



Archbridge  
CAPITAL

## KNOW YOUR CUSTOMER (KYC) AND ANTI-MONEY LAUNDERING (AML) POLICY

### ARCHBRIDGE CAPITAL PRIVATE LIMITED

#### Version Control

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## GLOSSARY

ACPL	ARCHBRIDGE CAPITAL PRIVATE LIMITED
AML	Anti-Money Laundering
CAP	Customer Acceptance Policy
CDD	Customer Due Diligence
CERSAI	Central Registry of Securitization Asset Reconstruction and Security Interest
CIBIL	Credit Information Bureau (India) Limited
CIP	Customer Identification Procedures
CTR	Cash Transaction Report
FIU – IND	Financial Intelligence Unit – India
KYC	Know Your Customer
LE	Legal Entity
NBFC	Non-Banking Financial Companies
NRI	Non-Resident Indian
OVD	Officially Valid Document
PEP	Politically Exposed Person
PIO	Person of Indian Origin
PMLA	Prevention of Money Laundering Act
RBI	Reserve Bank of India
STR	Suspicious Transaction Report
UCIC	Unique Customer Identification Code
UIDAI	Unique Identification Authority of India
V-CIP	Video based Customer Identification Process

## 1. INTRODUCTION

This Know Your Customer (KYC) and Anti-Money Laundering (AML) Policy is formulated in accordance with the RBI's Master Direction - Know Your Customer (KYC) Direction, 2016 (as amended from time to time), and the Prevention of Money Laundering Act, 2002 (PMLA) and its associated rules. **Archbridge Capital Private Limited** ("the Company" or "ACPL"), as a regulated Non-Banking Financial Company (NBFC), is committed to preventing its channels from being used for money laundering, terrorist financing, or other criminal activities. This policy, approved by the Board of Directors, establishes the framework for customer identification, risk management, and compliance with all statutory and regulatory obligations.

## 2. OBJECTIVE

The primary objectives of this policy are to:

- a) Prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities.
- b) Establish a robust framework for identifying and verifying the identity of all customers.
- c) Implement a comprehensive, risk-based approach to assess and manage customer-related risks.
- d) Ensure compliance with all applicable laws, regulations, and guidelines issued by the RBI and other relevant authorities.
- e) Protect the Company from reputational and legal risks associated with financial crimes.

## 3. KEY DEFINITIONS

- a) **"Act" and "Rules"**: The Prevention of Money-Laundering Act, 2002, and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, respectively, and their subsequent amendments.
- b) **"Beneficial Owner (BO)"**: The natural person(s) who ultimately own or control a customer and/or on whose behalf a transaction is being conducted. It includes those persons who exercise ultimate effective control over a legal person or arrangement.
  - i. For a **company**, the BO is the natural person(s) who, whether acting alone or together, or through one or more juridical persons, has a controlling ownership interest (ownership of/entitlement to more than **10%** of shares, capital, or profits) or who exercises control through other means.
  - ii. For a **partnership firm**, the BO is the natural person(s) with ownership of/entitlement to more than **10%** of the capital or profits of the partnership.
  - iii. For an **unincorporated association or body of individuals**, the BO is the natural person(s) with ownership of/entitlement to more than **15%** of the property, capital, or profits.
  - iv. For a **trust**, the BO includes the author of the trust, the trustee, the beneficiaries with **10%** or more interest, and any other natural person exercising ultimate effective control.
  - v. Where no natural person is identified under the above criteria, the BO is the relevant natural person who holds the position of senior managing official.
- c) **"Customer"**: A person who is engaged in a financial transaction or activity with ACPL and includes a person on whose behalf the person who is engaged in the transaction or activity is acting.
- d) **"Customer Due Diligence (CDD)"**: The process of identifying and verifying the customer and the beneficial owner using reliable, independent sources of identification.

- e) **"Digital KYC"**: Means the capturing of a live photo of the customer and their Officially Valid Document (OVD) by an authorized officer of the Company. The process is undertaken at the customer's location through a secure, geo-tagged, and time-stamped digital application.
- f) **"Designated Director"**: A person designated by the Company's Board, who shall be the Managing Director or a whole-time Director, to ensure overall compliance with the obligations imposed under Chapter IV of the PMLA and the Rules.
- g) **"Officially Valid Document (OVD)"**: Means the passport, the driving licence, proof of possession of Aadhaar number, the Voter's Identity Card, driving licence, job card issued by NREGA, and letter issued by the National Population Register.
- h) **"Politically Exposed Persons (PEPs)"**: Individuals who are or have been entrusted with prominent public functions by a **foreign country**, including Heads of States/Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, and important political party officials. This definition also extends to the family members and close associates of PEPs.
- i) **"Principal Officer"**: An officer at the management level, nominated by the Company's Board, responsible for ensuring compliance, monitoring transactions, and reporting information as required under the law.
- j) **"Suspicious Transaction"**: A transaction, including an attempted one, which to a person acting in good faith, gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime or appears to be unusual or lacks a bona-fide purpose or may be related to terrorist financing.

