

KYC and Anti Money laundering Policy

Summary of Policy

Policy Name	Know Your Customer and Anti Money Laundering Policy
Related policies and regulations	RBI Guidelines on KYC- AML. Dated July 1, 2015 (Master Circular)
Issue date	13 th August 2013
Effective date	13 th August 2013
Amended on	June, 2016
Owner / Contact Person	Principal Officer/Director
Approver	Board of Directors of the company
Appendices	Annexure I – Illustration of Integrally connected cash transaction Annexure II– CCR Format Annexure III– Summary of Counterfeit Currency Annexure IV – Electronic Data Structure
	Appendix A – Customer Identification Requirements – Indicative Guidelines Appendix B - Indicative list of suspicious activities Appendix C – Policy Revision History

PREAMBLE

This document sets out the salient features of Know Your Customers ('KYC') / Anti-Money Laundering ('AML') norms as guidelines prescribed by the Reserve Bank of India.

1. BACKGROUND

The recommendations made by the Financial Action Task Force ('FATF') on standards relating to AML and Combating Financing of Terrorism ('CFT') have become the international benchmark used by regulatory authorities for framing AML and CFT policies. Compliance with these standards both by the banks/financial institutions, including Non Bank Finance Companies (NBFCs), has become necessary for international financial relationships. The Reserve Bank of India ('RBI') has issued a revised set of comprehensive set of instructions to NBFCs under Master Circular titled - 'Know Your Customer' Guidelines - Anti Money Laundering Standards ('AML') - Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules notified there under which is updated on annual basis in every July.

As per the above referred master circular, all NBFCs are required to adopt the guidelines contained therein with suitable modifications depending on the activity undertaken by them and ensure that a proper policy framework on KYC and AML measures are formulated and put in place with the approval of their respective Boards.

This policy document envisages the establishment and adoption of measures and procedures relating to KYC, AML and CFT for "Sital Leasing & Finance Limited" in accordance with the requirements prescribed by RBI and modified from time to time.

2. KNOW YOUR CUSTOMER'S(KYC) GUIDELINES - ANTI MONEY LAUNDERING STANDARDS

The objective of KYC guidelines is to prevent the company from being used, intentionally or unintentionally, by criminal elements for money laundering activities. KYC procedures also enable the company to know/understand its customers and their financial dealings better which in turn help them manage the risks prudentially and has framed its KYC policy incorporating the following four key elements: -

- (i) Guiding principles on Customer Acceptance
- (ii) Customer Identification Procedures
- (iii) Monitoring of Transactions
- (iv) Risk management.

For the purpose of the KYC policy, a 'Customer' is defined as:

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

3. GUIDELINES ON CUSTOMER ACCEPTANCE

For all customer transactions verify and maintain the record of identity addresses including permanent address, the nature of business and financial status of the customer/ client. It sets out explicit criteria for acceptance of customers, to ensure:

1. No transaction is executed in anonymous or fictitious name(s)
2. Parameters of risk perception are clearly defined in terms of the location of customer, clients and mode of payments; volume of turnover, social and financial status, etc. to enable categorization of customers into low, medium and high risk (these high risk customers will require very high level of monitoring)
3. Sital Leasing & Finance Limited (the company) will not undertake a customer transaction where it is unable to apply appropriate customer due diligence measures, i.e. where the company is unable to verify the identity and /or obtain documents required as per the risk categorization due to non co-operation of the customer or non reliability of the data/information furnished. However, Sital Leasing & Finance Limited will have suitable built-in safeguards to avoid undue inconvenience to the customer. For example, decision to close an account may be taken at a reasonably high level (Principal Officer / Director) after giving due notice to the customer explaining the reasons for such a decision
4. Circumstances, in which a customer is permitted to act on behalf of another person/entity, will be clearly spelt out in conformity with the established law and practices, as there could be occasions when an account is operated by a mandate holder or where an account may be opened by an intermediary in a fiduciary capacity, and
5. 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, UN Security Council List of Prohibited clients. Further SLFL will ensure that the name of the proposed clients is not appearing in the consolidated list of individual and

entities circulated by RBI for such purposes and also available at below link.
<http://www.un.org/sc/committees/1267/consolist.shtml>

For the purpose of risk categorization, individuals (other than High Net Worth) and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large confirm to the known profile, may be categorized as low risk. Illustrative examples of low risk customers may include government departments and government owned companies, regulators and statutory bodies, etc. In such cases, the policy requires only the basic requirements of verifying the identity and location of the customer.

