



**NIXA FINCAP PRIVATE LIMITED (Formerly known as XANDER FINANCE PRIVATE LIMITED)  
(NFPL)**

**POLICY ON KNOW YOUR CUSTOMER (KYC) AND ANTI-MONEY LAUNDERING MEASURES**

**Date of review: Reviewed and approved by the Board members on March 28, 2025**

**Know your customer policy and anti-money laundering measures**

The objective of KYC policy is to prevent NFPL from being used, intentionally or unintentionally, by criminal elements for money laundering activities. KYC procedures would enable NFPL to know/understand its customers and their financial dealings better, which in turn will help NFPL manage its risks prudently. KYC policy will have the following five key elements:

- A. Loan Application form
- B. Customer Acceptance Policy
- C. Customer Identification Procedures
- D. Monitoring of Transactions and
- E. Risk management.

For the purpose of KYC policy:

- A. “Act” and “Rules” means Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, respectively and amendments thereto.
- B. A ‘Customer’ is defined as a person who is engaged in a financial transaction or activity with a reporting entity and includes a person on whose behalf the person who is engaged in the transaction or activity, is acting.
- C. Beneficial Owner (BO)
  - a. The beneficial owner is the natural person(s) with a controlling ownership interest or who exercises control through other means. For a company, it refers to those owning more than 10% of the shares, capital, or profits or influencing management and policy decisions. For partnership, it applies to those owning more than 10% of capital or profits or controlling management. For unincorporated association or body of individuals, it applies to those owning more than 15% of the property, capital or profits or the senior managing official if no specific person is identified. In the case of a trust, the beneficial owner includes the author, trustee, beneficiaries with 10% or more interest and anyone with ultimate control over the trust through a chain of control or ownership. .

“Customer Due Diligence (CDD)” means verifying the identity of customers and beneficial owners using reliable and independent sources of identification. CDD is required when opening an account, conducting transactions of INR 50,000 or more (single or linked), or for international money transfers .



**Following are the key elements of the policy:**

**A. Loan application form**

- a. NFPL shall devise a standard loan application form for customers.
- b. The loan application form shall include details of the customer, purpose of the loan, details of security, details of credit requirement and other terms and conditions related to the loan. The draft of 1 an application form is annexed as Enclosure-I.
- c. The loan application form to be duly filled and submitted by the customer along with its KYC documents.
- d. If the customer is unable to fill or understand the terms and conditions of the loan, NFPL to communicate the same in the language as understood by the borrower.
- e. The loan application form may be amended from time-to-time as per the statutory requirements of regulators.

**B. Customer Acceptance Policy (CAP)**

- a. No agreement/account should be undertaken/opened in any anonymous or fictitious/ benami name(s).
- b. NFPL should prepare a profile for each new customer. The customer profile may contain information relating to customer's identity, social/financial status, nature of business activity, information about his clients' business and their location (if required) etc.
- c. Borrower categorization shall be undertaken at initiation and on regular periodicity in line with directions issued by RBI from time to time.
- d. Risk perceptions should be considered for each customer based on nature of business, location of customer, cash flows, social and financial status etc. Degrees of risks can be low, medium and high.
- e. Background checks/Customer Due Diligence (CDD) of all the customers should be undertaken. NFPL shall file an STR with FIU-IND, if necessary, when NFPL is unable to comply with the relevant CDD measures in relation to the customer.
- f. Ensuring that the customers' detail does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations etc.



- g. Business dealings should be done with clients/promoters with a reputable market standing.
- h. The customer profile should be a confidential document, and details contained therein shall not be divulged for cross selling or any other purposes.
- i. For the purpose of risk categorization, individuals (other than High Net Worth) and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large confirm to the known profile, should be categorized as low risk.
- j. Financial due diligence should be undertaken for each prospective client by an independent organization or by the internal team of NFPL.
- k. Cross check names of customers with the updated list of individuals and entities, approved by Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs), available at [www.un.org/securitycouncil/sanctions/1267/aq\\_sanctions\\_list](http://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list) and <https://www.un.org/securitycouncil/sanctions/1988/materials> as well the lists as available in the Schedules to the Prevention and Suppression of Terrorism (Implementation of Security Council Resolutions) Order, 2007,. Ensure that no transactions should be done with such entities/persons appearing in the list.
- l. NFPL should scan all existing customers/prospective customers to ensure that there is no linkage to entities or individuals included in the list above. Full details of accounts bearing resemblance with any of the individuals/entities in the list will be immediately reported to RBI and FIU-IND. The responsibility of such reporting will be of the DesignatedDirector/Principal officer of NFPL.

Unique Customer Identification Code (UCIC) to be allocated to each of the Customers.

