

In terms of **RBI/DBR/2015-16/18 Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 February 25, 2016**, on Know Your Customer (KYC) norms the company has customized its KYC policy duly approved by the board of directors of the company. The detailed guidelines in this regard is as under :

## **1. Introduction**

The objective of KYC/AML/CFT guidelines is to prevent the company from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. KYC procedures also enable it to know/understand their customers and their financial dealings better and manage their risks prudently.

## **2. Definitions**

### **2.1 Customer**

For the purpose of KYC Norms, a 'Customer' is defined as a person who is engaged in a financial transaction or activity with the company and includes a person on whose behalf the person who is engaged in the transaction or activity, is acting.

### **2.2 Designated Director**

"Designated Director" means a person designated by the company to ensure overall compliance with the obligations imposed under chapter IV of the PML Act and the Rules and includes:-

(i) The whole-time Director duly authorized by the Board of Directors of the company.

Explanation. - For the purpose of this clause, the terms "Managing Director" and "Whole-time Director" shall have the meaning assigned to them in the Companies Act

### **2.3 "Officially valid document" (OVD)**

OVD means the passport, the driving license, the Permanent Account Number (PAN) Card, the Voter's Identity Card issued by the Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government, letter issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number, or any other document as notified by the Central Government in consultation with the Regulator.

(i) Provided that where 'simplified measures' are applied for verifying the identity of the clients the following documents shall be deemed to be OVD:

- a. Identity card with applicant's Photograph issued by Central/ State Government Departments, Statutory/ Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, and Public Financial Institutions;
- b. Letter issued by a gazetted officer, with a duly attested photograph of the person.

(ii) Provided further that where 'simplified measures' are applied for verifying for the limited purpose of proof of address the following additional documents are deemed to be OVDs .:

- a. Utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill);
- b. Property or Municipal Tax receipt;
- c. Bank account or Post Office savings bank account statement;
- d. Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;

- e. Letter of allotment of accommodation from employer issued by State or Central Government departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies. Similarly, leave and license agreements with such employers allotting official accommodation; and
- f. Documents issued by Government departments of foreign jurisdictions and letter issued by Foreign Embassy or Mission in India.

## 2.4 Transaction

“Transaction” means a purchase, sale, loan, pledge, gift, transfer, delivery or the arrangement thereof and includes-

- i. deposits, withdrawal, exchange or transfer of funds in whatever currency, whether in cash or by cheque, payment order or other instruments or by electronic or other non-physical means;
- ii. entering into any fiduciary relationship;
- iii. any payment made or received in whole or in part of any contractual or other legal obligation; or
- iv. establishing or creating a legal person or legal arrangement.

## 3. KYC Policy

The company has framed its KYC policy incorporating the following four key elements:

- i. Customer Acceptance Policy (CAP);
- ii. Customer Identification Procedures (CIP);
- iii. Monitoring of Transactions; and
- iv. Risk Management.

### 3.1 Customer Acceptance Policy (CAP)

Without prejudice to the generality of the aspect that Customer Acceptance Policy may contain, REs shall ensure that:

- a) No account is opened in anonymous or fictitious/ benami name.
- b) No account is opened where the RE is unable to apply appropriate CDD measures, either due to non-cooperation of the customer or non-reliability of the documents/information furnished by the customer.
- c) No transaction or account-based relationship is undertaken without following the CDD procedure.
- d) The mandatory information to be sought for KYC purpose while opening an account and during the periodic updation, is specified.
- e) ‘Optional’/additional information, is obtained with the explicit consent of the customer after the account is opened.
- f) REs shall apply the CDD procedure at the UCIC level. Thus, if an existing KYC compliant customer of a RE desires to open another account with the same RE, there shall be no need for a fresh CDD exercise.
- g) CDD Procedure is followed for all the joint account holders, while opening a joint account.
- h) Circumstances in which, a customer is permitted to act on behalf of another person/entity, is clearly spelt out.
- i) Suitable system is put in place to ensure that the identity of the customer does not match with any person or entity, whose name appears in the sanctions lists circulated by Reserve Bank of India.
- j) Where Permanent Account Number (PAN) is obtained, the same shall be verified from the verification facility of the issuing authority.