Customers that are likely to pose a higher than average risk to may be categorized as medium or high risk depending on the customer's background, nature and location of activity, country of origin, sources of funds and his client profile, etc. SITAL LEASING & FINANCE LIMITED will apply enhanced due diligence measures based on the risk assessment, thereby requiring intensive 'due diligence' for higher risk customers, especially those for whom the sources of funds are not clear. Examples of customers requiring higher due diligence may include:

- (i) Trusts, charities, NGOs and organizations receiving donations,
- (ii) Companies having close family shareholding or beneficial ownership,
- (iii) Firms with 'sleeping partners',
- (iv) Politically exposed persons (PEPs) of foreign origin,
- (v) Non-face to face customers, and
- (vi) Those with dubious reputation as per public information available, etc.

4. CUSTOMER IDENTIFICATION PROCEDURE ('CIP')

Set out below is adopted Customer Identification Procedure that shall be carried out at different stages, i.e. while establishing a relationship; carrying out a financial transaction or when the company has a doubt about the authenticity/veracity or the adequacy of the previously obtained customer identification data.

Customer identification means identifying the customer and verifying his/ her identity by using reliable, independent source documents, data or information. The company will obtain information stated below necessary to establish, to its satisfaction, the identity of each new customer, whether regular or occasional and the purpose of the intended nature of relationship. Being satisfied means that SITAL LEASING & FINANCE LIMITED must be able to satisfy the competent authorities like RBI that due diligence was observed based on the risk profile of the customer in compliance with the extant guidelines in place. Besides risk perception, the nature of information/documents required would also depend on the type of customer. For customers that are legal persons or entities, the company will:

- (i) Verify the legal status of the legal person/ entity through charter documents and Tax registration etc.
- (ii) verify that any person purporting to act on behalf of the legal person/entity is so authorized and identify and verify the identity of that person through authentic documents and
- (iii) Understand the ownership and control structure of the customer and determine who are the natural persons who ultimately control the legal person.

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

According to the regulatory norms, the company should take reasonable measures to identify the beneficial owner(s) and verify his/her/their identity in a manner so that it is satisfied that it knows' who the beneficial owner(s) is/are.

Sital Leasing & Finance Limited should ensure that the identity of the customer, including beneficial owner is done based on disclosures by the customers themselves.

An indicative list of the nature and type of documents/information that may be relied upon for customer identification are provided hereunder: -

Features		Documents
Accounts of individuals		
-	Legal name and any other names used	(i) Passport (ii) PAN card (iii) Voter's Identity Card (iv) Driving licence (v) The letter issued by UIDAI containing details of name, address and Aadhaar number (vi) Identity card (subject to the bank's satisfaction) (vii) Letter from a recognized public authority or public servant verifying the identity and residence of the customer to the satisfaction of bank. For Address (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 bank) (any one document which provides customer information to the satisfaction of the bank will suffice)
-	Correct permanent address	
Accounts of companies		
-	Name of the company	(i) Certificate of incorporation and Memorandum & Articles of Association
-	Principal place of business	
-	Mailing address of the company	(ii) Resolution of the Board of Directors to

-	Telephone/Fax Number	<p>open an account and identification of those who have authority to operate the account</p> <p>(iii) Power of Attorney granted to its managers, officers or employees to transact business on its behalf</p> <p>(iv) Copy of PAN* allotment letter</p> <p>(v) Copy of the telephone bill (optional)</p>
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Accounts of partnership firms

-	Legal name	(i) Registration certificate, if registered
-	Address	(ii) Partnership deed
-	Names of all partners and their addresses	(iii) Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf
-	Telephone numbers of the firm and partners	(iv) Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses
		(v) Telephone bill in the name of firm / partners (optional)

