

Know Your Customer (KYC) and Prevention of Money Laundering (PML) Policy - 2018

EXECUTIVE SUMMARY

Origa Lease Finance Private Limited (Earlier known as Origa Renting Private Limited) , was incorporated on May 31st 2013 as a private limited company under the Companies Act, 1956 vide CIN U71210MH2013PTC243849, having its registered office at Office no 2, building no 4, Solitaire Corporate Park, Andheri Kurla Road, Chakala, Andheri East, Mumbai, Maharashtra, India 400093.

Origa Lease Finance Private Limited (OLFPL) currently is carrying on the business of operating lease with focus on access to finance in the B2B segment. OLFPL’s vision is to provide innovative financial product of equipment leasing for building and expanding capacities across the MSME segment and small and medium hospitals in healthcare segment in India. Currently, OLFPL operates in peripheries of metro cities and in tier II and tier III cities of the Western and Southern India.

OLFPL is registered as Non-Deposit taking Non-banking financial Company (NBFC- ND) bearing registration number N-13.02208. It received its CoR on November 7th 2017. It is categorized as a Non-Systemically Important Non-deposit taking NBFC (Regulated Entity as defined under these Directions). Accordingly, Origa Lease Finance Limited has adopted the said KYC guidelines with suitable modifications depending on the restricted activity undertaken by it. The Company has ensured that a proper policy framework on KYC and AML measures are formulated in line with the prescribed RBI guidelines commensurate with its scope of operations as applicable and duly approved by its Board of Directors.

The primary objective of “**Know Your Customer**” (KYC) policy is to prevent the company from being used, intentionally or otherwise, by unscrupulous elements for fraudulent/money laundering and terrorist financing activities as enunciated in the “**Customer Acceptance Policy** “of OLFPL and various circulars issued by the Reserve Bank of India (RBI) on the subject matter from time to time. KYC procedures also enable to know/understand customers and their financial dealings better which, in turn, help to manage their risks prudently. These guidelines are put in place to reinforce the existing checks and controls of OLFPL and to ensure due diligence while starting/extending relationship with/to a new/existing customer.

1. INTRODUCTION

The Reserve Bank of India (RBI) had issued vide its Master Direction DBR.AML.BC.No.81/14.01.001/2015- 16 dated February 25, 2016 (updated till July, 2018) and master circular issued on July 1, 2015 under Prevention of Money-Laundering Act, 2002 and Prevention of Money-laundering (Maintenance of Records) Rules, 2005 advised all NBFCs to revise their KYC policies to incorporate changes suggested in the above Directions/Circulars. Amendment to Prevention of Money-Laundering (Maintenance of Records) Amendment Rules, 2013 dated December 1, 2014 and Obligation of NBFCs under Prevention of Money laundering Act (PMLA), 2002 - Client Due Diligence dated January 2, 2015 advised all NBFCs to revise their KYC policies to incorporate changes suggested in the above circulars. Based on the above framework provided by RBI, KYC policy has been formulated incorporating the Standard Operating Procedures on KYC and AML requirements (hereinafter referred to as the “KYC Policy”).

All Branches / Offices shall mandatorily comply with the procedures laid down by this policy. Non-compliance will be construed as misconduct on the part of the employee which will attract appropriate penal action.

It may be noted that the word ‘account’ used in the document should be understood as ‘relationship’ from OLFPL’s perspective.

2. APPOINTMENT OF PRINCIPAL OFFICER (PO)

As required under the Prevention of Money Laundering Act, 2002 (PMLA), Chief Operating Officer (Currently Mr. K.S.Ramasubramanian) has been appointed as the Principal Officer of our Company. The Principal Officer shall *inter alia* be responsible for reporting of all Cash Transactions exceeding Rs.10 lakh and Suspicious Transactions to the Financial Intelligence Unit, India (FIU-IND) within the periodicity provided by the PMLA and Rules. Roles and responsibilities of the Principal Officer would also include overseeing and ensuring overall compliance with regulatory guidelines on KYC/AML/CFT issued from time to time and obligations under the Prevention of Money Laundering Act, 2002, rules and regulations made thereunder, as amended from time to time. The name, designation and address of the Principal Officer shall be communicated to FIU-IND.

3. APPOINTMENT OF DESIGNATED DIRECTOR

As required by Reserve Bank vide Circular No: DNBR (PD).CC. No. 005 /03.10.42/2014-15 dated December 1, 2014, Mr. Shirang Tambe, CEO has been appointed as Designated Director for ensuring compliance with the obligations under the PML Act. The name, designation and address of the Designated Director shall be communicated to FIU-IND.

4. CONSTITUTION OF SENIOR MANAGEMENT

As required under clause of KYC Direction issued by RBI, Senior Management is constituted for KYC Policy. Senior Management shall comprise of Chief Operating Officer, Head of Finance, Chief Risk Officer, Chief Human Resource/Administrative Officer, Head Sales (respective Business Head). The responsibility is for effective implementation of policies and procedures with the respective departments.

5. SCOPE

These procedures shall be applicable for all new and existing customer and business partner relationships of OLFPL.

6. HIRING AND TRAINING

Human Resource function to have in place the screening mechanism as an integral part of their personnel recruitment/hiring process. HR, Legal & Compliance and Operations department to arrange an on-going training program for the different categories of members of staff and to ensure they are adequately trained in KYC/AML procedures. Specific training program is required from focus point of view for field staff, processing staff, compliance staff and audit staff. It is crucial that all those concerned fully understand the rationale behind the KYC/AML policies and implement them consistently.

7. CUSTOMER EDUCATION

Implementation of KYC procedures requires OLFPL demand certain information from a customer which may be of 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. There is, therefore, a need to educate the customer of the objectives of the KYC program. The front desk/business development staff needs to be specially trained to handle such situations while dealing with customers. The same should be done as per this policy.

