

# MUTHOOT HOMEFIN (INDIA) LIMITED

## 'KNOW YOUR CUSTOMER' AND ANTI-MONEY LAUNDERING MEASURES

### 1. INTRODUCTION

The Board of Directors of Muthoot Homefin (India) Limited ("MHIL" or "the Company") in its meeting held on 21.01.2015 adopted "Know Your Customer and Anti Money Laundering Measures" to know/understand their customers and their financial dealings better which in turn help them manage their risks prudently and housing finance companies (HFCs) from being used, intentionally or unintentionally, by criminal elements for money laundering activities.

As per NHB guidelines on KYC policy, MHIL is required to have its KYC policy for its lending / credit operations/ financial dealings in line with extant guidelines framed therein. This KYC policy is also framed keeping in mind the same. The policy has the following four key elements:

- (i) Customer Acceptance Policy;
- (ii) Customer Identification Procedures;
- (iii) Monitoring of Transactions; and
- (iv) Risk management.

### 2. POLICY FUNDAMENTALS

#### Definition of Customer

For the purpose of KYC Guidelines, a "customer" will be defined as:

- a) a person or entity that maintains an account and/or has a business relationship with the HFC;
- b) one on whose behalf the account is maintained (i.e. the beneficial owner);
- c) beneficiaries of transactions conducted by professional intermediaries, such as Stock Brokers, Chartered Accountants, Solicitors, etc. as permitted under the law, and
- d) any person or entity connected with a financial transaction which can pose significant reputational or other risks to the HFC, say, a wire transfer or issue of a high value demand draft as a single transaction.

### 3. CUSTOMER ACCEPTANCE POLICY (CAP)

The Customer Acceptance Policy will ensure the following aspects of customer relationship:

- i. No account is opened in anonymous or fictitious/benami name(s);
- ii. Risk in terms of the location of customer and his clients and mode of payments are duly checked. Volume of turnover, social and financial status etc will form the basis for categorisation of customers into low, medium and high risk. Customers requiring very high level of monitoring, example, Politically Exposed Persons (PEP) will be given due consideration.
- iii. Documentation requirements and other information to be collected in respect of different categories of customers depending on perceived risk and keeping in mind the requirements of Prevention of Money Laundering Act, 2002 (Central Act No. 15 of 2003) (hereinafter referred to as "PMLA"), rules framed thereunder and guidelines issued from time to time;
- iv. Not to open an account or close an existing account where the Company is unable to apply appropriate customer due diligence measures, i.e. MHIL is unable to verify the identity and /or obtain documents required as per the risk categorisation due to non-co-operation of the customer or non-reliability of the data/information furnished to MHIL.
- v. Permanent address proof from new applicants will be collected. The documents which can be accepted as proof of address are mentioned in Annexure I

- vi. For existing customers who wish to pre close their loan account with MHIL following will be collected:
    - a. Permanent Address Proof (As per Annexure I)
    - b. A declaration from the customer regarding source of funds being used for pre-closure of the loan accountClosure of the loan account authority will be restricted to authorised person at the branch
  - vii. In the following circumstances, the account may be operated by a mandate holder or the account may be opened by an intermediary in a fiduciary capacity hence the customer is permitted to act on behalf of another person / entity in conformity with the established law and practices
    - a. If applicant is NRI / PIO
    - b. If applicant is a limited company
    - c. If applicant is a partnership firm
  - viii. Any other circumstance where it is not possible for the applicant to be present at the branch location physically available, necessary checks before any loan disbursement will be carried out so as to ensure that the identity of the customer does not match with any any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations, etc
4. MHIL will prepare a profile for each new customer during the credit appraisal based on risk categorization as mentioned in this policy and as per the Company's credit risk policy. The customer profile will contain information relating to the customer's identity, social/financial status, nature of business activity, information about his clients' business and their location, etc. The nature and extent of due diligence will depend on the risk perceived by MHIL. At the time of credit appraisal of the applicant the details are recorded along with his profile based on meeting with the applicant apart from collection of applicable documents; this will be as per our credit and product norms which are incorporated in the operation manual and are in practice. However, while preparing customer profile, MHIL will 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 purpose against monetary consideration. MHIL will continue to share our client data with CIBIL and such other organisations/ entities subject to confidentiality clause, since the purpose of sharing this information is to ensure risk minimisation

