of Directors.

#### **OBJECTIVES, SCOPE AND APPLICATION OF THE POLICY:**

The objective of KYC guidelines is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities or terrorist financing activities. KYC procedures shall also enable the Company to know and understand its Customers and its financial dealings better which in turn will help it to manage its risks prudently. Thus, the KYC policy has been framed by the Company for the following purposes:

1. To prevent criminal elements from using Company for money laundering activities;
2. To enable Company to know and understand its Customers and their financial dealings better which, in turn, would help the Company to manage risks prudently;
3. To put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws/laid down procedures;
4. To comply with applicable laws and regulatory guidelines;
5. To ensure that the concerned staff are adequately trained in KYC/AML/CFT procedures. This KYC Policy is applicable to all branches/offices of the Company and is to be read in conjunction with related operational guidelines issued from time to time.

#### **This Policy includes nine (9) key elements:**

- a. **Customer Acceptance Policy (CAP);**
- b. **Customer Identification Procedures (CIP);**
- c. **Monitoring of Transactions;**
- d. **Risk Management;**
- e. **Training Programme;**
- f. **Internal Control Systems;**
- g. **Record Keeping;**
- h. **Appointment of Principal Officer;**
- i. **Reporting to FIU – India.**

#### **DEFINITION:**

**Definition of Customer:**

For the purpose of Company's KYC policy a 'Customer' means a Person as defined under Know Your Customer Guidelines issued by RBI (and any amendment from time to time by RBI) which are at present as under:-

1. A person or entity that maintains an account and/or has a business relationship with the Company;
2. A Person who has a Registered Account with Company and has a financial transaction or activity with the Company;
3. A Person on whose behalf the Registered Account is maintained (i.e. the beneficial owner);
4. Beneficiaries of transactions conducted by professional intermediaries such as Stock Brokers, Chartered Accountants, Solicitors etc. as permitted under the law;
5. Any other Person connected with a financial transaction which can pose significant reputation or other risks to Company, say a wire transfer or issue of high value demand draft as a single transaction.

Note:

A "Person" shall have the meaning as defined under KYC policy of RBI (and any amendment from time to time by RBI) which at present is as follows:

*'Person' shall include:*

- i. an Individual;*
- ii. a Hindu Undivided Family;*
- iii. a Company;*
- iv. a Firm;*
- v. an association of persons or a body of individuals, whether incorporated or not;*
- vi. every artificial juridical person, not falling within any one of the above person (i to v);*
- vii. any agency, office or branch owned or controlled by any one of the above persons (i to vi).*

**Definition of Digital KYC:**

"Digital KYC" means capturing the 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 Act.

**Definition of Equivalent e-document:**

"Equivalent e-document" means an electronic equivalent of a document, issued by the issuing authority of such document with its valid digital signature including documents issued to the digital locker account of the customer as per Rule 9 of the Information Technology (Preservation and Retention of Information by Intermediaries Providing Digital Locker Facilities) Rules, 2016.

**Definition of Video based Customer Identification Process (V-CIP):**

Video based Customer Identification Process (V-CIP) shall be used for customer identification by an official of the company by undertaking seamless, secure, real-time, consent based audio-visual interaction with the customer to obtain identification information including the documents required for Customer Due Diligence purpose, and to ascertain the veracity of the information furnished by the customer. Such process shall be treated as face-to-face process for the purpose of the Master Direction issued by the Reserve Bank of India.

## **GENERAL:**

### **1. Customer Education:**

Company shall educate Customers on the objectives of the KYC programme so that Customer understands and appreciates the motive and purpose of collecting such information. The Company shall prepare specific literature/ pamphlets, terms and conditions etc. so as to educate the Customer about the objectives of the KYC programme. The Customer shall also be made aware of the various institutes as per the extant RBI rules with which the KYC information of the Customer is shared periodically such as but not limited to CERSAI, CICs and FIU. The front desk staff shall be specially trained to handle such situations while dealing with Customers.