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

- a. Customer identification means identifying the customer and verifying his/ her identity by using reliable, independent source documents, data or information.
- b. NFPL may rely on third-party customer due diligence for verifying customer identity at the beginning of an account-based relationship subject to obtaining customer due diligence records or information from the third party immediately or from the Central KYC Records Registry, ensuring prompt availability of identification data upon request, verifying that the third party adheres to requirements of Prevention of Money Laundering Act, 2002 and is not based in a country or jurisdiction assessed as high risk. Despite reliance on third parties, NFPL retains ultimate responsibility for customer due diligence and enhanced due diligence as needed.
- c. NFPL need to obtain sufficient information necessary to establish, to its satisfaction, the identity of each new customer, whether regular or occasional, and the purpose of the intended nature of customer relationship.



- d. For customers that are natural persons, NFPL should obtain 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, NFPL should (i) verify the legal status of the legal person/ entity through proper and relevant documents; (ii) verify that any person purporting to act on behalf of the legal person/entity is so authorized and identify and verify the identity of that person, (iii) understand the ownership and control structure of the customer and determine who are the natural persons who ultimately control the legal person, and (iv) face to face meetings at the corporate office of the customers.
- e. Customer identification requirements in respect of a few typical cases, especially, legal persons requiring an extra element of caution are given in Enclosure-II.
- f. NFPL should take reasonable measures to identify the beneficial owner(s) and verify his/her/their identity in a manner so that it is satisfied that it knows who the beneficial owner(s) is/are. A list of the nature and type of documents/information that may be relied upon for customer identification is given in Enclosure III.
- g. NFPL shall initiate an update request on the Central KYC Records Registry when there is a change/doubt/adequacy in the information of the customer previously obtained.

#### **D. Monitoring of transactions**

- a. Financing of all the transactions with the customers should be done through the appropriate banking channels only.
- b. Financing should only be used by the customer for the purpose as defined in the “Loan Facility Agreements” and not for any other purpose. A certificate from a qualified chartered accountant should be obtained within 30 days or within timelines as specified in the loan agreement – specifying the end use of the loan.
- c. NFPL should obtain monthly information from all its customers including bank statements for project related escrow accounts. All the monthly information can be modified depending on each type of customer.
- d. NFPL should pay special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose in the project related escrow accounts. Transactions that involve large amounts of cash inconsistent with the normal and expected activity of the customer should particularly attract the attention of NFPL.
- e. In terms of Rules, suspicious transaction should include inter alia transactions which give rise to a reasonable ground of suspicion that these may involve financing of the activities relating to terrorism and any other illegal activities. NFPL should at the time of entering into a financial relation and during its monthly monitoring – pay attention to such transactions in the project related escrow accounts. If any such transactions are observed the same should be promptly reported to the Financial Intelligence Unit – India (FIU-IND). Refer Enclosure IV for instances of suspicious transactions.



- f. NFPL should ensure that a record of transactions in the accounts is preserved and maintained as required in terms of section 12 of the Act. It should also be ensured that transactions of suspicious nature and/ or any other type of transaction notified under section 12 of the Act, is reported to the appropriate law enforcement authority.
- g. Any suspicious transactions in the project related escrow accounts should be communicated to the Designated Director and Principal Officer of NFPL by the Asset Management Team.

#### **E. Risk Management**

- a. Implementation of KYC policies is the responsibility of the Deal team and Asset Management team.
- b. Internal Auditors' will provide an independent evaluation of NFPL's KYC policies and procedures, including legal and regulatory requirements. Internal Auditors will specifically check and verify the application of KYC procedures and comment on the lapses observed in this regard.
- c. The compliance in this regard may be put up before the Audit Committee of the Board on regular intervals.
- d. All the employees of deal team and Asset Management team to fully understand the rationale behind the KYC policies and implement them consistently.
- e. NFPL should have an ongoing employee training programme so that the members of the staff are adequately trained in KYC procedures. A training module may be developed and circulated to the employees for awareness.
- f. NFPL should adequately inform all its customers about the KYC procedures.
- g. The Asset Management team along with the deal team of NFPL should periodically monitor and categorise the loan accounts as per the risks associated with the borrower with respect to its KYC. These teams should classify the borrower under following risk categories:
  - i. High risk category;
  - ii. Medium risk category;
  - iii. Low risk category
- h. The Asset Management team of NFPL should consider the following parameters for risk categorization of the loan accounts with respect to its KYC:
  - i. Financial status of borrower
  - ii. Residential status of borrower



- iii. Nature of business of the borrower
  - iv. Recent changes in banking details of the borrower
  - v. Credit information filing of the borrower
  - vi. Media reports
  - vii. Filings with various regulators
  - viii. Changes in regulatory approvals regarding KYC status of the borrower
- i. NFPL should adequately carry out KYC procedures for all customers based on following categorization of risks as 1) High risk customers at least once in every 2 years; 2) Medium risk customers at least once in every 8 years; and 3) Low risk customers at least once in every 10 years.

