



**POLICY ON MONITORING AND REPORTING OF FRAUD**

**ORIX Auto Infrastructure services Limited**

**And**

**ORIX Leasing & Financial Services India Ltd.**

**ORIX INDIA GROUP**

V.2.

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**(I) Preamble:**

ORIX Auto Infrastructure Services Limited (OAIS), direct subsidiary of ORIX Corporation (ORIX) and ORIX Leasing & Financial Services India Ltd. ("OLFS"), direct subsidiary of OAIS and indirect subsidiary of ORIX, has adopted ORIX Group Code of Conduct which, *inter-alia* and *amongst others*, prohibits illegal and unethical transactions including but not limited to prohibition on engaging in any action, relationship or interest that is or could lead to a conflict of interest.

One of the several elements of illegal and unethical transaction is Fraud. Fraud can have a devastating effect on ORIX India Group because it could result in significant financial loss and other long-term business repercussions. Any allegations of fraud will be taken seriously, with no exceptions. All individuals, regardless of position, title, or tenure with ORIX India Group are expected to remain vigilant and report any suspicious activity to the Compliance Department or at Hotline referred in this Policy.

OAIS and OLFS hereinafter collectively referred to as "ORIX India Group."

**(II) Purpose:**

- (1) ORIX India Group upholds a zero-tolerance approach regarding fraud and corruption. ORIX India Group will identify and promptly investigate any suspected fraudulent or related dishonest activity against ORIX India Group or other parties with whom ORIX India Group has dealings. ORIX India Group will take appropriate disciplinary and legal actions to include the possibility of termination of employment, restitution, and forwarding information to the appropriate authorities for prosecution.
- (2) The Policy is established with an intent to promote a culture founded on fraud prevention, awareness, and accountability, and shall clarify acts that are considered to be suspicious. This Policy shall also provide guidance to prevent, detect, report, and investigate when fraudulent acts are suspected and subsequently proven.

**(III) Applicability:**

- (1) This Policy applies to any Fraud or suspected Fraud in ORIX India Group, involving employees (including contractual employees) as well as, consultants, vendors, suppliers, service providers, contractors, lenders, borrowers of OLFS, outside agencies and / or any other parties having a business relationship with ORIX India Group.
- (2) This Policy is applicable to any and all act(s) or omission(s) that constitutes fraudulent or suspected fraudulent activity. Please refer definition of Fraud for further details. Please refer Incident Management Rule of ORIX India Group for the purpose of reporting to Incident Reporting Group or to ORIX Corporation depending on Level of Incident as defined in the said Incident Management Rule

**(IV) Definitions:**

- (1) "Approval Authority Matrix ("AAM")" means the authority matrix adopted by the Board of Directors of the Company and as may be amended from time-to-time defining the authority of shareholders, Board of Directors, committees, Managing Director, Head of the Department (also known as "Senior Management Team") etc.
- (2) "Board of Directors" or "Board" means the Directors of ORIX India Group.



- (3) "Audit Committee" means the Audit Committee of Board of Directors ORIX India Group constituted by virtue of Act and the relevant applicable regulations.
- (4) "Fraud": Despite having contractual dimension, tortuous dimension and criminal dimension of fraud, there is no definition of fraud in legislation like Companies Act, 2013, Indian Penal Code etc. However, the Indian Contract Act, 1872, defines Fraud which means and includes any of the following acts committed by a party to a contract, or with his connivance, or by his agents, with intent to deceive another party thereto his agent, or to induce him to enter into the contract:
- (a) the suggestion, as a fact, of that which is not true, by one who does not believe it to be true;
  - (b) the active concealment of a fact by one having knowledge or belief of the fact;
  - (c) a promise made without any intention of performing it;
  - (d) any other act fitted to deceive;
  - (e) any such act or omission as the law specially declares to be fraudulent.