8. CONCURRENT/INTERNAL AUDIT

Appropriate systems will be put in place in the form of an independent audit to verify for compliance of KYC/AML policies and procedures on a quarterly /periodic basis. Evaluation of the compliance functions pertaining to KYC and PMLA shall be done on an annual basis.

Submission of quarterly audit notes and compliance to the appropriate committee or Board of the company will be factored in MIS.

9. CUSTOMER DUE DILIGENCE

Means identifying and verifying the customer and beneficial owner using “Officially Valid Documents” as a proof of identity and a proof of address.

10. OUTSOURCING:

Decision making function of determining compliance with KYC Norm shall not be outsourced.

11. CENTRAL KYC RECORDS REGISTRY –

CKYCR means an entity to receive, store, safeguard and retrieve the KYC record in digital form of a customer. OLFPL shall take necessary steps to comply with the norms of CKYCR. Government of India authorize the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI), to act as, and to perform the functions of the CKYCR.

12. Reporting Requirement under Foreign Account Tax Compliance Act (FATCA).

Under FATCA and CRS, OLFPL shall take steps for complying with the reporting requirements:

- Registration to be done on the url <https://incometaxindiaefiling.gov.in> for filing the returns.
- Submit e-filing report by using digital signature of the designated director either uploading form 61B or NIL report.
- Reference can be taken from www.fedai.org.in/revaluationrate.aspx for carrying out due diligence procedure for the purpose of identifying reportable relationships under section 114H of Income Tax Account.
- Help of IT framework for due diligence, for recording and maintaining the information

The Senior Management constituted under this policy will ensure the compliance of following:-

1 – CUSTOMER ACCEPTANCE PROCEDURE AND RISK MANAGENT.

2 – BUSINESS PARTNER ACCEPTANCE PROCEDURE

3 – Documents to be obtained as per Annexures

I – CUSTOMER ACCEPTANCE PROCEDURE

1. KYC PROCESS

1.1. Customer Identification Process: The following aspects are covered in the customer identification process:

CUSTOMER IDENTIFICATION (KYC Process)

Every employee of OLFPL or their authorized representative or DSA shall establish a customer relationship only after the identity and address of the customer and all those who represent the customer has been verified and found satisfactory.

Step 1

The process of customer acceptance begins with meeting/interaction with the customer.

Step 2

The customer is required to complete the Application Form wherein details on the background and facilities opted by the customer are recorded.

Step 3

The details furnished in the Application Form shall be supported by Photograph (applicable in case of individual) Proof of Identity, Proof of Address and Relationship Proof. The documents that can be accepted to support the identity, address and signature of all parties signing the agreement i.e. applicant, co-applicant, guarantor and Ultimate beneficial owner (UBO) are listed in the attached

Annexure A2– List of Important Instructions, Documents Accepted as Proof of Identity, Proof of Address, and Relationship Proof (as applicable)

The customer should sign across the photograph and should sign on all the photocopies of the KYC documents

Identity and address proof documents are collected to identify the customers and confirm their stay at a particular address with the help of reliable, independent source documents, data or information. Photograph should be a recent color passport size photograph.

Step 4

The photocopies of supporting documents obtained as Proof of Identity and Proof of Address and relationship proof should be verified with originals and certified by the person verifying the same as ‘True Copy’ i.e. Original, Seen and Verified (OSV). The OLFPL Employee or its authorized representative who meets the customer should perform the verification. (OSV stamp with name, signature and employee / representative code).

Step 5

Before establishing new relationship as well as check to be done to ensure as far as possible that the identity of the applicant does not match with any person with known criminal background or with the willful defaulters as per the list published by the RBI or with banned entities such as individual terrorists or terrorist organizations or list of individuals and entities, approved by Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) etc.

Step 6

Verification of customer information (which includes Tele-verification) should be conducted by OLFPL employee or its authorized representative.

Step 7

The welcome letter should be sent to the customer within 21 working days from the date of inception of contract

RISK MANAGEMENT

A. CUSTOMER SCREENING

The risk assessment procedure begins with screening of the Negative/ Freeze lists. On receipt of any caution lists being provided by the Reserve Bank of India to the Legal/ Compliance Department, the same shall be verified by appropriate mechanism.

When information of an existing customer or the beneficial owner of an existing account, subsequently becoming a PEP is obtained either from information available in public domain or customer interaction at branch or during servicing of accounts, senior management approval would be required to continue the business relationship and the account shall be subject to enhanced CDD measures.

*-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.

OLFPL will not entertain applications for establishing relationship on behalf of a client/s by professional intermediaries, like Lawyers and Chartered Accountants, etc., who are unable to disclose true identity of the owner of the relationship/funds due to any professional obligation of customer confidentiality.

It should be also noted that information collected from the customer for the purpose of establishing relationship should be kept confidential and not divulged for cross selling or any other purpose. Any other information if required from the customer shall be sort separately.

B. CUSTOMER RISK CATOGRIZATION

Risk Profile

As per the Company's "Know Your Customer (KYC) and Anti Money Laundering Measure" policy customer will be categorized into Low Risk, Medium Risk, High Risk and Unacceptable based on the risk profile of the customer.

Process of Risk Profiling

Assessing customer-related risks is a critical component of a Company's internal risk analysis. In classifying customer-related risk, business relationships and the persons associated with them are assigned to different categories of risk depending on various risk factors.

In this policy note, the term "risk" is considered in the context of money laundering and financing terrorism (not credit risk, loan default risk, etc.). The goal of risk classification is to identify low, medium and high-risk business relationships and, in accordance with our risk-based approach, take appropriate measures, such as increased due diligence. Risk profiling of customer is based on customer's identity, social/financial status & nature of business activity.

