Davinta Financial Services Pvt. Ltd.
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Davinta
Manzil Aapki Raah Humari

DAVINTA FINANCIAL SERVICES PRIVATE LIMITED

POLICY FRAMEWORK ON "KNOW YOUR CUSTOMER (KYC) AND "ANTI-MONEY LAUNDERING MEASURES"(AML)

*In this document, "The Company" refers to "**Davinta Financial Services Private Limited**".

1. OBJECTIVES

- To prevent the Company from being used, intentionally or un-intentionally, by criminal elements for money laundering activities.
- To know/understand the Customers and their financial dealings better, which in turn, help in managing their risks prudently.

2. KEY ELEMENTS OF THE POLICY

- Customer Acceptance Policy
- Customer Identification Procedures
- Monitoring of Transactions
- Risk Management

3. DEFINITION OF CUSTOMER

- A person or entity that maintains an account and/or has a business relationship with the Company as a borrower.

4. CUSTOMER ACCEPTANCE POLICY (CAP)

Explicit criteria for acceptance of customers

- No account is opened in anonymous or fictitious / benami name(s)
- Parameters of risk perception are defined in Section 5
- Customers are categorized into different level of risk perception as in Section 5
- Documentation requirements and other information to be collected in respect of different categories of customers depending upon the perceived risk and keeping in mind the requirements of Prevention of Money Laundering Act, 2002.
- Not to open an account or close an existing account where the Company is unable to apply appropriate customer due diligence measures, i.e. unable to

verify the identity and /or obtain documents required as per the risk categorization due to non–co-operation of the customer or non-reliability of the data/information furnished to the Company.

- The Company shall undertake verification of all documents as per prescribed rules and regulations.
- However, care should be taken that the implementation of the policy does not lead to harassment of the customer.
- Circumstances in which a customer is permitted to act on behalf of another person/entity should be clearly spelt out in the relevant document supporting it, which should be in conformity with the established law and practices.
- Cross Checks should be made to confirm 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.
- This customer profile will be a confidential document and details contained therein shall not be divulged for cross selling or any other purposes.

5. CATEGORIZATION OF CUSTOMERS ACCORDING TO RISK PROFILE

5.1 Low Risk Customers

Customers requiring basic verification of identity and location

- Salaried employees whose salary structures are well defined
- People belonging to lower economic strata of society whose accounts show small balances and low turnover
- Government departments and Government owned companies
- Regulators and statutory bodies

5.2 Medium Risk Customers

- Non-Resident customers
- High Net-Worth individuals
- Trusts, Charities, Non-Government Organizations (NGO) and organizations receiving donations

- Companies having close family shareholding or beneficial ownership
- Firms with ' sleeping partners'

5.3 High Risk Customers

Customers requiring thorough probe

- Politically Exposed Persons (PEP) of foreign origin
- Non-face to face customers
- Those with dubious reputation as per public information available

The categorization of customers as per risk profile and implementation of the measures, however, should not result in denial of Company's services to general public, especially to those, who are financially or socially disadvantaged.

6. CUSTOMER IDENTIFICATION PROCEDURE

Customer Identification means identifying the customer and verifying his/her identity by using reliable, independent source documents, data or information.

Customer Identification Procedure will be carried out at different stages as follows:

A. While establishing a relationship

- Transaction of an amount equal to or exceeding rupees fifty thousand, whether conducted as a single transaction or several transaction that appear to be connected, or
- Any international money transfer operations
- Selling third party products as agents, selling their own products, payment of dues of credit cards/sale and reloading of prepaid/travel cards and any other product for more than rupees fifty thousand

B. When the Company has a doubt about the authenticity/veracity or the adequacy of the previously obtained customer identification data, company may further demand data as follows:

- For customers that are natural persons, 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 legal status of the legal person/entity should be verified through proper and relevant documents. For any person purporting to act on behalf of the legal person/entity, it has to be verified whether he is so authorized and his identification has to be verified. Also, the ownership and control structure of the customer should be understood so as to determine who the natural persons are, who ultimately control the legal person and are its beneficial owners
- For a customer who is intentionally structuring a transaction into a series of transactions below the threshold of Rupees Fifty Thousand.
- An indicative list of the nature and type of documents/information that may be relied upon for customer identification is given in Annexure – 1.

Central KYC Registry (CKYCR)

The customer KYC information should be shared with CKYCR in the manner mentioned in the RBI Directions in the RBI KYC templates prepared for individuals and Legal Entities. As the case may be with the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI).

Video based Customer Identification Process

A method of 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 (CDD) purpose, and to ascertain the veracity of the information furnished by the customer. This process is to be treated as face-to-face process for the purpose of this Policy

7. MONITORING OF TRANSACTIONS

- Ongoing monitoring is an essential element of effective KYC procedures.
- The monitoring will be done according to the Risk level of the borrowers and any abnormal transaction will have to be probed.

8. RISK MANAGEMENT

- The Company will strictly comply with the laid down policies on Accounting, Lending, Recovery etc., and also the guidelines issued from Registered Office from time to time.
- The Company shall ensure that its Audit machinery is staffed adequately with individuals who are well versed with applicable policies and procedures. Concurrent/Internal Auditors should specifically check and verify the compliances of KYC and AML policies and procedures and submit their responses and advise the senior management regarding its effective implementation.

- Registered Office will ensure that all the frontline staff members are kept well informed of the KYC norms and procedures for implementation.

9. CUSTOMER EDUCATION

- Registered Office will be providing specific literature/pamphlets to educate the customers on the objectives of KYC norms and procedures seeking their cooperation in getting the information required from them.