In view of the above, following activities (indicative and not exhaustive) shall be termed as Fraud (which shall include suspected Fraud) for the purpose of the Policy:

- (a) Misappropriation and criminal breach of trust;
- (b) Fraudulent encashment through forged instruments;
- (c) Falsification of books of accounts or manipulation of books of account or passing or approving wrong journal entries (knowing it to be false or incorrect within established guidelines on accounting or established policies of ORIX India Group) or through fictitious accounts and conversion of property;
- (d) Misfeasance, embezzlement or misappropriation of funds or negligence and cash shortage etc;
- (e) Forgery or alteration of financial documents / records without requisite approvals;
- (f) Improprity in handling or reporting of financial transactions;
- (g) Theft, disappearance, or destruction of assets of ORIX India Group;
- (h) Unauthorised credit facilities extended for reward or for illegal gratification;
- (i) Forgery as defined under Section 463 of Indian Penal Code (IPC)<sup>1</sup>;
- (j) Cheating as defined under Section 420 of IPC<sup>2</sup>;
- (k) Irregularities in foreign exchange transactions;
- (l) Execution of any documents for and on behalf of ORIX India Group with *malafide* intention and without valid authorisation;
- (m) Unauthorised handling of securities charged to the Company;
- (n) Any other type of Fraud not coming under the specific heads as above.

Cases of 'cash shortages' and 'irregularities in foreign exchange transactions' referred to in sub clause number (d) and (k) above are to be reported as Fraud if the intention to cheat / defraud is suspected/proved. However, the following cases where fraudulent intention is not suspected / proved, at the time of detection, will be treated as Fraud and reported accordingly:

- (i) Cases of cash shortages more than ₹10,000/- and

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<sup>1</sup> Whoever makes any false documents or false electronic record or part of a document or electronic record, with intent to cause damage or injury], to the public or to any person, or to support any claim or title, or to cause any person to part with property, or to enter into any express or implied contract, or with intent to commit fraud or that fraud may be committed, commits forgery.

<sup>2</sup> Cheating and dishonestly inducing delivery of property. — Whoever cheats and thereby dishonestly induces the person deceived to deliver any property to any person, or to make, alter or destroy the whole or any part of a valuable security, or anything which is signed or sealed, and which is capable of being converted into a valuable security



- (ii) Cases of cash shortages more than ₹ 5000/- if detected by management /auditor / inspecting officer and not reported on the occurrence by the persons handling cash.
- (5) "Principal Officer" for the purpose of this Policy and OLFS (only) shall mean person appointed as such by OFLS in terms of KYC and AML Policy of OLFS
- (6) "Reporting Channel" shall mean various channel where Fraud or suspected Fraud shall be reported by employee(s) who discover the Fraud or suspected Fraud and described in Paragraph Number IX below
- (7) "Senior Management Team" for the purpose of this Policy means employees of ORIX India Group who are members of its core management team which is known as Executive Committee of Management (not being Committee formulated by Board of Directors) and excluding Board of Directors. It would comprise all members of management one level below the Managing Director and Chief Executive Officer (CEO), i.e. Business Heads and Functional Heads (Head of Department)

**(V) Fraud Handling Process:**

**(1) Detection of Fraud:**

- (a) Senior Management Team is responsible for the detection and prevention of Fraud. Each member of Senior Management Team should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication of irregularity.
- (b) As soon as an actual, suspected or attempted Fraud is noticed or detected by any employees, they should immediately gather all relevant details and inform their Business Head or report as stated in sub para (2)(a) below. Wherever necessary, Head HR and/or Head Legal and Compliance should be approached for lodging First Information Report (FIR) with the law enforcement agencies.
- (c) In case some information or details are not readily available, the submission of the report or other available details should not be held up. The remaining information may be furnished immediately thereafter.
- (d) So far as OLFS is concerned, which is a Non-Deposit taking Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India (RBI), details of Frauds are required to be reported to RBI.

