



# CAPITAL INDIA

## Home Loans

### Policy on Know Your Customer Guidelines and Anti-Money Laundering Measures

Version	:	1.0
Owned By	:	Head Operations
Approved By	:	Board of Directors
Effective From	:	February 11, 2019
Next Review Date	:	February 10, 2020

Amit Sahai Kulshreshtha  
MD

Keshav Porwal  
Director

Vineet Kumar Saxena  
CEO & WTD

## 1. Introduction

The National Housing Board (“NHB”) has issued a comprehensive guideline on Know Your Customer (“KYC”) and Anti Money Laundering (“AML”) Measures for housing finance companies (“HFCs”) for setting the standards for prevention of money laundering activities and corporate practices while dealing with their customers from time to time.

In view of above guidelines, Capital India Home Loans Limited (“Company”) has adopted a robust policy frame work on KYC and AML measures in line with the guidelines prescribed by NHB (“Policy”). The Company shall adopt all the best practices prescribed by NHB from time to time and shall make appropriate modifications to the Policy, if necessary, to conform to the standards so prescribed. The contents of the Policy shall always be read in conjunction with the changes / modifications which shall be advised by NHB from time to time.

## 2. Objective:

The objective of the Policy is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities or terrorist financing activities. KYC procedures shall also enable the Company to know and understand its Customers (*defined hereinafter*) and its financial dealings in better way which in turn will help the Company to manage its risks prudently.

## 3. Applicability:

This Policy shall prevail over anything else contained in any other document, process, circular and / or instruction that has been issued by the Company in this regard and shall be applicable to all verticals and products of the Company, whether existing or rolled out in future.

## 4. Definitions:

In this Policy, unless there is anything in the subject or context inconsistent therewith, the expressions listed below shall, when capitalized, have the following meanings:

“**Board**” shall mean the board of directors of the Company.

“**Committee**” shall mean the Credit Committee / Risk Committee of Board, as may be specified by the Board from time to time.

“**Customer**” shall mean any Person that: (a) has a business relationship with the Company; (b) has a financial transaction or activity with the Company; (c) is connected with a financial transaction which can pose significant reputation or other risks to Company, say a wire transfer or issue of high value demand draft as a single transaction. The definition of “Customer” shall include any Person who is in process of or is proposing to become a customer of the Company.

“**HNI**” shall mean high net worth individuals.

“**Person**” includes an individual, statutory corporation, company, body corporate, partnership, joint venture, association of persons, Hindu Undivided Family (HUF), societies (including co-operative societies), trust, unincorporated organization and other bodies / agencies as may be considered as “Person” by the Company.

“**PEP**” shall mean a politically exposed person.

“PMLA Act” shall mean the Prevention of Money Laundering Act, 2002, including all the rules / regulations made pursuant thereto, as amended from time to time.

“PML Rules” shall mean Prevention of Money-laundering (Maintenance of Records) Rules, 2005, as amended from time to time.

## 5. Key elements of the Policy:

This Policy includes 4 (Four) key elements, details of which are given below:

- a) Customer Acceptance Policy (“CAP”);
- b) Customer Identification Procedures (“CIP”);
- c) Monitoring of Transactions;
- d) Risk Management.

### 5.1 Customer Acceptance Policy (“CAP”):

- 1) CAP lays down the criteria for acceptance of the Customers. The guidelines in respect of the Customer relationship in the Company broadly includes the following:
  - a) No account shall be opened in anonymous or fictitious / benami name(s);
  - b) No account shall be opened where the Company is unable to apply appropriate Customer Due Diligence (CDD) measures, either due to non-cooperation of the Customer or non-reliability of the documents/information furnished by the Customer.
  - c) No transaction or account-based relationship shall be undertaken without following the CDD procedure as specified in **Annexure II**.
  - d) The Customers shall be classified into various risk categories and based on risk perception, the acceptance criteria for each category of the Customers shall be defined.
  - e) Any additional information from the Customer shall be sought separately with their consent.
  - f) The Company shall not open a new account or close an existing account (except as provided in this Policy), where identity of the account holder cannot be verified and/or documents/information required could not be obtained/confirmed, as per the risk categorization, due to non-cooperation of the Customer or non-reliability of the data/information furnished to Company.
  - g) Implementation of CAP shall not become too restrictive and result in denial of the Company services to general public.
  - h) The decision to open an account for PEP shall be taken at a senior level. It may, however, be necessary to have suitable built in safeguards to avoid harassment of the Customer.
  - i) Circumstances in which a Customer is permitted to act on behalf of another person/ entity shall be clearly spelt out in conformity with the established law and practice and shall be strictly followed to avoid occasions when an account is operated by a mandate holder or where an account may be opened by an intermediary in the fiduciary capacity.
  - j) Documentation requirements and other information shall be collected in respect of different categories of the Customers depending on perceived risk and keeping in mind the requirements of PMLA Act and the guidelines issued by NHB and other statutory and regulatory bodies from time to time.
  - k) The Company shall undertake necessary checks before opening a new account to ensure that the identity of the Customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations, etc.

