

Sub: Summary of Order-in-Original No. 2/DIR/FIU-IND/2022 in the matter of TVS Credit Services Ltd. – reg

The RBI had shared findings of its inspection of ‘**TVS Credit Services Ltd.**’, with FIU-IND, wherein it was pointed out that the RE had not filed any STRs in FY2016-17, that its system was not throwing alerts when transactions are inconsistent with risk categorisation and updated customer profile, that it had not preserved the records pertaining to identification of the customers and their address obtained while opening the account and during the course of business relationship for at least 5 years after the relationship ended, and that the company had not ensured that the Officially Valid Documents (OVD) for proof of address and identity were verified with the originals.

2. Accordingly, vide Show-Cause Notice (SCN) dated 24<sup>th</sup> February, 2020, the RE was called upon to explain as to why suitable directions including directions for imposition of penalty should not be passed against the it under section 13 of the Act read with section 12 of the Act and rules 3, 5, 7, 8 and 9 of the Rules, 2005 on the above-mentioned charges.

3. The RE submitted its reply to the SCN and in accordance with the principles of natural justice the Bank was granted opportunity of personal hearing through its authorised representatives.

4. After considering the submissions of the RE, vide Order-in-Original No. 2/DIR/FIU-IND/2022 dated 27<sup>th</sup> January, 2022, the Director, FIU-IND disposed of the adjudication proceedings instituted against the RE vide the Show-Cause Notice dated 24<sup>th</sup> February, 2020 and in exercise of the powers conferred under section 13(2)(b) of the Act directed the RE to re-examine its system for detecting and reporting suspicious transactions based on the 46 RFIs enumerated in the FIU-IND Guidance Note for NBFCs issued on 10<sup>th</sup> February, 2016. The Reporting Entity is granted a time period of 1 month from the date of receipt of this order for compliance to the above-mentioned directions, which should be reported to this office by that date.

5. In terms of section 13(2)(a) of the Act, the Director, FIU-IND warned the RE to pay due attention to the various guidances issued by FIU-IND and the concerned regulator in future.

**Disclaimer: The summary of the instant Order-in-Original is only representational in nature and does not hold any legal significance or cannot be relied upon or referred to as a precedence in any other case.**