



LOANZEN FINANCE PVT LTD

CIN: U65999KA2017PTC100666 | www.loanzen.in

Office: No. 445/1 2nd Floor , 6th Cross Road , Jayanagar 7th Block, West of Kanakapura road
Bangalore-560070

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**Policy Manual on Prevention of Money Laundering Act, 2002(PMLA) and on 'Know Your Customer'
(KYC)**

Introduction:

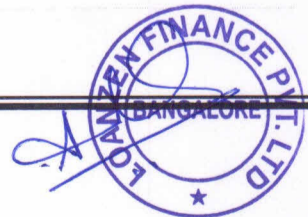
Loanzen Finance Private Limited (hereinafter referred as “LFPL” “the Company”) is a Non-Banking Financial Company (non-deposit taking and non-systemically important) registered with the Reserve Bank of India. The Company is engaged in financing operations, lend and advance money and assets of all kinds or give credit on any terms or mode and perform financing services for leasing and hire purchase transactions, lend and advance money and give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity and carrying the business of making, extending sanctioning and investing within or outside India.

The entire program including the framing and implementation of this Policy has been undertaken as a corporate goal pursuant to requirement under the Prevention of Money Laundering Act, 2002 and on 'Know Your Customer' guidelines framed there under followed by RBI/DBR/2015-16/18 Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 (“**KYC Master Directions**”).

This policy document is prepared in line with the RBI guidelines and incorporates LFPL's approach to customer identification procedures, customer profiling based on the risk perception and monitoring of transactions on an ongoing basis. The objective of these guidelines is to prevent LFPL from being used, intentionally or unintentionally, by criminal elements for money laundering activities.

Objectives of Anti Money Laundering Policy (“AML”) and Know your Customer (“KYC”) Policy:

- To lay down explicit criteria for acceptance of customers;
- To establish procedures to verify the bona-fide identification of individuals/ non individual customers and their residential address/place of business and conduct customer due diligence (CDD) based on the risk factor associated with each customer, if any;
- To establish processes and procedures to monitor high value cash transactions and /or transactions of suspicious nature and establishing policy framework for enhanced monitoring of accounts suspected of having terrorist links and swift identification of the transactions and report the same to the Financial Intelligence Unit- India (FIU- IND), if required; verification and maintenance of records of transactions of customers in accordance with PMLA and the Rules made thereunder.;





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- To put in place a system of checks and balances and appropriate controls 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 the 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 in accordance with applicable laws/laid down procedures;
- To have in place a system of assessing and monitoring the risk factors associated with each customer, if any;
- To comply with applicable laws and regulatory guidelines; and
- To take necessary steps to ensure that the concerned staff are adequately trained in KYC/AML procedures.

Definition of Customer:

For the purpose of this policy:-

“Beneficial Owner (BO)” means:

a. Where the **customer 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 exercise control through other means.

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 **customer 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 **customer 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.

Explanation: Term ‘body of individuals’ includes societies. Where no natural person is identified under (a), (b), (c) above, the beneficial owner is the relevant natural person who holds the position of senior managing official.





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d. Where the **customer 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.

“**Customer**” means 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.

Other terms not specifically defined here shall have the same meaning as assigned to them under the KYC Directions, 2016 or the PMLA.

Customer Acceptance Policy (CAP):

Customers, if any, who are acceptable to the Company as per the risk categorization should fulfil 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.

Additionally, the Company will have to ensure that elaborate standard procedures are in place for the following aspects of customer relationships.

1. Without prejudice to the generality of the aspect that Customer Acceptance Policy may contain, and shall ensure that:
 - a. a proper customer due diligence (“CDD”) (as prescribed in the KYC Directions, 2016) exercise is carried out, at the time of acceptance of customers and there is no account which is opened in anonymous or fictitious/benami name.
 - b. No account is opened where the Company 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. CDD Procedure is followed for all the joint account holders, while opening a joint account.
 - g. Circumstances in which, a customer is permitted to act on behalf of another person/entity, is clearly spelt out. In the event, the customer is permitted to act on behalf of another person/entity,





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the Company shall verify that the customer has the necessary authority to do so by scrutinizing the authorizing document(s).

h. 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.

