



DHANALAKSHMI HIRE PURCHASE AND LEASING LIMITED

Know Your Customer (KYC) Policy

Date of policy/ Review: 10/08/2026

Approved by: Board of Directors

Review Frequency: At least annually

1. OBJECTIVE & GOVERNANCE STRUCTURE

This policy ensures that the company complies with the RBI Master Direction on KYC, the Prevention of Money Laundering Act (PMLA), 2002, and scale-based regulatory frameworks for Base Layer NBFCs.

- **Board Approval:** The Board of Directors holds sole authority to approve, amend, and review this policy annually.
- **Principal Officer (PO):** The Board shall designate Principal Officer of the company who is responsible for monitoring transaction trends, ensures day-to-day compliance, and interfaces with regulatory bodies.
- **Designated Director:** The Board shall also appoint Designated Director to ensure overall institutional compliance with the obligations under PMLA.

2. CUSTOMER ACCEPTANCE POLICY (CAP)

The company shall implement strict onboarding rules to prevent systemic credit fraud and money laundering:

- **Identity Safeguards:** No loan account shall be opened under anonymous, fictitious, or *benami* names.
- **Documentation Pre-requisite:** No loan facility shall be approved or disbursed unless the full Customer Identification Procedure (CIP) is successfully completed.
- **Sanction Screening:** Every loan applicant's name must be screened against the standard RBI/FIU-IND blacklists, United Nations Security Council (UNSC) sanctions list, and domestic terrorist schedules before onboarding.
- **Politically Exposed Persons (PEPs):** Onboarding of PEPs (e.g., senior politicians, govt officials) requires prior approval from the Principal Officer / Managing Director and undergoes Enhanced Due Diligence (EDD).



Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer)
Directions as amended time to time shall be applicable

3. CUSTOMER IDENTIFICATION PROCEDURE (CIP)

As a lending institution, identity must be verified using **Officially Valid Documents (OVDs)** prior to the disbursement of credit.

A. Individual Borrowers

- **Primary Identity & Address:** Collection of one OVD: Passport, Driving License, Voter ID Card, or Aadhaar Card (with numbers redacted/masked as per guidelines).
- **Tax Identification:** Mandatory collection and verification of the Permanent Account Number (**PAN Card**) or Form 60.
- **Photo graph:** Photo graph of the customer shall be captured in system:

B. Sole Proprietorships

- **Documents Required:** PAN of the proprietor and any **two** proofs of business activity (e.g., GST Registration, Shop & Establishment Act License, Utility Bills in the name of the firm, IEC certificate).

C. Legal Entities (Corporate / Partnership Borrowers)

- **Corporate Profile:** Certificate of Incorporation, Memorandum and Articles of Association (MoA/AoA), PAN card of the entity, and a valid Board Resolution authorizing the loan transaction.
 - **Beneficial Ownership (BO):** Identify and collect KYC documents for any individual holding ultimate economic interest or voting control of **10% or more** in the borrowing entity.
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4. CENTRAL KYC RECORDS REGISTRY (CKYCR)

To optimize operating costs and reduce turnaround times (TAT), [Company Name] fully integrates with CERSAI's Central KYC portal:

- **Pre-Onboarding Search:** Search CKYCR using the borrower's identity credentials. If a 14-digit **KYC Identifier Number (KIN)** is active, download the profile to instantly process the loan application.



- **Mandatory Portal Upload:** If the borrower is new to the central registry, digitize and upload their KYC data onto the CKYCR portal within the stipulated time.
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5. RISK CATEGORISATION & RE-KYC CADENCE

Every borrower must be categorized into a risk bracket at onboarding based on financial status, geography, and occupation.

Risk Tier Definitions

- **Low Risk:** Salaried individuals with clear banking footprints, or local retail borrowers.
- **Medium Risk:** Independent business owners, contractors, and traders operating in standard industries.
- **High Risk:** Politically Exposed Persons (PEPs), non-resident clients, cash-intensive businesses, and companies with complex structural networks.

Re-KYC Update Cycles

Documents must be refreshed systematically based on the assigned tier:

- **High-Risk Profiles:** Mandatory full update every **2 years**.
- **Medium-Risk Profiles:** Mandatory full update every **8 years**.
- **Low-Risk Profiles:** Mandatory full update every **10 years**.

Non-Compliance Escalation

If a borrower fails to submit updated Re-KYC records:

1. Issue **three consecutive advance notices** over a 90-day period.
 2. If still non-compliant, **freeze transaction capabilities** (stop fresh disbursements) while allowing loan repayments to continue to protect asset quality.
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6. TRANSACTION MONITORING & FIU-IND REPORTING

The Principal Officer shall monitor loan repayment patterns, foreclosure requests, and processing fees for high-velocity or unusual cash behaviours.

- **Cash Transaction Reports (CTR):** Maintain a monthly log of all cash payments or collections exceeding **₹10 Lakhs** (or its equivalent in foreign currency) in a



single month. File the CTR with FIU-IND by the **15th day of the succeeding month.**

- **Suspicious Transaction Reports (STR):** File an STR via the FIU-IND portal within **7 days** of the Principal Officer concluding that a transaction (attempted or executed) involves proceeds of crime, lacks economic rationale, or exhibits unjustifiable risk traits.

7. RECORD MAINTENANCE & TRAINING

- **Retention Window:** Retain all physical/digital customer records, account files, loan agreements, and transaction histories for a minimum of 5 years from the date the loan account is officially closed or terminated.
- **Staff Training:** Conduct mandatory bi-annual training for onboarding agents, credit officers, and operations staff on updated digital KYC norms and fraud detection.