**F. Money Laundering and Terrorist Financing Risk Assessment:**

NFPL shall conduct a money laundering and terrorist financing risk assessment exercise periodically to identify, assess and take effective measures to mitigate money laundering and terrorist financing risk of its customers / borrowers, countries or geographic areas, products, services, transactions or delivery channels, etc.

- a. The assessment process shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied.
- b. NFPL shall take cognizance of the overall sector-specific vulnerabilities, if any, that the regulator / supervisor ('RBI') may share with regulated entities from time to time.
- c. A database of all active clients borrowers as on date should be prepared which shall include the following relating to customers/ borrowers:
  - i. Nature of business;
  - ii. Operating countries;
  - iii. Category of promoters;
  - iv. Details of any large cash dealings;
  - v. Details of dealings of borrower with political parties;
  - vi. Any negative media / news impacting reputation of borrower;
  - vii. UNSCR / FATF / EU / OFAC / UAPA / EU / US checks and
  - viii. Rating assigned to borrower
- d. The periodicity of risk assessment exercise shall be determined by the Board or any committee of the Board of NFPL to which power in this regard has been delegated, in alignment with the outcome of the risk assessment exercise. However, it should be reviewed at least annually.



- e. The outcome of the assessment shall be placed before the Risk Management committee or Board of Directors for their review
- f. NFPL should apply a Risk Based Approach (RBA) for mitigation and management of the identified risk and should have Board approved policies, controls and procedures in this regard. NFPL shall implement a CDD programme, having regard to the ML/TF risks identified and the size of business. Further, NFPL shall monitor the implementation of the controls and enhance them if necessary.

**G. Combating Financing of Terrorism and obligations under Weapons of Mass Destruction (WMD) and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (WMD Act, 2005):**

NFPL shall ensure compliance with guidelines on financing of terrorism and obligations under the weapons of mass destruction.

**H. Record management:**

- a. NFPL shall permanently maintain and preserve all necessary transaction related documents since inception including but not limited to KYC documents of customers; sanction letters; loan / facility agreements; mortgage deeds; pledge agreements; hypothecation agreement; guarantee deeds and all such letters, documents and agreements related to the lending transaction as may be executed by NFPL with the customer. All records of any transaction, whether domestic or international, shall be maintained for at least 5 years from the date of transaction.
- b. Records of customers' identification and their addresses obtained while opening the account and during the course of business relationship shall be maintained for at least 5 years after their business relationship has ended.
- c. NFPL shall establish a system to accurately maintain transaction records in compliance with Rule 3 of the Rules. This shall include maintaining proper record of transactions including proper documentation of each transaction detailing the nature, currency in which transaction was denominated, amount of the transaction and date on which transaction was conducted and parties to the transaction. Additionally, NFPL will evolve a system for the proper maintenance and preservation of account information, ensuring that data can be retrieved quickly and efficiently when required by the competent authorities.
- d. Maintain records pertaining to identity and address of the customer and also with respect to transaction referred in Rule 3 of the Rules, in hard or soft copy format.



- e. The loan files of active customers shall be maintained by the Asset Management function at the registered office of NFPL .
- f. The loan files of exited deals shall be maintained by the Asset Management function at the registered office of NFPL for a minimum period of 1 (one) year until the conclusion of statutory and internal audit and any such other audit as may be applicable for that respective period.
- g. Post conclusion of audit, the loan files of exited deals shall be dispatched to a dedicated data storage and management center facility. All the loan files of exited deals shall be maintained at the data storage and management center facility electronically.

**I. Designated Director**

- a. A “Designated Director” means a person designated by NFPL to ensure overall compliance with the obligations imposed under Chapter IV of the Act and the Rules and shall be nominated by the Board and inter alia includes the Managing Director or a whole time Director, duly authorised by the Board of Directors.
- b. The name, designation and address of the Designated Director shall be communicated to the FIU-IND.
- c. Further, the name, designation, address and contact details of the Designated Director shall also be communicated to the RBI.
- d. In no case, the Principal Officer shall be nominated as the 'Designated Director '.

**J. Principal Officer**

- a. “Principal Officer” means an officer at the management level nominated by NFPL, responsible for furnishing information as per Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, and amendments thereto.
- b. The Principal Officer shall be responsible for ensuring compliance, monitoring transactions, and sharing and reporting information as required under the law/regulations.
- c. The name, designation and address of the Principal Officer shall be communicated to the FIU-IND.
- d. Further, the name, designation, address and contact details of the Principal Officer shall also be communicated to the RBI.