Accounts of trusts & foundations

-	Names of trustees, settlers, beneficiaries and signatories	(i) Certificate of registration, if registered
-	Names and addresses of the founder, the managers / directors and the beneficiaries	(ii) Power of Attorney granted to transact business on its behalf
-	Telephone / fax numbers	(iii) Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney, founders / managers / directors and their addresses
		(iv) Resolution of the managing body of the foundation / association
		(v) Telephone bill (optional)

*Permanent Account Number (PAN) allotment is issued by the Tax Department-Government of India. The allotment letter entails an authorization for the tax payer to pay tax or have monetary transactions anywhere in India, under the Income Tax act.

The Company may require additional information about investor for the purposes of satisfying obligations under the PMLA and hence, may take actions that it believes is necessary to comply with PMLA laws which include delaying or refusing any request to establish a relationship or process any transaction.

a) MONITORING OF TRANSACTIONS

Ongoing monitoring is an essential element of effective KYC procedures. The company can effectively control and reduce its risk only if it has an understanding of the normal and reasonable activity of the customer so that it can identify transactions that fall outside the regular pattern. However, the extent of monitoring will depend on the risk sensitivity of the account. Since the company may not have any deposit accounts, this situation will not arise, but SITAL LEASING & FINANCE LIMITED shall pay special attention to depleting financial ratios, adequacy of collaterals etc. The company will put in place a system of half-yearly review of risk categorization of all outstanding accounts and the need for applying enhanced due diligence measures.

b) RISK MANAGEMENT

The Board of Directors of the company has ensured that an effective KYC program is in place and has established appropriate procedures and is overseeing its effective implementation. The program covers proper management oversight, systems and controls, segregation of duties, training and other related matters. Responsibility has been explicitly allocated within the company to ensure that the company's policies and procedures are implemented effectively. The Board has devised procedures for creating Risk Profiles of new customers and will apply various Anti Money Laundering measures keeping in view the risks involved in a transaction, account or business relationship.

The company's internal control and compliance functions have an important role in evaluating and ensuring adherence to the KYC policies and procedures. The compliance function will provide an independent evaluation of the company's policies and procedures, including legal and regulatory requirement. The Company will ensure that its internal control systems and machinery is staffed adequately with individuals who are well-versed in such policies and procedures or hire the services of a reputed company engaged in providing quality services in the said field. They will specifically check and verify the application of KYC procedures 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 at half yearly intervals.

SITAL LEASING & FINANCE LIMITED will have an ongoing (at regular intervals) employee training program so that 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.

5. CUSTOMER EDUCATION

The implementation of KYC procedures requires the company certain information from customers, 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. The Company's front line staff will therefore personally discuss this with customers and if required, the company may also prepare specific literature/ pamphlets, etc. so as to educate the customer on the objectives of the KYC program.

6. INTRODUCTION OF NEW TECHNOLOGIES

SITAL LEASING & FINANCE LIMITED will pay special attention to any money laundering threats that may arise from new or developing technologies including on-line transactions that might favour anonymity, and take measures, if needed, to prevent its use in money laundering schemes.

7. ALLOCATION OF UNIQUE CUSTOMER IDENTIFICATION CODE

In the context of recommendations of Working Group constituted by the Government of India regarding the introduction of unique identifiers for customers across different Financial Institutions for setting up a centralized KYC Registry, for non-deposit taking NBFCs with asset size of Rs. 25 crore and above have been advised to allot UCIC while entering into new relationships with individual customers as also the existing customers. A Unique Customer Identification Code (UCIC) will help NBFCs to identify the customers, avoid multiple identities, track the facilities availed, monitor financial transactions in a holistic manner and enable NBFCs to have a better approach to risk profiling of customers. The company "SITAL LEASING & FINANCE LIMITED should ensure this while opening a new account in that the name/s of the proposed customer and issue such UCIC code.