2. 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. The Company shall comply with the CDD measures as prescribed by the RBI for sole proprietary firms, legal entities and beneficial owners in the KYC Master Directions.

Customer Identification Procedure (CIP):

Customer identification means identifying the customer and verifying his/ her/ its identity by using reliable, independent source documents, data or information. The Company must obtain the necessary information to establish the identity of each new customer, whether regular or occasional and the purpose of the intended nature of relationship.

The Company shall undertake the customer identification procedure duly in respect of all such relationships between the customers and the Company as have been prescribed below:

- (a) Commencement of an account-based relationship with the customer.
- (b) Carrying out any international money transfer operations for a person who is not an account holder of the bank.
- (c) When there is a doubt about the authenticity or adequacy of the customer identification data it has obtained.
- (d) 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.
- (e) Carrying out transactions for a non-account based customer, that is a walk-in customer, where the amount involved is equal to or exceeds rupees fifty thousand, whether conducted as a single transaction or several transactions that appear to be connected.
- (f) When the company has reason to believe that a customer (account- based or walk-in) is intentionally structuring a transaction into a series of transactions below the threshold of rupees fifty thousand.

The Company shall be adequately satisfied with the information furnished by each new customer with respect to identity of the customer and the purpose of the intended nature of relationship with the Company. The satisfaction of the Company with respect to the information/ documents furnished by the customers should be such that if circumstances necessitate, the Company shall ensure that it is in





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a position to satisfy the competent authorities that Customer Due Diligence was duly observed by the Company, based on the risk profile/categorization of the customer.

As stated in the Customer Acceptance Policy, the Company shall ensure that its customer is not a fictitious person by verifying the identity of the customer through documentation OVD 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 any person with known criminal background or with banned entities, such as individual terrorists or terrorist organizations or with any person or entity, whose name appears in the sanctions lists circulated by Reserve Bank of India.

One or more self-attested documents may be called for from the customers as OVD containing details of proof of their identity and address as per Annexure-A. Provided that, the customers shall not be required to furnish an additional OVD, if the OVD submitted by the customer for KYC contains both proof of identity and proof of address.

The e-KYC service of Unique Identification Authority of India (UIDAI) shall be accepted as a valid process for KYC verification under the Prevention of Money Laundering ('PML') Rules. Business relationships established by using One Time Pin ('OTP') based e-KYC, shall be subject to the terms and conditions as prescribed by the RBI from time to time.

The Company shall adhere to the 'Simplified procedure for establishing business relationships by Non-Banking Finance Companies (NBFCs)' as stipulated in the KYC Directions, 2016.

In case the Company has, for the purposes of the CDD, relied on any third party, its shall ensure that:

- Necessary information of such customers' due diligence carried out by the third party is immediately obtained by the Company.
- Adequate steps are taken by the Company to satisfy themselves that copies of identification data and other relevant documentation relating to the customer due diligence requirements shall be made available from the third party upon request without delay.
- The third party is regulated, supervised or monitored for, and has measures in place for, compliance with customer due diligence and record-keeping requirements in line with the requirements and obligations under the PML Act.
- The third party shall not be based in a country or jurisdiction assessed as high risk.
- The ultimate responsibility for customer due diligence and undertaking enhanced due diligence measures, as applicable, will be with the Company.

While undertaking customer identification, the Company would ensure that:

- Decision making functions of determining compliance with the KYC norms will not be outsourced.





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- Introduction will not be sought while establishing business relationships.
- The customers shall not be required to furnish an additional OVD, if the OVD submitted by the customer for KYC contains both proof of identity and proof of address.
- A customer shall not be required to furnish separate proof of current address, if it is different from the address recorded in the OVD, in such cases, the Company shall merely obtain a declaration from the customer indicating the address to which all correspondence would be made by the Company.
- The local address for correspondence, for which their proof of address is not available, shall be verified through 'positive confirmation' such as acknowledgment of receipt of letter, cheque books, ATM cards, telephonic conversation, visits to the place, or the like.
- In case it is observed that the address mentioned as per 'proof of address' has undergone a change, REs shall ensure that fresh proof of address is obtained within a period of six months.