**K. Compliance of KYC policy**

- a. NFPL shall ensure compliance with KYC Policy through:
  - i. Specifying as to who constitute 'Senior Management' for the purpose of KYC compliance. For the purpose of this policy, Chief Executive Officer (CEO) shall constitute as "senior management";
  - ii. Allocation of responsibility for effective implementation of policies and procedures;
- b. Independent evaluation of the compliance functions of REs' policies and procedures, including legal and regulatory requirements;
- c. Concurrent/internal audit system to verify the compliance with KYC/AML policies and procedures;
- d. Submission of quarterly audit notes and compliance to the Audit Committee; and

**Approved for and on behalf of the Board of Directors of  
Nixa Fincap Private Limited  
(formerly known as Xander Finance Private Limited)**

**Mansi Gandhi**  
**Company Secretary**  
ICSI Membership No.: ACS-58471

Date: 31<sup>st</sup> March, 2025  
Place: Mumbai



The Enclosure - I

Loan Application Form

PART-A

General Details				
A	Name of Borrower			
B	Legal Status			
C	Address For			
D	Telephone			
E	Fax			
F	Email			
G	Date of Incorporation/ Establishment /Date of Birth (DD/MM/YYYY)			
H	GSTN No / PAN No			
Details of Borrower /Promoters / Proprietor / Directors / Partners				
Name		Nationality, Passport Number, Pan & Aadhaar Number		
Details of companies you currently enjoy credit facilities from (NA incase its none)				
Name	Contact Person	Mobile / Phone	Credit Limit	Payment Terms
Details of Credit requirement (Rupees in crores)				
Loan Amount _____		Required tenor _____ months		
Purpose of the loan				

<b>Details of Security (Please mention the indicative details of the property which will be mortgaged for the loan, also mention the details of receivables, movables and any other security over which charge will be created)</b>

<b>Details of Personal / Corporator Guarantor (Name, Pan No, Aadhaar No, Net worth Details)</b>

Documents to be provided		
<input type="checkbox"/> Pan Card	<input type="checkbox"/> MOA	<input type="checkbox"/> AOA
<input type="checkbox"/> Certificate of Incorporation	<input type="checkbox"/> Utility Bill	<input type="checkbox"/> Aadhar
<input type="checkbox"/> Passport		

Other Documents Provided for evaluation of Loan
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Contact Details	
Contact Person Name	
Designation	
Department	
Address	
Telephone/Mobile	

	<p>This application form should not be construed as giving rise to any binding obligation on the part of Nixa Fincap Private Limited (“NFPL”) to provide any loan/financial assistance/facility opted for by you.</p> <p>1. As per the guidelines issued by the Reserve Bank of India (“RBI”)</p>
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<p>Terms and Condition</p>	<p>on Fair Practices Code, NFPL has adopted a Fair Practices Code (“Code”) published by NFPL on its website viz <a href="http://www.nixafincap.com">www.nixafincap.com</a>. All customers are urged to read and understand the Code before accepting term sheet which may be issued by NFPL in its sole discretion.</p> <ol style="list-style-type: none"> <li>2. The loan/financial assistance/facility may be disbursed by NFPL to you and/or such other person as instructed by you as may be acceptable to NFPL in its sole discretion and upon such other diligences NFPL decide to conduct based on the sanction letter and /or term sheet issued in furtherance to the loan application form.</li> <li>3. NFPL may charge a non - refundable processing fee as a pre-requisite for any loan/financial assistance/facility to be sanctioned.             <ol style="list-style-type: none"> <li>1) NFPL has adopted an Interest Rate policy published on its website viz <a href="http://www.nixafincap.com">www.nixafincap.com</a> which provides criteria for grading a customer and outlines the approach for determining the rate of interest on the loan/financial assistance/facility offered by NFPL to the customer.</li> </ol> </li> <li>4. The due date for repayment of EMI shall depend on the date of disbursement of the loan/financial assistance/facility. Accordingly, you shall be liable to make payment of interest for broken period and the same shall be communicated upon disbursement.</li> <li>5. Charges such as prepayment charges, foreclosure charges, part prepayment charges, etc. may be applicable to any loan/financial assistance/facility availed by you. NFPL reserves the right to revise these charges from time to time and the same shall be published on its website.</li> </ol>
<p>Declaration</p>	<ol style="list-style-type: none"> <li>1. I/We state and declare that each and all the contents, particulars and information given/filled in this Application Form are true, correct, complete, up-to date and accurate in all respects and shall be the basis of any loan/financial assistance/facility that NFPL may decide to grant me/us. I/We further state and declare that I/we have not withheld any information whatsoever. I/We also authorize NFPL and agree not to hold NFPL responsible for any disclosure at any time of any information relating to me/us or the loan/financial assistance/facility applied for/availed by me/us including but not limited to repayment history and the defaults in payments, to Credit Information Bureau (India) Limited, any other credit information company, credit bureau, banks, financial institutions, any third party engaged by NFPL for purpose of valuation, property verification, verification of details for Know</li> </ol>