### **2. Introduction of new technologies:**

Company shall pay special attention to any money laundering threats that may arise from new or developing technologies including online transactions that may favor anonymity, and take measures, if needed, to prevent their use in money laundering. Company shall ensure that any remittance of funds by way of demand draft, mail/telegraphic transfer or any other mode for any amount is affected by cheques and not against cash payment.

### **3. Applicability to Branches and Subsidiaries outside India:**

This Policy shall also be applicable to the branches and majority owned subsidiaries located abroad, especially, in countries which do not or insufficiently apply the FATF Recommendations, to the extent local laws permit as and when the Company opens overseas branches. When local applicable laws and regulations prohibit implementation of these guidelines, the same will be brought to the notice of RBI.

### **4. Closure of Accounts/Termination of Financing/Business Relationship:**

Where Company is unable to apply appropriate KYC measures due to non-furnishing of information and/or non-operation by the Customer, Company shall terminate Financing/Business Relationship after issuing due notice to the Customer explaining the reasons for taking such a decision. Such decision shall be taken with the approval of Managing Director or Key Managerial Persons authorized for the purpose.

### **5. KYC for the Existing Accounts:**

While the KYC Policy will apply to all new Customers, the same would be applied to the existing Customers on the basis of materiality and risk. However, transactions with existing Customers would be continuously monitored for any unusual pattern in the operation of the accounts.

### **6. Updating in KYC Policy of Company**

PO shall, after taking the due approval from the Committee, make the necessary amendments/modifications in the KYC/ AML/ CFT Policy or such other related guidance notes of Company, to be in line with RBI or such other statutory authority's requirements/updates/ amendments from time to time.

## **KEY ELEMENTS:**

### **1. CUSTOMER ACCEPTANCE POLICY ("CAP"):**

a. The Company's CAP lays down the criteria for acceptance of Customers.

The guideline with respect to Customer relationship broadly includes the following:

- i. No account is to be opened in anonymous or fictitious/benami name(s)/entity (ies);
- ii. Accept Customers only after verifying their identity, as laid down in Customer Identification Procedures. Necessary checks before opening a new account are to be ensured so that the identity of the Customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations, etc;
- iii. Classify Customers into various risk categories and, based on risk perception, apply the acceptance criteria for each category of Customers. Also, a profile of each Customer will be prepared based on risk categorization. Customer requiring very high level of monitoring, e.g. Politically Exposed Persons as explained in **Annexure I** may, if considered necessary, be kept in the High Risk Category.