- k) Where an equivalent e-document is obtained from the customer, RE shall verify the digital signature as per the provisions of the Information Technology Act, 2000 (21 of 2000).

Customer Acceptance Policy shall not result in denial of banking/financial facility to members of the general public, especially those, who are financially or socially disadvantaged.

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

#### **3.2.1. General**

(a) Customer identification means undertaking client due diligence measures while commencing a loan based relationship including identifying and verifying the customer and the beneficial owner on the basis of one of the OVDs. The company need to obtain sufficient information to establish, to their satisfaction, the identity of each new customer, whether regular or occasional, and the purpose of the intended nature of the relationship. The company must be able to satisfy the competent authorities that due diligence was observed based on the risk profile of the customer in compliance with the extant guidelines in place. Such risk-based approach is considered necessary to avoid disproportionate cost to the company and a burdensome regime for the customers.

(b) The Company should have a policy approved by their Boards which should clearly spell out the Customer Identification Procedure to be carried out at different stages, i.e.,

- i. while establishing a lending relationship;
- ii. while carrying out a financial transaction;
- iii. when the company has a doubt about the authenticity or adequacy of the customer identification data it has obtained;
- iv. when company sell third party products as agents;

(c) The company shall seek 'mandatory' information required for KYC purpose which the customer is obliged to give while opening an account or during periodic updation. Other 'optional' customer details/additional information, if required, may be obtained separately after the account is opened only with the explicit consent of the customer.

#### **3.2.2. I. Customer Due Diligence requirements (CDD) while lending**

##### **A. Accounts of individuals:**

- (i) For lending to individuals, the company should obtain one certified copy of an 'officially valid document' (as mentioned at paragraph 2.3 above) containing details of identity and address, one recent photograph and such other documents pertaining to the nature of business and financial status of the customer as may be required by the bank/FI.
- (ii) E-KYC service of Unique Identification Authority of India (UIDAI) should also be accepted as a valid process for KYC verification under the PML Rules. The information containing demographic details and photographs made available from UIDAI as a result of e-KYC process is to be treated as an 'Officially Valid Document'. Under e-KYC, the UIDAI transfers the data of the individual comprising name, age, gender, and photograph of the individual, electronically to the bank/business correspondents/business facilitators, which may be accepted as valid process for KYC verification. The individual user, however, has to authorize to UIDAI by explicit consent to release her/his identity/address through biometric authentication to the banks/business correspondents/business facilitator. If the prospective customer knows only his/her Aadhaar number, the bank has to print the prospective customer's e-Aadhaar letter in the bank directly from the UIDAI portal; or adopt e-KYC procedure as mentioned above. If the prospective customer carries a copy of the e-Aadhaar downloaded from a place/source elsewhere, still the bank has to print the prospective customer's e-Aadhaar letter in the bank directly from the UIDAI portal or adopt e-KYC procedure as mentioned above or confirm the identity and address of the resident through the authentication service of UIDAI

(iii) **Simplified Measures for Proof of Identity:**

If an individual customer does not have any of the OVDs (as mentioned at paragraph 2.3 (i) above) as proof of identity, then the company shall adopt 'Simplified Measures' in respect of 'Low risk' customers, taking into consideration the type of customer, business relationship, nature and value of transactions based on the overall money laundering and terrorist financing risks involved. Accordingly, in respect of low risk category customers, where simplified measures are applied, it would be sufficient to obtain a certified copy of any one of the documents referred to at proviso to paragraph 2.3 (i) above., which shall be deemed as an OVD for the purpose of proof of identity.