	<p>Your Customer (“KYC”), risk profiling and credit worthiness, operation of details of the Application Form, amount of loan/financial assistance/facility and/or other administrative services I/we authorize NFPL to use the information as mentioned above. I/We have no objection to give the documents required as per KYC guidelines issued by RBI from time to time and as may be required by NFPL , from time to time.</p> <ol style="list-style-type: none"><li>2. I/We understand that the disbursement will be subject to production of necessary documents as may be required by NFPL from time to time, satisfactory completion of NFPL appraisal and documentation process and compliance with NFPL laid down norms/ guidelines.</li><li>3. I/We shall inform to NFPL regarding any changes in my/our address(s) and/ or any other particulars.</li><li>4. I/We confirm that I/We shall cooperate with NFPL and furnish additional documents and/or shall execute such other documents, if necessary to enable NFPL to abide by/comply with all other existing/further directives of the statutory/regulatory authorities/any other authority acting under any law.</li><li>5. I/We hereby confirm that I/We am/are competent and fully authorized to give declarations, undertakings, etc., execute and submit this application form and all other documents for the purpose of availing the loan, creation of security and for all the purposes mentioned /required to be done for this.</li><li>6. I/We hereby give my/our explicit consent to download the KYC records from the CKYCR.</li></ol>
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I/We agree to the above condition and declare that all information given in this application and documents provided pursuant to this application are true, complete, updated, correct, and not misleading in all respects.

Signature :

Date: \_\_\_\_\_

Place:



**PART-B**  
**INDICATIVE TERMS OF PROPOSED LOAN**

<b>Loan Amount</b>	[.]
<b>Rate of interest</b>	[.]
<b>Processing fee</b>	[.]
<b>Security</b>	[.]
<b>Prepayment penalty</b>	[.]
<b>Penal Charges</b>	[.]
<b>Other charges</b>	[.]
<b>Approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers</b>	[.]

**ACKNOWLEDGEMENT**

Dear Sir/ Madam,

This is to acknowledge that NFPL has received your application form for a [.] loan of INR [.]. NFPL shall confirm its decision on your application within [.] working days. This is subject to submission of all documents and conformance to internal guidelines of NFPL.

Contact person:

Contact number:

Email address:

Date:



FOR OFFICE USE ONLY

VERIFIED BY:

Deal Manager .....

Asset Management Team .....

Date:

Place:



## ANNEXURE A: CONSENT for Data protection

Date: [●]

### **Nixa Fincap Private Limited**

(formerly known as Xander Finance Private Limited)

2503, 25th floor, One Lodha Place,

Senapati Bapat Marg, Lower Parel,

Mumbai – 400013

To the attention of: [●]

### **Subject: CONSENT**

Dear Sir / Madam,

I understand that Nixa Fincap Private Limited (“NFPL”) will need to conduct certain background checks and verification prior to my loan being sanctioned by the Company. I also understand that my loan being sanctioned is subject to such checks.

In consideration of my loan application, I consent as under:

1. To provide to NFPL any and all information which may be requested by the NFPL vide the personal information form or otherwise including my personal information or sensitive personal data and information (“**Personal Information**”).
2. NFPL shall have the right to conduct background check and other verifications, as the NFPL may deem fit (“**Background Check**”).
3. NFPL may conduct such Background Check either by itself, through any of its affiliates or associates or through a third-party service provider.
4. NFPL shall have the right to transfer and share any information including my Personal Information that: (i) I provide to the NFPL during the loan application, processing and disbursement vide the personal information form as provided by the NFPL; or (ii) the NFPL may have collected from me, any other third party, or a service provider or through any other means (collectively “**Borrower Information**”), with any of its affiliates, associates and third parties for the purposes specified within this letter, or as may be required under applicable law.

#### **NIXA FINCAP PRIVATE LIMITED**

(FORMERLY KNOWN AS “XANDER FINANCE PRIVATE LIMITED)

2503 | 25th FLOOR ONE LODHA PLACE | SENAPATI BAPAT MARG | LOWER PAREL | MUMBAI 400 013.

CIN: U65921MH1997PTC258670 | +91 22 6119 6000 T | +91 22 6119 6080 F | info@nixafincap.com

WEBSITE: www.nixafincap.com





5. NFPL and its affiliates and associate companies shall have the right to receive and store Borrower Information and use and process such Borrower Information for consideration of my loan application and other administrative purposes.
6. NFPL, its affiliates and associate companies shall have the right to retain such Borrower Information as per their data retention policy and until such time as they may deem fit, in compliance with applicable law.
7. I authorize NFPL to contact me for all the products and services offered by NFPL in spite of the fact that I may be registered in the DND (Do Not disturb)/ DNC (Do not Call) registry.