As part of customer identification procedures, the Company shall ensure that sufficient information is obtained on the nature of the business that the customer expects to undertake and any expected or predictable pattern of transactions. The information collected will be used for profiling the customer.

- Identity to be verified for:
 - The named account holder
 - Beneficial owners
 - Signatories to an account and
 - Intermediate parties.
- The Customer Identification Procedures are to be carried out at the following stages:
 - While establishing a relationship with the customer; and
 - When the Company feels it is necessary to obtain additional information from the existing customers based on the conduct or behavior.

On-going Due Diligence:

The Company shall undertake on-going due diligence of customers to ensure that their transactions are consistent with their 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.

Customer Due Diligence:

Natural Persons:





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For customers that are natural persons, LFPL or its branch should obtain sufficient identification data to verify the identity of the customer, his address/location and also his recent photograph. Please refer to the Annexure. The information collected from customers for the purpose of establishing business relationships shall be treated as confidential and details thereof shall not be divulged for the purpose of cross selling, or for any other purpose without the express permission of the customer.

The e-KYC service of Unique Identification Authority of India (UIDAI) shall be accepted as a valid process for KYC verification under the Prevention of Money Laundering ('PML') Rules. Accounts opened by using One Time Pin ('OTP') based e-KYC, shall be subject to the terms and conditions as prescribed by the RBI from time to time.

The Company shall print/download directly, the prospective customer's e-Aadhaar letter from the UIDAI portal, if such a customer knows only his/her Aadhaar number or if the customer carries only a copy of Aadhaar downloaded from a place/source elsewhere, provided, the prospective customer is physically present in the branch of the Company.

A copy of the marriage certificate issued by the State Government or Gazette notification indicating change in name together with a certified copy of the 'officially valid document' in the existing name of the person shall be obtained for proof of address and identity, while establishing an account based relationship or while undertaking periodic updation exercise in cases of persons who change their names on account of marriage or otherwise.

In cases 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 shall, at its option, complete the verification of identity of the customer within a period of six months from the date of establishment of the relationship.

In respect of customers who are categorised as 'low risk' and are not able to produce any of the OVDs mentioned at Section 3(a)(vi) of Chapter I of the KYC Master Direction and where 'simplified procedure' is applied, the Company shall, accept any one document from each of the two additional sets of documents listed under the two provisos of sub-Rule 2(1)(d) of the KYC Master Direction.

During the periodic review, if the 'low risk' category customer for whom simplified procedure is applied, is re-categorised as 'moderate or "high' risk category, then the Company shall obtain one of the six OVDs listed at Section 3(a)(vi) of the KYC Master Directions for proof of identity and proof of address immediately.

If an existing KYC compliant customer of the Company desires to open another account with the same Company, there shall be no need for a fresh CDD exercise.





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KYC verification once done by one branch/office of the Company shall be valid for transfer of the account to any other branch/office of the Company, provided full KYC verification has already been done for the concerned account and the same is not due for periodic updation and a self-declaration from the account holder about his/her current address is obtained in such cases.

Legal Persons or Entities:

The Company must verify the legal status of the legal person/ entity through proper and relevant documents as indicated in the Annexure. The Company must verify the identity of any person purporting to act on behalf of the legal person/entity and whether he/ she is so authorized and understand the ownership and control structure of the customer and determine who are the natural persons who ultimately control the legal person.

In the case of non-face-to-face customers, apart from applying the usual customer identification procedures, adequate care must be taken to mitigate the higher risk involved. Certification of all the documents presented must be insisted upon and, if necessary, additional documents may be called for.

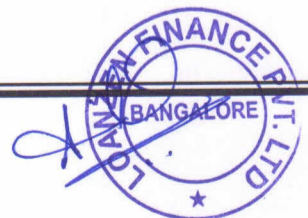
For various types of non-individual the documents stated against their names in Annexure and any other documents/ introduction that the Company feels necessary to comply with KYC guidelines will be obtained for identification.