- iv. Documentation requirements and other information to be collected in respect of different categories of Customers depending on perceived risk and compliances with Prevention of Money Laundering Act, 2002 (PMLA) and RBI/ Company's guidelines/instructions.
  - v. Not to open an account or close an existing account (except as provided in this Policy), where identity of the account holder cannot be verified and/or documents/information required could not be obtained/confirmed, as per the risk categorization, due to non-cooperation of the Customer or non-reliability of the data/information furnished to Company. The decision to close an existing account may be taken at a reasonably high level after giving due notice to the customer explaining the reasons for such a decision.
  - vi. Implementation of CAP should not become too restrictive and result in denial of the Company services to general public. Suitable built-in safeguards shall be provided to avoid any harassment to Customers.
  - vii. The decision to open an account for Politically Exposed Person (PEP) should be taken at a senior level.
  - viii. Circumstances in which a Customer is permitted to act on behalf of another person/entity shall be clearly spelt out in conformity with the established law and practice and shall be strictly followed so as to avoid occasions when an account is operated by a mandate holder or where an account may be opened by an intermediary in the fiduciary capacity.
  - ix. Where Permanent Account Number (PAN) of the customer is obtained, the same shall be verified from the verification facility of the issuing authority.
  - x. 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 (21 of 2000)
- b. The Company shall prepare a profile for each new Customer during the credit appraisal based on risk categorization as mentioned in this Policy. The Customer profile shall contain the information relating to the Customer's identity, social and financial status and nature of employment or business activity. The nature and extent of due diligence will depend on the risk perceived by Company. At the time of credit appraisal of the Customer the details are recorded along with his profile based on the documents provided by the Customer and verified by Company either by itself or through third party sources. The documents collected will be as per the product norms as may be in practice. However, while preparing Customer Profile, the Company shall seek only such information from the Customer which is relevant to the risk category and is not intrusive. Any other information from the Customer should be sought separately with his/her consent and after opening the Registered Account.
- c. The Customer profile will be a confidential document and details contained therein shall not be divulged for cross selling or for any other purposes apart from the mandatory institutes with which the data needs to be shared as directed by RBI from time to time.
- d. For acceptance and identification, Company's Customers shall be categorized based on perceived risk broadly into three categories – A, B & C. Category A includes High Risk Customers, Category B contain Medium Risk Customers while Category C Customers include Low Risk Customers. None of the Customers will be exempted from Company's KYC procedure, irrespective of the status and relationship with Company or its Promoters. The above requirement may be moderated according to the risk perception as explained in **Annexure I**.
- i. **Category A (High Risk):**  
High Risk Customers typically includes:
    - a. Non-Resident Customers;
    - b. High net worth individuals without an occupation track record of more than 3 years;
    - c. Trust, Charitable Organizations, Non-Government Organization (NGO), Organizations Receiving Donations;
    - d. Companies having close family shareholding or beneficial ownership;
    - e. Firms with sleeping partners;
    - f. Politically Exposed Persons (PEPs) of Indian/ Foreign Origin;
    - g. Non Face to face Customers;

h. Person with dubious reputation as per public information available.

ii. **Category B (Medium Risk):**

Medium risk Customers will include:

- a. Salaried applicant with variable income/ unstructured income receiving Salary in cheque;
- b. Salaried applicant working with Private Limited Companies, Proprietary, Partnership firms;
- c. Self-employed professionals other than HNIs.
- d. Self-employed customers with sound business and profitable track record for a reasonable period;
- e. High Net worth individuals with occupation track record of more than 3 years;
- f. a Hindu Undivided Family;
- g. Other Company/Firm/Association of Persons/Body of Individuals not mentioned in Category A above.

iii. **Category C (Low Risk):**

Low Risk individuals (other than high net worth) and entities whose identities and sources of wealth can be easily identified and all other person not covered under above two categories.

Customer carrying low risk may include the following:

- a. Salaried employees with well-defined salary structures for over 5 years;
- b. People working with government owned companies, regulators and statutory bodies, MNC's, rated companies public sector units, public limited companies etc. In the event of an existing Customer or the beneficial owner of an existing account subsequently becoming a PEP, the Company will obtain senior management approval in such cases to continue the business relationship with such person, and also undertake enhanced monitoring as indicated and specified in **Annexure I**;
- c. People belonging to lower economic strata of the society whose accounts show small balances and low turnover;

**2. CUSTOMER IDENTIFICATION PROCEDURES ("CIP")**

- a. Customer Identification means identifying the Customer and verifying his/her identity by using reliable, independent source documents, data or information. Company shall obtain sufficient information necessary to verify the identity of each new Customer along with brief details of its promoters and management, wherever applicable, whether regular or occasional and the purpose of the intended nature of business relationship as specified in **Annexure I and Annexure III**. The requirement as mentioned herein may be moderated according to the risk perception for e.g. in the case of a public listed company it may not be necessary to identify all the shareholders.
- b. Besides risk perception, the nature of information/documents required would also depend on the type of Customer (individual, corporate etc). For Customers that are natural persons, Company shall obtain sufficient identification data to verify the identity of the Customer, his address/location, and also his recent photograph. For customers that are legal persons or entities, the Company shall;
  - i. verify the legal status of the legal person/ entity through proper and relevant documents;
  - ii. verify that any person purporting to act on behalf of the legal person/entity is so authorized and identify and verify the identity of that person,
- c. Understand the ownership and control structure of the customer and determine who are the natural person who ultimately control the legal entity. Customer identification requirements keeping in view the provisions applicable of Prevention of Money Laundering & its Rules and as per guidance note issued in this respect are indicated in **Annexure I**. An indicative list of the nature and type of documents/information that may be relied upon for customer identification is given in **Annexure II**. The Company will frame internal guidelines based on its experience of dealing with such persons/entities, normal prudence and the legal requirements.

