



SAHARA INDIA FINANCIAL CORPORATION LIMITED

Command Office: Sahara India Bhawan, 1, Kapoorthala Complex, Lucknow-226024 India
Phone: 2337777, Fax: 0522-2378200, Gram: 'SAHARAINDA'

Cord Ref. No.13/102/14

Date 31.12.2007

Applicable To All Service Centres/ Sector/Region/Area/Zone Offices

Customer Identification Procedure Under Know Your Customer Guidelines

Dear Sir/Madam,

As you are aware that we have always followed all the rules, regulations and guidelines given by statutory bodies. In this regard, we have implemented the KYC Norms as given by RBI through our Circular No. 39/101/1813 dated 31.05.2004 in which we have given detailed procedure for identification and address verification of our esteemed depositors. From time to time, as per requirement, separate instructions were also issued by various circulars, office orders, etc regarding KYC Norms. In order to insure quality compliance with these norms, we have engaged the services of the firms of Chartered Accountants from amongst those who are on the panel of RBI for inspection of branches of banks.

During the course of audit we have received several queries from our internal auditors and service centres regarding KYC Norms. We have compiled a list of common deficiencies in the documents/ information obtained by the field staff/ service centres and, the management feels the strong need for reiterating, the guidelines and clarifications so that the gap in ensuring the meticulous compliance of KYC Norms do not recur.

We reiterate that KYC of any new account opened will be treated complete only when both Identity as well as Address Proof is obtained for that account. No new account can be opened without obtaining the proof of identity and verifying the address of the new Depositor.

Customer identification means identifying the customer and verifying his/her identity by using reliable documents, data or information. The following documents can be accepted for opening of account by Individual, Corporate, Partnership firm etc. For this purpose Customer Identification procedure will be as follows:



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Accounts with aggregate balance of Rs.50,000.00 or more

I.

| Features | Self attested photocopy of anyone of the following document is required for Identification |
|--|--|
| <p>Accounts for Individuals(identity proof)</p> <ul style="list-style-type: none">• Legal name and any other names used | <p>(i) PAN Card (ii) Passport issued by Indian Government whose validity has not expired, (iii) Voter's Identity Card (photocopy of both side) (iv) Driving License whose validity has not expired (v) Identity Card issued by the employers or other authority (vi) Letter from a recognized public authority or public servant (Central/ State Government running body) on its letter head verifying the identity (photo) and residence of the customer. Provided the letter should be properly signed, stamped and name of issuing authority is mentioned alongwith its designation. Photograph of depositor must be affixed on the letter and cross signed and stamped by the recognized public authority. (As per Format given in Annexure I)</p> |
| <p>Accounts of Companies</p> <ul style="list-style-type: none">• Name of the Company• Principal place of business• Mailing address of the Company• Telephone / Fax number | <p>(i) Certificate of Incorporation and Memorandum & Article of Association (ii) Resolution of the Board of Directors to deposit the money in the company alongwith list of authorized signatories (iii)Power of Attorney granted to its Managers, Officers of employees to transact business of its behalf (iv) Copy of PAN allotment letter (v) Copy of the telephone bill</p> |



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|---|---|
| <p>Accounts of the Partnership Firms</p> <ul style="list-style-type: none"> • Legal Name • Address • Names of all Partners and their address • Telephone Number of the Firm and Partners | <p>(i) Registration Certificate, if registered (ii) Partnership deed (iii) Power of Attorney granted to a Partner or an employee of the firm to transact business on its behalf (iv) Any officially valid documents, identifying the Partners and the persons holding the Power of Attorney and their addresses (v) Telephone bill in the name of firm / partner</p> |
| <p>Accounts of Trusts & Foundations</p> <ul style="list-style-type: none"> • Names of Trustees, Settlers, beneficiaries and signatories. • Names and address of the Founder, the Managers / Directors and the Beneficiaries • Telephone / Fax Number | <p>(i) Certificate of registration, if registered (ii) Power of Attorney granted to transact business on its behalf (iii) Any officially valid document to identify the Trustees, Settlers, beneficiaries and those holding Power of Attorney, Founders / Managers / Directors and their address (iv) Resolution of the managing body of the foundation / association (v) Telephone bill</p> |

II. Further , we again clarify that the following documents will only be accepted for address proof in case of Individuals

| Features | Self attested photocopy of anyone of the following document is required for Address Proof |
|---|--|
| <p>Accounts for Individuals (address proof)</p> <ul style="list-style-type: none"> • Legal name and any other names used | <p>(i) Passport issued by Indian Government whose validity has not expired, (ii) Voter's Identity Card (photocopy of both side) (iii) Driving License whose validity has not expired (iv) Identity Card issued by reputed Employer(only if it not subject to any condition, else it will be taken as an identity proof) (v) Electricity Bill (Recent/latest), (vi) Telephone Bill (Recent/Latest), (vii) Bank Account Statement of last six months, (viii) Property/ Income / Wealth Tax Assessment Order (Recent/ Latest), (ix)</p> |



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| | |
|--|--|
| | <p>Letter from a recognized public authority or public servant (Central/ State Government running body) on its letter head verifying the identity (photo) and residence of the customer. Provided the letter should be properly signed, stamped and name of issuing authority is mentioned alongwith its designation. Photograph of depositor must be affixed on the letter and cross signed and stamped by the recognized public authority. (As per Format given in Annexure I)</p> |
|--|--|

Strict compliance of KYC in each and every account as regard to identification of depositor and his address verification is required. Under no circumstances, incomplete address or address of field worker or of office shall be used for this purpose.

