



**FRONTIER
CAPITAL
LIMITED**

**KNOW YOUR CUSTOMER
POLICY**

FCL-SEC-POL-10_28.12.2015

Rev No: 00

Rev Date: NA

Version: FCL-SEC-POL-10.00

KNOW YOUR CUSTOMER'S POLICY

KYC enables the entity to know/ understand their customers and their financial dealings to be able to serve them better and manage its risks prudently. KYC Policy identifying the customer and verifying their identity by using reliable, independent source documents, data or information. For individuals, NBFC will obtain identification data to verify the identity of the customer. For non-individuals, NBFC will obtain identification data to:

- Verify the legal status of the legal person/ entity
- Verify identity of the authorized signatories.

Frontier Capital Limited (FCL) may be used unwittingly as intermediaries for the transfer or deposit of monies derived from criminal activity. In order to be able to identify any such activity, FCL must know its customers and the kinds of activity in which they would reasonably be expected to engage.

An effective Customer Identification Program ("CIP") is an important part of the effort by FCL to know its customers. The FCL is integrated into the AML (Anti Money Laundering) program for the Company in terms of the Prevention of Money Laundering Act, 2002 and the relevant rules notified thereunder, which contains provisions requiring the Company to:

1. Verify the identity of any Person transacting with the Company to the extent reasonable and practicable
2. Maintain records of the information used to verify a customer's identity, including name, address and other identifying information; and
3. Consult lists of known or suspected terrorists or terrorist organizations provided to FCL by any applicable government agency.

FCL will perform appropriate, specific, and where necessary, Enhanced Due Diligence on its customers that is reasonably designed to know and verify the true identity of its Customers and to detect and report instances of criminal activity, including money laundering or terrorist financing. The procedures, documentation, types of information obtained and levels of KYC due diligence to be performed will be based on the level of risk associated with the relationship services, Business processes, geographic locations) between FCL and the Customer and the risk profile of the Customer. FCL shall establish

1

Prepared By:	Sarika Shinde – Company Secretary
Approved By:	Usha Iyengar - Director



 FRONTIER CAPITAL LIMITED	KNOW YOUR CUSTOMER POLICY	FCL-SEC-POL-10_28.12.2015
		Rev No: 00 Rev Date: NA Version: FCL-SEC-POL-10.00

standards and procedures for performing KYC due diligence and Enhanced Due Diligence that are appropriate given the associated risks of the business and the Customers. Such standards and procedures shall comply with the requirements of law applicable and the jurisdiction in which it operates and shall incorporate the components detailed below, except to the extent that compliance would conflict with requirements of law of a particular jurisdiction.

1. Required KYC Due Diligence for All customers

FCL shall take reasonable measures to ascertain and verify the true identity of all Customers who transact with FCL. The Company shall design and implement specific due diligence standards and procedures that are appropriate given the nature of the businesses, Customers, and the associated risks.

2. Identification

The Company shall implement procedures to obtain from each Customer, prior to transacting, the following information to the extent relevant:

1) Name; (to ensure that the name recorded on FCL systems as the customer will be exactly the same as (and not merely similar to, or a variation of) the name that appears on any identifying documentation reviewed in connection with the loan);

2) For individuals, date of birth;

3) Address including the documentary proof thereof;

i. For an individual, a residential or business address;

ii. For a Person other than an individual (such as a corporation, partnership, or trust) a principal place of business, local office, or other physical location

4) Telephone/Fax number:

5) Identification number;

i) A taxpayer identification number; passport number and country of issuance;

2	Prepared By:	Sarika Shinde – Company Secretary	
	Approved By:	Usha Iyengar - Director	



 FRONTIER CAPITAL LIMITED	KNOW YOUR CUSTOMER POLICY	FCL-SEC-POL-10_28.12.2015
		Rev No: 00 Rev Date: NA Version: FCL-SEC-POL-10.00

The list of documents that can be accepted as proof of identity and address from customers across various products offered by the Company is given as annexure 1 to this policy. Any deviations to the approved list of documents can be approved by the Board of Directors only.