- d. The Company will formulate and implement a Customer Identification Programme to determine the true identity of its Customers keeping the above in view. The Programme shall also cover the Identification Procedure to be carried out at different stages, i.e. while establishing a relationship; carrying out a financial transaction or when there is a doubt about the authenticity/veracity or the adequacy of the previously obtained Customer Identification data.

**Important:** The Company shall periodically update Customer Identification Data after the transaction is entered. The periodicity of updating of Customer Identification data shall be once in ten years in case of Low Risk Category Customers and once in two years in case of High and Medium Risk Categories.

- e. The process of Video based Customer Identification Process has been specified in Section 18 of the Master Direction in terms of which, the company may undertake live V-CIP, to be carried out by an official of the company, for establishment of an account based relationship with an individual customer, after obtaining his/her informed consent and shall adhere to the following stipulations:

- ✓ The official of the company performing the V-CIP shall record video as well as capture photograph of the customer present for identification and obtain the identification information as below:
  - The company can use either OTP based Aadhaar e-KYC authentication or Offline Verification of Aadhaar for identification. Further, services of Business Correspondents (BCs) may be used by the company for aiding the V-CIP.
- ✓ The official shall 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.
- ✓ Live location of the customer (Geotagging) will be captured to ensure that customer is physically present in India
- ✓ The official of the company shall ensure that photograph of the customer in the Aadhaar/PAN details matches with the customer undertaking the V-CIP and the identification details in Aadhaar/PAN shall match with the details provided by the customer.
- ✓ The official of the company shall ensure that the sequence and/or type of questions during video interactions are varied in order to establish that the interactions are real-time and not pre-recorded.
- ✓ 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.
- ✓ All accounts opened through V-CIP shall be made operational only after being subject to concurrent audit, to ensure the integrity of process.
- ✓ Company shall ensure that the process is a seamless, real-time, secured, end-to-end encrypted audio-visual interaction with the customer and the quality of the communication is adequate to allow identification of the customer beyond doubt. The company shall carry out the liveness check in order to guard against spoofing and such other fraudulent manipulations.
- ✓ To ensure security, robustness and end to end encryption, the company will carry out software and security audit and validation of the V-CIP application before rolling it out.
- ✓ The audio-visual interaction shall be triggered from the domain of the company itself, and not from third party service provider, if any. The V-CIP process shall be operated by officials of the company specifically trained for this purpose. The activity log along with the credentials of the official performing the V-CIP shall be preserved.
- ✓ Company shall ensure that the video recording is stored in a safe and secure manner and bears the date and time stamp.
- ✓ The company is encouraged to take assistance of the latest available technology, including Artificial Intelligence (AI) and face matching technologies, to ensure the integrity of the process as well as the information furnished by the customer. However, the responsibility of customer identification shall rest with the company.

- ✓ Company shall ensure to redact or blackout the Aadhaar number in terms of Section 16 of the Master Direction.
- ✓ BCs can facilitate the process only at the customer end and as already stated, the official at the other end of V-CIP interaction will be the official of the company. The company 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 company.

**3. MONITORING OF TRANSACTIONS:**

Ongoing monitoring is an essential element of effective KYC policy. Monitoring of transactions and its extent will be conducted taking into consideration the risk profile and risk sensitivity of the account.

The Company is a Non-Systemically Important Non-Deposit Taking Non-Banking Financial Company.