We clarify that if any document which contains both photograph and address of the depositor then only one document is sufficient for identification as well as address proof of the depositor. For example, Voter ID card, Driving License, Passport, etc.

We further clarify that if address of depositor given in the account opening form differs as address given in the aforesaid document then the said document will fulfill only identification purpose and another document is required for address verification containing the present address.

If PAN Card is taken as Identity proof, then a separate address proof document is required to be obtained from the depositor, as address is not mentioned on PAN Card. With regard to the above said documents, we clarify that if Electricity Bill, Telephone Bill , Bank Statement or any other document given as proof of address but if it is not in the name of depositor then the relationship between depositor and the person whose KYC is given must exist.

It is also clarified that if the depositor furnishes his address proof as per above mentioned list but having no document for identity verification then the introducer must give an undertaking that the depositor is known to him for a period more than three years. Introducer for this purpose means the depositor whose account must be atleast six month old and



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showing satisfactory transaction and such introducer must be subject to complete KYC. Complete KYC documents (identity and address proof) of such introducer must be attached with the account opening form of the depositor. The photograph of the depositor affixed on format must be cross signed by the introducer. The format for the same is enclosed (Annexure II).

Apart from fulfilling the KYC norms as per above laid down procedure it is also require that a photograph of the depositor must be affixed on each and every Account Opening Form and must be cross signed by the depositor.

Small Income Group (KYC Norms)

For accounts of low income group both in Urban and Rural Areas where account holders may not be able to produce such documents as mentioned above to satisfy the identity and address, the following procedure may be adopted:-

- ✓ The account will be opened subject to introduction from another account holder who has been subject to full KYC Procedure.
- ✓ The Introducer account should be atleast six months old and should show satisfactory transactions.
- ✓ **Photograph of the customer who proposes to open the account alongwith the address needs to be certified by the Introducer. (As per format given in Annexure II)**

Small Income Group is defined as any person who intends to keep balances not exceeding Rs. 50,000.00 in all his accounts taken together and total credit in all his accounts taken together does not exceed Rs. 1 lakh in a year.

While opening the account, as per above described procedure, customer should be made aware that if at any point of time the balances in all his / her account exceeds Rs. 50,000.00 or total credit in account exceeds Rs. 1 Lakh, no further transactions will be permitted until the full KYC procedure is completed.

Important Points

(1) KYC under any circumstances shall not be accepted as correct till the documents (identity proofs as well as address proofs) are not attested/self attested as per circular no. 4\102\07 dated 29th august 2007.



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(2) No document other than the aforesaid mentioned documents will be accepted as proof of identity and address.

(3) In case of a depositor being a minor, any documents of any of the parents or guardian of such minor shall be deemed to be the proof of identity and address.

(4) Ration Card is not to be used as a document for establishing identity or proof of residence, as per recent directives of the Government of India.

The above instructions may be circulated among all the members of staff and the field agents attached to your centre. Any default in compliance of these instructions would attract adverse and penal action. The deficiencies, if any, in the existing accounts also need to be rectified as per the above procedure.

This circular comes into force with immediate effect.

Thanking You

For Sahara India Financial Corporation Limited,

**-Sd/-
R.S.Dubey
Executive Director Worker (Finance)**

C.C. –

- 1. M.C.C.**
- 2. Hon'ble Dy. Managing Worker (P&W)**
- 3. Hon'ble Dy. Managing Worker (C&A)**
- 4. Statutory Department**
- 5. Vyavsay Vikas Vishleshan (V3)**
- 6. Computer Centre**
- 7. Marcfina**
- 8. Cord-Cell**

TO WHOM SO EVER IT MAY CONCERN

Affix Photograph of the depositor and it should be cross signed by the recognised Public Authority and must be stamped.

This is to certify that Shri/Smt/Km.....
S/o/W/o..... R/o
.....
.....
is know to me from lastyears.....months.

I am verifying his/ her photograph as affixed above and his/ her address as mentioned above.

(Seal and Signature of Public Authority)
Name of Public Authority
Designation of Public Authority

Note: This certificate must be issued by Public authority on its Letter Head.

Annexure – II

Affix Photograph of the depositor and it should be cross signed by the introducer.

This is to certify that Shri/Smt/Km.....
S/o/W/o..... R/o
.....
.....
is know to me from lastyears.....months.

I am verifying his/ her photograph as affixed above and his/ her address as mentioned above.

(Signature of Introducer)
Name of Introducer
Account No.....
Address

Note:

- (i) Introducer must attach self attested photocopy of his/her identity proof and address proof.
- (ii) The Introducer account should be atleast six months old and should show satisfactory transactions.