3. Verification

The Company as a part of the KYC policy, shall document and implement appropriate risk-based procedures designed to verify that it can form a reasonable belief that it knows the true identity of its Customers. Verification of Customer identity should occur before transacting with the customer. Procedures for the Company shall describe acceptable methods of verification of Customer identity, which may include verification through documents or non-documentary verification methods that are appropriate.

i) **Verification through documents.**

These documents may include, but are not limited to:

- a). For an individual, an unexpired government-issued identification evidencing nationality or residence and bearing a photograph or similar safeguard, such as a driver's license or passport; or
- b). For a Person other than an individual (such as a corporation, partnership, or trust), documents showing the existence of the entity, such as certified articles of incorporation, a government-issued business license, a partnership agreement, or trust instrument.

The list of documents that can be accepted as proof of identity and address from customers is given as 'annexure 1' to this policy. These should be appropriately covered.

ii) Verification through non-documentary methods. These methods may include, but are not limited to:

1. Contacting or visiting a Customer;
2. Independently verifying the Customer's identity through the comparison of information provided by the Customer with information

3

Prepared By:	Sarika Shinde – Company Secretary
Approved By:	Usha Iyengar - Director



 FRONTIER CAPITAL LIMITED	KNOW YOUR CUSTOMER POLICY	FCL-SEC-POL-10_28.12.2015
		Rev No: 00 Rev Date: NA Version: FCL-SEC-POL-10.00

obtained from a consumer reporting agency, public database, or other source;

3. Checking references with other financial institutions; or
4. Obtaining a financial statement.

4. Reporting

The Company does not accept deposits. The Company's policy also does not permit cash transactions of Rs.10 lacs and more. Nevertheless, if there were to be any such transactions in future, the the Company shall have a system of internal reporting of suspicious transactions and cash transactions of Rs.10 lakh and above, whether such transactions comprise of a single transaction or a series of transactions integrally connected to each other, and where such series of transactions take place within a month;

Further, the Compliance officer shall furnish information of the above mentioned transactions to the Director, Financial Intelligence Unit – India (FIU-IND) at the prescribed address in the formats prescribed in this regard.

Provided that where the principal officer, has reason to believe that a single transaction or series of transactions integrally connected to each other have been valued Rs.10 lakhs so as to defeat the provisions of the PMLA regulations, such officer shall furnish information in respect of such transactions to the Director within the prescribed time.

5. Records Retention

The Company shall document and implement appropriate procedures to retain records of KYC due diligence and anti money laundering measures.

a. Transactions for which records need to be maintained:

- i. All cash transactions of the value of more than Rs.10 lakh or its equivalent in foreign currency.
- ii. All series of cash transactions integrally connected to each other which have taken place in a single month and where the aggregate value of these transactions exceeds Rs.10 lakhs or its equivalent foreign currency.

4

Prepared By:	Sarika Shinde – Company Secretary
Approved By:	Usha Iyengar - Director



 FRONTIER CAPITAL LIMITED	KNOW YOUR CUSTOMER POLICY	FCL-SEC-POL-10_28.12.2015
		Rev No: 00 Rev Date: NA Version: FCL-SEC-POL-10.00

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

b. Information to be preserved:

The information required to be preserved with respect to the above transactions are the nature of transactions, amount and the currency in which it was denominated, date of transaction and the parties to the transaction.

c. Periodicity of retention:

The following records shall be retained for a minimum period of ten years after the related Loan transaction is closed:

- i) The Customer identification information and residence identification information including the documentary evidence thereof
- ii) All other necessary records pertaining to the transactions that could be produced as evidence for prosecution of persons involved in criminal activity

Further, a description of the methods used to verify Customer identity as well as a description of the resolution of any discrepancies in verification shall be maintained for a period of at least Ten (10) years after such record was created.

The above records shall be made available to the competent authorities upon request.


7. Existing Customers

Transactions in existing accounts should be continuously monitored and any unusual pattern in the payment of dues should trigger a review of the due diligence measures.