Accordingly, Principal Officer should report complete details promptly without any delay or laxity to the RBI. Further developments, such as progress made in the police investigation, enhancement in the Fraud amount, fresh recovery/prospects of recovery of Fraud amount, position of insurance claim, if any, current status of disciplinary action, amount restored and amount eventually written off (including expected to be written off) should also be reported from time to time until the case is finally disposed of to the satisfaction of Chief Compliance Officer



(2) **Reporting of Fraud:**

(a) By Employees:

An employee / complainant who discovers Fraud shall inform either the Compliance Department or the Reporting Channel immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative or any other inquirer should be directed to the Compliance Department. No information concerning the status of an investigation will be given out.

The individual who reports a Fraud should be aware of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution; and
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Investigating team.

(b) By Senior Management Team:

Senior Management Team is responsible to report any potential instance of Fraud to the Compliance Department, immediately under this Policy as well as to Incident Reporting Group or Incident Management Department under Incident Management Rule of ORIX India Group and as defined therein.

(c) To Audit Committee:

(i) All individual cases of Fraud irrespective of the amount involved shall be placed before the Audit Committee of ORIX India Group covering the following:

- The modus operandi of the attempted Fraud.
- How the attempt did not materialize in the Fraud or how the attempt failed / was foiled.
- The measures taken by ORIX India Group to strengthen the existing systems and controls.
- New systems and controls put in place in the area where Fraud was attempted.
- In addition to the above, yearly consolidated review of such cases detected during the year containing information regarding area of operations where such attempts were made, effectiveness of new process and procedures put in place during the year, trend of such cases during the last three years, need for further change in process and procedures, if any, etc. as on March 31 every year within three months of the end of the relative year.

(ii) All Frauds irrespective of threshold value should be monitored and reviewed by the Audit Committee in their meeting. The periodicity of the meetings of the Audit Committee should preferably be Quarterly or as may be decided by the Audit Committee according to the number of cases involved..

(d) To Board of Directors:



The following shall be placed before the Board:

- (i) All Frauds of ₹ 0.1 mn and above shall be reported promptly on their detection. Such reports shall include:
  - failure on the part of the concerned officials;
  - consideration of initiating of appropriate action against the officials responsible for the Fraud.
  - Other matters as specified in Incident Management Rule such as:
    - Risk type and severity of impact;
    - Date when the Fraud occurred or was suspected discovery date;
    - Background of the Fraud incident and responses to date, if any;
    - Root cause and responsible party known in the Fraud incident at the time of submission of the report;
    - Demands from other party or parties involved in the Fraud incident, if applicable;
    - next steps or action plans in response to and management of the Fraud incident.
- (ii) Information relating to Frauds for the quarters ending March, June and September shall be placed before the Board during the month following the quarter to which it pertains. These should be accompanied by supplementary material analysing statistical information and details of each Fraud.
- (iii) An annual review of the Frauds for the year-ended December shall be placed before the end of March the following year<sup>3</sup>.

The main aspects which shall be taken into account while making such a review can include the following:

- Whether the systems are adequate to detect Frauds, once they have taken place, within the shortest possible time;
- Whether Frauds are examined from employee's angle;
- Whether deterrent punishment is meted out, wherever warranted, to the persons found responsible;
- Whether Frauds have taken place because of laxity in following the systems and procedures and, if so, whether effective action has been taken to ensure that the systems and procedures are scrupulously followed by the staff concerned;
- Whether Frauds are reported to law enforcement agencies / police, as the case may be, for investigation;
- Total number of Frauds detected during the year and the amount involved as compared to the previous two years;

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<sup>3</sup> So far as only OLFS is concerned, such reviews need not be sent to RBI but shall be preserved for verification by RBI's inspecting officers



- Analysis of Frauds according to following different categories of Fraud:
  - Less than ₹ 0.1 mn
  - ₹ 0.1 mn and above but less than ₹ 10 mn
  - ₹10 mn and above
- *Modus operandi* of major Frauds reported during the year along with their present position.
- Estimated loss to ORIX India Group during the year on account of Frauds, amount recovered and provisions made;
- Number of cases (with amounts) where employees are involved and the action taken against employees;
- Time taken to detect Frauds (number of cases detected within three months, six months and one year of their taking place);
- Position with regard to Frauds reported to law enforcement agencies / police;
- Number of frauds where final action has been taken and cases disposed of;
- Preventive/punitive steps taken during the year to reduce/minimise the incidence of Frauds;
- Timely reporting of Frauds to the concerned authorities.

