

# **Know Your Customer (KYC) and Prevention of Money-Laundering Activities Policy**



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**THAKUR FININVEST PVT. LTD.**  
NBFC Regd. with Reserve Bank of India



## **"Know Your Customer" (KYC) & Prevention of Money Laundering Activities (PMLA) Policy**

### **Preamble:**

The Policy on Know Your Customer (KYC) and Prevention of Money Laundering Activities (PMLA) is duly edited in line with the guidelines of Reserve Bank of India advised vide Master Direction no. RBI/DBR/2015-16/18 DBR.AML.BC. No.81/14.01.001/2015-16 ("KYC Directions, 2016") on the subject dated February 25, 2016. Accordingly, the following KYC and PMLA Policy have been adopted by the Board of **Thakur Fininvest Private Limited** ('the Company/**TFPL**'), as amended from time to time.

### **KYC and PMLA Policy:**

#### **(I) Objectives:**

To have a clearly laid out:

- (1) Customer acceptance policy;
- (2) Risk Management policy;
- (3) Customer Identification process; and
- (4) Monitoring of transactions.

with a view to: -

- (a) put in place an effective system and procedure for Customer identification and verifying its / his / her identity and residential address and conduct Customer due diligence (CDD) based on the risk factor associated with each Customer;
- (b) have in place a system of assessing and monitoring the risk factors associated with each Customer;
- (c) put in place a system of checks and balances to ensure formulation and effective implementation of procedures to help control and mitigate the risk of occurrence of financial frauds, swiftly identify probable transactions of money laundering and related suspicious activities and safeguarding Company from being unwittingly used as a conduit for transfer or deposit of funds derived from criminal activity or for financing of terrorism, irrespective of whether such money can be traced to a specific act of terrorism or not;
- (d) monitor transactions of a suspicious nature and report the same to the Financial Intelligence Unit- India (FIU- IND); verification and maintenance of records of transactions of Customers in accordance with PMLA and the Rules made thereunder;



**(II) Definition of Customer:** For the purpose of this Policy,

(1) “**Customer**” means a person or entity who:

(a) proposes to enter in to a loan, Corporate Borrowings or finance transaction in any of its forms (hereinafter for brevity’s sake referred to as ‘financial transaction’), with the Company;

(b) is a beneficial owner of the financial transaction to be entered in to with the Company by any other person or entity;

(c) is a beneficiary of a financial transaction to be entered in to with the Company by any intermediary; or

(d) is neither of the above but is related with such financial transaction and has capability or power, under such financial transaction, to pose a significant risk, reputational or otherwise, to the Company.

(2) ‘**Beneficial Owner (BO)**’ in relation to a Customer is a person or an entity who is to be considered a beneficiary of the financial transaction entered in to with the Company by the Customer. A list of persons who are to be considered as such BOs in relation to a Customer is given below:

<b>Type of Customer</b>	<b>Persons to be considered Beneficial Owners (BOs)</b>
In case of <b>company</b> , the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has/have a controlling ownership interest or who exercise control through other means.	(a) Controlling ownership interest – ownership of/entitlement to more than 25 percent of the shares or capital or profits of the Company; (b) Control shall include right to appoint majority of the Directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements.
In case of <b>partnership firm</b> , the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has/have ownership of/entitlement to more than 15 per cent of capital or profits of the partnership.	15 per cent of capital or profits of the partnership.



In case of <b>unincorporated association or body of individuals or societies</b> , the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has/have ownership of/entitlement to more than 15 per cent of the property or capital or profits of the unincorporated association or body of individuals.	More than 15 per cent of the property or capital or profits of the unincorporated association or body of individuals or society.
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**Note:** Where no natural person is identified as per the above table, the beneficial owner is the relevant natural person who holds the position of senior managing official.