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Signature

**Enclosure-II**  
**Customer Identification Requirements –Guidelines**

**A. Trust/Nominee or Fiduciary Accounts**

There exists the possibility that trust/nominee or fiduciary accounts can be used to circumvent the customer identification procedures. NFPL should determine whether the customer is acting on behalf of another person as trustee/nominee or any other intermediary. If so, NFPL may insist on receipt of 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. While dealing with a trust, NFPL should take reasonable precautions to verify the identity of the trustees and the settlors of trust (including any person settling assets into the trust), grantors, protectors, beneficiaries and signatories. Beneficiaries should be identified when they are defined. In the case of a 'foundation', steps should be taken to verify the founder managers/ directors and the beneficiaries, if defined.

**B. Accounts of companies and firms**

NFPL need to be vigilant against business entities being used by individuals as a 'front' for maintaining dealings with NFPL . NFPL 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.

**C. NFPL not to deal with intermediaries or non-face to face business relationships Accounts of Politically Exposed Persons (PEPs) resident outside India**

Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. NFPL should gather sufficient information on any person/customer of this category intending to establish a relationship and check all the information available on the person in the public domain. NFPL should verify the identity of the person and seek information about the sources of funds before accepting the PEP as a customer. The decision to open an account for PEP should be taken at a senior level which should be clearly spelt out in Customer Acceptance policy. NFPL should also subject such accounts to enhanced monitoring on an ongoing basis. The above norms may also be applied to the accounts of the family members or close relatives of PEPs.

**Enclosure-III**

**Customer Identification Procedure**

<b>Features to be verified and documents that may be obtained from customers Features</b>	<b>Documents</b>
<p><b><u>Accounts of individuals</u></b>  Accounts of individuals or while dealing with the individual who is a beneficial owner, authorised signatory or the power of attorney holder related to any legal entity</p> <p>Legal name and any other names used</p> <p>Correct permanent address</p>	<ul style="list-style-type: none"> <li>i. AADHAR card</li> <li>ii. PAN card</li> <li>iii. Passport</li> <li>iv. Voter’s Identity Card</li> <li>v. Driving license</li> <li>vi. Identity card (subject to NFPL’s satisfaction),</li> <li>vii. Letter from a recognized public authority or public servant verifying the identity and residence of the customer to the satisfaction of NFPL</li> <li>viii. Telephone bill</li> <li>ix. Bank account statement</li> <li>x. Letter from any recognized public authority</li> <li>xi. Electricity bill</li> <li>xii. Ration card</li> <li>xiii. Letter from employer (subject to satisfaction of NFPL)</li> <li>xiv. (such other documents including in respect of the nature of business and financial status of the customer, or the equivalent e-documents thereof as may be required by NFPL (documents which provides customer information to the satisfaction of NFPL will suffice)</li> </ul>
<p><b><u>Accounts of companies</u></b></p> <ul style="list-style-type: none"> <li>- Name of the company</li> <li>- Principal place of business</li> <li>- Mailing address of the company</li> <li>- Telephone/Fax Number</li> </ul>	<p>Certified copies of each of the following:</p> <ul style="list-style-type: none"> <li>i. Certificate of incorporation and Memorandum &amp; Articles of Association</li> <li>ii. Beneficial Interest Certificate/ BenPOS of the beneficial owner along with Aadhar Card, PAN card and such other documents including in respect of nature of business and financial status or</li> </ul>

	<p>equivalent documents as may be required by NFPL [Beneficial Owner in case of companies is the natural person(s) who, whether acting alone or together, or through one or more juridical persons, has/have a controlling a ownership interest or who exercises control through other means. person/entity. Controlling ownership interest shall mean ownership/entitlement to more than 10 percent of the shares or capital of the company. 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 agreement or voting agreements.]</p> <ul style="list-style-type: none"> <li>iii.</li> <li>iv. Resolution of the Board of Directors to authorize the appropriate persons primarily Directors to deal with NFPL on behalf of the company</li> <li>v. Power of Attorney granted to its managers, officers or employees to transact business on its behalf – As a rule all the relevant authorizations should be covered under (ii) and no dealings to be done with managers, officers or employee</li> <li>vi. Copy of PAN allotment letter or copy of PAN card</li> <li>vii. Copy of the telephone bill or electricity bill</li> <li>viii. Establish companies’ existence from RBI website and;</li> <li>ix. the registered office and the principal place of its business, if it is different.</li> </ul> <p>All certified copies of the documents must be verified with the original copy of such document and record the same on the certified copy by the authorized officer of NFPL under the provisions of the Act.</p>
<p><b>Sole proprietary firms</b> - For opening an account in the name of a sole proprietary firm, CDD of the individual (proprietor) shall be carried out.</p>	<p>Any two of the following documents or the equivalent e-documents there of as a proof of business/ activity in the name of the proprietary firm shall also be obtained:</p> <ul style="list-style-type: none"> <li>i. Registration certificate including Udyam Registration Certificate (URC) issued by the Government</li> <li>ii. Certificate/licence issued by the municipal</li> </ul>