As the Company does not maintain any other account of its customers except Loan Account wherein the only transaction which occur are in the nature of Loan Disbursement, Interest accrued and Repayment, the monitoring of transactions cannot be done w.r.t only unusual repayment and/or Loan top-up requests. Higher risk accounts shall be subjected to intense monitoring. Company shall set key indicators for such accounts basis the background of the customer, country of origin, sources of funds, the type of transactions involved and other risk factors which shall determine the extent of monitoring. Company shall carry out the periodic review of risk categorization of transactions/customer's accounts and the need for applying enhanced due diligence measures at a periodicity of not less than once in six months. Company shall explore the possibility of validating the new account opening applications with various watch lists available in public domain, including RBI watch list.

**4. RISK MANAGEMENT:**

The Management of the Company under the supervision of the Board of Directors shall ensure that an effective KYC programme is put in place by establishing appropriate procedures and ensuring their effective implementation. It will cover proper management oversight, systems and controls, segregation of duties, training and other related matters. Responsibility will be explicitly allocated within the Company for ensuring that the policies and procedures as applicable to Company are implemented effectively. The Company shall devise procedures for creating Risk Profiles of their existing and new Customers and apply various Anti Money Laundering measures keeping in view the risks involved in a transaction, account or business relationship.

**5. TRAINING PROGRAMME:**

Company shall have an ongoing employee training programs so that the members of the staff are adequately trained in KYC/ AML/ CFT procedures. Training requirements shall have different focuses for front line staff, compliance staff and officer/ staff dealing with new Customers so that all those concerned fully understand the rationale behind the KYC Policies and implement them consistently.

**6. INTERNAL CONTROL SYSTEM:**

The Company's Internal Audit and Compliance functions will evaluate and ensure adherence to the KYC Policies and procedures. As a general rule, the compliance function will provide an independent evaluation of the Company's own policies and procedures, including legal and regulatory requirements. The Management of the Company under the supervision of the Board shall ensure that the audit function is staffed adequately with skilled individuals. Internal Auditors will specifically check and verify the application of KYC procedures at the branches and comment on the lapses observed in this regard. The compliance in this regard shall be put up before the Board along with their normal reporting frequency. Further, the Company shall have an adequate screening mechanism in place as an integral part of their recruitment/ hiring process of personnel so as to ensure that person of criminal nature/ background does not get an access, to misuse the financial channel.

**7. RECORD KEEPING:**

The Company shall maintain proper record of the transactions as required under Prevention of Money Laundering Act and read with the Prevention of Money Laundering Rules, 2005 as mentioned below:



- i. All suspicious transactions whether or not made in cash and in manner as mentioned in the PML Rules framed by the Government of India under PMLA. An Illustrative List of suspicious transaction pertaining to financial services is given in **Annexure III**.
- ii. The records of the transaction as mentioned above along with the records of the client shall be maintained for a period of Ten (10) years from the date of transaction between the Customer and the Company.
- iii. Company shall take appropriate steps to evolve a system for proper maintenance and preservation of information in a manner (in hard and/or soft copies) that allows data to be retrieved easily and quickly whenever required or as/ when requested by the competent authorities.

**8. APPOINTMENT OF PRINCIPAL OFFICER:**

Company shall designate a senior employee as 'Principal Officer' (PO) who shall be located at the Head/Corporate Office and shall be responsible for monitoring and reporting of all transactions and sharing of information as required under the law. PO shall maintain close liaison with enforcement agencies, NBFCs and any other institution which are involved in the fight against money laundering and CFT.

**9. REPORTING TO FINANCIAL INTELLIGENCE UNIT – INDIA:**

The PO shall report information relating to cash and suspicious transactions, if detected, to the Director, Financial Intelligence Unit India (FIUIND) as advised in terms of the PML Rules.