As part of the CDD in respect of the following legal entities, the Company shall obtain the various documents as set out in the Annexure A below:

- Company;
- Partnership firm;
- Trust;
- Unincorporated association or a body of individual; and
- Juridical persons.

Sole Proprietary firms:

For customers that are Sole Proprietary firms, the Company or its branch should obtain sufficient identification data to verify the identity of the customer, please refer to the Annexure for the details.





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For establishing a business relationship in case of a sole proprietary firm, a certified copy of an OVD as mentioned in Annexure A, containing details of identity and address of the individual (proprietor) shall be obtained.

In addition to the above, any two of the documents as mentioned in the Annexure A, shall be obtained as a proof of business/ activity in the name of the proprietary firm shall also be obtained.

In cases where the Company is satisfied that it is not possible to furnish two such documents, Company may, at their discretion, accept only one of those documents as proof of business/activity.

Provided that, the Company shall undertake contact point verification and collect such other information and clarification as would be required to establish the existence of such firm, and shall confirm and satisfy itself that the business activity has been verified from the address of the proprietary concern.

Beneficial Owner:

For establishing business relationships in case of a Legal Person who is not a natural person, the beneficial owner(s) shall be identified and all reasonable steps in terms of Rule 9(3) of the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 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 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 as set out in Annexure A below.

KYC for the Existing Customers:

These guidelines are applicable to all the customers; the Company should apply the same to the existing customers on the basis of materiality and risk. However, transactions of the existing customers should be continuously monitored. It must be ensured that all the existing customers are





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subjected to minimum KYC standards which would establish the identity of the natural/legal person and those of the 'beneficial owners'.

Customer Profile:

For the purpose of exercising due diligence on individual transactions in accounts, a 'Customer Profile' of individual customers will be included in the loan application. The customer profile will contain information relating to the customers identity, bank account details, social/ financial status, nature of business activity, etc.

Accounts of Politically Exposed Persons (PEPs):

Politically Exposed Persons ('PEPs') are individuals, who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States/Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. Decision to deal with such persons as a customer shall be taken directly to by the senior level and shall be subjected to enhanced monitoring. The decision of establishing a relationship with PEP shall be subject to the conditions and compliance with the KYC Master Directions. The Company shall comply with the enhanced due diligence procedures specified by the RBI in the KYC Master Directions in relation to accounts of non-face-to-face customers and client accounts opened by professional intermediaries. Simplified norms for self-help groups, foreign students, and foreign portfolio investors shall also be complied with.

Information obtained from Customers:

All the information collected from the customers, if any, by the Company shall be kept confidential and all such information shall be treated as per the agreement/terms and conditions signed by the customers. Further, the additional information sought (if any) from each customer should shall be relevant to the risk perceived in respect of that particular customer, should shall not be intrusive and should shall be in line with the guidelines issued by the RBI in on that behalf. The Company shall maintain confidentiality of information as provided in Section 45NB of RBI Act 1934.

Customer Education:

The Company must take adequate measures to educate the customer on the objectives of the KYC program, especially at the time of obtaining sensitive or personal information from the customers. Wherever the Company desires to collect any information about the customer for the purpose other than KYC requirement, it will not form part of the account opening form. Such information will be





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collected separately, purely on a voluntary basis in a form prescribed by the Company after explaining the objective to the customer and taking the customer's express approval for the specific uses to which such information could be put. The front desk staff must be specially trained to handle such situations while dealing with customers. The Company will also take care to see that implementation of the KYC guidelines in respect of customer acceptance, identification etc. do not result in denial of opening of new accounts and housing services to general public.

Risk Management:

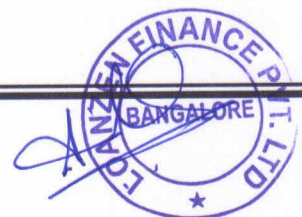
- The Company may, at its discretion, identify additional factors/ information that it may wish to utilize for customer acceptance collected from customers based on risk profile determined by the Company. For Risk Management, the company shall have a risk based approach which includes the following:
 - (a) The Company shall categorize its customers, if any, into 'High Risk / Medium Risk / Low Risk' according to risk perceived based on its experience and review it from time to time. The Company shall devise procedures for creating risk profiles of its new customers and apply various Anti-Money Laundering measures keeping in view the risks involved in a financial transaction or a business relationship.
 - (b) Risk categorization shall be undertaken based on parameters such as customer's identity, social/financial status, nature of business activity, and information about the clients' business and their location, mode of payments, volume of turnover, social / financial status and credit history. While considering customer's identity, the ability to confirm identity documents through online or other services offered by issuing authorities may also be factored in. The risk categorization will be reviewed periodically at the frequency specified in this regard by the RBI.