8. COMBATING FINANCING OF TERRORISM ('CFT')

In terms of PMLA Rules, suspicious transaction should include inter alia transactions which give rise to a reasonable ground of suspicion that these may involve financing of the activities relating to terrorism. The Company therefore, has a system for enhanced monitoring of accounts suspected of having terrorist links and swift identification of the transactions and making suitable reports to the Financial Intelligence Unit – India ('FIU-IND') on priority. The company will prepare a list of prohibited customers/types of

customer along with the names of Terrorist organizations. As and when list of individuals and entities, approved by Security Council Committee established pursuant to various United Nations' Security Council Resolutions ('UNSCRs'), are received from Government of India, Reserve Bank circulates these to all banks and financial institutions (including NBFCs). SITAL LEASING & FINANCE LIMITED should ensure to update the consolidated list of individuals and entities as circulated by Reserve Bank. Further, the updated list of such individuals/entities can be accessed in the United Nations website at <http://www.un.org/sc/committees/1267/consolist.shtml>.

SITAL LEASING & FINANCE LIMITED should ensure before opening any new account that the name/s of the proposed customer does not appear in the list. Further, SITAL LEASING & FINANCE LIMITED should scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list. Full details of accounts bearing resemblance with any of the individuals/entities in the list should immediately be intimated to RBI and FIU-IND.

It may be appreciated that KYC norms/AML standards/CFT measures have been prescribed to ensure that criminals are not allowed to misuse the financial channels. It would, therefore, be necessary that adequate screening mechanism is put in place by the company as an integral part of their recruitment/hiring process of personnel.

9. APPOINTMENT OF PRINCIPAL OFFICER

The company has appointed Mr. Surendra Kumar Jain to be designated as 'Principal Officer'. The Principal Officer will be located at the Corporate Delhi 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, other NBFC's and any other institution which are involved in the fight against money laundering and combating financing of terrorism. The name, designation and contact details of Principal Officer shall be communicated to the Director of the Financial Intelligence Unit – India, Government of India ("FIU").

With a view to enable the Principal Officer to discharge his responsibilities, the Principal Officer will be provided timely access to customer identification data and other customer due diligence information, transaction records and other relevant information. Further, the Board will ensure that the Principal Officer is able to act independently and report directly to the Board of Directors.

10. MAINTENANCE OF RECORDS OF TRANSACTIONS

SITAL LEASING & FINANCE LIMITED has a system of maintaining proper record of transactions prescribed under Rule 3, of the Prevention of Money-Laundering and value of transactions, the procedure and manner of maintaining and verification and maintenance of records of the identity of the clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, as mentioned below:

- (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 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 (as illustrated in Appendix B) whether or not made in cash and by way of modes as mentioned in the Rules framed by Government of India under the Prevention of Money Laundering Act, 2002.
- (v) The background including all documents/office records/memorandums pertaining to complex, unusual large transactions and all unusual patterns of transactions which have no apparent economic or visible lawful purpose should, as far as possible, be examined and the findings at branch as well as Principal Officer level should be properly recorded and maintained.

SITAL LEASING & FINANCE LIMITED shall maintain the following information in respect of transactions referred to above:

- (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

11. PRESERVATION OF RECORDS

SITAL LEASING & FINANCE LIMITED has a system for proper preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. The company will preserve for at least TEN years from the date of cessation of transaction, all necessary records of transaction, which will permit reconstruction of 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 also ensure that records pertaining to the identification of the customer obtained are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data will be made available to the competent authorities upon request.

12. REPORTING TO FINANCIAL INTELLIGENCE UNIT - INDIA

In terms of the PMLA rules, M/s SITAL LEASING & FINANCE LIMITED will report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India ('FIU-IND') at the following address:

Director, FIU-IND, Financial Intelligence Unit-India, 6th Floor, Hotel Samrat, Chanakyapuri, New Delhi-110021 and should ensure reporting of formats prescribed herein below viz:

- (i) Manual reporting of cash transactions
- (ii) Manual reporting of suspicious transactions
- (iii) Consolidated reporting of cash transactions by Principal Officer
- (iv) Electronic data structure for cash transaction reporting
- (v) Electronic data structure for suspicious transaction reporting.

