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POLICY ON "KNOW YOUR CUSTOMER" AND ANTI-MONEY LAUNDERING MEASURES

APAC HOUSING FINANCE PRIVATE LIMITED

Key Contents:

- Definition of Customer
- Customer Identification and Customer Acceptance
- Monitoring of Transactions under Prevention of Money Laundering Act 2002
- Maintenance of Records and Reporting Requirements

Review Calendar:

- Scheduled Board review in April of each year, unless in the decision of CEO a review of the policy is needed sooner

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APAC Housing Finance Private Limited (APACHF), which is a Housing Finance Company (HFC) registered with the National Housing Bank (NHB), is in the business of providing housing loans, commercial property loans and plot finance to its customers.

Pursuant to the NHB Guidelines, this policy on "KNOW YOUR CUSTOMER (KYC) norms and ANTI MONEY LAUNDERING (AML) measures" is put in place with the approval of the Board of Directors of the Company at their meeting held on June, 2018, respectively.

This policy of the company is based on the prevailing Know Your Customer guidelines and various circulars issued by NHB, which shall enable the company to know/ understand the customers and their financial dealings better to help them manage their risks prudently.

Note: In this document, "Company" or "HFC" or "APACHF" refers to APAC Housing Finance Private Limited.

This policy shall be put up for review in April of each year, unless in the decision of the CEO a review of the Policy is needed sooner as may be deemed necessary in order to align the same with the prevalent regulatory and business requirements. In the case of changes due to regulatory requirements, the CEO has the authority to change this policy without prior Board approval, subject to post-facto ratification at the next scheduled Board Meeting.

OBJECTIVES:

- To prevent the Company from being used, intentionally or un-intentionally, by criminal elements for money laundering activities.
- To know/understand the customers and their financial dealings better, which in turn, help in managing risks prudently.

KEY ELEMENTS OF THE POLICY:

- Customer Identification Procedures
- Customer Acceptance Policy
- Monitoring of Transactions
- Risk Management

DEFINITION OF CUSTOMER:

For the purpose of this policy APACHF has defined its “Customer” as the following:

- A person or entity that maintains an account with the Company and/or has a business relationship with the Company.
- One on whose behalf the loan account is maintained (i.e. the beneficial owner).
- Beneficiaries of transactions conducted by professional intermediaries, such as stock brokers, chartered accountants, solicitors etc., as permitted under law, and
- Any person or entity connected with a financial transaction which can pose significant reputational or other risks to the Company, say, a wire transfer or issue of a high value demand draft as a single transaction
- All associates / agencies / intermediaries such as empanelled lawyers, valuers, FI agencies, builders, sellers of properties, DSAs/DSTs and any other intermediary.

CUSTOMER IDENTIFICATION PROCEDURE

Rule 9 of the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing information and Verification and Maintenance of Records of the

Identity of the clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 (PML Rules) requires that the Company would :

'At the time of commencement of an account-based relationship, identify its customers, verify their identity and obtain information on the purpose and intended nature of business relationship.'

Customer identification means identifying the customer and verifying his/her identity by using reliable, independent source documents, data or information.

The Customer Identification Procedure will be carried out at the time of establishing the relationship as per Section 15.2 below and in all other cases while carrying out :

(i) transaction of an amount equal to or exceeding rupees fifty thousand, whether conducted as a single transaction or several transactions that appear to be connected, or (ii) any international money transfer operations.

An indicative list of the nature and type of documents/information that may be relied upon for customer identification is given in Annexure – 2.