Provided that various other information collected from different categories of customers relating to the perceived risk, is non-intrusive and the same is specified in the KYC policy.

- The Company shall exercise caution with respect to the transactions with persons (including legal persons and other financial institutions) from the countries which have been identified by the Financial Action Task Force ('FATF') as high risk and non-cooperative jurisdictions with respect to compliance with the FATF Recommendations, 2012.

Identification of High Value/ Suspicious Transactions / Terrorism Finance:

Ongoing monitoring is an essential element of effective KYC procedure. Company can effectively control and reduce its risk only if it has an understanding of the normal and reasonable activity of the





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customer so that it has the means of identifying transactions that fall outside the regular pattern of activity.

Monitoring of Cash Transactions and Transactions of Suspicious Nature:

The Company must pay special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose. The Company must also have understanding of the normal and reasonable activity of the customer so that they have the means of identifying transactions that fall outside the regular pattern of activity in order to effectively control and reduce the risk. Transactions that involve large amounts of cash inconsistent with the normal and expected activity of the customer and exceed the thresholds prescribed for specific categories of accounts will be subjected to detailed scrutiny. Apart from the mentioned transactions, transactions that involve high account turnover inconsistent with the size of the balance maintained and deposits of third party cheques, drafts, etc. in the existing and newly opened accounts followed by cash withdrawals for large amounts shall also be monitored.

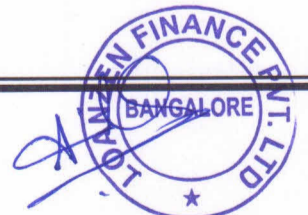
After due diligence at the appropriate level in the Company, transactions of suspicious nature and/or any other type of transaction notified under PML Act, 2002 will be reported to the appropriate authority and a record of such transactions will be preserved and maintained for a period as prescribed in the Act.

The Company must ensure that proper records of all cash transactions of Rs. 10 lakhs and above. The branches must report such transactions and other transactions of suspicious nature to the Corporate Office of the Company on a fortnightly basis.

The cash transactions will be monitored in the following manner:

The transactions involving cash withdrawals and/ or cash deposits for Rs.10 lakhs and above or Rupee equivalent in Foreign Currency in deposit or loan accounts as well as all series of cash transactions integrally connected to each other which have been valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds rupees ten lakh; will be monitored closely by the branches and the record of details of such transactions will be kept in separate register and must be reported to the Principal Officer.

Suspicious Transactions means a transaction whether or not made in cash which, to a person acting in good faith-





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- Gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or
- Appears to be made in circumstances of unusual or unjustified complexity; or
- Appears to have no economic rationale or bonafide purpose.

All the transactions of suspicious nature, irrespective of any monetary ceiling (whether more than ten lakh or not), whether or not made in cash should be reported to the Principal Officer of the Company.

Internal Audit Functions:

The Internal Auditors of the Company must be well versed with the KYC policies and must ensure adherence to the KYC procedures. The Internal Auditors should verify the application of the KYC procedures at all the branches and comment on the lapses observed in this regard. The compliance of the KYC guidelines and the specific cases of violation must be put before the Audit Committee of the Board at regular intervals. The Company's internal audit and compliance functions shall play an important role in evaluating and ensuring adherence to KYC policies and procedure, including legal and regulatory requirement. The compliance in this regard is being and will continue to be monitored and audit notes and compliance reporting shall be made before the Board and later after formation of the Audit Committee, the same shall be placed before the Audit Committee .