Process for Customer Risk Categorization for new customers:

1. Each customer need to fill and sign the "Compliance to KYC Policy" paragraph incorporated in Application Form.
2. Details specified in "Compliance to KYC Policy" section in Application Form shall be verified and signed by OLFPL Employee.
3. Risk categorization of customers into Low (Category A), Medium (Category B) & High Risk (Category C) shall be done OLFPL employee based on information submitted by the customer in "Compliance to KYC Policy" section, Loan application form .

4. For the customers categorized as “High risk (Category C)” it is mandatory that:

(a) OLFPL Employee to visit the customer’s premises to ascertain the real existence of such a business/industrial unit/financial status person and its scale of operations commensurate with its turnover.

(b) Case needs to be approved by Head Credit and Risk Head/Chief Risk Officer jointly after review of customer visit report, financial documents & source of funds.

5. Operations shall ensure that no disbursement is made unless the duly filled and signed “Compliance to KYC Policy” mentioned in Application Form is in the file.

6. Operations shall also ensure that the respective approvals for customers classified as High Risk customer are in the file before disbursement.

7. Operations to also ensure that correct risk categorization as mentioned in the Application Form and it is updated in records.

8. It is to be noted that the customer profile will be a confidential document and details contained therein shall not be divulged for any other purposes. Adequate care should also be taken by the branch functionaries to seek only such information from the customer, which is relevant to the risk category and is not intrusive.

Based on the framework provided by RBI, the Company will adopt following classification for risk categorizations of its customers:-

Definition of Customer Risk: 'Customer risk ' in the present context refers to the money laundering risk associated with a particular customer from a Company's perspective.

High Risk Customers (Category C):-

Characteristics of High Risk Customer: Customers whose source of funds are not clear or are not convincing will be categorized as High risk customer. Higher due diligence shall be applied for this category of customers.

Indicative List:

- Multi-level Marketing firms
- Customer reported to FIU under Suspicious transaction reporting/cash transaction reporting as per PMLA norms.

Medium Risk Customers (Category B):

Characteristics of Medium Risk Customer: Customers that are likely to pose a higher than average risk to the Company may be categorized as medium risk customer.

Indicative List:

- Trust unaudited books of accounts Other than Educational Trust, charities, NGO’s and Organization receiving donations.
- Politically Exposed Persons (PEPs) as per RBI (i.e. 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, the family members or close relatives of PEPs etc.)

Unacceptable Customers:

Customers that are likely to pose a highest risk to us may be categorized Unacceptable Customers, such as:

- Match against the Terrorist list, RBI watch list & Country list ((indicative list provided by IBA and United Nations) .
- Relationships established through professional intermediaries (the client account established by a professional intermediary on behalf of a single client or 'pooled' accounts managed by professional intermediaries on behalf of entities like mutual funds, pension funds or other types of funds). As a policy, OLFPL does not entertain such requests.

OLFPL at their discretion to rely on the CDD done by the intermediary.

- Lending to Non Resident Indians (NRI).
- Lending to Private Finance companies not registered with RBI.

For existing customers

- In the event of any change in the risk profiling the latest risk profiling will prevail.
- Customer reported to FIU under Suspicious transaction reporting/cash transaction reporting as per PMLA norms to be classified as high risk customer if earlier classification is different.

1.3. CUSTOMER DUE DILIGENCE (CDD) MEASURES

CDD measures are applied based on the risk ratings and the related due diligence measures are summarized below:-

Risk Profile	Due diligence measures
Low & Medium risk	Standard Measures
High risk	Enhanced Measures
Unacceptable	Exit Procedures

I. Standard measures (Applicable to customers falling within the category of Low & medium risk)

Where the customer presents a Low & Medium risk to OLFPL, standard due diligence measures are applied. The requirements of the standard measures have been made as a part of the data collected in the Application form and Due Diligence is performed by the OLFPL Employee at the time of sourcing/credit approval /disbursement of the case.

Following standard measures (Applicable for Low & Medium Risk Customers) have to be complied as below:

- i. Identification and verification (reliable, independent source documents, data or information). List of documents for identification and verification in line with the guidelines of RBI as per **Annexure A1**
- ii. Screening of all relevant Freeze / negative lists for prospective customers / UBO / Designated POA
- iii. Assessment in line with this policy document, even when the customer has been dealing with other financial institution.

- iv. Understand the customer's business and the structure of the organization.
- v. Record economic rationale for having account relationship with OLFPL.
- vi. Record the source of capital.
- vii. Record the source of income.
- viii. Record justification if place of customer's domicile and branch where account is opened is different.
- ix. Whether there has been any adverse publicity about the customer and his / her relationship with crime, if yes, reasons for the same.

II. Enhanced Measures (*Applicable to customers falling within the category of high risk*)

Where the customer profile is high risk, enhanced measures are applied. In case of lending business, the OLFPL Employee as explained in section of Risk Screening need to certify in the Credit Appraisal Memo/and for other business Application form due diligence has been completed and the following enhanced measures have been complied with:

EDD for High Risk customers (Cat C):

- In the case of High Risk Customers, it is mandatory that OLFPL Employee visits the customer's premises to ascertain the real existence of such a business/industrial unit person, its scale of operations and financial status commensurate with its turnover.
- Case needs to be approved by Head Credit and Risk Head/CRO jointly

Customers (Category A):

Characteristics of Low Risk Customer: Individuals and entities whose identities and source of wealth can easily identifiable and transactions in whose accounts by and large conform to the known profile will come under this category. Customers not covered in the High Risk and Medium Risk category definition will be categorized as low risk customer.