When the Company has a doubt about the authenticity/veracity or the adequacy of the previously obtained customer identification data, the Company may further demand data as follows:

- For Customers that are natural persons, 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, the legal status of the legal person/entity would be verified through proper and relevant documents. For any person purporting to act on behalf of the legal person/entity, it would be verified whether he is so authorized and his identification will also be verified. The ownership and control structure of the customer would be understood so as to determine who the natural persons are and who ultimately control the legal person.
- Customer identification requirements in respect of a few typical cases, especially legal persons requiring an extra element of caution are given in **Annexure – 1.**

CUSTOMER ACCEPTANCE POLICY (CAP)

APACHF has formulated a robust CAP based on the Customer Identification Procedure described above which aims to verify the identity and address of customer by using reliable, independent source documents, data or information. It will however be ensured that CAP does not lead to any customer harassment or to denial of financial service to the general public especially to those who are financially or socially disadvantaged. The elements of CAP in APACHF's KYC policy are as given below:

Explicit criteria for acceptance of customers

- No loan account is opened in anonymous or fictitious / benami name(s).
- No loan account is opened without a face-to-face meeting between the Customer and the Branch Manager/Credit Manager.
- No loan account operated by any intermediary shall be opened.
- Necessary checks are undertaken to ensure that the identity of a new Customer does not match with any person with a known criminal background or with banned entities such as individual terrorists or terrorist organizations.
- Documentation requirements and other information are collected in respect of different categories of customers depending upon their perceived risk and keeping in mind the requirements of the Prevention of Money Laundering Act, 2002, rules framed thereunder and guidelines issued from time to time to enable categorization of the customers into low, medium and high risk. Please refer to para 6 below on categorisation of Customers according to risk profile. APACHF is aware that as per guidelines the Politically Exposed Persons may, if considered necessary, be categorised even higher;
- No loan account is opened an existing account closed where the Company is unable to apply appropriate customer due diligence measures, i.e. unable to verify the identity and /or obtain documents required as per the risk categorization due to non –co-operation of the customer or non-reliability of the data/information furnished to the Company
- In case the Customer is unable to be present at the branch location physically, necessary checks will be done prior to disbursement of the loan

through APACHF’s designated officers or an agency appointed by APACHF to verify the identity and contact details of the customer

- Adequate care is taken always to ensure that the implementation of the policy does not lead to harassment of the Customer. It may, however, be necessary to have suitable built-in safeguards to avoid harassment of the customer. For example, decision to close an account should be taken at a reasonably high level after giving due notice to the customer explaining the reasons for such a decision.
- Circumstances in which a Customer is permitted to act on behalf of another person/entity would be clearly spelt out in the relevant document supporting it, which should be in conformity with the established law and practices as there could be occasions when an account is operated by a mandate holder or where an account may be opened by an intermediary in a fiduciary capacity.
- The branches shall maintain a Customer profile as per the annexure, containing information relating to the customer’s identity, social/financial status, nature of business activity/ information about client’s business and their location etc.
- This Customer profile will be a confidential document and details contained therein shall not be divulged for cross selling or any other purposes.

CATEGORIZATION OF CUSTOMERS ACCORDING TO RISK PROFILE

Low Risk Customers

These Customers require only basic verification of identity and location.

- Salaried employees whose salary structures are well defined
- People belonging to lower economic strata of society whose accounts show small balances and low turnover
- Employees of government departments and government owned companies
- Employees of regulators and statutory bodies

Medium Risk Customers

- Non-Resident customers
- High net-worth individuals
- Trusts, charities, non-government organizations (NGO) and organizations receiving donations
- Companies having close family shareholding or beneficial ownership
- Firms with ‘sleeping partners’

High Risk Customers

These Customers require a thorough probe

- Politically Exposed Persons (PEP)
- Non-face to face customers
- Those with dubious reputation as per public information available

AFHPL will not accept any High Risk Customers.

The loan origination system will require the risk category of the Customer to be entered which will be done by the Credit Manager post the personal discussion with the Customer.

The categorization of Customers as per risk profile and implementation of the measures, however, should not result in denial of Company’s services to the general public, especially to those who are financially or socially disadvantaged.

As regards the accounts of PEPs it is advised that in the event of an existing customer or the beneficial owner of an existing account subsequently becoming a PEP, HFC should obtain senior management approval in such cases to continue the business relationship with such person, and also undertake enhanced monitoring as specified in Annexure – I.