Appointment of Principal Officer and Designated Director:

The Company has appointed Ms. Anshika Arora, as the 'Principal Officer/s' designate who will be responsible for reporting all Cash and Suspicious transactions to the Director Financial Intelligence Unit (FIU) and sharing of information. They will also be responsible to ensure that proper steps are taken to fix accountability for serious lapses and intentional contraventions of the KYC guidelines.

The Company has appointed Mr. Anil Sundaramurthy as the Designated Director as per the requirements of the KYC Master Directions.

Training to Employees:

The Company shall have an ongoing employee training program so that the members of the staff are adequately trained in KYC procedures. Training requirements will have different focuses for frontline staff, compliance staff and staff dealing with new customers. It is crucial that all those concerned fully understand the rationale behind the KYC policies and implement them consistently and effectively.





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Periodic Updation

Periodic updation shall be carried out at least once every two years, for high risk customers, if any, once every eight years, for medium risk customers, if any and once every ten years, for low risk customers, if any, in accordance with and subject to the conditions prescribed in the KYC Master Directions. For details regarding the documents required for the updation, please refer to Annexure A below.

Preservation of Records:

The Company shall take steps as prescribed in the KYC Directions, 2016 including, but not limited to, taking appropriate steps to evolve a system for proper maintenance and preservation of customer and his address (e.g. copies of documents like passports, identity cards, driving licenses, PAN, utility bills etc.) information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities in accordance with the provisions of Prevention of Money Laundering Act, 2002 and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, respectively and amendments thereto. Further, the Company must maintain all necessary records including the records pertaining to the identification of customers and their addresses obtained during the course of business relationship for **at least six years** from the date of cessation of transaction between the Company and the customer, so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

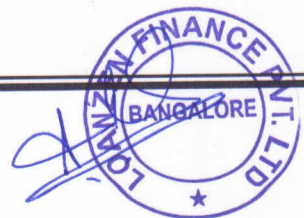
The following records must be preserved by the Company.

- The nature of the transactions;
- The amount of the transaction and the currency in which it was denominated;
- The date on which the transaction was conducted; and
- The parties to the transaction.

Other Requirements:

Requirements/obligations under International Agreement Communications from International Agencies:

The Company shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967, they do not have a business relationship with the individuals/entities appearing in the lists





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of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the United Nations Security Council (UNSC). The details of the two lists are as under:

(a) The "ISIL (Da'esh) & Al-Qaida Sanctions List", which includes names of individuals and entities associated with the Al-Qaida. The updated ISIL & AlQaida Sanctions List is available at <https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated>.

(b) The "1988 Sanctions List", consisting of individuals (Section A of the consolidated list) and entities (Section B) associated with the Taliban which is available at <https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated>.

The company shall report all details of any such individuals/entities in the lists to FIU-IND apart from advising Ministry of Home Affairs as required under UAPA notification dated August 27, 2009.

In addition to the above, the Company shall also take note of other UNSCRs circulated by the Reserve Bank in respect of any other jurisdictions/ entities from time to time.

In case of freezing of Assets under Section 51A of Unlawful Activities (Prevention) Act, 1967, the procedure laid down in the UAPA Order dated August 27, 2009 as set out in the Annexure I of the 2016 Master Direction for KYC shall be strictly followed and meticulous compliance with the Order issued by the Government shall be ensured.

The Company shall also consider the FATF Statements circulated by Reserve Bank of India from time to time, and publicly available information, for identifying countries, which do not or insufficiently apply the FATF Recommendations. Risks arising from the deficiencies in AML/CFT regime of the jurisdictions included in the FATF Statement shall be taken into account.

Special attention shall be given by the Company to business relationships and transactions with persons (including legal persons and other financial institutions) from or in countries that do not or insufficiently apply the FATF Recommendations and jurisdictions included in FATF Statements.

However, the process referred to in the aforementioned clauses do not preclude the Company from having legitimate trade and business transactions with the countries and jurisdictions mentioned in the FATF statement.