Indicative List

- Customer Occupation: Salaried Employees/Pensioners
- Economic profile: People belonging to lower economic strata of the society whose accounts show small balances and low turnover.
- Government Departments, Government owned Companies, Regulators and statutory bodies.

Monitoring:

Review of Risk Categorization Indicative list for each category shall be done once in 6 months by Risk Department.

Operations and Sales department will periodically update customer identification data after the account is opened. The periodicity (from the date of account opening/last verification of KYC) of such updation should not be less than once in ten years in case of Low Risk category customers, not less than eight years for Medium Risk category and not less than once in two years in case of high risk categories subjected to following conditions:

- (a) Fresh proofs of identity and address shall not be sought at the time of periodic updation, from customers who are categorized as 'low risk', when there is no change in status with respect to their identities and addresses and a self-certification to that effect is obtained.
- (b) A certified copy of the proof of address forwarded by 'low risk' customers through mail/post, etc., in case of change of address shall be acceptable.
- (c) Physical presence of low risk customer at the time of periodic updation shall not be insisted upon.

(d) The time limits prescribed above would apply from the date of opening of the account/ last verification of KYC.

(e) Fresh photographs shall be obtained from customer to whom lease/loan was provided when they were minor, on their becoming a major.

Other points shall be noted w.r.t CDD:

High Risk Customers - With a view to preventing OLFPL from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing, it is clarified that whenever there is suspicion of money laundering or terrorist financing or when other factors give rise to a belief that the customer does not, in fact, pose a low risk, The OLFPL Employees are advised to carry out full scale customer due diligence (CDD) before establishing any relationship.

Suspicious Transaction - Financing should not be done (or should consider closing an existing customer account) when it is unable to apply appropriate CDD measures. When OLFPL is no longer satisfied that it knows the true identity of the account holder, an STR (Suspicious Transaction Report) is to be raised with FIU-IND in the prescribed format.

Exit Procedure - (Applicable to customers falling within the category of Unacceptable customers). In case the customer has been rated as 'Unacceptable', an Intimation letter as required under Fair Practice Code should be sent to the customer.

Decision-making functions of determining compliance with KYC norms shall not be outsourced.

2. AML PROCESS

2.1 Transaction Monitoring

Ongoing monitoring is an essential element of effective KYC procedures. Effective control and reduction of risks is possible only if there is a clear understanding of the normal and reasonable activity of the customer. This would in turn enable OLFPL to identify the transactions that fall outside the regular pattern of activity. However, the extent of monitoring shall be dependent on the risk sensitivity of the account.

Type of transactions to be monitored

Although OLFPL will not have cash dealings following are some types of transactions which should be borne in mind for close monitoring:

1. All cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency;
2. All series of cash transactions integrally connected to each other which have been individually valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds rupees ten lakh or its equivalent in foreign currency
3. 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 has taken place;
4. All suspicious transactions whether or not made in cash and in manner as mentioned in the Rules framed by Government of India under the Prevention of Money Laundering Act, 2002.

****Instructions on Accepting Cash***

- i) It shall be ensured by every business unit that no cash of Rs.50,000/- and above is accepted from a customer without copy of PAN card .In case if the customer is not having the PAN card , duly filled and signed form no 60 shall be collected from the customer.
- ii) Any cash of Rs.10 lakh and above shall be accepted only after obtaining the necessary written approval of the Risk Manager CEO. The same shall be reported by the concerned Employee to the Principal Officer who is COO, (currently he is Mr. K. S. Ramasubramanian) with e-mail id ram.subramanian@origaleasing.com and the CEO Mr. Shirang Tambe with e mail id shirang.tambe@origaleasing.com by the 5th of the month succeeding the month to which the transaction relates providing complete details.

2.2 INFORMATION TO BE PRESERVED

Following information in respect of above transactions have to be preserved:

- 1. The nature of the 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.

2.3 REPORTING OF TRANSACTIONS

The PMLA and the Rules framed there under have imposed an obligation on the Principal Officer to report all cash transactions and suspicious transactions to the Financial Intelligence Unit (FIU-IND). There shall be no restrictions on operations in the accounts where an STR has been made. It should be ensured that there is no tipping off to the customer at any level. It is likely that in some cases transactions are abandoned/ aborted by customers on being asked to give some details or to provide documents. OLFPL should report all such attempted transactions in STRs, even if not completed by customers, irrespective of the amount of the transaction.

The types of transactions to be reported and the manner of reporting shall be done as detailed hereunder:

I. Reporting of Cash Transactions

The following types of transactions shall be reported to the FIU-IND:

- i) All cash transactions of Rs.10 Lakhs and above or its equivalent in foreign currency;
- ii) All series of cash transactions integrally connected to each other which have been individually valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds rupees ten lakh or its equivalent in foreign currency

Time of Reporting

- i) The reporting of Cash Transactions to the FIU-IND shall be made only through the Principal Officer appointed by the Company.

ii) Upon the receipt of the documents referred above, the Principal Officer and the Company Secretary shall report the Cash Transaction/s referred to in above Para) to the Director, FIU-IND immediately not later than 15th of the succeeding month to which the transaction relates while doing so individual transactions below rupees fifty thousand may not be included. iii) This reporting shall be done in the format prescribed by RBI.

iv) Utmost confidentiality should be maintained in filing of CTR with FIU-IND.

II. Reporting of Suspicious Transaction

Apart from reporting Cash transactions of the above nature, the Principal Officer and the Company Secretary is also under an obligation to report all transactions of a suspicious nature to the Director, FIU-IND. STRs should be made if there are ground to believe that the transaction involves proceeds of crime generally irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences in part B of Schedule of PMLA, 2002. The delay in furnishing of information to Director FIU-IND from the prescribed period (even for one day) will be construed as non-compliance.