(iv) **Simplified Measures for Proof of Address:**

The additional documents mentioned at 2.3(ii) above shall be deemed to be OVDs under 'simplified measure' for the 'low risk' customers for the limited purpose of proof of address where customers are unable to produce any OVD for the same.

(v) A customer is required to submit only one OVD for both proof of identity and for proof of address as part of KYC procedure. If the OVD submitted for proof of identity does not have the proof of address (for e.g., PAN Card), then the customer is required to submit another OVD for proof of address.

(vi) Similarly, a customer is required to submit only one OVD as proof of address (either current or permanent) for KYC purpose. In case the proof of address furnished by the customer is neither the local address nor the address where the customer is currently residing, the company should take a declaration from the customer of her/his local address on which all correspondence will be made by the company with the customer. No proof is required to be submitted by the customer for such address. This address, however, should be verified by the bank through 'positive confirmation' such as acknowledgment of receipt of letter, cheque books, ATM cards; telephonic conversation; visits to the place; etc. In the event of any change in this address due to relocation or any other reason, customers should intimate the new address for correspondence to the bank within two weeks of such a change.

(vii) In case the address mentioned as per 'proof of address' undergoes a change, fresh proof of address is to be submitted to the bank/FI within a period of six months.

(viii) In case of close relatives, e.g. husband, wife, son, daughter and parents, etc. who live with their wife, husband, father/mother, daughter and son, who do not have officially valid document for address verification, then, in such cases, banks/FIs should obtain OVD for proof of address and identity of the relative with whom the prospective customer is living together with a declaration from the relative that the said person (prospective customer) proposing to open an account is a relative and is staying with her/him.

(ix) Where a customer categorised as low risk expresses inability to complete the documentation requirements on account of any reason that the company considers to be genuine, and where it is essential not to interrupt the normal conduct of business, the company may complete the verification of identity within a period of six months from the date of establishment of the relationship.

(x) For the purpose of verifying the identity of customers at the time of commencement of a loan -based relationship, the company may rely on a third party subject to the conditions that-

1. The Company immediately obtains necessary information of such client due diligence carried out by the third party;
2. The company takes adequate steps to satisfy itself that copies of identification data and other relevant documentation relating to the client due diligence requirements will be made available from the third party upon request without delay;
3. The company is satisfied that such third party is regulated, supervised or monitored for, and has measures in place for compliance with client due diligence and record-keeping requirements in line with the requirements and obligations under the PML Act;
4. The third party is not based in a country or jurisdiction assessed as high risk and
5. The company is ultimately responsible for client due diligence and undertaking enhanced due diligence measures, as applicable.

## **B. Accounts of persons other than individuals:**

**(i) Where the customer is a company,** one certified copy each of the following documents are required for customer identification:

- (a) Certificate of incorporation;
- (b) Memorandum and Articles of Association;
- (c) A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf and
- (d) An officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf.

The company need to be vigilant against business entities being used by individuals as a 'front' for maintaining accounts with the company. The company should 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 will not be necessary to identify all the shareholders.

**(ii) Where the customer is a partnership firm,** one certified copy of the following documents is required for customer identification:

- (a) registration certificate;
- (b) partnership deed and
- (c) an officially valid document in respect of the person holding an attorney to transact on its behalf.

**(iii) Where the customer is a trust,** one certified copy of the following documents is required for customer identification:

- (a) registration certificate;
- (b) trust deed and
- (c) an officially valid document in respect of the person holding a power of attorney to transact on its behalf.

**(iv) Where the customer is an unincorporated association or a body of individuals,** one certified copy of the following documents is required for customer identification:

- (a) resolution of the managing body of such association or body of individuals;
- (b) power of attorney granted to transact on its behalf;
- (c) an officially valid document in respect of the person holding an attorney to transact on its behalf and
- (d) such information as may be required by the bank/FI to collectively establish the legal existence of such an association or body of individuals.