5. As per KYC policy, for acceptance and identification, customers are categorised broadly into low risk, medium risk and high risk categories:
- (i) Low Risk Customers**, for the purpose of this policy, will be individuals and entities whose identities and sources of wealth can be easily identified, have structured income and transactions in whose accounts by and large conform to the known profile. Illustrative examples of low risk customers could be:
    - a) Salaried applicants with salary paid by cheque
    - b) People belonging to government departments
    - c) People working with government owned companies, regulators and statutory bodies etc
    - d) People belonging to lower economic strata of the society whose accounts show small balances and low turnover
    - e) People working with Public Sector Units

- f) People working with reputed Public Limited Companies and Multinational Companies

**(ii) Medium Risk Customers** would include:

- a) Salaried applicants with variable income/unstructured income receiving salary in cheque
- b) Salaried applicants working with Private Limited Companies
- c) Self Employed Professionals other than HNIs
- d) Self Employed customers with sound business and profitable track record for a reasonable period
- e) High Net worth individuals with occupational track record of more than 3 years

**(iii) High Risk Customers** that are likely to pose a higher than average risk to the Company may be categorised as high risk customers depending on customer's background, nature and location of activity, country of origin, sources of funds and his client profile, etc. The Company will examine the case in detail based on the risk assessment as per our credit risk policy. Examples of high risk customers requiring higher due diligence may include:

- a) Non-resident customers
- b) High net worth individuals, without an occupational track record of more than 3 years
- c) Trusts, charities, NGOs and organisations receiving donations
- d) Companies having close family shareholding or beneficial ownership
- e) Firms with 'sleeping partners'
- f) Politically exposed persons (PEPs) of foreign origin
- g) Non face to face customers
- h) Those with dubious reputation as per available public information etc

MHIL's exposure to any client is subject to the credit risk policy of the company. However, for customer acceptance, KYC is a prerequisite for a credit risk grading

## **6. CUSTOMER IDENTIFICATION PROCEDURE**

1. Customer identification means identifying the customer and verifying his/her/its identity by using reliable, independent source documents, data or information while establishing a relationship. The Company will obtain sufficient information such as Voter ID card, PAN, Passport etc necessary to establish, to our satisfaction, the identity of each new customer, whether regular or occasional and the purpose of the intended nature of relationship

It will be ensured that due diligence is observed based on the risk profile of the customer in compliance with the extant guidelines in place and the same will be available for verification. Besides risk perception, the nature of information/documents required will also depend on the type of customer (individual, corporate etc). For customers that are natural persons, the Company will obtain sufficient identification data to verify the identity of the customer, his/ her address/location and also his/her recent photograph. The Company will collect identity proof, bank account details and property documents and verify the applicant's occupation, residence and documents as applicable

For customers that are legal persons or entities, MHIL will

- (i) Verify the legal status of the legal person/entity through proper and relevant documents
- (ii) Verify that any person purporting to act on behalf of the legal person/entity is so authorised and identify and verify the identity of that person and

For (i) & (ii) Memorandum of Association and board resolution will be collected to ensure that the person purporting to act on behalf of the legal person/entity is authorised to do so, apart from applicable field/document investigations. In case of partnership firm, a copy of partnership deed along with the registration certificate of the firm, if registered and power of attorney in favour of the person purporting to act on behalf of the firm shall be collected

In order to authenticate the identity of the person so purporting to represent the Company / Firm, signature verification / attestation shall be done either from the Banker or copy of passport, driving license or pan card to be taken.

(iii) Understand the ownership and control structure of the customer and determine the natural persons who ultimately control the legal person. For this, the Company will collect shareholding letter duly certified by the Company Secretary/company's Auditor/Chartered accountant and necessary Resolution / authorisation etc