- 2) The Company shall prepare a profile for each new Customer during the credit appraisal stage, based on risk categorization as mentioned in this Policy in **Annexure III**. The Customer profile shall contain the information relating to the Customer's identity, social and financial status and nature of employment or business activity. The nature and extent of due diligence will depend on the risk perceived by Company. At the time of credit appraisal of the Customer the details are recorded along with their profile based on the documents provided by the Customer and verified by the Company either by itself or through third party sources. The documents collected will be as per the internal product norms being followed by the Company. However, while preparing Customer profile, the Company shall seek only such information from the Customer which is relevant to the risk category and is not intrusive. The Customer profile will be a confidential document and details contained therein shall not be divulged for cross selling or for any other purposes.
- 3) The Customers shall be categorized based on perceived risk broadly into three categories – A, B & C, in terms of **Annexure III** herein. **Category A** comprises High Risk Customers, **Category B** comprises Medium Risk Customers while **Category C** Customers comprises Low Risk Customers. None of the Customers will be exempted from Company's KYC procedure, irrespective of the status and relationship with Company, its directors and / or its promoters.

## 5.2 Customer Identification Procedures ("CIP"):

- 1) Customer identification means identifying the Customer and verifying their identity by using reliable, independent source documents, data or information. The Company shall obtain necessary information to verify the identity of each new Customer along with brief details of its promoters and management, wherever applicable, whether regular or occasional, and the purpose of the intended nature of business relationship.
- 2) Besides risk perception, the nature of information / documents required would also depend on the type of the Customer (individual, corporate, etc.). For the Customers that are natural persons, the Company shall obtain sufficient identification data to verify the identity of the Customer, their address/location, and recent photograph.
- 3) For the Customers that are legal Persons, the Company shall:
  - a) verify the legal status of such Person through proper and relevant documents;
  - b) verify that any Person purporting to act on behalf of the legal Person is so authorized and identify and verify the identity of that Person; and
  - c) understand the ownership and control structure of such legal Person and determine who are the natural persons who ultimately control such legal Person.
- 4) The Company will formulate and implement CIP to determine the real identity of its Customers keeping the above in view. The Policy shall also cover the identification procedure to be carried out at different stages, i.e., while establishing a relationship; carrying out a financial transaction or when there is a doubt about the authenticity/veracity or the adequacy of the previously obtained identification data and other information pertaining to any existing Customer.
- 5) Identification of Beneficial Owner:  
For opening an account of a legal Person (not being an individual) , the beneficial owner(s) shall be identified and all reasonable steps in terms of Rule 9(3) of the PML Rules, to verify his/her

identity shall be undertaken. The beneficial owner(s) are the individual(s), who, whether acting alone or jointly, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Meaning of	Persons	Criteria
Controlling ownership interest	Private company	Entitlement of 25% of the shares or capital or profits of the company
Control	Trusts	The trust, the trustee, the beneficiaries with 15% or more interest in the trust
	Partnership firm	Partners with more than 15% share in the profits
	Body of individuals or unincorporated associations	15% of the property or capital or profits of body of individuals or unincorporated associations

Where the Customer or the owner of the controlling interest is a company listed on a stock exchange, or is a subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or ultimate natural beneficial owner of such companies.

Customer identification requirements keeping in view the provisions PML Act and as per guidance note issued in this respect are indicated in **Annexure I** hereto. An indicative list of the nature and type of documents/information that may be relied upon for customer identification is given in **Annexure II**.