Indicative List of Suspicious Activities

(i) Transactions Involving Large Amounts of Cash:

(ii) Transactions that do not make Economic Sense

(iii) Activities not consistent with the Customer's Business

(iv) Attempts to avoid Reporting/Record-keeping Requirements

A customer who is reluctant to provide information needed for a mandatory report

b. Any individual or group that coerces/induces or attempts to coerce/induce a OLFPL employee not to file any reports or any other forms.

c. An account where there are several cash transactions below a specified threshold level to avoid filing of reports

5. Unusual Activities

Funds coming from the countries/centers which are known for money laundering.

6. Customer who provides Insufficient or Suspicious Information

a. A customer/company who is reluctant to provide complete information regarding the purpose of the business, prior business relationships, officers or directors, or its locations.

b. A customer/company who is reluctant to reveal details about its activities or to provide financial statements.

c. A customer who has no record of past or present employment but makes frequent large transactions.

7. Certain Employees arousing Suspicion

a. An employee whose lavish lifestyle cannot be supported by his or her salary.

b. Negligence of employees/willful blindness is reported repeatedly.

8. Some examples of suspicious activities/transactions to be monitored by the operating staff-

- a. Large Cash Transactions
- b. Multiple accounts under the same name
- c. Placing funds in term Deposits and using them as security for more loans
- d. Sudden surge in activity level
- e. Same funds being moved repeatedly among several accounts

Please Note: This is not an exhaustive list but is merely an indicative list.

Time of Reporting

- i) The reporting of Suspicious Transactions to the FIU-IND shall be made only by the Principal Officer/Company Secretary appointed by the Company.
- ii) Upon receipt of the above referred annexures the Principal Officer/ Company Secretary shall report the Suspicious Transaction/s to the Director, FIU-IND within 7 days from arriving at a conclusion that a Suspicious Transaction has taken place.
- iii) This reporting shall be done in the format prescribed by RBI.
- iv) The Principal Officer shall record his reasons for treating any transaction or a series of transactions as suspicious. It should be ensured that there is no undue delay in arriving at such a conclusion once a suspicious transaction report is received from a branch or any other office. Such report shall be made available to the competent authorities on request.
- v) It should be further noted that, Suspicious Transaction Reports shall also be filed if there are reasonable ground to believe that the transaction involve proceeds of crime generally irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences in part B of Schedule of PMLA, 2002.
- vi) Utmost confidentiality should be maintained in filing of STR with FIU-IND.

III. REPORTING OF FORGED OR COUNTERFEIT CURRENCY

OLFPL DO NOT DEAL IN CASH TRANSACTIONS. It will comply with the following provisions while dealing with cash.

NOTES OR BANK NOTES –

All cash transactions where forged or counterfeit Indian currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place shall be reported to the **Principal Officer** in the manner prescribed hereunder.

Time of Reporting

- i) The reporting of the above referred transactions to the FIU-IND shall be made only through the Principal Officer appointed by the Company.
- ii) Upon the receipt of the CCR, the **Principal Officer shall** report the said transaction/s to the Director, FIU-IND by the 15th day of the succeeding month of occurrence of such transaction in the format prescribed for Summary Counterfeit Currency Report (CCR). The delay in reporting such transaction shall be construed as non-compliance.

2.3 Record keeping

Accounts and Finance /Operations (depending on the origin) shall be responsible for record keeping and retention of all documents as per the PMLA, 2002 Rules. Records of all transactions shall be maintained for a period of 10 years from the date of cessation of transaction between the customer and the OLFPL. The documents are to be preserved in a hard copy/ digitized manner (as may be intimated) so as to enable reconstruction of individual transactions (including the types and currency of transaction involved, if any) and provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Records pertaining to the identification of the customer and his / her address (e.g. copies of documents like passports, identity cards, driving licenses, PAN, utility bills etc.) obtained while opening the account and during the course of business relationship, would be properly preserved as mentioned above for **at least ten years** after the business relationship is ended.

The following types of transactions are to be recorded and reported in the manner provided under the Reporting section of this policy:

- i) all cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency;
- ii) all series of cash transactions (pertaining to one customer or link account i.e. code and Group code in SAP / BANCs) integrally connected to each other which have been valued below rupees ten lakh 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 rupees ten lakh;
- iii) 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 has taken place;
- iv) all suspicious transactions whether or not made in cash and in manner as mentioned in the Rules framed by Government of India under the Prevention of Money Laundering Act , 2002

– BUSINESS PARTNER DUE DILIGENCE PROCEDURE

1. BUSINESS PARTNER DUE DILIGENCE (BPDD)

1.1. Definition

A Business Partner is defined as “any party who establishes relationships on behalf of their clients with OLFPL and parties whose employees have access to OLFPL’s data and or systems (outsourcing partners, providers of administrative / IT services, External auditors, data entry operators, Consultancy firms etc.)”

KYC Policy including Risk Categorization will be applicable to all Business Partners including associates/agencies/intermediaries etc.:

- Empaneled Lawyers - Empaneled Valuers - Vendors providing services like Selling Agents, Direct selling team / agents, Collection Agencies, Verification Agencies, Bidders etc. –
- Any other intermediary.

OLFPL will collect all KYC documents as specified in Annexures.

1.2. Due diligence of Business Partners:

Hence the Heads of Departments are responsible to ensure adequate due diligence measures are applied before accepting a Business partner. Following procedure to be followed:

Step 1

Heads of Business Units /Departments should collect information of the following parties as part of the due diligence:

- (i) The Business Partner is as such as defined above.