2. Due diligence for High risk customer identification will be as follows:

- (a) Non-resident customers - due diligence including email verification of employment of the customer, collection of a local guarantor & power of attorney along with their identification proofs and verification of their residence/office will be done, if found necessary.
- (b) High net worth individuals with less than three years occupational track record - due diligence including personal discussion with the applicant, analysis of bank statement and financial statements will be done, details of client profile, sources of fund will be obtained, if required.
- (c) Trusts, charities, NGOs and organizations receiving donations, as and when such cases are received due diligence to be undertaken as for other cases in the high risk categories.
- (d) Companies having close family shareholding or beneficial ownership - due diligence including personal discussion with the applicant will be done. In case of company's proportionate income being considered to the extent of the customer's Shareholding in the company- board resolution authorising the director(s) to sign on behalf of the company will be collected. Also, signature verification of the person(s) issuing the board resolution will be collected, if necessary.
- (e) Firms with 'sleeping partners' - due diligence including personal discussion with the applicant will be done. If income of the partnership firm is being considered, the Company will collect a letter signed by all the partners authorising the concerned partner(s) to sign on behalf of the partnership to be continued. Also, signature verification of the person(s) issuing this authority letter will be collected, if necessary.
- (f) Politically exposed persons (PEPs) of foreign origin - same due diligence as NRI/PIO to be undertaken, though the Company is not doing cases of applicants of foreign origin. Only cases of applicants of Indian Origin working abroad are done.
- (g) Non-face to face customers - due diligence including telephonic/personal discussions be done, if required. Information from reliable sources will be obtained for establishing the existence of the person.
- (h) Those with dubious reputation as per public information available, etc - If found dubious then the case will not be entertained.

3. Customer identification requirements in respect of a few typical cases, especially, legal persons requiring an extra element of caution are given below:

**(a) Trust Nominee or Fiduciary Accounts:**

There exists the possibility that trust/nominee or fiduciary accounts can be used to circumvent the customer identification procedures. Hence, as and when such cases are received, the Company will determine whether the customer is acting on behalf of another person as trustee/nominee or any other intermediary. If so, the Company may insist on receipt of satisfactory evidence of the identity of the intermediaries and of the persons on whose behalf they are acting, as also obtain details of the nature of the trust or other arrangements in place. In the case of a 'foundation', steps will be taken to verify the founder managers/directors and the beneficiaries, if defined.

**(b) Accounts of companies and firms**

The Company will be careful while processing the cases of business entities especially to establish that individuals are not using those entities for maintaining accounts with it. The Company shall seek information, if required, on the control structure of the entity, source of funds and the natural persons who carry a controlling interest in the management. These requirements may be moderated as per our credit risk policy and guidelines of the operations manual, for e.g. in the case of a public company it will not be necessary to identify all the shareholders.

**(c) Client accounts opened by professional intermediaries**

When the Company has knowledge or reason to believe that the client account opened by a professional intermediary like Direct Selling Agent or Direct selling team or any other sales intermediary by whatever name called is on behalf of a single client, that client will be identified. Where the Company relies on the 'customer due diligence' (CDD) done by technical agency or lawyer or any other operation processing intermediary by whatever name called, the Company will ensure that the intermediary is having a bonafide identity with an established track record.

**(d) 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. The Company will gather sufficient information as available 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. The Company will verify the identity of the person and seek information about the sources of funds before accepting the PEP as a customer. The above norms may also be applied to the accounts of the family members or close relatives of PEPs

**(e) Accounts of non-face-to face customers:**

In the case of non-face-to-face customers, apart from applying the usual customer identification procedures, The Company will do telephonic/personal discussion with the applicant, if necessary. Applicant will be met by the Sales representative of the Company and will fill up the meeting sheet on that basis to mitigate the higher risk involved, as applicable. Certification of all the documents presented may be insisted upon and, if necessary, additional documents may be called for and applicable verification of these

documents will be done. 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 will be ensured that generally the third party is a regulated and/or supervised entity with an established track record. Hence apart from the existing due diligence for such customers The Company may take resident Indian Co-applicant as a party to the loan proposal or a local resident guarantor to the loan with identity verification.