#### **Allotment of Unique Customer Identification Code (UCIC):**

The Company shall allot a Unique Customer Identification Code (“**UCIC**”) to all its new customers while entering into a relationship. Further for the existing customers such UCIC would be created within the permitted timeframes. The UCIC will be used to identify customers, track the facilities availed, monitor financial transactions in a holistic manner and enable the Company to have a better approach to risk profiling of its Customers.

**Important:** The Company shall periodically update the Customer identification data after the transaction is entered. The periodicity of updating of Customer identification data shall be once in 10 (ten) years in case of Low Risk Category Customers and once in every 8 (Eight) years in case of Medium Risk Category customers and once in every 2 (Two) years for High risk Category Customers.

### **5.3 Monitoring of Transactions:**

Ongoing monitoring is an essential element of effective implementation of the Policy. Monitoring of transactions shall be conducted taking into consideration the risk profile and risk sensitivity of the Customers. The Company shall make an endeavor to understand the normal and reasonable activity of the Customer so that transactions which fall outside the regular/pattern of activity can be identified. Special attention shall be paid to all complex, unusually large transactions and all unusual patterns, which have no apparent economic or visible lawful purpose. The Company may prescribe threshold limits for a category of accounts and pay attention to the transactions which exceed these limits, especially the transactions that involve large amounts of cash inconsistent with the normal

and expected activity of the Customer. Higher risk accounts shall be subjected to intense monitoring. The Company shall carry out the periodic review of risk categorization of transactions/customer's accounts and the need for applying enhanced due diligence measures at a periodicity of not less than semi-annual basis.

#### 5.4 Risk Management:

The management of the Company under the supervision of the Board and the Committee of the Company, shall ensure effective implementation of the Policy by putting in place appropriate procedures and ensuring their effective implementation of such procedures. It will cover proper management oversight, systems and controls, segregation of duties, training and other related matters. Responsibility will be explicitly allocated within the Company for ensuring that the policies and procedures as applicable to Company are implemented effectively. The Company shall devise procedures for creating risk profiles of its existing and new Customers and apply various AML measures keeping in view the risks involved in a transaction, account or business relationship in relation to each Customer.

The Company shall have an ongoing employee training program so that the employees are adequately trained in KYC procedures. Training requirements shall have different focuses for frontline staff, compliance staff and staff dealing with new customers. It is crucial that all those concerned fully understand the rationale behind the KYC policies and implement them consistently.

#### 6. Record Keeping:

**Maintenance of records of transactions:** The Company shall maintain proper record of the transactions as required under Section 12 of the PML Act read with Rule 3 of the PML Rules as mentioned below:

- 1) All cash transactions of the value of more than Rs. 10,00,000/- (Rupees Ten Lakhs only) or its equivalent in foreign currency.
- 2) All series of cash transactions integrally connected to each other which have been valued below Rs. 10,00,000/- (Rupees Ten Lakhs only) or its equivalent in foreign currency, where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds Rs. 10,00,000/- (Rupees Ten Lakhs only).
- 3) All transactions involving receipts by non-profit organizations of Rs. 10,00,000/- (Rupees Ten Lakhs only) or its equivalent in foreign currency.
- 4) 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 any document, has taken place facilitating the transaction.
- 5) All suspicious transactions whether made in cash and in manner as mentioned in the PML Rules or the PML Act. An Illustrative list of suspicious transaction pertaining to financial services is provided in **Annexure IV** hereto.

The records required to be maintained in relation to the transactions mentioned above shall contain the following information:

- i. the nature of the transactions;
- ii. the amount of the transaction and the currency in which it was denominated;
- iii. the date on which the transaction was conducted;
- iv. the parties to the transaction.

**Preservation of records:** In terms of Section 12 of the PML Act, the Company shall maintain records as under:

- a) records of all transactions referred to in Section 12(1)(a) read with Rule 3 of the PML Rules - for a period of 5 (Five) years from the date of the transaction between the Customer and the Company.
- b) records of the identity of all Customers of the Company - for a period of 5 (Five) years from the date of cessation of the transaction between the Customer and the Company.

