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**DAVINTA FINANCIAL SERVICES
PRIVATE LIMITED**

**POLICY FRAMEWORK ON “KNOW YOUR
CUSTOMER” AND “ANTI-MONEY LAUNDERING
MEASURES”**

*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.

- 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

As per the Rule 9 of the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing information and Verification and Maintenance of Records of the Identity of the clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 (PML Rules) requires that our Company:

‘At the time of commencement of relationship, identify its customers, verify identity and obtain information on the purpose and intended nature of business relationship.’

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
- 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.
 - An indicative list of the nature and type of documents/information that may be relied upon for customer identification is given in Annexure – 1.

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.

- 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 prescribed under Rule 3 of the Prevention of Money Laundering Act, 2002 as mentioned below:
- 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.

13. REPORTING TO FINANCIAL INTELLIGENCE 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 rule 3 of the 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.

ANNEXURE 1 CUSTOMER IDENTIFICATION PROCEDURE

FEATURES TO BE VERIFIED AND DOCUMENTS THAT MAY BE OBTAINED FROM CUSTOMERS

Features	Documents
Individuals	
Legal name and any other names used	<ol style="list-style-type: none"> 1. Passport 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. Aadhar card
Correct permanent address	<ol style="list-style-type: none"> 1. Telephone Bill 2. Account statement 3. Letter from any recognized public authority 4. Electricity Bill 5. Ration card 6. Letter from employer 7. Any one document which provides Customer information to the satisfaction of the entity. 8. Aadhar card
Companies	
Name of the Company - Principal place of business - Mailing address of	<ol style="list-style-type: none"> 1. Certificate of Incorporation and Memorandum and Articles of Association

<p>the Company - Telephones/Fax number</p>	<ol style="list-style-type: none"> 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. Copy of the telephone bill
Partnership Firm	
<p>Legal Name - Address - Name of all partners and their addresses - Telephone numbers of the firm and partners</p>	<ol style="list-style-type: none"> 1. Registration certificate, if registered 2. Partnership deed 3. Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf 4. Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses. 5. Telephone Bill in the name of firm and/partners.
Trusts & Foundations	
<p>Names of trustees, settlers, beneficiaries and signatories Names and addresses of the founder, the managers/directors and the beneficiaries</p>	<ol style="list-style-type: none"> 1. Certificate of registration, if registered 2. Power of Attorney granted to transact business on its behalf 3. Any officially valid document to identify trustees, settlers, beneficiaries and those holding Power of Attorney, founders/managers/directors and their addresses 4. Resolution of the managing body of the foundation/association 5. Telephone Bill

Unincorporated association or a body of individuals	
	<ol style="list-style-type: none">1. Resolution of the managing body of such association,2. power of attorney granted to him to transact on its behalf,3. an officially valid document in respect of the person holding an attorney to transact on its behalf,