## ANNEXURE I

### CUSTOMER IDENTIFICATION REQUIREMENTS (INDICATIVE GUIDELINES)

**1. Accounts of Politically Exposed Persons (PEPs) resident outside India:**

Politically Exposed Persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. Branch/office shall gather sufficient information on any Person/Customer of this category intending to establish a relationship and check all the information available on the Person in the public domain. Branch/office shall verify the identity of the Person and seek information about the sources of funds before accepting the PEP as a Customer. The decision to provide financial services to an account for PEP shall be taken at a senior level and shall be subjected to monitoring on an ongoing basis. The above norms may also be applied to the accounts of the family members or close relatives of PEPs.

**2. Accounts of non-face-to-face Customers:**

In the case of non-face-to-face Customers, i.e. All Customers of if the Company apart from applying the usual Customer Identification Procedures, there must be specific and adequate procedures to mitigate the higher risk involved. Certification of all the documents presented may be insisted upon and, if necessary, additional documents may be called for. In the case of cross-border Customers, there is the additional difficulty of matching the Customer with the documentation and the NBFCs may have to rely on third party certification/introduction. In such cases, it must be ensured that the third party is a regulated and supervised entity and has adequate KYC systems in place.

**3. Trust/Nominee or Fiduciary Accounts:**

Branch/offices shall determine whether the Customer is acting on behalf of another person as trustee/nominee or any other intermediary. If so, they shall insist on receipt of satisfactory evidence of the identity of the intermediaries and of the Persons on whose behalf they are reacting, as also obtain details of the nature of the trust or other arrangements in place. The Company shall take reasonable precautions to verify the identity of the trustees and the settlers of trust (including any Person settling assets into the trust), grantors, protectors, beneficiaries and signatories. Beneficiaries shall be identified when they are defined. In the case of a foundation, branches shall take steps to verify the founder managers/ directors and the beneficiaries, if defined. There exists the possibility that trust/nominee or fiduciary accounts can be used to circumvent the Customer Identification Procedures.

**4. Accounts of companies and firms:**

Branch/office need to be vigilant against business entities being used by individuals as a front for maintaining relationships with NBFCs. Branch/ office may examine the control structure of the entity, determine the source of funds and identify the natural persons who have a controlling interest and who comprise the management. These requirements may be moderated according to the risk perception e.g. in the case of a public company it shall not be necessary to identify all the shareholders.

## ANNEXURE II

**Customer Identification Procedure Features to be verified and Documents that may be obtained from Customers: (The list does not contact any other details which we may retrieve from secondary sources such as but not limited to MCA websites, CICs, CERSAI, Aadhaar)**

Customers/Clients	Documents (Certified copy of the following )
<p><b>Individuals (Applicant/ Co – Applicant)</b> - Proof of Identity &amp; - Address</p>	<p><b>1. Proof on Identity (Mandatory):</b></p> <ol style="list-style-type: none"> <li>a. PAN;</li> <li>b. Aadhar Card;</li> <li>c. One recent photograph;</li> <li>d. Passport (In case of Non-resident)</li> </ol> <p><b>2. Proof of Address (Any one of the below):</b></p> <ol style="list-style-type: none"> <li>a. Passport;</li> <li>b. Voter’s Identity Card;</li> <li>c. Driving License;</li> <li>d. Telephone bill;</li> <li>e. Electricity bill;</li> <li>f. Bank Statement;</li> <li>g. Letter from a recognized public authority or public servant verifying the identity and residence of the Customer to the satisfaction of the Company;</li> <li>h. Letter from employer (subject to the Company’s satisfaction);</li> <li>i. Identity card (subject to the Company’s satisfaction)</li> </ol> <p><b>3. Proof of Identification of Bank Account (Mandatory):</b></p> <ol style="list-style-type: none"> <li>a. Cancelled Cheque Leaf;</li> <li>b. Bank Account Statement for atleast 1 year</li> </ol> <p><b>4. Proof of Sources of Income (Mandatory):</b></p> <ol style="list-style-type: none"> <li>a. Latest 3 years ITR;</li> <li>b. Bank Account Statement for atleast 1 year</li> </ol>
<p><b>Companies</b> – Name of the company. – Principal place of business. – Mailing address of the company. – Telephone/Fax Number.</p>	<p><b>1. Proof on Identity (Mandatory):</b></p> <ol style="list-style-type: none"> <li>a. Certificate of incorporation and Memorandum &amp; Articles of Association;</li> <li>b. PAN;</li> <li>c. GST Certificate (if applicable);</li> <li>d. List of Directors of the Company;</li> <li>e. Declaration about the present Promoters of the Company</li> </ol> <p><b>2. Proof of Address (Any one of the below):</b></p> <ol style="list-style-type: none"> <li>a. Property Documents and/or Rental Agreement;</li> <li>b. Telephone Bill;</li> <li>c. Electricity Bill</li> </ol> <p><b>3. Proof of Authority for availing Loan (Mandatory):</b></p> <ol style="list-style-type: none"> <li>a. Resolution of the Shareholders to avail the loan, if applicable;</li> <li>b. Resolution of the board of directors to avail the loan and identification of those who have authority to operate the account;</li> </ol>

