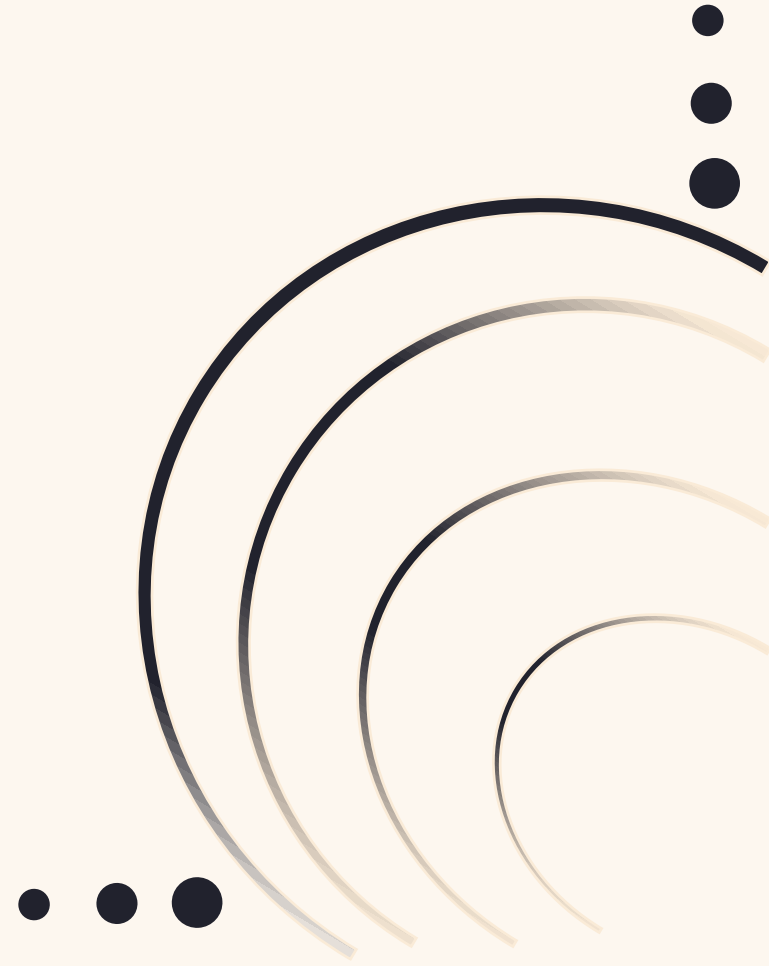# RegTech Projects

Meeting Compliance Requirements

Through technology

KYC Validation Process

KYC Validation Process

1) **Purpose:-** As a NBFC operating in a lending space, it is mandated by RBI's KYC norms that Aadhaar and PAN taken for the purpose of establishing a lending/borrowing relationship with any customer must be authenticated.

2) **Proposition:-** As a regulatory requirement, it is mandatory to authenticate every customer's KYC records in order to process any loan application. Hence at the time of onboarding any customer, we authenticate PAN and Aadhaar records as per the official records.

3) **Benefits to the business:-**Following are the benefits to business by authenticating KYC records

   - Meets regulatory requirements
   - Authenticated records helps in fraud prevention.
   - Helps extract accurate credit bureau records for better underwriting.
   - Helps providing accurate data to Central KYC Registry (CKYC records).
   - Superior method of authentication over Original Seen and Verified (OSV) method.
   - Helps digitize KYC records and removes the need to maintain physical files.

4) **Benefits to the customer:-** Following is the benefit to customer by authenticating KYC records:-

   - Helps customer establish their identity.
   - Authenticated records reduces chances of rejection of loan application.

KYC Validation Process

PAN Validation

1) Validates PAN records from Income Tax Department

2) Real-time validation (API integration) used at the time of sourcing when customer submits application

3) Bulk Upload functionality is used to validate historical PAN records of all active customers

4) Authentication details rendered are:- PAN Status and Entity Details

5) 100% PANs authenticated as part of KYC process. 95% PANs Valid PANs received as KYC.

Offline Aadhaar Authentication

1) Authenticates Aadhaar using 'Offline' method. For this method, we use third-party APIs to fetch Aadhaar using Digi locker API to fetch Aadhaar records

2) Wherever the above APIs fail, Aadhaar is authenticated using Digital KYC method, which is a validation of proof of possession of Aadhaar

3) For every sanctioned case, Aadhaar is authenticated using any one of the above methods.

4) 100% authenticated Aadhaar records are obtained for every disbursed customer