MONITORING OF TRANSACTIONS

- Ongoing monitoring is an essential element of effective KYC procedures.
- The Branch Operations Manager is primarily responsible for monitoring, under the supervision of the Branch Manager.
- Special attention will be paid to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose.
- The monitoring will be done according to the risk level of the borrowers and any abnormal transaction will have to be reported and probed. For example, very high account turnover inconsistent with the size of the balance maintained may indicate that funds are being 'washed' through the account.
- A record of any transactions which the branch feels are inconsistent with the level of the borrowers and also transactions of a suspicious nature will be maintained at the branch in terms of Section 12 of Prevention of Money Laundering Act, 2002. An illustrative list of suspicious transactions in given in **Annexures 3 and 4.**
- Any cash transaction of over Rs.10 lakhs and any transaction of a suspicious nature shall be reported by the branches to the Principal Officer of the Company on a monthly basis in the following format. If no transaction of such nature has taken place, the branch should send a ‘nil’ report.

Name of the Customer	Date of Transaction	Amount Involved	Remarks

- High risk accounts will be subjected to intensified monitoring

RISK MANAGEMENT

APACHF will ensure that an effective KYC program is in place with established procedures as described above. The program will be closely overseen for effective implementation with overall responsibility being with the Chief Risk Officer. The key steps in this regard are:

- All branches to strictly comply with the laid down policies on accounting, lending, recovery etc., and also the guidelines issued by the Principal Officer from time to time.
- The auditors auditing the branches to thoroughly check the application of KYC norms in the branches and comment on the lapses observed in this regard. Compliance on KYC norms by branches will be reviewed quarterly and placed before the Audit Committee and Risk Management Committee.
- The Principal Officer/Head of Compliance will ensure that all the frontline staff members are kept well informed of the KYC norms and procedures for implementation. APACHF would ensure that there is proper system of fixing accountability for serious lapses and intentional circumvention of prescribed procedures and guidelines.
- APACHF will have an ongoing employee training programme so that the members of the staff are adequately trained in KYC procedures. Training requirements would have different focus for frontline staff, compliance staff and staff dealing with new customers. It would be crucial that all those concerned fully understand the rationale behind the KYC policies and implement them consistently

CUSTOMER EDUCATION

- The implementation of KYC procedures requires APACHF to request certain information from Customers, which may be of a personal nature, or which has hitherto never been called for. This can sometimes lead to a lot of questioning by the Customer as to the motive and purpose of collecting such information. APACHF’s front line staff will therefore personally discuss this with Customers and if required, APACHF may also prepare specific literature/ pamphlets, etc. to educate the Customer on the objectives of the KYC program. The Principal Officer will provide specific literature/pamphlets to educate the customers on the objectives of KYC norms and procedures seeking their cooperation in getting the information required from them. The front desk staff will be specially trained to handle such situations while dealing with customers.

INTRODUCTION OF NEW TECHNOLOGIES

- APACHF will pay special attention to any money laundering threats that may arise from new or developing technologies including on-line transactions that might favour anonymity, and take measures, if needed, to prevent its use in money laundering schemes. However, at the same time APACHF will embrace all such technology innovations which will aid in establishment of identification of customer. The Principal Officer, jointly with the Head of Digital and Innovation will ensure that necessary control mechanisms are built into the Software packages to be implemented in the branches to prevent the use of the technology for money laundering purposes.

- APACHF may use e-KYC process introduced by UIDAI to establish the identity of the customer after obtaining his explicit consent to obtain his identity / address details from UIDAI.
- Accounts opened in terms of this proviso i.e., using Aadhaar based OTP, will be subject to the following conditions:

(i) Explicit consent from the customer for authentication through OTP;

(ii) The aggregate amount of all the deposit accounts taken together for a customer shall not exceed rupees one lakh;

(iii) As regards to borrowal accounts, only term loans shall be sanctioned. The aggregate amount of term loans sanctioned shall not exceed rupees fifty thousand in a year;