(e) To Global General Counsel's Office (GGCO) and Global Compliance Department of ORIX:

No sooner the Fraud is detected or reported, as the case may be, the Compliance Department shall simultaneously (not later than 3 working days from the date of the knowledge) shall notify to GGCO and Global Compliance Department about the Fraud irrespective of the amount involved in the Fraud and all relevant details included update on investigation process and final outcome. Wherever necessary, GGCO and the Global Compliance Department shall have to be consulted to arrive at a conclusion before submission of outcome to Audit Committee or Board.

(f) To RBI: (This section is applicable only to OLFS):

- (i) OLFS being SI-NBFC, it is required to comply with the provisions of following guidelines/circular of the RBI applicable to NBFC:
  - RBI Master Direction on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016, dated September 29, 2016 as amended from time to time; and
  - RBI Circular on 'Introduction of XBRL based online fraud reporting system for NBFCs dated June 06, 2022.
- (ii) OLFS shall follow procedure in relation to (a) reporting requirements; (b) requirements for closure of Fraud; and (c) Frauds committed by unscrupulous borrowers' case as per details specified in **Annexure 1** to this Policy.





(g) To Law enforcement agencies / police:

ORIX India Group shall report to law enforcement agencies / state police Fraud provide the nature of Fraud is in relation to unauthorised credit facilities extended by OAS or OFLS, as the case may be, or for illegal gratification, negligence and cash shortages, cheating, forgery, etc.:

- (i) In dealing with cases of Fraud/embezzlement, ORIX India Group shall not merely be actuated by the necessity of recovering expeditiously the amount involved, but should also be motivated by public interest and the need for ensuring that the guilty persons do not go unpunished;
- (ii) Therefore, the following cases should invariably be referred to the law enforcement agencies / state police:
  - Cases of Fraud involving an amount of ₹ 0.1 mn and above, committed by outsiders on their own and/or with the connivance of the ORIX India Group's employees;
  - Cases of Fraud committed by employees of ORIX India Group, when it involves ORIX India Group's funds exceeding ₹ 10,000/-.

(3) **Investigation:**

- (a) The Investigating team consisting of one or more members of Compliance Department shall have the responsibility to properly screen and investigate Fraud. Wherever necessary, the Compliance Department may seek help of Internal Audit Department in investigation of Fraud.
- (b) The investigating team or any of its member will have:
  - (i) Free and unrestricted access to all the company records and premises, whether owned or rented; and
  - (ii) The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.
- (c) If any employee of ORIX India Group is involved in the Fraud then investigating team or individual will determine when to notify the employee and whether to recommend that the employee be suspended or temporarily reassigned.
- (d) All reports of suspected Fraud will be taken seriously and the investigation team or individual will make decisions based on the nature and seriousness of the allegation and facts of each case, whether to consult with external legal counsel or to utilize outside resources / consultants / experts to further the investigation.
- (e) Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.



- (f) If the investigation substantiates that Fraud has occurred, the investigating team or individual will issue an investigation report to the Managing Director and CEO, the Local Representative Director of ORIX, GGCO, Group Compliance and the Audit Committee.

**(4) Corrective Action:**

- (a) Depending on the seriousness of the offense and the facts of each case, actions against an employee can range from written notification and a probationary period, up to and including dismissal where appropriate, to legal action, either civil or criminal.
- (b) In cases involving monetary losses ORIX India Group will pursue recovery of losses.
- (c) Individuals at all levels in ORIX India Group will be treated equally regardless of their position, years of service, or affiliation with the company.
- (d) Specific Actions:
- (i) Decisions to prosecute or refer investigation results to the appropriate law enforcement / state police will be made depending on nature of Fraud as specified in sub-para (2)(g) above.
- (ii) If an investigation results in a recommendation to terminate an employee, the recommendation will be reviewed and approved by Managing Director and CEO, the Local Representative Director of ORIX in consultation with Head of HR and if necessary, by external legal counsel before any such action is taken.
- (iii) Final determination regarding actions against an individual or business found to have committed Fraud will be made by the Audit Committee

**(VI) Write off of the amount of loss:**

Whenever a case is cleared from all angles such as law enforcement agency / employee etc. and loss arising out of Fraud has been crystallized and there are absolutely no chances of recovery, then the approval for the write-off shall be obtained as per the Approval Authority Matrix.