Customers/Clients	Documents (Certified copy of the following )
	<p><b>4. Proof of Identification of Bank Account (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. Cancelled Cheque Leaf;</li> <li>b. Bank account Statement for atleast 1 year</li> </ul> <p><b>5. Proof of Sources of Income (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. Latest 3 Years ITR along with Audited Balance Sheet;</li> <li>b. Bank account Statement for atleast 1 year</li> </ul> <p><b>6. Documents w.r.t to the Authorized Individual (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. The documents as mentioned in the Table above, w.r.t. individual Customer/Client.</li> </ul>
<p><b>Accounts of Partnership firms</b></p>	<p><b>1. Proof on Identity (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. Registration certificate, if registered;</li> <li>b. Partnership deed;</li> <li>c. PAN;</li> <li>d. GST Certificate (if applicable);</li> <li>e. List of Partners</li> </ul> <p><b>2. Proof of Address (Any one of the below):</b></p> <ul style="list-style-type: none"> <li>a. Property Documents and/or Rental Agreement;</li> <li>b. Telephone Bill;</li> <li>c. Electricity Bill</li> </ul> <p><b>3. Proof of Authority for availing Loan (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. Authority Letter to avail Loan;</li> <li>b. Authority Letter to the Individual Partner for being the Authorized Signatory</li> </ul> <p><b>4. Proof of Identification of Bank Account (Mandatory):</b></p> <ul style="list-style-type: none"> <li>c. Cancelled Cheque Leaf;</li> <li>d. Bank account Statement for atleast 1 year</li> </ul> <p><b>5. Proof of Sources of Income (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. Latest 3 Years ITR along with Balance Sheet;</li> <li>b. Bank account Statement for atleast 1 year</li> </ul> <p><b>6. Documents w.r.t to the Authorized Individual (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. The documents as mentioned in the Table above, w.r.t. individual Customer/Client.</li> </ul>
<p><b>Trusts and Foundations</b> – Names of trustees, settlers, beneficiaries and signatories.</p>	<p><b>1. Proof on Identity (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. Registration certificate, if registered;</li> <li>b. Trust Deed / Foundation Deed;</li> <li>c. PAN;</li> <li>d. GST Certificate (if applicable);</li> <li>e. List of Committee of Trustees / Managing Body</li> </ul> <p><b>2. Proof of Address (Any one of the below):</b></p> <ul style="list-style-type: none"> <li>a. Property Documents and/or Rental Agreement;</li> <li>b. Telephone Bill;</li> <li>c. Electricity Bill</li> </ul>