(iv) The payment of deposits in terms of accounts opened on-line through OTP based e-KYC, shall be accepted only through internet banking/ECS from a designated bank account of the customer;

(v) All payments in respect of such deposits should be made only to the designated bank account through which funds are deposited;

(vi) A declaration shall be obtained from the customer to the effect that no other account has been opened nor will be opened using OTP based KYC either with the APACHF or with any other HFC. Further, while uploading KYC information to CKYCR, APACHF shall clearly indicate that such accounts are opened using OTP based e-KYC pending ‘Customer Due Diligence’ (CDD) and other HFCs shall not open accounts based on the KYC information of accounts opened with OTP based e-KYC procedure until the CDD have been completed. APACHF would therefore update the status of completion of CDD to the CKYCR Portal.

(vii) Accounts, both deposit and borrowal, opened using OTP based e-KYC shall not be allowed for more than three months within which CDD is to be completed. If the CDD procedure is not completed within three months in respect of deposit accounts, the same shall be closed immediately by refunding the deposit amount without interest into depositor’s designated bank account. In respect of borrowal accounts no further debits shall be allowed;

(viii) APACHF shall have strict monitoring procedures including systems to generate alerts in case of any non-compliance/violation, to ensure compliance with the above-mentioned conditions.

Further, as per the existing procedure stipulated for HFCs, biometric authentication for e-KYC verification is to be performed at the branches/offices of APACHF. However, to ease out the said process, KYC verification, through Aadhaar based biometric authentication, may be performed by the Authorised Person of APACHF and shall be accepted as a valid process for KYC verification subject to the following conditions:

(i) Explicit consent of the customer to release his/her identity/address to APACHF;

(ii) Payment shall be accepted only through Account Payee cheque drawn in favour of the APACHF;

(iii) The cheque shall be drawn only from a designated bank account of the customer; and

(iv) All payments in respect of such deposits should be made only to the designated bank account through which funds are deposited.

Note:

(i) "Officially valid document" (OVD) means 'OVD' as defined under the Rule 2(l)(d) of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005.

(ii) "Customer Due Diligence" (CDD) means 'Client Due Diligence' as defined under Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005.

APACHF shall display the aforesaid conditions clearly for fair and transparent public disclosure.

The ultimate responsibility for customer due diligence in all the cases rests with APACHF and accordingly APACHF would be have in place adequate systems and procedures to avoid any violations of the KYC framework, both in letter and spirit.

APPOINTMENT OF DESIGNATED DIRECTOR AND PRINCIPAL OFFICER

- Mr.Harpreet Singh of APACHF has been appointed as the 'Designated Director' in compliance of Rule 2, 1(ba) of the Prevention of Money

Laundering (Maintenance of Records Rules), 2005. He will ensure overall compliance with the obligations imposed under Chapter IV of the Prevention of Money Laundering Act, 2005 and its rules.

- Mr. Poorna Prakash of the Company is the Principal Officer of the Company to coordinate the implementation of KYC norms in the Company. As per the guidelines of National Housing Bank (NHB), the Principal Officer will be located at the corporate office of the Company and will be responsible for monitoring and reporting of all transactions and sharing of information as required under the law. He will maintain close liaison with enforcement agencies, other HFCs and any other institutions which are involved in the fight against money laundering and combating financing of terrorism.
- The Principal Officer is authorized to fix the accountability for serious lapses and intentional circumvention of prescribed procedures and guidelines, in consultation with the Managing Director & CEO of the Company.

MAINTENANCE OF RECORDS OF TRANSACTIONS

All branches are required to maintain proper records of transactions prescribed under Rule 3 of the Prevention of Money Laundering Act, 2002 (PMLA) as mentioned below (wherever applicable) This will be the responsibility of the Branch Operations Manager under the supervision of the Branch Manager:

- All cash transactions of the value of more than Rs.10 lakhs or its equivalent in foreign currency.

- All series of cash transactions integrally connected to each other which have been valued below Rs 10 lakhs but where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds Rs 10 lakhs.