**(VII) Disclosure in balance sheet:**

The amount related to Fraud shall be reported in the Balance Sheet of ORIX India Group for the financial year to which it pertains.

**(VIII) Disciplinary action:**

Failure to comply with this policy would attract the disciplinary action in the following cases:-

- (i) An employee who is engaged in any form of Fraud is subject to disciplinary action/corrective action as specified in Clause 4 above.
- (ii) An employee who suspects or discovers Fraud and fails to report the same as required by this Policy or delays in reporting the same or an employee who intentionally reports false or misleading information shall be subject to any of following disciplinary action:



- Reprimand
- Postponement or stoppage of increment or promotion
- Demotion to a lower post or grade or to a lower stage in his incremental scale
- Recovery of the whole or part of any pecuniary loss caused to the Company
- Discharge
- Dismissal

#### **(IX) Reporting Channel**

Employees who have a reasonable basis for believing fraudulent acts/ fraud have/has occurred have a responsibility to report the suspected act to the Compliance Department, immediately. Failure to report suspected fraudulent activity/ Fraud in a timely manner according to the procedures below will also be subject to disciplinary action. The procedures for doing so anonymously are laid out in the Whistleblower Policy of ORIX India Group. Alternatively, employees can report suspected fraudulent or corrupt acts as stated below:

- (1) Hotline Phone No. 022 5097 2922
- (2) India Compliance Department ([compliance@orixindia.com](mailto:compliance@orixindia.com))
- (3) Whistle Blower Hotline ([whistle-blower@orixindia.com](mailto:whistle-blower@orixindia.com))
- (4) Group Compliance Division Hotline ([orix\\_global\\_hotline@orix.jp](mailto:orix_global_hotline@orix.jp))
- (5) ORIX Group Global Hotline ([orixcorporation.ethicspoint.com](http://orixcorporation.ethicspoint.com)) for ORIX Group companies worldwide excluding Europe (*for our group companies in Europe, please use the global hotline information issued from OCE Compliance*)
- (6) ORIX Group Audit Committee Secretariat for any accounting concerns ([audit\\_committee\\_secretariat@orix.jp](mailto:audit_committee_secretariat@orix.jp))

#### **(X) Responsibilities:**

- (1) Senior Management Team

The Senior Management Team is responsible for:

- (a) Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- (b) Preventing and detecting fraud as far as possible;
- (c) Assessing the types of risk involved in the operations for which they are responsible;
- (d) Reviewing the control systems for which they are responsible regularly;
- (e) Ensuring that controls are being complied with and their systems continue to operate effectively;
- (f) Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

- (2) Employees:

Every employee of ORIX India Group is responsible for:

- (a) Acting with propriety in the use of ORIX India Group resources / assets and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers;
- (b) Conducting themselves with selflessness, integrity, objectivity, accountability, openness, honesty and leadership;



- (c) Being alert to the possibility that unusual events or transactions could be indicators of Fraud;
- (d) Alerting their manager when they believe the opportunity for Fraud exists e.g., because of poor procedures or lack of effective oversight;
- (e) Reporting details immediately if they suspect that a Fraud has been committed or see any suspicious acts or events; and
- (f) Cooperating fully with whoever is conducting internal checks or reviews or Fraud investigations.

(3) Compliance Department:

Besides investigation as specified above, the Compliance Department shall be responsible for making sure that all employees are aware of this Policy and know what their responsibilities are in relation to combating Fraud and ensuring that appropriate training is made available to all employees.