- (ii) Individuals who are authorized to act on behalf of the business partner.
- (iii) The ultimate beneficial owner of the business partner,

Step 2

The Heads of Business Units/Departments should screen the names and date of birth/other relevant date of the Business Partner and its UBO/Representatives against the freeze /negative lists . In case of hit on the lists screened, enhanced measures should be applied to ascertain the identity of the Business Partner. The enhanced measures are same as the enhanced measures for Customer Acceptance. **Step 3**

1.3. Review of Business Partners:

Periodicity

The Business Partner files have to be reviewed with every material change that comes to the notice of OLFPL. Records of business partners should be reviewed every year.

Step 1

The Business / Department that has performed the due diligence on accepting the Business Partner is also responsible for periodical review. Appropriate audit mechanism commensurate with OLFPL's scale of operations will be put in place to monitor and ensure all the Business Development officials comply with this procedure and perform timely reviews.

Step 2

The review should be performed using the due diligence form for Business Partners. The revised due diligence forms should be kept along with the Agreement.

Any clarification with respect to meaning and interpretation of the norms specified in this note can be issued by Chief operating Officer within the gamut of applicable RBI master circular of KYC and AML.

ANNEXURES

Annexure A1

List of important instructions pertaining to documents specified in KYC Documentation section:

Important Instructions:

- The KYC requirement will be applicable for Applicant, Co-Applicant, Guarantor, UBO including Business Partners.
- Copies of the OVD and Relationship proof should be verified with originals and certified by the person verifying the same as 'True Copy' i.e. Original, Seen and Verified (OSV). The OLFPL Employee or OLFPL Representative who meets the customer should perform the verification (OSV stamp with name, signature and employee / representative code).
- Each of the KYC (OVD, Photograph and Relationship Proof) document obtained from customer should be self - certified by all types of customer.
- OVD of Ultimate Beneficial Owner (UBO) has to be mandatorily collected.
- OVD issued in incomplete names (only personal names (first names) as in the case of Voter ID in certain states) cannot be accepted.

- OVD should contain the complete address as captured in the application form. If there is any difference or if incomplete another document containing the address as per application form should be asked for from the applicant.
- Marriage Certificate issued by state govt. or gazette notification to be used in case of name change along with certified copy of OVD in existing name to be obtained for identity and address proof of the person and can be used for relationship proof.
- In case of a partnership between individual(s) and entity(s) or between entity(s), the KYC requirements for such entity(s) also need to be complied with in addition to the KYC requirements of the partnership. Partnership firm, HUF & Private limited firm cannot become partners in any partnership firm.
- Address Proof** – For customer identification following norm to be ensured:
 - a. The customers shall not be required to furnish separate proof of address for permanent and current addresses, if these are different. In case the proof of address furnished by the customer is the address where the customer is currently residing, a declaration shall be taken from the customer about her/his local address on which all correspondence will be made by the OLFPL.
 - b. The local address for correspondence, for which their proof of address is not available, shall be verified through ‘positive confirmation’ through personal visit

In case it is observed that the address mentioned as per ‘proof of address’ has undergone a change, Sales shall ensure that fresh proof of address is obtained within a period of six months.

- Re-Use of OVD for KYC**– If the same customer comes for repeat funding within a period of six months from last Loan Application date then collection of fresh OVD is not mandatory, provided:
 - i. Last file was KYC compliant and
 - ii. The address mentioned in Application Form for proposed funding matches with the downloaded OVD and
 - iii. A declaration shall be provided by OLFPL Employee that the OVD has been downloaded from DMS. The employee downloading the document shall sign all OVD mentioning name, employee id, date and
 - iv. If the OVD has been pre-written by customer for restricted use, then fresh OVD would be required to be collected.
- In case Field Investigation / customer interaction reports that customer address does not match with the downloaded OVD then fresh OVD shall be obtained

KYC Documentation Customer Type	Documents
Individual	<p>Following documents are required from an individual applicant: -</p> <ul style="list-style-type: none"> <input type="checkbox"/> Recent color passport size photograph <input type="checkbox"/> Valid OVD: Includes self-attested copy of following documents: <ol style="list-style-type: none"> 1. Permanent Account Number (PAN) Card issued by Income Tax (IT) authority. 2. Aadhaar Card (Letter issued by the Unique Identification Authority of India containing details of Name, Address and Aadhar number). 3. Passport issued in India. 4. Voters' Identity Card Issued by Election Commission of India. 5. Valid Permanent Driving License (unexpired) 6. Valid Job Card issued by NAREGA duly signed by Officer of State Government. <p>From the above, self-attested copy of both the following documents are mandatory:</p> <ol style="list-style-type: none"> 1. Permanent Account Number (PAN) Card issued by Income Tax (IT) authority AND 2. Aadhaar Card (Letter issued by the Unique Identification
KYC Documentation Customer Type	Documents
Registered Partnership firms	<p>One certified copy of each of the following documents shall be obtained:</p> <ol style="list-style-type: none"> 1. Registration certificate, 2. Copy of Partnership Deed (partnership deed should contain a provision for borrowing clause covering hypothecation / creating charge on the asset belonging to the firm and giving guarantee) executed on stamp paper or franked and signed by all partners at least on last page under authority stamp (for capacity) 3. Partnership Authority Letter (PAL): All pages of the Partnership letter to be signed by minimum one partner. All Partners should sign and authenticate at least last page of the PAL under rubber seal (for capacity). The PAL should be on the Firm's Letterhead. Any alterations on any page to be signed by all the partners. Certified copy of OVD in respect of the person holding a PAL to transact on its behalf.