- All transactions involving receipts by non-profit organizations of Rs 10 lakhs or its equivalent in foreign currency,

- All cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security or a document has taken place facilitating the transactions

- All suspicious transactions whether or not made in cash as mentioned in the Rule 3 (1) D of PML Rules.

- The branches are required to maintain a proper record of all cash transactions of Rs.10 lakhs and above. Further, all such transactions/suspicious transactions whether made in cash or otherwise must be reported to the Principal Officer by the branches, on a fortnightly basis.

- The branches are required to maintain the following information in respect of transactions referred to in Rule 3 of the PMLA.

1. the nature of transactions
2. the amount of the transaction and the currency in which it was denominated
3. the date on which the transaction was conducted and
4. the parties to the transaction

- The branches will maintain these records for at least 10 years from the date of cessation of transaction between the bank and the Customer so as to retrieve the transactions and provide evidence for prosecution of persons involved in criminal activity, as referred to in clause (a) of Sub-section (1) of section 12 read with Rule 3 of the PMLA Rules.

- All branches will maintain the records pertaining to the identification of the customers and their addresses including copies of passports, identity card, driving licenses, PAN, utility bills etc. obtained while opening the account and during the course of the business relationship and properly preserve the same for at least 10 years after the business relationship is ended. The identification records and transaction data should be made available to the competent authorities upon written request/order. Such data should only be provided after approval from the Branch Manager and the Principal Officer.

- All branches would ensure that the provisions of Foreign Contribution (Regulation) Act, 1976, where applicable would be duly adhered to.

Applicability to branches and subsidiaries outside India

The above guidelines will also apply to the branches and majority owned subsidiaries located abroad as and when they are set up, especially, in countries which do not or insufficiently apply the FATF Recommendations, to the extent local laws permit as and when the Company opens overseas branches. When local applicable laws and regulations prohibit implementation of these guidelines, the same will be brought to the notice of National Housing Bank and RBI.

REPORTING TO FINANCIAL INTELLEGENCE UNIT – INDIA

Section 12 of PMLA requires APACHF to report information of transactions referred to in clause (a) of sub-section (1) of section 12 read with Rule 3 of the PML Rules relating to cash and suspicious transactions etc. to the Director, Financial Intelligence Unit-India (FIU-IND). Accordingly, the Company will report such information in the proper format of transactions relating to cash and/or of a suspicious nature to the Director, Financial Intelligence Unit-India (FIU-IND) at the following address:

Director,

FIU-IND Financial Intelligence Unit – India

6th Floor, Hotel Samrat,

Chanakyapuri,

New Delhi – 110 021

- The information in respect of the transactions referred to in clause (A), (B) and (BA) of sub-rule (1) of rule 3 of the PML Rules (i.e. clauses mentioned in section 13 above) is to be submitted to the Director FIU-IND every month by the 15th day of succeeding month in the prescribed formats.

- The information is to be submitted to the Director promptly, in writing or by E-mail, or by fax, not later than seven working days from the date of occurrence of such transactions and on being satisfied that the transaction is suspicious as per the prescribed formats.

CENTRAL KNOW YOUR CUSTOMER REGISTRY

The Government of India has authorized the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI), to act as, and to perform the functions of the Central KYC Record Registry vide the Gazette Notification No. S.O. 3183(E) dated November 26, 2015.

HFCs have been advised by National Housing Bank vide Policy Circular 76 dated 01-11-2016 to upload the Know Your Customer (KYC) data with CERSAI in respect of new individual loan accounts opened on or after the date of the extant Policy Circular. HFCs are to capture the KYC information for sharing with the Central KYC Record Registry in the manner mentioned in the “Prevention of Money-Laundering (Maintenance of Records) Rules, 2005” (and amendments thereto), as required by the revised KYC templates prepared for individuals and non-individuals/legal entities, as the case may be.

Operational Guidelines (version 1.1) for uploading the KYC data has been released by CERSAI which have to be followed diligently by all HFCs.

APACHF shall upload the data in respect of existing individual accounts immediately upon disbursal.