#### 4. KEY ELEMENTS OF THE POLICY

This policy is built upon four key elements:

##### 4.1 Customer Acceptance Policy (CAP)

ACPL will ensure that customer relationships are established in a structured and compliant manner and ensure that:

- a) No account is opened in anonymous or fictitious/benami name.
- b) No account is opened where ACPL is unable to apply appropriate CDD measures, either due to non-cooperation of the customer or non-reliability of the documents/information furnished by the customer. We shall consider filing an STR, if necessary, when it is unable to comply with the relevant CDD measures in relation to the customer.
- c) No transaction or account-based relationship is undertaken without following the CDD procedure.
- d) The mandatory information to be sought for KYC purpose while opening an account and during the periodic updation, is specified.
- e) Additional information, where such information requirement has not been specified in the internal KYC Policy of ACPL, is obtained with the explicit consent of the customer.
- f) If an existing KYC compliant customer of ACPL desires to open another account or avail any other product or service there shall be no need for a fresh CDD exercise as far as identification of the customer is concerned.
  - i. CDD Procedure is followed for all the joint account holders, while opening a joint account.
  - ii. Circumstances in which, a customer is permitted to act on behalf of another person/entity, is clearly spelt out.

- iii. Where Permanent Account Number (PAN) is obtained, the same shall be verified from the verification facility of the issuing authority.
- iv. Where an equivalent e-document is obtained from the customer, ACPL shall verify the digital signature as per the provisions of the Information Technology Act, 2000.
- v. Where Goods and Services Tax (GST) details are available, the GST number shall be verified from the search/verification facility of the issuing authority.

## 4.2 Risk Management

ACPL shall adopt a comprehensive, risk-based approach for managing ML/TF risks. The customer risk categorization will be a three-stage process as detailed in **Annexure C**.

- **Stage 1: Initial Screening (Mandatory Checks):** All potential customers will be screened against statutory sanctions lists (e.g., UNSC, UAPA) and other knock-out criteria. A positive match will lead to rejection or flagging for highest scrutiny.
- **Stage 2: Quantitative Risk Scoring (Weighted Model):** Customers who clear the initial screening will be assessed using a weighted scoring model based on parameters such as customer constitution, industry, geography, verification method, and loan quantum.
- **Stage 3: Risk Classification and Qualitative Overlay:** Based on the weighted score, customers will be classified as **Low, Medium, or High Risk**. This classification can be overridden by the Compliance Officer or Senior Management based on qualitative factors.
- **Low Risk:** 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 conform to the known profile are categorized as low risk. (In all probabilities the Company is doing and will continue to do their business. Requires Standard Due Diligence. KYC updating every **10 years**.  
Examples of customers requiring Lower due diligence may include:
  - i. Salaried Employees working with government departments, public sector undertakings, or reputed private sector companies.
  - ii. Ministries or departments of central or state governments.
  - iii. Retired Persons or Pensioners receiving regular pensions from government sources.
- **Medium Risk:** Customers who are likely to pose a higher than average risk may be categorized as medium risk category. Requires Enhanced Due Diligence. KYC updation every **8 years**.  
Examples of customers requiring medium due diligence may include:
  - i. Companies having close family shareholding or beneficial ownership
  - ii. Trust/Charities
  - iii. Firms with sleeping partners

- **High Risk:** Categorization of high risk shall depend on customer's background, nature and location of activity, country of origin, sources of funds and his client profile etc. Requires Significant Enhanced Due Diligence and Senior Management approval. KYC updation every **2 years**.

Examples of customers requiring medium due diligence may include:

- i. politically exposed persons (PEPs) of Indian/foreign origin,
- ii. non-face to face customers, and
- iii. those with dubious reputation as per public information available, etc.

- All **PEPs** will automatically be categorized as **High Risk**, regardless of their score.

#### **4.3 Customer Identification Procedures (CIP)**

CIP involves identifying the customer and verifying their identity through reliable, independent documentation, data, or information. ACPL may use various methods for this, including in-person verification, Digital KYC, and Video-based Customer Identification Process (V-CIP). Detailed procedures are outlined in Annexure A (List of Documents) and the Annexure B (Procedure for Undertaking Customer Due Diligence).

#### **4.4 Monitoring of Transactions**

Ongoing monitoring of accounts and transactions is essential to detect activities inconsistent with a customer's profile.

- a) **Monitoring Level:** The extent and intensity of monitoring will be aligned with the customer's risk category. High-risk accounts will be subjected to more intensive and frequent monitoring.
- b) **Key Transactions to Monitor:** Special attention shall be paid to:
  - i. Large and complex transactions with no apparent economic or lawful purpose.
  - ii. Transactions that exceed the thresholds defined for specific customer profiles.
  - iii. Unusual patterns of transactions or high account turnover inconsistent with the customer's business or financial status.
  - iv. Transactions involving high-risk jurisdictions.
- c) **Alerts:** The Company shall use a robust system capable of generating alerts for transactions that are inconsistent with a customer's risk profile. All alerts shall be investigated, and the findings shall be documented.