	<p>authorities under Shop and Establishment Act</p> <ul style="list-style-type: none"> <li>iii. Sales and income tax returns</li> <li>iv. CST/VAT/ GST certificate</li> <li>v. Certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities</li> <li>vi. IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT or License/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute</li> <li>vii. 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</li> <li>viii. Utility bills such as electricity, water, landline telephone bills, etc.</li> </ul> <p>In cases where NFPL is satisfied that it is not possible to furnish two such documents, NFPL may, at its discretion, accept only one of those documents as proof of business/activity. Provided that NFPL 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.</p> <p>All certified copies of the documents must be verified with the original copy of such document and record the same on the certified copy by the authorized officer of NFPL under the provisions of the Act.</p>
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<p><b><u>For opening an account of a partnership firm</u></b></p> <ul style="list-style-type: none"> <li>- Legal name</li> <li>- Address</li> <li>- Names of all partners and their addresses</li> <li>- Telephone numbers of the firm and partners</li> </ul>	<p>Certified copies of each of the following documents or the equivalent e-documents thereof shall be obtained:</p> <ol style="list-style-type: none"> <li>a. Registration certificate</li> <li>b. Partnership deed</li> <li>c. Permanent Account Number of the partnership firm</li> <li>d. Aadhar Card, PAN card and such other documents including in respect of nature of business and financial status or equivalent documents as may be required by NFPL</li> </ol> <p><i>[Beneficial Owners in case of account of partnership firm 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 10 % of the capital or profits of the partnership or who exercises control through other means. Control shall include the right to control the management or policy decision.]</i></p> <ol style="list-style-type: none"> <li>e. Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf</li> <li>f. The names of all the partners;</li> <li>g. Telephone bill in the name of firm/partners; and</li> <li>h. Address of the registered office, and the principal place of its business, if it is different.</li> </ol> <p>All certified copies of the documents must be verified with the original copy of such document and record the same on the certified copy by the authorized officer of NFPL under the provisions of the Act.</p>
<p><b><u>For opening an account of a trust</u></b></p>	<p>Certified copies of each of the following documents or the equivalent e-documents thereof shall be obtained:</p> <ol style="list-style-type: none"> <li>a. Registration certificate</li> <li>b. Trust deed</li> <li>c. Permanent Account Number or Form No.60 of the trust</li> <li>d. Aadhar Card, PAN card and such other documents including in respect of nature of business and financial status or equivalent documents as may be required by NFPL</li> </ol>

	<p><i>[Beneficial owner in case of trust shall include the identification of the author of the trust, the trustee, the beneficiaries with 10 percent 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]</i></p> <p>e. The names of the beneficiaries, trustees, settlor, protector, if any and authors of the trust</p> <p>f. Power of Attorney granted to transact business on its behalf</p> <p>g. Address of the registered office of the trust; and the</p> <p>h. List of trustees and documents, as specified in paragraph 16 of Master Direction – Know Your Customer Direction, 2016, for those discharging the role as trustee and authorised to transact on behalf of the trust.</p> <p>All certified copies of the documents must be verified with the original copy of such document and record the same on the certified copy by the authorized officer of NFPL under the provisions of the Act.</p>
<p><b><u>For opening an account of an unincorporated association or a body of individuals</u></b></p>	<p>Certified copies of each of the following documents or the equivalent e-documents thereof shall be obtained:</p> <p>a. Resolution of the managing body of such association or body of individuals</p> <p>b. Permanent Account Number or Form No. 60 of the unincorporated association or a body of individuals</p> <p>c. Power of attorney granted to transact on its behalf</p> <p>d. Aadhar Card, PAN card and such other documents including in respect of nature of business and financial status or equivalent documents as may be required by NFPL</p> <p><i>[Beneficial Owner in case of account of unincorporated association or body of individuals, the beneficial owner</i></p>