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

## 7. MONITORING OF TRANSACTIONS

- a) Ongoing monitoring is an essential element of effective KYC procedures. Since the Company is a housing finance company and all our loans are tenure based with a fixed/variable installment paid through electronic clearing system (ECS) mandate or post-dated cheques, our monitoring structure will be relevant to our nature of operations. The Company will pay special attention to all unusually large transactions involving large cash and the Company has introduced cash transaction reporting system above Rupees ten lakhs. Risk categorization as is mentioned in this policy may be updated as and when required by the management. In case of overdue/default accounts where there is scope for meeting or vetting the profile of this customer again, due diligence, if found necessary, will be carried out. Subsequent to our sanction, during the period of part disbursement till full disbursement if any unusual transaction/development comes to our knowledge relating to money laundering the same will be verified and notified as required, The Company will ensure that a record of transactions in the accounts is preserved and maintained as required in terms of section 12 of PMLA, 2002. The Company will ensure that transactions of suspicious nature as defined in Annexure II and/or any other type of transaction notified under section 12 of the PMLA, 2002, is reported to the appropriate law enforcement authority, as and when detected by our officials through the Principal Officer.
- b) The Company will maintain proper record in accordance with PMLA, 2002, of all cash transactions (deposits and withdrawals) of Rupees Ten Lakh and above. No loan is disbursed in cash and no monthly installment above Rupees Ten Lakh is accepted in cash. Any transactions of suspicious nature as per Annexure II are to be reported to the Principal Officer immediately. In addition thereto, the Branches shall on monthly basis furnish a certificate to the Principal Officer evidencing that neither such prohibited transactions and/nor cash transaction as specified in the policy have taken place.

## 8. RISK MANAGEMENT

### (a) **Internal Audit:**

The Company's internal audit department will evaluate and ensure adherence to the KYC policies and procedures. As a general rule, the compliance function will provide an independent evaluation of the Company's own policies and procedures, including legal and regulatory requirements. Internal Auditors may 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 will be put up before the Audit Committee of the



Board along with their normal reporting frequency. A compliance conformation from Branch will be obtained by the Principal Officer.

(b) **Employee Training:**

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

(c) **Customer Education:**

The Company will educate the customer on the objectives of the KYC programme so that customer understands and appreciates the motive and purpose of collecting such information.

(d) **Introduction of New Technologies:**

The Company will pay special attention to any money laundering threats that may arise from new or developing technologies including on-line transactions that may favour anonymity, and take measures, if needed, to prevent their use in money laundering schemes as and when online transactions are started /accepted by the Company.

(e) **Non-Cooperation by the customer in respect of KYC norms:**

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 will follow up with the existing identified customers for KYC compliance. Closure decision if at all is required will depend upon our internal assessment and will be taken at a Senior Level of Zonal Heads/ GM and above only after issuing due notice to the customer explaining the reasons for taking such a decision.

(f) **Applicability to branches and subsidiaries outside India**

The guidelines shall also apply to the branches and majority owned subsidiaries located abroad, especially, in countries which do not or insufficiently apply the FATF Recommendations, to the extent local laws permit. When local applicable laws and regulations prohibit implementation of these guidelines, the same should be brought to the notice of National Housing Bank and RBI.

(g) **Appointment of Principal Officer:**

The Company shall designate the Chief Executive Officer or Chief Financial Officer as the Principal Officer, as the case may be. Principal Officer shall be located at our Corporate Office and will be responsible for monitoring and reporting of all transactions and sharing of information as required under the law. He will maintain close liaison with enforcement agencies, HFCs and any other institution which are involved in the fight against money laundering and combating financing of terrorism. He will also ensure that there is proper system of fixing accountability for serious lapses and intentional circumvention of prescribed procedures and guidelines. However, any such action has to be documented and placed before the management committee of the company. Principal Officer will also report any unusual matter/information to the management committee of the company as and when it occurs.

(h) **Maintenance of Records of Transactions (As per Rule 3 of the Prevention of Money Laundering Rules 2005):**

The Company will maintain proper records of the under mentioned transactions:

- 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 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 transactions involving receipts by non-profit organizations of rupees ten lakhs or its equivalent in foreign currency;
- iv. all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security or a document has taken place facilitating the transactions; and
- v. All suspicious transactions as mentioned in Annexure II

(i) **Information to be preserved:**

The Company will maintain the following information in respect of transactions referred to in the preceding point on "Maintenance of records of transactions"

- (a) The nature of the transactions
- (b) The amount of transactions and currency in which it was denominated
- (c) The date on which the transaction was conducted and
- (d) Parties to the transactions

- (j) The Company sanctions and disburses files on the system; hence it has a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required. However, the Company will maintain account information for at least ten years from the date of cessation of transaction between the Company and the client, all necessary records of transactions, both domestic or international, which will make available individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

The Company will ensure that records pertaining to the identification of the customer and his 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, are properly preserved for at least ten years after the business relationship is ended. Apart from this, the application form, copy of loan agreement, NOC, other document either photocopy or cancelled original copy will be kept for next ten years after the full closure of the account. However, preservation and maintenance of the documents will be in paper form and a soft copy.