The Company shall take appropriate steps to evolve a system for proper maintenance and preservation of information (in hard and/or soft copies) in a manner that allows such data to be retrieved easily and quickly whenever required or as and when requested by competent authorities.

#### **7. Appointment of Principal Officer and Designated Director:**

The Company shall designate a senior employee as 'Principal Officer' ("PO") who shall be located at the Head / Corporate office and shall be responsible for monitoring and reporting of all transactions and sharing of information as required under the provisions of the applicable laws. The PO shall 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 name, office address, designation of the PO shall be advised to, the director, Financial Intelligence Unit India (FIU-IND) and NHB.

The Board shall appoint a Designated Director to ensure compliance with the provisions of the PMLA Act and the PML Rules. The Designated Director shall ensure the implementation and compliance of the policy framed from time to time.

#### **8. Reporting to Financial Intelligence Unit – India:**

The PO shall report the information relating to cash and suspicious transactions, if detected, to NHB and / or the Director, FIU-IND as advised in terms of the PML Rules, in the prescribed formats as designed and circulated by NHB, at the following address:

Director,  
Financial Intelligence Unit India,  
6th Floor, Hotel Samrat,  
Chanakyapuri, New Delhi 110021

The employees of the Company shall maintain strict confidentiality of the fact of furnishing/ reporting details of suspicious transactions. A copy of information furnished shall be retained by the Principal Officer for the purposes of official record.

#### **9. Other General Guidelines:**

##### **Internal Control System:**

The Company's internal auditor will check and evaluate the adherence to the KYC Policies and procedures prescribed in this Policy or otherwise. Internal auditor will specifically check and verify the application of KYC procedures at the branches and comment on the lapses observed in this

regard. The compliance in this regard shall be put up before the Committee along with their normal reporting frequency.

**Introduction of new technologies:**

The Company shall pay special attention to any money laundering threats that may arise from new or developing technologies including online transactions that may favor anonymity, and take measures, if needed, to prevent their use in money laundering.

**Closure of Accounts/Termination of Financing/Business Relationship:**

Where the Company is unable to apply appropriate KYC measures due to non-furnishing of information and/or non-cooperation by the Customer, the Company shall terminate financing / business relationship after issuing due notice to the Customer explaining the reasons for taking such a decision. Such action shall be taken with the approval of Chief Executive Officer or Head – Risk or any Key Managerial Personnel duly authorized for this purpose.

**KYC for the Existing Accounts:**

While this Policy will apply to all new Customers, the same would also be applied to the existing Customers based on materiality and risk. However, transactions with existing Customers would be continuously monitored for any unusual pattern in the operation of the accounts.

**Customer Education:**

Implementation of KYC procedures can sometimes lead to a lot of questioning by the Customer as to the motive and purpose of collecting such information. Therefore, the Company shall, as when required, prepare specific literature/ pamphlets, etc., to educate the Customer about the objectives of the KYC guidelines. The front desk staff needs to be specially trained to handle such situations while dealing with Customer.

**Central Know Your Customer Registry (CKYCR):**

The Company shall endeavor to capture the KYC information for sharing with the CKYCR in the manner specified in the guidelines issued by the NHB and as per the provision of the applicable laws. The Company shall take the steps to prepare its systems and processes, for sharing the KYC data with the CKYCR.

**Review of the Policy:**

This Policy is subject to review by the Board, as and when deemed necessary. The Board may amend or revise this Policy from time to time, as required under, the guidelines issued by NHB and other applicable laws.

Notwithstanding anything contained in this Policy, the Company shall ensure compliance with any additional requirements as may be prescribed under the provisions of PMLA Act, PML Rules, Foreign Contribution and Regulation Act, 1976, and other applicable laws / regulations, either existing or arising out of any amendment to such laws / regulations or otherwise and applicable to the Company from time to time. Any change/amendment in applicable laws shall be deemed to be incorporated in this Policy by reference and this Policy shall be deemed to have been amended and revised accordingly.



## ANNEXURE I

### Customer Identification Requirements (Indicative Guidelines):

#### 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. Branch/office shall 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. Branch/office shall verify the identity of the Person and seek information about the sources of funds before accepting the PEP as a Customer. The decision to provide financial services to an account for PEP shall be taken at a senior level and shall be subjected to monitoring on an ongoing basis. The above norms may also be applied to the accounts of the family members or close relatives of PEPs.