**Other terms not specifically defined here shall have the same meaning as assigned to them under the KYC Directions, 2016 or Prevention of Money Laundering Act, as amended from time to time.**

**(III) Customer Acceptance Policy, Risk Management, Customer Identification Procedure (CIP), Monitoring of Transactions:**

**(1) Customer Acceptance policy (CAP) :**

- (a) Customers who are acceptable to TFPL as per the Risk categorization should fulfill all criteria related to submission of Officially Valid Documents (OVD) as defined by RBI from time to time and more specifically stated under the Customer Identification Procedure in the table set out separately.
- (b) TFPL shall refrain from opening an account, where TFPL is unable to apply appropriate Customer Due Diligence (CDD) measures.
- (c) In the event, the Customer is permitted to act on behalf of another person/entity, TFPL shall verify that the Customer has the necessary authority to do so by scrutinizing the authorizing document/s.
- (d) An account shall not be opened in an anonymous or fictitious/ benami name.
- (e) 'Optional'/additional information, shall have to be obtained from the Customer if the Company finds its necessity for further due diligence.
- (f) CDD Procedure shall be followed for all the joint account holders, while opening a joint account.

**(2) Risk Management:**

- (a) Risk categorization of Customers shall be undertaken on the basis of various factors, such as nature of employment, business activity of the Customer, location of Customer and his/its clients, mode of payments, volume of turnover, social / financial status and credit



history. TFPL may at its discretion identify additional factors that it may wish to utilize for Customer acceptance based on risk profile determined by TFPL.

- (b) The Company may categorize its Customers into ‘High Risk / Medium Risk / Low Risk’ according to its applicable credit policy and review it from time to time. The Company may devise procedures for creating risk profiles of its existing and new Customers and apply various Anti- Money Laundering measures keeping in view the risks involved in a financial transaction or a business relationship.

**(3) Customer Identification Procedure:**

- (a) TFPL shall ensure that Customer identification process is undertaken, whenever an account based relationship is being established.
- (b) While undertaking Customer identification, TFPL shall ensure that the decision-making functions of determining compliance with KYC shall not be outsourced.
- (c) TFPL shall be adequately satisfied with the information furnished by Customer with respect to identity of the Customer and the purpose of the intended nature of relationship with TFPL. The satisfaction of TFPL with respect to the information/ documents furnished by the Customers should be such that if circumstances necessitate, TFPL shall ensure that it is in a position to satisfy the competent authorities that CDD was duly observed by TFPL, based on the risk profile/categorization of the Customer.
- (d) As stated in the Customer Acceptance Policy, TFPL shall ensure that Customer is not a fictitious person by verifying the identity of the Customer through documentation and shall also carry out necessary checks, so as to confirm that the identity of the Customer on the basis of the documents obtained does not match with Debarred Customer.
- (e) One or more of the following valid self-attested documents may be called for from the Customers as Officially Valid Documents (OVD), containing details of proof of their identity and address:

<b>Type of Customer</b>	<b>Officially Valid Documents</b>
<b><u>In case of Individuals</u></b>	<p><b>Identity proof:</b> (Copy of one of the following)</p> <ul style="list-style-type: none"> <li>· Passport</li> <li>· Driving Licence</li> <li>· Income Tax PAN Card</li> <li>· Voter’s Identity Card</li> <li>· Aadhar Card</li> </ul> <p><b>Residence proof:</b> (Copy of one of the following)</p> <ul style="list-style-type: none"> <li>· Utility Bill (Latest Telephone / Post-paid mobile / Electricity bill)</li> <li>· Property or Municipal Tax receipt</li> <li>· Bank Account or post office savings bank account statement</li> <li>· Passport</li> <li>· Driving Licence</li> <li>· Voter’s Identity Card</li> </ul>



	<ul style="list-style-type: none"><li>· Aadhar Card</li></ul> A copy of the marriage certificate or Gazette notification, in case of change in name
<b><u>In case of Non-Individual (As applicable)</u></b>	<b>Identity &amp; Residence proof</b> (Copies of the following) <ul style="list-style-type: none"><li>· Income Tax PAN Card</li><li>· Incorporation Certificate &amp; Memorandum &amp; Articles of Association (Registration Certificate &amp; Deed, in case of Partnership firm/Trust)</li><li>· CST/VAT/Service Tax registration / Shops &amp; Establishment Certificate, as applicable</li><li>· List of Directors/Partners/Trustees along with their OVDs as above.</li><li>· Latest shareholding pattern, along with the list of major shareholders having more than 25% of holding, in case of Company.</li><li>· Utility bill</li></ul>

(f) In addition to verification through one or more of the above said documents, the Company may also call for suitable introduction by a person known to the Company/group companies.