The identification of records and transaction data will be made available to the competent authorities upon request only through the Principal Officer under this policy with his approval.

(k) **Reporting to Financial Intelligence Unit - India**

The Principal officer will report information relating to cash and suspicious transactions if defected to the Director, Financial Intelligence Unit – India (FIU-IND) as advised in terms



of the PMLA Rules, in the prescribed formats as designed and circulated by NHB at the following address:

**Director, FIU - IND  
Financial Intelligence Unit - India  
6th Floor, Hotel Samrat  
Chanakyapuri, New Delhi 110021**

## **9. MISCELLANEOUS**

### **Compliance under Foreign Exchange Management Act, 1999 (FEMA)**

The Company shall also ensure that the provisions of FEMA are duly adhered to. FEMA regulates the acceptance and utilisation of foreign contribution or foreign hospitality received by certain specified persons or associations such as candidates for election, journalist, Judges/Government servants, political party etc. However, law permits certain persons or associations to accept the foreign contribution with the approval of the Central Government, as per the provisions of FEMA. In those cases, copy of approval or letter of intimation shall be taken from the customer.

**CUSTOMER IDENTIFICATION PROCEDURE****FEATURES TO BE VERIFIED AND DOCUMENTS THAT MAY BE OBTAINED FROM CUSTOMERS**

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

<p><b>PARTNERSHIP FIRMS</b></p> <ul style="list-style-type: none"> <li>▪ Legal name</li> <li>▪ Address</li> <li>▪ 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><b>TRUSTS &amp; FOUNDATIONS</b></p> <ul style="list-style-type: none"> <li>▪ Names of trustees, settlers, beneficiaries and signatories</li> <li>▪ Names and addresses of the founder, the managers/directors and the beneficiaries</li> <li>▪ 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><b>UNINCORPORATED ASSOCIATION OR BODY OF INDIVIDUALS</b></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 the Company to collectively establish the legal existence of such association or body of individuals</li> </ul>

\*‘Officially valid document’ is defined to mean Passport, Driving License, PAN card, Voter’s Identity Card issued by the Election Commission of India or any other document as may be required by the HFC .

**I. ILLUSTRATIVE LIST OF SUSPICIOUS TRANSACTIONS PERTAINING TO HOUSING LOANS:**

1. Customer is reluctant to provide information, data, documents;
2. Submission of false documents, data, purpose of loan, details of accounts;
3. Refuses to furnish details of source of funds by which initial contribution is made, sources of funds is doubtful etc;
4. Reluctant to meet in person, represents through a third party/Power of Attorney holder without sufficient reasons;
5. Approaches a branch/office of a HFC, which is away from the customer's residential or business address provided in the loan application, when there is HFC branch/office nearer to the given address;
6. Unable to explain or satisfy the numerous transfers in the statement of account/ multiple accounts;
7. Initial contribution made through unrelated third party accounts without proper justification;
8. Availing a top-up loan and/or equity loan, without proper justification of the end use of the loan amount;
9. Suggesting dubious means for the sanction of loan;
10. Where transactions do not make economic sense;
11. There are reasonable doubts over the real beneficiary of the loan and the flat to be purchased;
12. Encashment of loan amount by opening a fictitious bank account;
13. 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;
14. Sale consideration stated in the agreement for sale is abnormally higher/lower than what is prevailing in the area of purchase;
15. Multiple funding of the same property/dwelling unit;
16. Request for payment made in favour of a third party who has no relation to the transaction;
17. 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.
18. Multiple funding / financing involving NGO / Charitable Organisation / Small / Medium Establishments (SMEs) / Self Help Groups (SHGs) / Micro Finance Groups (MFGs)
19. Frequent requests for change of address;
20. Overpayment of instalments with a request to refund the overpaid amount

**II. ILLUSTRATIVE LIST OF SUSPICIOUS TRANSACTIONS PERTAINING TO BUILDER/PROJECT LOANS:**

1. Builder approaching the HFC for a small loan compared to the total cost of the project;
2. Builder is unable to explain the sources of funding for the project;
3. Approvals/sanctions from various authorities are proved to be fake;

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