#### Accounts of non-face-to-face Customers:

In the case of non-face-to-face Customers of the Company, 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 Company 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.

#### Trust / Nominee or Fiduciary Accounts:

Branch offices shall determine whether the Customer is acting on behalf of another person as trustee/nominee or any other intermediary. If so, they shall insist on receipt of satisfactory evidence of the identity of the intermediaries and of the Persons on whose behalf they are reacting, as also obtain details of the nature of the trust or other arrangements in place. The Company shall 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 shall be identified when they are defined. In the case of a foundation, branch offices shall take steps to verify the founder managers/directors and the beneficiaries, if defined. There exists the possibility that trust/nominee or fiduciary accounts can be used to circumvent the Customer Identification Procedures.

#### Accounts of companies and firms:

The branch offices shall be vigilant against business entities being used by individuals as a front for maintaining accounts with the Company and / or other institutions. The branch offices may 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. When the Company identifies a Customer (which is a company / firm) for opening an account, it shall identify the beneficial owner(s) of such Customer and take all reasonable steps in terms of Rule 9(3) of the PML Rules to verify the identity.

## ANNEXURE II

### Customer Identification Procedure:

Details of the features which shall be verified and the documents which shall be obtained from the Customers

Features	Documents (Certified copy)
<p><b>Individuals:</b></p> <p>- Legal name and any other names used</p> <p>Correct permanent address</p>	<ul style="list-style-type: none"> <li>i) Passport</li> <li>ii) PAN card</li> <li>iii) Voter's Identity Card</li> <li>iv) Aadhar Card issued by UIDAI</li> <li>v) Driving license</li> <li>vi) Identity card (subject to the satisfaction of the Company)</li> <li>vii) Letter from a recognized public authority or public servant verifying the identity and residence of the customer to the satisfaction of the Company</li> </ul> <ul style="list-style-type: none"> <li>i) Telephone bill</li> <li>ii) Bank Account statement</li> <li>iii) Letter from any recognized public authority</li> <li>iv) Electricity bill</li> <li>v) Ration card</li> <li>vi) Aadhar Card issued by UIDAI</li> <li>vii) Letter from employer (subject to satisfaction of the Company)</li> </ul> <p>(any one document which provides customer information to the satisfaction of the Company will suffice)</p> <p>One recent passport size photograph except in case of transactions referred to in Rule 9(1)(b) of the PML Rules.</p>
<p><b>Companies-</b></p> <p>Name of the company - Principal place of business - Mailing address of the company - Telephone/Fax Number</p>	<ul style="list-style-type: none"> <li>i) Certificate of incorporation</li> <li>ii) Memorandum &amp; Articles of Association</li> <li>iii) Resolution from the Board of Directors and Power of Attorney granted to its managers, officers or employees to transact business on its behalf</li> <li>iv) an officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf.</li> <li>v) Telephone Bill.</li> </ul>

<p>Partnership Firms</p> <ul style="list-style-type: none"> <li>- Legal name - Address - Names of all partners and their addresses</li> <li>- Telephone numbers of the firm and partners</li> </ul>	<ul style="list-style-type: none"> <li>i) Registration certificate, if registered</li> <li>ii) Partnership deed</li> <li>iii) Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf</li> <li>iv) Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses.</li> <li>v) Telephone Bill in the name of firm/partners.</li> </ul>
<p>Trusts &amp; Foundations</p> <ul style="list-style-type: none"> <li>- Names of trustees, settlers, beneficiaries and signatories - Names and addresses of the founder, the managers/directors and the beneficiaries - Telephone/fax numbers</li> </ul>	<ul style="list-style-type: none"> <li>i) Certificate of registration, if registered</li> <li>ii) Trust deed</li> <li>iii) Power of Attorney granted to transact business on its behalf</li> <li>iv) Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney, founders/managers/directors and their addresses</li> <li>v) Resolution of the managing body of the foundation/association.</li> <li>vi) Telephone Bill.</li> </ul>
<p>Unincorporated association or a body of individuals</p>	<ul style="list-style-type: none"> <li>i) resolution of the managing body of such association or body of individuals</li> <li>ii) power of attorney granted to him to transact on its behalf</li> <li>iii) an officially valid document in respect of the person holding an attorney to transact on its behalf</li> <li>iv) and such other information as may be required by Company to collectively establish the legal existence of such as association or body of individuals.</li> </ul>

" **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 Company.