The reporting formats contain detailed guidelines on the compilation and manner/procedure of submission of the reports to FIU-IND. The Company is advised to adopt the format prescribed with suitable modifications. If the company is not in a position to immediately file electronic reports, it may file manual reports to FIU-IND. While detailed instructions for filing all types of reports are given in the instructions part of the related formats, the company should scrupulously adhere to the following:

- (i) The cash transaction report ('CTR') for each month should be submitted to FIU-IND by 15th of the succeeding month. While filing CTR, individual transactions below rupees fifty thousand may not be included. In regard to CTR, it is reiterated that the cut-off limit of Rupees ten lakh is applicable to integrally connected cash transactions also. Further, for determining integrally connected cash transactions, The Company should take into account all individual cash transactions in an account during a calendar month, where either debits or credit summation, computed separately, exceeds Rupees ten lakh during the month. However, while filing CTR, details of individual cash transactions below rupees fifty thousand may not be indicated. Illustration of integrally connected cash transactions is furnished in Annexure I.

CTR should contain only the transactions carried out by the company on behalf of its clients/customers. All cash transactions, where forged or counterfeit Indian currency notes have been used as genuine should be reported by the Principal Officer to FIU-IND immediately in the format (Counterfeit Currency Report -'CCR') as per Annexure II, Annexure III, electronics data structure furnished in Annexure IV to enable the company. These cash transactions should also include transactions where forgery of valuable

security or documents has taken place and may be reported to FIU-IND in plain text form.

- (i) The Suspicious Transaction Report ('STR') should be furnished within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, or a series of transactions integrally connected are of suspicious nature. The Principal Officer should 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 should be made available to the competent authorities on request
- (ii) The Principal Officer will be responsible for timely submission of CTR and STR to FIU-IND
- (iii) Utmost confidentiality should be maintained in filing of CTR and STR with FIU-IND
- (iv) It should be ensured that the reports for all the branches are filed in one mode i.e. electronic or manual
- (v) A summary of cash transaction report for the company as a whole may be compiled by the Principal Officer of the company in physical form as per the format specified. The summary should be signed by the Principal Officer and submitted both for manual and electronic reporting.
- (vi) The company should not put any restrictions on operations in the accounts where an STR has been made. However, 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. The company should report all such attempted transactions in STRs, even if not completed by customers, irrespective of the amount of the transaction.
- (vii) While making STRs, the company should be guided by the definition of 'suspicious transaction' as contained in Rule 2(g) of Rules *ibid*. It is further clarified that the company should make STRs if it has 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.

13. TRAINING TO EMPLOYEES

All executives shall receive adequate training on the prevention of money laundering and all new employees shall read this KYC /AML policy. Periodic training sessions shall be arranged for employees.

In the context of creating KYC/AML awareness among the staff and for generating alerts for suspicious transactions, the company considers the indicative list of suspicious activities contained in Appendix B.

14. COMPLIANCE & REVIEW OF POLICY

Compliance with policies stated herein needs to be ensured by the Principal Officer or Board of Director of the company. The Policy will be reviewed at least once annually.

Appendix A

Customer Identification Requirements – Indicative Guidelines

Nominee or Fiduciary Accounts

There exists the possibility that trust/nominee or fiduciary accounts can be used to circumvent the customer identification procedures. The company should determine whether the customer is acting on behalf of another person as trustee/nominee or any other intermediary. If so, it 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. The Company should take reasonable precautions to verify the identity of the trustees and the settlers of trust (including any person settling assets into the trust), grantors, protectors, beneficiaries and signatories. Beneficiaries should be identified when they are defined. In the case of a 'foundation', steps should be taken to verify the founder managers/ directors and the beneficiaries, if defined.

Accounts of companies and firms

SITAL LEASING & FINANCE LIMITED should be vigilant against business entities being used by individuals as a 'front' for maintaining accounts. The Company should examine the control structure of the entity, determine the source of funds and identify the natural persons who have a controlling interest and who comprise the management. These requirements may be moderated according to the risk perception e.g. in the case of a public company it will not be necessary to identify all the shareholders.