	<p>4. Copy of PAN Card in the name of partnership firm</p> <p>5. OVD for the partner, UBO and authorized signatories signing the loan documents shall be collected as specified in “Individual” Section above.</p> <p>6. Notarized Power of Attorney granted to managers, officers or employees of the firm to transact business on its behalf, if such managers, officers or employees are entering into the contract, on behalf of the firm. Certified copy of OVD of PoA holder has to be obtained. Notarized PoA would not be required if one or more partners of the firm are directly executing the contract. Annexure B4.</p>
<p>Public Limited / Private Limited companies</p>	<p>One certified copy of each of the following documents shall be obtained:</p> <ol style="list-style-type: none"> 1. Board Resolution to apply and avail the loan. Ensure the certifying Director name is in the List of Directors submitted by the Company. 2. Latest List of all Directors with their addresses signed and dated by the Company Secretary / Director(s). Refer Annexure B2 3. Copy of PAN Card 4. Copy of Certificate of incorporation (COI), Memorandum of Association (MOA), Articles of Association (AOA) verified with original. Copy of certificate of commencement of business in case of public limited companies. The AOA should permit the company to borrow and give a guarantee. 5. OVD as applicable for individuals for Authorized Signatories and UBO as specified in “Individuals” Section above. 6. A certificate from the Company Secretary/Managing Director to the effect that the person signing the loan document has the authority to execute the deal on behalf of the company along with the extract of the Board Resolution in this respect. 7. Notarized Power of Attorney granted to managers, officers or employees of the firm to transact business on its behalf, if such managers, officers or employees are entering into the contract, on behalf of the firm. Certified copy of OVD of PoA holder has to be obtained.

	<p>Notarized PoA would not be required if one or more directors of the company are directly executing the contract. (Annexure B4).</p> <p>8. Information to be collected about the shareholding/ownership share/profit share/beneficiary for establishing percentage holding</p>
<p>Hindu Undivided Family (HUF)</p>	<p>One certified copy of each of the following documents shall be obtained:</p> <ol style="list-style-type: none"> 1. HUF letter with specimen signatures of the Karta and all adult co-parceners as per HUF Declaration Format provided in Annexure B1. 2. PAN Card in the name of HUF. 3. OVD of Karta. (As applicable for Individuals) 4. Address proof of the HUF: <ol style="list-style-type: none"> a. Latest available Income Assessment order OR b. Bank statement of account with existing Banker (Scheduled Bank) bearing the account holder's address with entries of preceding 3 calendar months from the date of Log in.
<p>Unregistered Association/Body of Individual, Unregistered trusts, Unregistered Partnership firm.</p>	<p>One certified copy of each of the following documents shall be obtained:</p> <ol style="list-style-type: none"> 1. Partnership Authority Letter (PAL): All pages of the Partnership letter to be signed by minimum one partner. All Partners should sign and authenticate at least last page of the PAL under rubber seal (for capacity). The PAL should be on the Firm's Letterhead. Any alterations on any page to be signed by all the partners. Certified copy of OVD in respect of the person holding a PAL to transact on its behalf. 2. Notarized Power of Attorney granted to managers, officers or employees of the firm to transact business on its behalf, if such managers, officers or employees are entering into the contract, on behalf of the firm. <p>Certified copy of OVD of PoA holder has to be obtained.</p> <p>Notarized PoA would not be required if one or more partners of the firm are directly executing the contract. (Annexure B4).</p> <ol style="list-style-type: none"> 3. Proof of legal existence of such entity in the form of PAN Card/ /Service Tax/VAT/Sales Tax Registration/CST/VAT/GST certificate/ Certificate registration document issued by Sales

	Tax/Service Tax/Professional Tax authorities. 4. Information to be collected about the shareholding/ownership share/profit share /beneficiary for establishing percentage holding.
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Annexure A2

Process of determination of UBO:

1. Where the client is a person other than an individual or trust:
 - a. UBO is the person exercising control through ownership interest.

Where the Non individual client is-

i. Company:

1. Person having ownership of/entitlement to more than 25 percent of shares or capital or profits of the said Company or
2. Person having the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements shall be the UBO of the company

ii. Partnership Firm: Person having ownership of/entitlement to more than 15% of the capital or profits of the partnership firm shall be the UBO

iii. Unincorporated association or body of individuals: Person having ownership of/entitlement to more than 15% of the property or capital or profits of the unincorporated association or body of individuals shall be the UBO

b. Where no natural person exerts control through ownership interests, UBO shall be the person exercising control over the non-individual client through other means like control over voting rights, agreements, arrangements etc.

c. Where no natural person is identified under (a) or (b) above, UBO shall be the person who holds the position of senior managing official of the non-individual client.

2. Where the client is a trust: UBO shall be-

- a. Author of the trust, the trustee, the beneficiaries with 15% or more interest in the trust
- b. Any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

3. Where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

Annexure B1

HINDU UNDIVIDED FAMILY LETTER

Date:

To,

Origa Lease Finance Private Ltd.

_____ Branch.

Dear Sir,

The business of carried on in the firm name and style of..... at is the ancestral business of the Joint Hindu family governed by the Mitakshara/ Dayabhaga Law of which I/we the undersigned am/are the present Karta or Managing Member(s) and we the undersigned are the present adult members. As the aforesaid joint family business by the nature thereof cannot be carried on without credit facilities, we have requested you to finance the aforesaid joint family business of the firm and to grant to the firm all or some or any of the credit facilities that may be agreed upon from time to time between the you and the Joint Hindu family firm for sums not exceeding at any one time in the aggregate sum of Rs. _____ (Rupees only).

The following members viz.

- 1.
- 2.

are authorized jointly or severally to represent and sign on behalf of the said joint family business in manner as appears below and have full unrestricted authority to bind all the members of the joint family however constituted from time to time.