## **(v) Proprietary concerns:**

(1) For proprietary concerns, in addition to the OVD applicable to the individual (proprietor), any two of the following documents in the name of the proprietary concern are required to be submitted:

- a. Registration certificate
- b. Certificate/licence issued by the municipal authorities under Shop and Establishment Act.
- c. Sales and income tax returns.
- d. CST/VAT certificate.
- e. Certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities.
- f. License/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute.
- g. 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.
- h. Utility bills such as electricity, water, and landline telephone bills.

(2) Though the default rule is that any two documents, mentioned above, should be provided as activity proof by a proprietary concern, in cases where the company is satisfied that it is not possible to furnish two such documents, they would have the discretion to accept only one of those documents as activity proof. In such cases, the company, however, would have to undertake contact point verification, collect such information as would be required to establish the existence of such firm, confirm, clarify and satisfy themselves that the business activity has been verified from the address of the proprietary concern.

## **C. Beneficial ownership**

When the company identifies a customer for giving a loan, it should identify the beneficial owner(s) and take all reasonable steps in terms of Rule 9(3) of the PML Rules to verify his identity, as per guidelines provided below:

- (a) Where the **client is a company**, 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 exercises control through other means.

Explanation- For the purpose of this sub-clause-

1. "Controlling ownership interest" means ownership of/entitlement to more than 25 per cent of the shares or capital or profits of the company.
  2. "Control" shall include the 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.
- (b) Where the **client is a partnership firm**, 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.
  - (c) Where the **client is an unincorporated association or body of individuals**, 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.
  - (d) Where no natural person is identified under (a), (b) or (c) above, the beneficial owner is the relevant natural person who holds the position of senior managing official.
  - (e) Where the **client is a trust**, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with 15% or more

interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

- (f) Where the client 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.

There exists the possibility that trust/nominee or fiduciary accounts can be used to circumvent the customer identification procedures. In such cases, company should determine whether the customer is acting on behalf of another person as trustee/nominee or any other intermediary. If so, banks/FIs should insist on satisfactory evidence of the identity of the intermediaries and of the persons on whose behalf they are acting, as also obtain details of the nature of the trust or other arrangements in place. The different categories of beneficiaries should be identified as defined above. In the case of a 'foundation', steps should be taken to verify the founder managers/directors and the beneficiaries, if defined.

### **III. Periodic updation of KYC**

**A. CDD requirements for periodic updation:** Banks/FIs should carry out periodical updation of KYC information of every customer, which should include the following:

- i. KYC exercise should be done at least every two years for high risk customers, every eight years for medium risk customers and every ten years for low risk customers. Such KYC exercise may include all measures for confirming the identity and address and other particulars of the customer that the company may consider reasonable and necessary based on the risk profile of the customer, taking into account whether and when client due diligence measures were last undertaken and the adequacy of data obtained.
- ii. The company need not seek fresh proofs of identity and address at the time of periodic updation, from those customers who are categorised as 'low risk', in case there is no change in status with respect to their identities and addresses. A self-certification by the customer to that effect should suffice in such cases. In case of change of address of such 'low risk' customers, they could merely forward a certified copy of the document (proof of address) by mail/post, etc. The company should not insist on physical presence of such low risk customer at the time of periodic updation. The time limits prescribed at (i) above would apply from the date of opening of the account/ last verification of KYC.
- iii. Fresh photographs to be obtained from minor customer on becoming major.

### **3.3 Monitoring of Transactions**

#### **3.3.1 Ongoing monitoring**

Ongoing monitoring is an essential element of effective KYC/AML procedures. The company should exercise ongoing due diligence with respect to every customer and closely examine the transactions to ensure that they are consistent with the customer's profile and source of funds as per extant instructions. The ongoing due diligence may be based on the following principles:

- (a) The extent of monitoring will depend on the risk category of the account. High risk accounts have to be subjected to more intensified monitoring.
- (b) Banks/FIs should pay particular attention to the following types of transactions:
  - i. Large and complex transactions, and those with unusual patterns, which have no apparent economic rationale or legitimate purpose.
  - ii. Transactions which exceed the thresholds prescribed for specific categories of accounts.
  - iii. Transactions involving large amounts of cash inconsistent with the normal and expected activity of the customer.
  - iv. High account turnover inconsistent with the size of the balance maintained.