**(4) Simplified procedure for opening accounts by Non-Banking Finance Companies (NBFCs):**

In case a person who desires to open an account is not able to produce KYC documents, TFPL may at its discretion open accounts by following the simplified procedure, as may be directed by RBI from time to time.

If an existing KYC-compliant Customer of TFPL desires to open another account with TFPL, there shall be no need for a fresh CDD exercise.

**(5) Identification of Beneficial Owner:**

For opening an account of a Legal Person who is not a natural person, the beneficial owner(s) shall be identified and all reasonable steps to verify his/her identity shall be undertaken keeping in view the following:

- (a) 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 Company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.
- (b) In cases of trust/nominee or fiduciary accounts, whether the Customer is acting on behalf of another person as trustee/nominee or any other intermediary is to be determined. In such cases, satisfactory evidence of the identity of the intermediaries and of the persons on whose behalf they are acting, as also details of the nature of the trust or other arrangements in place shall be obtained.



- (c) In cases of societies accounts, whether the Customer is acting on behalf of another person as member of the society or any other intermediary is to be determined. In such cases, satisfactory evidence of the identity of the intermediaries and of the persons on whose behalf they are acting, as also details of the nature of the society or other arrangements in place shall be obtained.

**(6) On-going Due Diligence:**

“On-going Due Diligence” means regular monitoring of transactions in accounts to ensure that they are consistent with the customers’ profile and source of funds.

TFPL shall undertake on-going due diligence of Customers to ensure that transactions are consistent with its knowledge about the Customers, Customers’ business and risk profile; and the source of funds.

The extent of monitoring shall be aligned with the risk category of the Customer.

**(7) Periodic Updation:**

Periodic updation shall be carried out at least once every two year, for high risk Customers, once every eight years, for medium risk Customers and once every ten years, for low risk Customers.

The time limits prescribed above would apply from the date of opening of the account/ last verification of KYC.

**(8) Enhanced Due Diligence:**

**Accounts of Politically Exposed Persons (PEPs):**

Generally, the Company would not open accounts of PEP. Decision to deal with such persons as a Customer shall be taken up at a senior management level and shall be subjected to enhance monitoring.

**(9) Information obtained from Customers:**

All the information collected from the Customers by TFPL shall be kept confidential and all such information shall be treated as per the agreement/terms and conditions signed by the Customers. Additionally, the information sought from each Customer should be relevant to the risk perceived in respect of that particular Customer, should not be intrusive and should be in line with the guidelines issued by the RBI in that behalf.

**(10) Record Management:**

TFPL shall take steps in the direction of maintenance and preservation of the records pertaining to KYC and transactions for the time duration of 5 years for KYC-related and transaction-related documents as prescribed by RBI.



**(11) Other Requirements:**

All other requirements under CRS/PML/FIU-Ind relating to appointment of designated officer/director, principal officer and reporting requirements relating to filing of Suspicious Transaction Report (STR) and other applicable reports will be complied with in terms of the direction of the RBI or the other authorities to the extent applicable to TFPL.

**(12) Principal Officer:**

The Company has designate the Compliance Officer as the Principal Officer who shall act as a central reference point in facilitating onward reporting of transactions to FIU-IND.

**(13) Designated Director:**

The Company has designated the Managing Director, who oversees the operations of the Company, as the Designated Director of the Company under the Prevention of Money laundering Act, 2002 and Rules framed thereunder, from time to time. TFPL shall communicate the details of the Designated Director, such as, name, designation and address to the Office of the Director, FIU-IND.

**(14) CDD Procedure and sharing KYC information with Central KYC Records Registry (CKYCR):**

TFPL shall capture the KYC information for sharing with the CKYCR in the manner mentioned in the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended from time to time.

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