The background and purpose of transactions with persons (including legal persons and other financial institutions) from jurisdictions included in FATF Statements and countries that do not or insufficiently apply the FATF Recommendations shall be examined, and written findings together with all





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documents shall be retained and shall be made available to Reserve Bank/other relevant authorities, on request.

b) The Company shall capture the KYC information for sharing with the Central KYC Records Registry in the manner prescribed in the Rules, as required by the revised KYC templates prepared for 'individuals' and 'Legal Entities' as the case may be. The Company shall upload the KYC data pertaining to all new individual accounts opened on or after from April 1, 2017 with the Central Registry of Securitisation Asset Reconstruction and Security Interest ('CERSAI') in terms of the provisions of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

c) The Company shall pay adequate attention towards any money-laundering and financing of terrorism threats that may arise from new or developing technologies and it shall be ensured that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies.

Compliance:

Considering the objectives and purpose of the KYC policy and AML measures, all the executives and the staff dealing with the customers are required to implement this policy effectively and with immediate effect. In case of any changes/ amendment in the aforesaid guidelines which are inconsistent with the Policy, such amended directions would prevail over the Policy. The Directors are severally authorized to amend this Policy, which shall be placed before the Board for their approval.

For reference the Master Direction - Know Your Customer (KYC) Direction, 2016, Master Direction DBR.AML.BC.No.81/14.01.001/2015-16, is annexed to the policy manual.

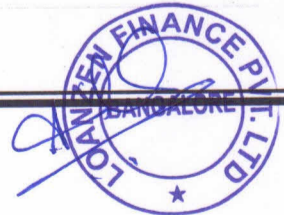
General:

In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference shall be made to the Chairman of Grievance Forum. In all such matters, the interpretation and decision of the Chairman shall be final. The Company reserves the right to modify, cancel, add, or amend any clause of this Policy as set out above at any time without assigning reason thereof.

Annexure-A

Following is the list of the Officially Valid Documents ('OVD'):-

Type of Customer	Officially Valid Documents
	Identity Proof: (Copy of one of the following)





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In case of individuals, if any	<ul style="list-style-type: none">• Passport• Driving License• Income Tax PAN Card• Voter's Identity Card• Aadhar Card <p>Residence Proof: (Copy of one of the following)</p> <ul style="list-style-type: none">• Utility Bill (Latest Telephone / Post-paid mobile / Electricity bill)• Property or Municipal Tax receipt• Bank Account or post office savings bank account statement• Passport• Driving License• Voter's Identity Card• Aadhar Card <p>A copy of the marriage certificate or Gazette notification, in case of change in name.</p>
In case of Non-individual (As applicable)	<p>Identity & Residence proof (Copies of the following)</p> <ul style="list-style-type: none">• Income Tax PAN Card• Incorporation Certificate & Memorandum & Articles of Association (Registration Certificate & Deed, in case of Partnership firm/Trust)• CST/VAT/GST/CGST/IGST//SGST/UTGST/Service Tax registration / Shops & Establishment Certificate, as applicable• List of Directors/Partners/Trustees along with their OVDs as above.• Latest shareholding pattern, along with the list of major shareholders having more than 25% of holding, in case of company.• Utility bill
Sole Proprietary firms	<ul style="list-style-type: none">➤ A certified copy of an OVD [●]➤ Documents required as a proof of business/ activity in the name of the proprietary firm:<ul style="list-style-type: none">• Registration certificate





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	<ul style="list-style-type: none">• Certificate/licence issued by the municipal authorities under Shop and Establishment Act.• Sales and income tax returns.• CST/VAT certificate.• 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 / 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, and landline telephone bills.
<i>Legal Entities</i>	
Company	Copy of each of the following: <ul style="list-style-type: none">• Certificate of incorporation.• Permanent Account Number (PAN)• Memorandum and Articles of Association.• A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf.• Officially valid documents in respect of managers, officers or employees holding an attorney to transact on its behalf
Partnership Firm	Copy of each of the following: <ul style="list-style-type: none">• Registration certificate.• Permanent Account Number (PAN)• Partnership deed.• Officially valid documents in respect of the person holding an attorney to transact on its behalf.
Trust	Copy of each of the following: <ul style="list-style-type: none">• Registration certificate.• Permanent Account Number or Form No.60 of the trust