Where such features are noticed by the bank and in case they find such unusual operations in their accounts, the matter should be immediately reported to Reserve Bank and other appropriate authorities such as FIU-IND.

### **3.4. Risk Management**

**3.4.1** The company should exercise ongoing due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge about the clients, their business and risk profile and where necessary, the source of funds.

The Board of Directors should ensure that an effective AML/CFT programme is in place by establishing appropriate procedures and ensuring their effective implementation. It should cover proper management oversight, systems and controls, segregation of duties, training of staff and other related matters. In addition, the following may also be ensured for effectively implementing the AML/CFT requirements.

- i. Using a risk-based approach to address management and mitigation of various AML/CFT risks.
- ii. Allocation of responsibility for effective implementation of policies and procedures.
- iii. Independent evaluation by the compliance functions of the company's policies and procedures, including legal and regulatory requirements.
- iv. Concurrent/internal audit to verify the compliance with KYC/AML policies and procedures.
- v. Putting up consolidated note on such audits and compliance to the Audit Committee at quarterly intervals.

**3.4.2 (a)** Banks/FIs should prepare a profile for each new customer based on risk categorization. The customer profile should contain information relating to customer's identity, social/financial status, nature of business activity, information about the clients' business and their location etc. The nature and extent of due diligence will depend on the risk perceived by the company.

(b) The company should categorize their customers into low, medium and high risk category based on their assessment and risk perception of the customers, identifying transactions that fall outside the regular pattern of activity and not merely based on any group or class they belong to. The company are advised to have clear Board approved policies for risk categorization and ensure that the same are meticulously complied with to effectively help in combating money laundering activities. The nature and extent of due diligence, may be based on the following principles:

- i. Individuals (other than High Net Worth) and entities, whose identity and source of income, can be easily identified, and customers in whose accounts the transactions conform to the known profile, may be categorised as low risk. Illustrative examples include salaried employees and pensioners, people belonging to lower economic strata, government departments and government owned companies, regulators and statutory bodies, etc. Further, Non-Profit Organizations (NPOs)/ Non-Government Organizations (NGOs) promoted by the United Nations or its agencies, and such international/ multilateral organizations of repute, may also be classified as low risk customers.
- ii. Customers who are likely to pose a higher than average risk should be categorised as medium or high risk depending on the background, nature and location of activity, country of origin, sources of funds, customer profile, etc. Customers requiring very high level of monitoring, e.g., those involved in cash intensive business, Politically Exposed Persons (PEPs) of foreign origin, may, if considered necessary, be categorised as high risk.

The above guidelines for risk categorization are indicative and the company shall use their own judgment in arriving at the categorization for each account based on their own assessment and risk perception of the customers and not merely based on any group or class they belong to. Banks may use for guidance in their own risk assessment, the reports and guidance notes on KYC/AML issued by the Indian Banks Association.



#### **4. Maintenance of KYC documents and Preservation period**

PML Act and Rules cast certain obligations on the company in regard to maintenance, preservation and reporting of customer account information. In this regard the company shall follow the following guidelines.

##### **4.1 Maintenance of records of transactions**

The company should 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), as mentioned below:

- i. All cash transactions of the value of more than Rupees Ten Lakh or its equivalent in foreign currency;
- ii. Series of all cash transactions individually valued below Rupees Ten Lakh, or its equivalent in foreign currency which are that have taken place within a month and the monthly aggregate which exceeds rupees ten lakhs or its equivalent in foreign currency. It is clarified that for determining 'integrally connected transactions' 'all accounts of the same customer' should be taken into account.
- iii. 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 transaction and
- iv. All suspicious transactions, whether or not in cash, made as mentioned in the Rules.