ANNEXURES:

ANNEXURE 1 - CUSTOMER IDENTIFICATION REQUIREMENTS INDICATIVE GUIDELINES

– LEGAL PERSONS REQUIRING EXTRA ELEMENT OF CAUTION

1. Trust/Nominee or Fiduciary Accounts: There exists the possibility that trust/nominee or fiduciary accounts can be used to circumvent the customer identification procedures. Branches should determine whether the customer is acting on behalf of another person as trustee/nominee or any other intermediary. If so, the Branch 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 opening an account for trust, the branches should take reasonable precautions to verify the identity of the trustees and the settlers 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. If the branch decides to accept such accounts in terms of the Customer Acceptance Policy, the branch 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

2. Accounts of Companies and firms: The branches need to be vigilant against business entities being used by individuals as a ‘front’ for maintaining accounts with the branches. The branch would verify the legal status of the legal person/ entity through proper and relevant documents. The branch should verify that any person purporting to act on behalf of the legal/ juridical person/entity is so authorized and identify and verify the identity of that person. The branches 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 perceptions, e.g. in the case of a public company it will not be necessary to identify all the shareholders.

3. Client accounts opened by professional intermediaries: When the Branch has knowledge or reason to believe that the client account opened by a professional intermediary is on behalf of a single client, that client must be identified. The Branches may hold ‘pooled’ accounts managed by professional intermediaries on behalf of entities like mutual funds, pension funds or other types of funds. Where the branches rely on the ‘customer due diligence’ done by an intermediary, they should satisfy themselves that the intermediary is regulated and supervised and has adequate systems in place to comply with the KYC requirements. It should be understood that the ultimate responsibility for knowing the customer lies with the branch.

4. 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. Branches 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 and seek information about the sources of funds before accepting PEP as a customer. The decision to open an account for PEP should be taken at a senior level above the category of the concerned branch manager. Such accounts shall be subject to enhanced monitoring on an ongoing basis. These norms are also applicable to the accounts of the family members or close relatives of PEPs.

5. Accounts of non-face-to-face customers: In the case of non-face-to-face customers, apart from applying the usual customer identification procedures, there must be specific and adequate procedures to mitigate the higher risk involved. Certification of all the documents presented may be insisted upon and, if necessary, additional documents may be called for. In the case of cross-border customers, there is the additional difficulty of matching the customer with the documentation and the branch may have to rely on third party certification/introduction. In such cases, it must be ensured that the third party is a regulated and supervised entity and has adequate KYC systems in place.

ANNEXURE 2 - CUSTOMER IDENTIFICATION PROCEDURE

FEATURES TO BE VERIFIED AND DOCUMENTS THAT MAY BE OBTAINED FROM CUSTOMERS [Aadhar Card is mandatory for applicant & co-applicant]

Features	**Documents**
Individuals	
Legal name and any other names used – Any of the documents to be obtained.	1. Aadhaar card 2. Passport 3. Pan Card 4. Voter's Identity card 5. Driving License

	6. Identity card (subject to the satisfaction of the branch) 7. Letter from a recognized public authority or public servant verifying the identity and residence of the customer to the satisfaction of the Branch Credit Manager 8. One recent passport size photograph except in case of transactions referred to in Rule 9(1)(b) of the PML Rules.
Correct address – Any of the documents to be obtained.	1. Aadhaar Card 2. Telephone Bill 3. Bank Account statement 4. Letter from any recognized public authority 5. Electricity Bill 6. Ration card 7. Letter from employer (subject to satisfaction of the Branch Credit Manager) 8. Any one document which provides Customer information to the satisfaction of the Branch Credit Manager
Companies	
- Name of the Company - Principal place of business - Mailing address of the Company - Telephones/Fax number	1. Certificate of Incorporation and Memorandum and Articles of Association 2. Resolution of the Board of Directors to open an account and identification of those who have authority to operate the account 3. Power of Attorney granted to its managers, officers or employees to transact the business on its behalf 4. Copy of PAN allotment letter 5. Copy of the telephone bill