In the event of you acceding to our request and granting us the facility applied for financing we, the undersigned, undertake with the intention of binding not only the present members of the said joint family (both adults and minors) but also all future members thereof (both adults and minors) and all persons entitled to a share therein and ourselves personally and our respective interest in the joint family properties as well as our separate estates:-

1. whenever any change occurs in the manager ship or in the nature of the said ancestral business or in the constitution of the said joint family or said ancestral business caused by the death of a co-parcener whether or not resulting in the share devolving on his widow or widows or by the birth of a co-parcener or if at any time any of us desire to give up or sever his connection with the said ancestral business or if we desire to close the said ancestral business or if any minor member of the said family attains majority to give notice thereof to us at once in writing and that

Until receipt of such notice by us and whether any provisions of the Partnership Act, 1932 shall apply or not you shall be entitled to regard each of us as partners in respect of all dealings or transactions with you which may be found to be outside the scope of the said ancestral business and that such

dealings and transactions shall be binding on each of us as such partner and our respective estates and that

3. Notwithstanding any provisions of the said Act or any change in the membership of the said firm all acts purporting to be done on behalf of the said joint family business before you shall have received notice in manner aforesaid, shall be binding on the said joint family and its properties and on each of us and our respective estates and the liability of the said firm and of each of us and of our respective estates shall continue until all liabilities in respect of such acts shall have been discharged.

The names and dates of birth of the present minor* members of the aforesaid joint family are given below:

Yours faithfully,

His personal signature here

1. Shri

.....

Will sign on behalf of the firm as follows: Karta

2. Shri His personal signature here

Will sign on behalf of the firm as follows:

.....

*Particulars of the minor members of the joint family.

Name Father's name Date of birth

ANNEXURE B2

DECLARATION CUM INDEMNITY (Confirming list of Directors)

To,

ORIGA LEASE FINANCE P LTD,

(Address)

Kind Attn: _____

Dear Sir,

_____, a company, registered under _____ and having its registered office at _____ (Complete office address) (hereinafter “the Company”) do hereby declare and state as under:

As on the date of this Declaration cum Indemnity the following are the directors of the

Company:

1. _____

2. _____

The Company hereby confirms that all the requisite legal formalities for appointment of the above mentioned Directors have been complied with including filing of Form 32 with the Office of Registrar of Companies.

The Company hereby confirms that the Company has applied to OLFPL for obtaining a (type of loan / facility) at the _____ (Branch) and the Company has to submit various documents to OLFPL with respect to the application for the said account. The Company hereby states that the Company is unable to furnish to OLFPL a copy of Form 32 filed with the Office of Registrar of Companies with respect to the appointment of Mr. _____ as a director on the account of the same having been misplaced / change in directors since incorporation. The Company hereby agrees and undertakes to hold harmless and keep OLFPL fully indemnified against claims and damages which may be made in respect hereof by reason of OLFPL relying and acting upon the faith of this Declaration cum Indemnity.

The Company hereby agrees and undertakes to hold harmless and keep OLFPL fully indemnified against claims and damages which may be made in respect hereof by reason of OLFPL relying and acting upon the faith of this Declaration cum Indemnity.

The Company further agrees and undertakes to pay and make good all such losses, damages or expenses, upon demand being made, and also to comply with such requirements including furnishing or execution of such further deeds, documents or writings as OLFPL may require.

Signed and Delivered by ----- by the hand of its authorized signatory Mr. -----
---- in the presence of

1.

2.

(Stamp and Seal of Company)

Place

Annexure B4 – Format for Power of Attorney (Stamp Duty as per state Laws and to be Notarized)

SPECIFIC POWER OF ATTORNEY

Be it known to all to whom it may concern that We, _____ s/o _____ aged about, residing at _____; _____ s/o _____ aged about, residing at _____; _____ s/o _____ aged about, residing at _____ and _____ s/o _____ aged about, residing at _____, presently acting as Partners for the Partnership Firm M/s _____ bearing registration no. _____ (In case of registered Partnership Firm) having its place of business/ address at _____ do hereby nominate, constitute and appoint _____ s/o _____ aged about _____ presently a Partner, as our Attorney to do the following acts, deeds and things on all of us jointly and severally in our name in respect of the Loan _____:

1. That. we are the Partners for the Partnership firm, M/s _____.
2. That the Partnership firm is considering to avail a lease finance /loan / give guarantee for loan of Rs. _____ from Origa Lease Finance Private Limited (hereinafter to be known as “OLFPL”) to
3. That we hereby jointly and severally appoint and authorize Mr. _____ s/o _____ aged about _____ years, who is presently a Partner to do all or an/ of the above acts, or any other acts which have not been specifically mentioned herein above, and in the opinion of our attorney, ought to be done, executed or performed in respect of the said loan or any matter incidental thereto.
4. That all the acts done and documents executed by the aforesaid Partner shall bind the firm and each of us as it each of us had ourselves done such acts and executed such documents.
5. The acts, deeds and things done or got to be done by our attorney for the purpose, shall be construed as acts, deeds and things done by the firm and all of us jointly and severally. That all of us will be jointly and severally responsible for the liabilities of the said firm and OLFPL may recover its claims and dues from any or all of the partners of the firm and the estate of the deceased partners.
6. This power of Attorney supersedes all previous Power of Attorney, or any other authorization in relation to this loan.

IN WITNESS WHEREOF, We the Executants have put our hands on these presents on the date, month and year herein below mentioned in the presence of the following witnesses:

Signature of the Partner : _____

Name of the Partner : _____

Signature of the Partner : _____

Name of the Partner : _____

Signature of the Partner : _____

Name of the Partner : _____

Signature of the Partner : _____

Name of the Partner : _____

Place: _____

DATE: // 2018.

Witness:

1.

2.