The company will also maintain all necessary information in respect of transactions prescribed under PML Rule 3 so as to permit reconstruction of individual transaction, including the following information:

- 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.

##### **4.2 Preservation of Records**

The company will take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities

- i. In terms of PML Amendment Act 2012, the company will maintain for at least five years from the date of transaction between the company and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved, if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.
- ii. The company will ensure that records pertaining to the identification of the customers and their address (e.g. copies of documents like passports, identity cards, driving licenses, PAN card, utility bills, etc.) obtained while opening the account and during the course of business relationship, are properly preserved for at least five years after the business relationship is ended as required under Rule 10 of the Rules *ibid*. The identification of records and transaction data should be made available to the competent authorities upon request.
- iii. The company will maintain records of the identity of their clients, and records in respect of transactions referred to in Rule 3 in hard or soft format.
- iv. As mentioned in paragraph 3.3.1(i) of this Master Circular, the company will pay special attention to all complex, unusual large transactions and all unusual patterns of transactions, which have no apparent economic or visible lawful purpose. It is further clarified that the background including all documents/office records/memorandums pertaining to such transactions and purpose thereof should, as far as possible, be examined and the findings at

branch as well as Principal Officer level should be properly recorded. Such records and related documents should be made available to help auditors to scrutinize the transactions and also to Reserve Bank/other relevant authorities. These records are required to be preserved for five years as is required under PMLA, 2002.

## **5. General Guidelines**

### **(i) Confidentiality of customer information:**

Information collected from customers for the purpose of lending shall be treated as confidential and details thereof should not be divulged for the purpose of cross selling, etc. Information sought from the customer should be relevant to the perceived risk and be non-intrusive. Any other information that is sought from the customer should be called for separately only after the account has been opened, with his/her express consent and in a different form, distinctly separate from the application form. It should be indicated clearly to the customer that providing such information is optional.

### **(ii) Avoiding hardship to customers:**

While issuing operational instructions to branches, the company should keep in mind the spirit of the instructions issued by the Reserve Bank so as to avoid undue hardships to individuals who are otherwise classified as low risk customers.

### **(iii) Sensitizing customers:**

Implementation of AML/CFT policy may require certain information from customers of a personal nature or which had not been called for earlier. The purpose of collecting such information could be questioned by the customer and may often lead to avoidable complaints and litigation. The company should, therefore, prepare specific literature/pamphlets, etc., to educate the customer regarding the objectives of the AML/CFT requirements for which their cooperation is solicited.

### **(iv) Hiring of Employees**

It may be appreciated that KYC norms have been prescribed to ensure that criminals are not allowed to misuse the company channels. It would, therefore, be necessary that adequate screening mechanism is put in place by company as an integral part of their personnel recruitment/hiring process.

### **(v) Employee training:**

The company has an ongoing employee training programme so that the members of staff are adequately trained in AML/CFT policy. The focus of the training should be different for frontline staff, compliance staff and staff dealing with new customers. The front desk staff needs to be specially trained to handle issues arising from lack of customer education. Proper staffing of the audit function with persons adequately trained and well-versed in AML/CFT policies of the bank, regulation and related issues should be ensured.

### **(vi) Designated Director:**

The company has nominated a Director on their Boards as “designated Director”, as required under provisions of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (Rules), to ensure compliance with the obligations under the Act and Rules. The name, designation and address of the Designated Director may be communicated to the FIU-IND.

**(vii) Principal Officer:**

The company has appointed a senior officer as Principal Officer (PO). The PO should be independent and report directly to the senior management or to the Board of Directors. The PO shall 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 may be communicated to the FIU-IND.

For INCLUSION FINANCE PRIVATE LTD.



VISHAL MEHTA  
DIRECTOR

Place: Gurgaon

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