Partnership Firms	
Legal Name - Address - Name of all partners and their addresses - Telephone numbers of the firm and partners	1. Registration certificate, if registered 2. Partnership deed 3. Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf 4. Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses 5. Telephone Bill in the name of firm and/or partners
Trusts & Foundations (if applicable)	
– Names of trustees, settlers, beneficiaries and signatories – Names and addresses of the founder, the managers/directors and the beneficiaries • Telephone and fax Numbers	1. Certificate of registration, if registered 2. Trust Deed 3. Power of Attorney granted to transact business on its behalf 4. Any officially valid document to identify trustees, settlers, beneficiaries and those holding Power of Attorney, founders/managers/directors and their addresses 5. Resolution of the managing body of the foundation/association 6. Telephone Bill
Unincorporated association or a body of individuals (if applicable)	
	1. Resolution of the managing body of such association, 2. power of attorney granted to him to transact on its behalf, 3. an officially valid document in respect of the person holding an attorney to transact on its behalf,

	4. any such other information as branch may require collectively to establish the legal existence of such association or body of individuals

*'Officially valid document' is defined to mean the passport, the driving license, the permanent account number card, the Voter's Identity Card issued by the Election Commission of India or any other document as may be required by the HFC.

ANNEXURE 3 - ILLUSTRATIVE LIST OF SUSPICIOUS TRANSACTIONS PERTAINING TO HOUSING LOANS:

- Customer is reluctant to provide information, data, documents;
- Submission of false documents, data, purpose of loan, details of accounts;
- Refuses to furnish details of source of funds by which initial contribution is made, sources of funds is doubtful etc;
- Reluctant to meet in person, represents through a third party/Power of Attorney holder without sufficient reasons;
- Approaches a branch/office of a HFC, which is away from the customer's residential or business address provided in the loan application, when there is HFC branch/office nearer to the given address;
- Unable to explain or satisfy the numerous transfers in the statement of account/multiple accounts;
- Initial contribution made through unrelated third party accounts without proper justification;
- Availing a top-up loan and/or equity loan, without proper justification of the end use of the loan amount;
- Suggesting dubious means for the sanction of loan;
- Where transactions do not make economic sense;

- There are reasonable doubts over the real beneficiary of the loan and the flat to be purchased;
- Encashment of loan amount by opening a fictitious bank account;
- Applying for a loan knowing fully well that the property/dwelling unit to be financed has been funded earlier and that the same is outstanding;
- Sale consideration stated in the agreement for sale is abnormally higher/lower than what is prevailing in the area of purchase;
- Multiple funding of the same property/dwelling unit;
- Request for payment made in favour of a third party who has no relation to the transaction;
- Usage of loan amount by the customer in connivance with the vendor/ builder/ developer/ broker/ agent etc. and using the same for a purpose other than what has been stipulated;
- Multiple funding/ financing involving NGO/ Charitable Organisation/ Small/Medium Establishments (SMEs) / Self Help Groups (SHGs) / Micro Finance Groups (MFGs);
- Frequent requests for change of address; Changes in mailing address of the Customer more than [twice]* in last 6 months
- Overpayment of instalments with a request to refund the overpaid amount.
- Unusual capital, partnership, management or employment structure of companies compared to other institutions in the same sector or general company structure.
- Current data not updated with relevant regulatory authorities, without justification.
- Existing or new partners/shareholders abstaining from giving information about their personal and commercial background, having indications that they did not have interest, education or experience in the field in which the company operates

ANNEXURE 4 - ILLUSTRATIVE LIST OF SUSPICIOUS TRANSACTIONS PERTAINING TO BUILDER / PROJECT LOANS:

- Builder approaching the HFC for a small loan compared to the total cost of the project.

- Builder being unable to explain the sources of funding for the project.
- Approvals/sanctions from various authorities proving to be suspicious / fake.

Important: The Risk Management Committee of the company will have the power to effect any changes, amendments, modifications etc. in this policy if the need arises.