8. Enhanced Due Diligence

The company is engaged in the business of Financing of Heavy Commercial Vehicles & Construction Equipment, Hire purchase, Inventory Finance, Bill Discounting, Factoring

5	Prepared By:	Sarika Shinde – Company Secretary	
	Approved By:	Usha Iyengar - Director	

 FRONTIER CAPITAL LIMITED	KNOW YOUR CUSTOMER POLICY	FCL-SEC-POL-10_28.12.2015
		Rev No: 00 Rev Date: NA Version: FCL-SEC-POL-10.00

and related Insurance services. It does not deal with such category of customers who could pose a potential high risk of money laundering, terrorist financing or political corruption and are determined to warrant enhanced scrutiny. If required, the Company shall conduct Enhanced Due Diligence in connection with all Customers that are determined to pose a potential high risk and are determined to warrant enhanced scrutiny and shall establish appropriate standards and procedures for conducting Enhanced Due Diligence, which shall involve conducting appropriate additional due diligence or investigative actions beyond what is required by standard KYC due diligence. The Company shall decline to do business with or discontinue relationships with any Customer when FCL cannot adequately complete necessary Enhanced Due Diligence or when the information received is deemed to have a significant adverse impact on reputational risk.

9. Monitoring of Transactions

Ongoing monitoring is an essential element of effective KYC procedures. FCL can effectively control and reduce the risk only if it has an understanding of the normal and reasonable activity of the customer so that they have the means of identifying transactions that fall outside the regular pattern of activity. However, the extent of monitoring will depend on the risk sensitivity of the transaction. The Company shall pay special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose. High-risk accounts have to be subjected to intensified monitoring. The Company shall put in place a system of periodical review of risk categorization of portfolios and the need for applying enhanced due diligence measures.

10. Risk Management

The Company shall establish appropriate procedures and ensure effective implementation of KYC guidelines. The implementation procedure shall cover proper management oversight, systems and controls, segregation of duties and other related matters.

The compliance in this regard may be put up before the the Board at reasonable intervals.

There shall be a employee training programme so that the members of the staff are adequately trained in KYC procedures.. It is crucial that all those concerned fully understand the rationale behind the KYC policies and implement them consistently.

6	Prepared By:	Sarika Shinde – Company Secretary	 
	Approved By:	Usha Iyengar - Director	



 FRONTIER CAPITAL LIMITED	KNOW YOUR CUSTOMER POLICY	FCL-SEC-POL-10_28.12.2015
		Rev No: 00 Rev Date: NA Version: FCL-SEC-POL-10.00

11. Customer Education


If required the Company may prepare specific literature/ pamphlets etc. so as to educate the customer of the objectives of the KYC programme. The Company on an ongoing basis will educate the staff, on the elements of KYC.

12. Appointment of Principal Officer

Ms. Sarika Shinde, Company Secretary of the Company is designated as Principal Officer who shall be responsible for monitoring and reporting of all transactions and sharing of information as required under the law.

7	Prepared By:	Sarika Shinde – Company Secretary	
	Approved By:	Usha Iyengar - Director	



 FRONTIER CAPITAL LIMITED	KNOW YOUR CUSTOMER POLICY	FCL-SEC-POL-10_28.12.2015
		Rev No: 00 Rev Date: NA Version: FCL-SEC-POL-10.00

Annexure-I

Customer Identification Procedure

KYC Documents for Identification and verification

Identity Proof Individual:	Others:
-Valid Passport	-Valid PAN card
-Valid PAN card	-Shop & establishment Act certificate
-Valid driving license	-latest sales tax assessment order
-ration card with photo	-sales tax registration certificate
-bank pass book with photo attested and latest statement,	-MOA/AOA with registration certificate
-pensioner ID Copy,	-registered partnership deed.
-HSC/SSC certificate,	
-HSC/SSC certificate,	
-employee photo ID card issued by Govt	
-ESIC medical cards with photo,	
-medical insurance cards from public sector insurance companies with photos,	
-property registered deed with applicant photos.	

8

Prepared By:	Sarika Shinde – Company Secretary
Approved By:	Usha Iyengar - Director





FRONTIER
CAPITAL
LIMITED

KNOW YOUR CUSTOMER
POLICY

FCL-SEC-POL-10_28.12.2015

Rev No: 00

Rev Date: NA

Version: FCL-SEC-POL-10.00

Address Proof	Others:
-Valid Passport	-Shop & establishment Act certificate
-Valid PAN card	-sales tax registration certificate
-Voter identity card,	-registered lease deed
-Valid driving license,	--latest property tax bills,
--Latest property tax receipt,	--latest telephone bills
-latest Telephone bill	-latest utility bills.
-latest Utility bills	

** Note: Any deviations to the above documents that can be accepted can be approved by any Director of the Company.

9

Prepared By: Sarika Shinde – Company Secretary
Approved By: Usha Iyengar - Director