Correspondent Banking

Correspondent banking is the provision of banking services by one bank (the 'correspondent bank') to another bank (the 'respondent bank'). These services may include cash/funds management, international wire transfers, drawing arrangements for demand drafts and mail transfers, payable-through-accounts, cheques clearing, etc.

The Company should gather sufficient information to understand fully the nature of the business of the correspondent/respondent bank. Information on the other bank's management, major business activities, level of AML/CFT compliance, purpose of opening the account, identity of any third party entities that will use the correspondent banking

services, and regulatory/supervisory framework in the correspondent's/respondent's country may be of special relevance. Similarly, the company should try to ascertain from publicly available information whether the other bank has been subject to any money laundering or terrorist financing investigation or regulatory action.

Such relationships should be established only with the approval of the Board. The responsibilities of each bank with whom correspondent banking relationship is established should be clearly documented. In the case of payable-through-accounts, the company should be satisfied that the respondent bank has verified the identity of the customers having direct access to the accounts and is undertaking ongoing 'due diligence' on them. SITAL LEASING & FINANCE LIMITED should also ensure that the respondent bank is able to provide the relevant customer identification data immediately on request.

The Company shall not enter into a correspondent relationship with a 'shell bank' (i.e. a bank which is incorporated in a country where it has no physical presence and is unaffiliated to any regulated financial group). Shell banks are not permitted to operate in India. The Company should also guard against establishing relationships with respondent foreign financial institutions that permit their accounts to be used by shell banks.

The company should be extremely cautious while continuing relationships with respondent banks located in countries with poor KYC standards and countries identified as 'non-cooperative' in the fight against money laundering and terrorist financing and also should ensure that their respondent banks have anti money laundering policies and procedures in place and apply enhanced 'due diligence' procedures for transactions carried out through the correspondent accounts.

Appendix B

Indicative list of suspicious activities

a) Transactions Involving Large Amounts of Cash

Company transactions that are denominated by unusually large amounts of cash, rather than normally associated with the normal commercial operations of the company, e.g. cheques

b) Transactions that do not make Economic Sense

Transactions in which assets are withdrawn immediately after being deposited unless the business activities of the customer furnishes a plausible reason for immediate withdrawal

c) Activities not consistent with the customer's Business

d) Accounts with large volume of credits whereas the nature of business does not justify such credits

e) Attempts to avoid Reporting/Record-keeping Requirements

A customer who is reluctant to provide information needed for a mandatory report, to have the report filed or to proceed with a transaction after being informed that the report must be filed.

- (i) Any individual or group that coerces/induces or attempts to coerce/induce the employee not to file any reports or any other forms.

An account where there are several cash transactions below a specified threshold level to avoid filing of reports that may be necessary in case of transactions above the threshold level, as the customer intentionally splits the transaction into smaller amounts for the purpose of avoiding the threshold limit.

f) Unusual Activities

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

g) Customer who provides Insufficient or Suspicious Information

- (i) A customer who is reluctant to provide complete information regarding the purpose of the business, prior business relationships, officers or directors, or its locations.
- (ii) A customer who is reluctant to reveal details about its activities or to provide financial statements.

h) Certain Employees arousing Suspicion

- (i) An employee whose lavish lifestyle cannot be supported by his or her salary.
- (ii) Negligence of employees/willful blindness is reported repeatedly.
- (iii) Some examples of suspicious activities/transactions to be monitored by the operating staff-

- (i) Large Cash Transactions
- (ii) Multiple accounts under the same name
- (iii) Placing funds in term Deposits and using them as security for more loans
- (iv) Sudden surge in activity level
- (v) Same funds being moved repeatedly among several account

For and On behalf of
M/s Sital Leasing and Finance Limited

Sd/-
(Director)

Appendix C – Policy Revision History

Include a revision history in the following table or you may direct the audience to a repository where this information is stored. The ite record-keeping purposes. Whether some or all of them are shown in the published document is at the discretion of the applicable Owner.

Version	Review Date	Approval Date	Remarks
1.0	XXXXXX	XXXXXX	XXXXXX
1.1			
1.2			
1.3			
1.4			
1.5			