	<p><i>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 percent of the property or capital or profits of the unincorporate association or body of individuals] ; and</i></p> <p>e. Such information as may be required by NFPL to collectively establish the legal existence of such an association or body of individuals.</p> <p>Explanation: Unregistered trusts/partnership firms shall be included under the term ‘unincorporated association’.</p> <p>Explanation: Term ‘body of individuals’ includes societies.</p> <p>All certified copies of the documents must be verified with the original copy of such document and record the same on the certified copy by the authorized officer of NFPL under the provisions of the Act.</p>
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<p><b>For opening account of a customer who is a juridical person (not specifically covered in the earlier part) such as societies, universities and local bodies like village panchayats, etc., or who purports to act on behalf of such juridical person or individual or trust.</b></p>	<p>Certified copies of the following documents or the equivalent e-documents thereof shall be obtained and verified:</p> <ol style="list-style-type: none"> <li>Document showing name of the person authorised to act on behalf of the entity</li> <li>Aadhar Card, PAN card and such other documents including in respect of nature of business and financial status or equivalent documents as may be required by NFPL of the person holding power of attorney to transact on its behalf.</li> <li>Such documents as may be required by NFPL to establish the legal existence of such an entity/juridical person.</li> </ol> <p>Provided that in case of a trust, NFPL shall ensure that trustees disclose their status at the time of commencement of an account-based relationship or when carrying out following transactions: (i) carrying out any international money transfer operations for a person who is not an account holder of NFPL; (iii) when NFPL has reason to believe that a customer (whether walk-in or account based) is intentionally structuring a transaction into a series of transaction below the threshold of INR 50,000.</p> <p>All certified copies of the documents must be verified with the original copy of such document and record the same on the certified copy by the authorized officer of NFPL under the provisions of the Act.</p>
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**Declaration: (to be provided in the checklist)**

We have no objection to give the documents required as per KYC guidelines issued by RBI from time to time and as may be required by NFPL , from time to time;

I/We hereby give our explicit consent to download the KYC records from the CKYCR;

We confirm that I/We do not fall under any of the sanctions i.e., the updated list of individuals and entities, approved by Security Council Committee established pursuant to various United Nations’ Security Council Resolutions (UNSCRs), available at [www.un.org/securitycouncil/sanctions/1267/aq\\_sanctions\\_list](http://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list) and <https://www.un.org/securitycouncil/sanctions/1988/materials> as well the lists as available in the Schedules to the Prevention and Suppression of Terrorism (Implementation of Security Council Resolutions) Order, 2007

## **Enclosure - IV**

### **List of Suspicious Activities Transactions Involving Large Amounts of Cash**

Company transactions, that are denominated by unusually large amounts of cash, rather than normally associated with the normal commercial operations of the company.

### **Transactions that do not make Economic Sense**

Transactions in which assets are withdrawn immediately after being deposited unless the business activities of the customers furnish a plausible reason for immediate withdrawal.

### **Activities not consistent with the Customer's Business**

Accounts with large volume of credits whereas the nature of business does not justify such credits.

### **Attempts to avoid Reporting/Record-keeping Requirements**

- a. A customer who is reluctant to provide information needed for a mandatory report, to have the report filed or to proceed with a transaction after being informed that the report must be filed.
- b. Any individual or group that coerces/induces or attempts to coerce/induce a NFPL employee not to file any reports or any other forms.
- c. An account where there are several cash transactions below a specified threshold level to avoid filing of reports that may be necessary in case of transactions above the threshold level, as the customer intentionally splits the transaction into smaller amounts for the purpose of avoiding the threshold limit.

### **Unusual Activities**

Funds coming from the countries/centers which are known for money laundering as identified by RBI or any other relevant authority.

**Customer who provides Insufficient or Suspicious Information:**

- (i) A customer/company who is reluctant to provide complete information regarding the purpose of the business, prior business relationships, officers or directors, or its locations.
- (ii) A customer/company who is reluctant to reveal details about its activities or to provide financial statements.
- (iii) A customer who has no record of past or present employment but makes frequent large transactions.

**Certain NFPL Employees arousing Suspicion**

- (i) An employee whose lavish lifestyle cannot be supported by his or her salary.
- (ii) Negligence of employees/willful blindness is reported repeatedly.

**Some examples of suspicious activities/transactions to be monitored by the asset management staff-**

- Large Cash Transactions
- Multiple accounts under the same name
- Placing funds in term Deposits and using them as security for more loans
- Sudden surge in activity level
- Same funds being moved repeatedly among several accounts

<b>Particulars</b>	<b>Date of adoption/ review/ revision</b>
Adoption	23 <sup>rd</sup> November 2010
Revision	26 <sup>th</sup> March 2012
Review	29 <sup>th</sup> March 2013
Review	24 <sup>th</sup> March 2014
Review	24 <sup>th</sup> March 2015
Review	18 <sup>th</sup> March 2016
Review	28 <sup>th</sup> March 2017
Review	23 <sup>rd</sup> March 2018
Revision	19 <sup>th</sup> June 2018
Review	18 <sup>th</sup> March, 2019
Revision	7 <sup>th</sup> August, 2019
Revision	31 <sup>st</sup> December, 2019
Review	11 <sup>th</sup> March, 2020
Revision	23 <sup>rd</sup> March, 2021
Revision	9 <sup>th</sup> February, 2022
Review	10 <sup>th</sup> February, 2022
Review	31 <sup>st</sup> March, 2023
Review	27 <sup>th</sup> March, 2024
Review	28 <sup>th</sup> March, 2025

**NIXA FINCAP PRIVATE LIMITED**

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