**(XI) Closure of Fraud:**

A Fraud case shall be closed, if it is concluded from following angles and prior approval of the Board of Directors of OAIS is solicited (for OLFS, pl refer Section (B) of Annexure 1):

- (1) The Fraud cases pending with law enforcement agency/police, if filed, are finally disposed of.
- (2) The examination of employee's accountability has been completed (if found to be involved);
- (3) The amount of Fraud has been recovered or written off;
- (4) Insurance claim wherever applicable has been settled; and
- (5) Senior Management Team has reviewed the system and procedures, identified as the causative factors and plugged the lacunae and the fact of which has been reported to the Audit Committee.

Note: If the case is not disposed of as specified in sub clause (1) above but other actions as mentioned in sub clauses (2) to (5) are taken then the Fraud Case can be closed with the approval of the Audit Committee

However, following Fraud cases involving amounts upto ₹ 2.5 mn shall be closed when:

- (1) The investigation is on, or challan / charge sheet not filed in the Court for more than three years from the date of filing of FIR by OAIS; or
- (2) The trial in the courts, after filing of charge sheet / challan by CBI / police, has not started, or is in progress.

**(XII) Amendments:**

The Board reserves the right to amend or modify this Policy in whole or in part, at any time, without assigning any reason whatsoever. However, no such amendment or modification shall be binding unless the same is notified in writing.

**(A) Reporting Requirement by OLFS to RBI:**

- (1) Form FMR-1: Online reporting of all cases of Frauds involving amount of Rs. 0.1 million and above in Form FMR-1 on RBI XBRL platform within three weeks (21 days) from the date of detection of the Fraud.

Fraud reports shall also be submitted in cases where central investigating agencies have initiated criminal proceedings *suo moto* and/or where the RBI has directed that they be reported as Frauds.

- (2) Form FMR-3: Developments, such as progress made in the police investigation, enhancement in the Fraud amount, fresh recovery/prospects of recovery of Fraud amount, position of insurance claim, if any, current status of disciplinary action, amount restored and amount eventually written off should also be reported to RBI in form FMR-3 on RBI XBRL platform. This shall be reported as and when the development happens i.e. on as and when basis.
- (3) Form FMR-4: Security incidences i.e. theft, burglary, dacoity and robbery shall be reported on quarterly basis in Form FMR-4 on RBI XBRL platform. This shall be reported within 15 days of the end of the quarter to which it relates. In cases of no such instances, a nil reporting shall be submitted to RBI.

In addition to above, security incidences i.e. theft, burglary, dacoity and robbery shall be reported through email to [fmgconbfc@rbi.org.in](mailto:fmgconbfc@rbi.org.in) and to email ids of Regional Office of RBI concerned or to the following authorities immediately on their occurrence in the format enclosed as Exhibit 1 to this Annexure 1:

- (a) The General manager, Fraud Monitoring Group, Department of Supervision, Central Office, RBI, Bengaluru – 5600 001.
- (b) Regional Office of RBI, Department of Supervision of the State in which theft, burglary, dacoity and robbery had taken place to enable the Regional Office to take up the issues with the concerned authorities regarding security arrangements in the affected branch/es.
- (4) Monthly Certificate: A monthly certificate in format enclosed as Exhibit 2 to this Annexure 1 shall be submitted to RBI within seven days from the end of every month. In case no Fraud is reported during the month, a 'Nil' Certificate should be submitted within timeline as specified above.

This certificate can either be submitted in soft copy through email at [fmgconbfc@rbi.org.in](mailto:fmgconbfc@rbi.org.in) or in hard copy addressed to the General Manager, Fraud Monitoring Group, Department of Supervision, Central Office, Reserve Bank of India, Bengaluru – 560001 and the Senior Supervisory Management (SSM) concerned.

The officers as may be authorized by the Board shall be responsible for submitting all the returns/reports to the RBI.