10. INTRODUCTION OF NEW TECHNOLOGIES

- Registered Office will ensure that necessary control mechanism will be built in the Software packages to be implemented to prevent the use of the technology for money laundering purposes.

11. APPOINTMENT OF PRINCIPAL OFFICER

- Mr. Ashwini Mehra, director of the Company will be Principal Officer of the Company to coordinate the implementation of KYC norms in the Company.
- The Principal Officer is authorized to fix the accountability for serious lapses and intentional circumvention of prescribed procedures and guidelines, in consultation with the Managing Director of the Company.

12. MAINTENANCE OF RECORDS OF TRANSACTIONS

- Reporting entity will be maintaining proper record of transactions as per requirements of the Prevention of Money Laundering Act, 2002 including but not limited to :
- All cash transactions of the value of more than Rs.10 lakhs or its equivalent in foreign currency.
- All series of cash transactions integrally connected to each other which have been valued below Rupees ten lakhs where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds rupees ten lakhs.

- All transactions involving receipts by non-profit organizations of rupees ten lakhs or its equivalent in foreign currency.
- 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 has taken place.
- All suspicious transactions whether or not made in cash and by way of as mentioned in the rules.

The Company is required to maintain the following information in respect of transactions referred above (1) The nature of transactions; (2) The amount of transactions and currency in which they are denominated ;(3)the date on which transaction was conducted; and (4)the parties to the transaction

13. REPORTINGTOFINANCIAL INTELLEGENCE UNIT – INDIA

The Company will be reporting the information in the proper format, transactions relating to cash and suspicious nature to the Director, Financial Intelligence Unit- India (FIU-IND) at the following address:

Director,
FIU-IND Financial Intelligence Unit –
India 6th Floor, Hotel Samrat,
Chanakyapuri,
New Delhi – 110 021

1. The information in respect of the transactions referred in PML Rules (i.e. clauses mentioned in section 12 above) is to be submitted to the Director every month by the 15Th day of succeeding month.
2. The information to be submitted to the Director promptly, in writing or by E-mail, or by fax, not later than seven working days from the date of occurrence of such transaction and on being satisfied that the transaction is suspicious.

Designated Director

The Company shall nominate a 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. The Company shall communicate the details of the designated director such as name , designation and address to the office of the Director, FIU-IND.

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ANNEXURE 1 CUSTOMER IDENTIFICATION PROCEDURE**FEATURES TO BE VERIFIED AND DOCUMENTS THAT MAY BE OBTAINED FROM CUSTOMERS**

Features	Documents
I. Individuals	
Legal name and any other names used	1. Aadhar Card 2. Pan Card 3. Voter's Identity card 4. Driving License 5. Identity card 6. Letter from a recognized public authority or public servant verifying the identity and residence of the customer 7. Passport
Correct permanent address	1. Telephone Bill(not more than two months old) 2. Account statement 3. Letter from any recognized public authority 4. Electricity Bill(not more than two months old) 5. Ration card 6. Letter from employer 7. Any one document which provides Customer information to the satisfaction of the entity. 8. Aadhar card 9. Property/Municipal Tax receipt (not more than two months old) 10. Piped Gas/Water Bill(not more than two months old)
II. Companies	
Name of the Company - Principal place of business - Mailing address of	1. Certificate of Incorporation and Memorandum and Articles of Association

the Company - Telephones/Fax number	2. Resolution of the Board of Directors 3. Power of Attorney granted to its managers, officers or employees to transact the business on its behalf 4. Copy of PAN allotment letter 5. telephone bill(not more than two months old) 6. PAN, Aadhar and other documents as may be considered necessary relating to beneficial owner, managers, officers or employees holding an attorney
III. Partnership Firm	
Legal Name - Address - Name of all partners and their addresses - Telephone numbers of the firm and partners	1. Registration certificate, if registered 2. Partnership deed 3. PAN of the Partnership Firm 4. Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf 5. Telephone Bill in the name of firm and/partners.(not more than Two months old) 6. PAN, Aadhar and other documents as may be considered necessary relating to beneficial owner, managers, officers or employees holding an attorney
IV. Trusts & Foundations	
Names of trustees, settlers, beneficiaries and signatories Names and addresses of the founder, the managers/directors and the beneficiaries	1. Certificate of registration, if registered 2. Power of Attorney granted to transact business on its behalf. 3. PAN card of the Trust/Foundations 4. Resolution of the managing body of the foundation/association 5. Telephone Bill(not more than two months old) 6. PAN, Aadhar and other documents as may be considered necessary relating

	to beneficial owner, managers, officers or employees holding an attorney
V. Sole Proprietorship Firms/Concerns	
	1.Documents Applicable to the individuals(ie of proprietor) shall be obtained 2.In addition to the above any two of the following documents shall be obtained ➢ Registration certificate ➢ Certificate/licence issued by the municipal authorities under Shop and Establishment Act. ➢ Sales and income tax returns. ➢ CST/VAT/ GST certificate (provisional/final). ➢ Certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities. ➢ IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT or Licence/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute. ➢ 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. ➢ Utility bills such as electricity, water, landline telephone bills, etc.(Not more than 2 months old)
VI. Unincorporated association or a body of individuals Association	
	1. Resolution of the managing body of such association, 2. PAN of the Unincorporated Association or body of individuals 3. power of attorney granted to him to

	transact on its behalf, 4.PAN, Aadhar and other documents as may be considered necessary relating to beneficial owner, managers, officers or employees holding an attorney