### ANNEXURE III - Risk Categorization of the Customers

This Annexure refers to risk categorization of customers and is indicative only.

High Risk – Category A	Medium Risk – Category B	Low Risk – Category C
<ul style="list-style-type: none"> <li>a) Non – Resident Indian (NRI) Customers;</li> <li>b) HNIs-Persons who have applied for loan amount more than 5 crores.</li> <li>c) Self-employed Customers with sound business and profitable track record for less than 3 years</li> <li>d) Trust, charitable organizations, Non-Government Organization (NGO) and organizations receiving donations;</li> <li>e) Companies having close family shareholding or beneficial ownership with group track record of less than 5 years;</li> <li>f) Firms with sleeping partners;</li> <li>g) Politically Exposed Persons (PEPs) of Indian/ foreign origin;</li> <li>h) Person with dubious reputation as per public information available;</li> <li>i) Persons without any contact number and details;</li> <li>j) Person with criminal background;</li> <li>k) Persons engaged in the business of real estate, including builders and developers.</li> </ul>	<ul style="list-style-type: none"> <li>a) Salaried applicant with variable income/ unstructured income receiving, salary in cheque;</li> <li>b) Salaried applicant working with private limited companies (excluding those part of any large group companies / MNCs), proprietary, partnership firms;</li> <li>c) Self-employed Customers with sound business and profitable track record for more than 3 years;</li> <li>d) Companies having close family shareholding or beneficial ownership with group track record of more than 5 years.</li> </ul>	<ul style="list-style-type: none"> <li>a) Salaried employees with well-defined fixed salary received through bank credit;</li> <li>b) People working with government owned companies, regulators and statutory bodies, MNCs, rated companies, PSUs, public limited companies, etc.</li> </ul> <p style="text-align: center;"><u>In the event of an existing Customer or the beneficial owner of an existing account subsequently becoming a PEP, the Company will obtain senior management approval in such cases to continue the business relationship with such person, and undertake enhanced monitoring, in terms of this Policy.</u></p>

## ANNEXURE IV

### Illustrative List of Suspicious Transaction Pertaining to Financial Services:

- 1) **A list of suspicious transactions, applicable to all loans (including builder / project loans):**
  - a) Customer is reluctant to provide information, data, documents;
  - b) Submission of false documents, data, purpose of loan, details of accounts;
  - c) Refuses to furnish details of source of funds by which initial contribution is made, sources of funds are doubtful etc;
  - d) Reluctant to meet in person, represents through a third party/Power of Attorney holder without enough reasons;
  - e) Approaches a branch/office of a Company, which is away from the customer's residential or business address provided in the loan application, when there is Company branch/office nearer to the given address;
  - f) Unable to explain or satisfy the numerous transfers in the statement of account/ multiple accounts;
  - g) Initial contribution made through unrelated third-party accounts without proper justification;
  - h) Availing a top-up loan and/or equity loan, without proper justification of the end use of the loan amount;
  - i) Suggesting dubious means for the sanction of loan;
  - j) Where transactions do not make economic sense;
  - k) There are reasonable doubts over the real beneficiary of the loan and the flat to be purchased;
  - l) Encashment of loan amount by opening a fictitious bank account;
  - m) 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;
  - n) Sale consideration stated in the agreement for sale is abnormally higher/lower than what is prevailing in the area of purchase;
  - o) Multiple funding of the same property/dwelling unit;
  - p) Request for payment made in favor of a third party who has no relation to the transaction;
  - q) 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.
  - r) Multiple funding / financing involving NGO / Charitable Organization / Small / Medium Establishments (SMEs) / Self Help Groups (SHGs) / Micro Finance Groups (MFGs)
  - s) Frequent requests for change of address;
  - t) Overpayment of instalments with a request to refund the overpaid amount
  
- 2) **A list of suspicious transactions, applicable to builder / project loans:**
  - a) Builder approaching the Company for a small loan compared to the total cost of the project;
  - b) Builder is unable to explain the sources of funding for the project; and
  - c) Approvals/sanctions from various authorities are proved to be fake.