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<sup>4</sup> This Annexure is applicable in case of OLFS and not OAIS



**(B) Closure of a Fraud case:**

- (1) A Fraud case shall be closed, if it is concluded from following angles and prior approval of the RBI is obtained from the respective Regional office of DNBS:
  - (a) The Fraud cases pending with Central Bureau of Investigation (CBI) /police or law enforcement agency / Court are finally disposed of;
  - (b) The examination of staff accountability has been completed;
  - (c) The amount of Fraud has been recovered or written off;
  - (d) Insurance claim wherever applicable has been settled; and
  - (e) OFLS has reviewed the system and procedures, identified as the causative factors and plugged the lacunae and the fact of which has been certified by the Board or Audit Committee of the Board.
- (2) OLFS shall pursue vigorously with law enforcement agencies such as / police / Economic Offence Wing (EOW) etc. for final disposal of pending Fraud cases especially where they have completed employee side action. All possible assistance shall be extended OLFS to the law enforcement agencies / Court for investigation/trial and vigorous follow up with the police authorities and / or court for final disposal of Fraud cases.
- (3) Following Fraud cases involving amounts upto ₹ 2.5 mn shall be closed when:
  - (i) The investigation is on, or challan / charge sheet not filed in the Court for more than three years from the date of filing of FIR by OLFS; or
  - (ii) The trial in the courts, after filing of charge sheet / challan by CBI / police / EOW, has not started, or is in progress.

**(C) Fraud committed by Unscrupulous Borrowers of OLFS:**

Following shall be considered as Fraud committed by unscrupulous borrowers including companies, partnership firms/proprietary concerns and/or their directors/partners by various methods including the following:

- (a) Fraudulent discount of instruments;
- (b) Fraudulent disposing of hypothecated stocks without the Company's knowledge and drawing excess finance;
- (c) Diversion of funds outside the borrowing units, lack of interest or criminal neglect on the part of borrowers, their partners, etc. and also due to managerial failure leading to the unit becoming sick and due to laxity in effective supervision over the operations in borrowal accounts on the part of the Company's functionaries rendering the advance difficult of recovery.

In respect of Frauds in borrowal accounts, additional information as prescribed under Part B of form FMR – 1 shall be furnished to RBI.



Exhibit 1 to Annexure 1

Report on Dacoities/Robberies/Theft/Burglaries

Name of the NBFC: ORIX Leasing & Financial Services India Ltd.

Report for the Quarter Ended \_\_\_\_\_

Name of the branch	Address	State	District	Type of branch	Risk classification	No. of Armed Guards	Type of case	Date and time of occurrence	Amount of involved (Rs. In lakhs)	Amount recovered (Rs. In lakhs)	Insurance claim settled (Rs. in lakhs)	Arrested	
												Staff	Robbers
1	2	3	4	5*	6*	7	8*	9	10	11	12	13	14

Killed			Injured		Compensation paid (Actual in Rs.)		Action taken	Crime No. and name of the police station at which offence has been registered	Modus Operandi
Staff	Robbers	Others	Staff	Others	Staff	Others			
15	16	17	18	19	20	21	22	23	24

5\* Rural/Semi-urban/Urban/Metropolitan

6\* High/Normal/Low

7\* Dacoity/Robbery/Theft/Burglary



**Monthly Certificate in respect of submission of Fraud Cases**

**Date:**

**Name of the NBFC:** ORIX Leasing & Financial Services India Ltd.

**Certificate for the month:**

It is certified that details of the following fraud cases, which were reported to RBI during the month \_\_\_\_\_, are as follows:

Sr. No.	Fraud Number	*Name of the Party /Account	Amount involved (in Lakhs)	Date of Reporting
1				
2				
3				

**For ORIX Leasing & Financial Services India Limited**

**Signature**  
**Name & Designation of the authorized official**





**Modification History**

<b>Date Revision</b>	<b>of</b>	<b>Version</b>	<b>Description</b>	<b>Authors</b>	<b>Approved by</b>
27-09-2012		1	Initial Draft	Mr. Parthasarathi Ray	Board of Directors
31-10-2023		2	Revised	Corporate Secretary and Compliance Department	Board of Directors