Customers/Clients	Documents (Certified copy of the following )
	<p><b>3. Proof of Authority for availing Loan (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. Resolution of the Managing Body of the Trust / Foundation;</li> <li>b. Power of Attorney granted to transact business on its behalf</li> </ul> <p><b>4. Proof of Identification of Bank Account (Mandatory):</b></p> <ul style="list-style-type: none"> <li>e. Cancelled Cheque Leaf;</li> <li>f. Bank account Statement for atleast 1 year</li> </ul> <p><b>5. Proof of Sources of Income (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. Latest 3 Years ITR along with Balance Sheet;</li> <li>b. Bank account Statement for atleast 1 year</li> </ul> <p><b>6. Documents w.r.t to the Authorized Individual (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. The documents as mentioned in the Table above, w.r.t. individual Customer/Client.</li> </ul>
<p><b>Accounts of unincorporated association or a body of individuals</b></p>	<p>The Company has decided that the Company shall not fund an Unincorporated Association and/or a Body of Individuals and/or Associations of Persons.</p>
<p><b>Accounts of Proprietorship Concerns</b></p> <p>Proof of the name, address and activity of the concern</p>	<p><b>1. Proof on Identity (Any Two):</b></p> <ul style="list-style-type: none"> <li>a. Registration certificate (in the case of a registered concern);</li> <li>b. Certificate/license issued by the Municipal authorities under Shop &amp; Establishment Act;</li> <li>c. GST Certificate, if applicable;</li> <li>d. Certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities;</li> <li>e. License/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute. The complete Income;</li> </ul> <p><b>2. Proof of Address (Any one of the below):</b></p> <ul style="list-style-type: none"> <li>a. Property Documents and/or Rental Agreement;</li> <li>b. Telephone Bill;</li> <li>c. Electricity Bill</li> </ul> <p><b>3. Proof of Identification of Bank Account (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. Cancelled Cheque Leaf;</li> <li>b. Bank account Statement for atleast 1 year</li> </ul> <p><b>4. Proof of Sources of Income (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. Latest 3 Years ITR along with Balance Sheet;</li> <li>b. Bank account Statement for atleast 1 year</li> </ul> <p><b>5. Documents w.r.t to the Proprietor (Mandatory):</b></p> <ul style="list-style-type: none"> <li>a. The documents as mentioned in the Table above, w.r.t. individual Customer/Client.</li> </ul>

**Note:** If any of the above documents are in any language other than English, it shall be translate d into English along with a certificate from translator / notary public.

## ANNEXURE III

### ILLUSTRATIVE LIST OF SUSPICIOUS TRANSACTION PERTAINING TO FINANCIAL SERVICES

Broad categories of reason for suspicion and examples of suspicious transactions for Non- Banking Financial Companies are indicated as under:

**1. Identity of client:**

- a. False identification documents
- b. Identification documents which could not be verified within reasonable time
- c. Accounts opened with names very close to other established business entities.

**2. Background of Client:**

Suspicious background or links with known criminals.

**3. Multiple Accounts:**

Large number of Loan accounts having a common Signatory, Introducer or Common Address.

**4. Signatory with no rationale:**

An Individual Authorised as the Signatory to a said account without any direct relation of the said person to the organization and/or entity.

**5. Illustrative list of Suspicious Transactions:**

- a. Reluctant to part with information, data and documents;
- b. Submission of false documents, purpose of loan and detail of accounts;
- c. Reluctance to furnish details of source of funds of initial contribution;
- d. Reluctance to meet in person, representing through power of attorney;
- e. Approaching a distant branch away from own address;
- f. Suggesting dubious means for sanction of loan;
- g. Where transactions do not make economic sense;
- h. Where doubt about beneficial ownership;
- i. Encashment of loan through a fictitious bank account;
- j. Sale consideration quoted higher or lower than prevailing area prices;
- k. Request for payment in favor of third party with no relation to transaction;
- l. Usage of loan amount for purposes other than stipulated in connivance with vendors, or agent;
- m. Multiple funding involving NGO, Charitable organization, small and medium establishments, self-help groups, micro finance groups, etc;
- n. Frequent request for change of address;
- o. Over-payment of instalments with a request to refund the overpaid amount.