## 5. DESIGNATED DIRECTOR

The **Chief Risk Officer** of ACPL is hereby designated as the 'Designated Director'. The Designated Director shall be responsible for the overall implementation of and compliance with the obligations imposed under Chapter IV of the PMLA and its Rules.

## 6. PRINCIPAL OFFICER

The **Chief Credit Officer (CCO)** of ACPL is hereby appointed as the 'Principal Officer'. The Principal Officer shall be separate from the Designated Director and will be responsible for:

- a) Acting as the central reference point for AML/CFT compliance.
- b) Ensuring the effective implementation and monitoring of this policy.
- c) Reporting all prescribed transactions (CTRs, STRs, etc.) to the FIU-IND.
- d) Maintaining records of all such reported transactions.

## 7. MONEY LAUNDERING AND TERRORIST FINANCING (ML/TF) RISK ASSESSMENT

ACPL shall conduct an ML/TF Risk Assessment exercise periodically (at least annually) to identify, assess, and mitigate its risks across various dimensions, including clients, products, services, and geographies. The outcome of this assessment will be documented, presented to the Board, and used to update and enhance the Company's AML/CFT framework.

## 8. IDENTIFICATION OF BENEFICIAL OWNERSHIP

For all customers who are not natural persons, the Company shall take all reasonable steps to identify the ultimate beneficial owner(s) as per the definition provided in Section 3 of this policy. The identity of all such beneficial owners must be verified.

## 9. RECORD MANAGEMENT AND RETENTION

- a) **Transaction Records:** All necessary records of transactions between the Company and the customer shall be maintained for a period of at least **five years** from the date of the transaction.
- b) **Identification Records:** Records pertaining to customer and beneficial owner identification, account files, and business correspondence shall be preserved for at least **five years** after the business relationship has ended or the account has been closed, whichever is later.
- c) **Format:** Records shall be maintained in a manner that allows for easy and timely retrieval by competent authorities. This includes both hard copy and electronic formats.



## 10. REPORTING REQUIREMENTS

### 10.1 Reporting to Financial Intelligence Unit - India (FIU-IND)

The Principal Officer shall be responsible for furnishing the following reports to FIU-IND:

- a) **Cash Transaction Report (CTR):** For all cash transactions of the value of more than Rupees Ten Lakhs or its equivalent in foreign currency.
- b) **Suspicious Transaction Report (STR):** For all suspicious transactions, including attempted transactions, irrespective of the amount involved. An STR shall be filed with FIU-IND within 7 working days of establishing suspicion.
- c) **Counterfeit Currency Report (CCR):** For any instance of counterfeit currency detection.
- d) **Confidentiality:** The fact that an STR or any related information has been reported to FIU-IND shall be kept strictly confidential. No "tipping off" to the customer shall be permitted.

### 10.2 Reporting to Central KYC Records Registry (CKYCR)

- a) The Company shall capture the KYC records of new customers and upload them to the CKYCR **within 10 days** of commencing the business relationship.
- b) The KYC records of existing customers shall be uploaded at the time of their periodic updation.
- c) Once a KYC Identifier is generated by CKYCR, it shall be communicated to the customer.

## 11. GENERAL PROVISIONS

### 11.1 Employee Training

ACPL will conduct ongoing training programs for all employees, especially those in customer-facing and compliance roles, to ensure they are adequately trained in the Company's KYC/AML procedures, relevant regulations, and their responsibilities.

### 11.2 Due Diligence of Business Partners

The Company shall perform adequate due diligence on its prospective business partners to verify their identity and source of income, ensuring they are not involved in any illicit activities.

### 11.3 Confidentiality and Secrecy Obligations

All customer information collected under this policy shall be treated as confidential. It shall not be used for any purpose other than what is legally or regulatorily required, and shall not be divulged for purposes like cross-selling without the customer's explicit consent.

**List of KYC Documents for Different Types of Customers**

<b><u>Customers/Clients</u></b>	<b><u>Documents</u></b> <b><u>(Certified copy of the following OVDs)</u></b>
Individual Accounts (including Proprietary Concern)	<ul style="list-style-type: none"><li>a) Permanent Account Number (with photo and signature) or Form 60.</li><li>b) One certified copy of an Officially Valid Document (OVD") containing details of the borrower's identity for legal name, and any other names used and address:<ul style="list-style-type: none"><li>i. Proof of possession of Aadhaar number in such form as are issued by the Unique Identification Authority of India</li><li>ii. Valid Indian Passport (with photo and signature)</li><li>iii. Valid Voter's ID card issued by the Election Commission of India</li><li>iv. Valid Permanent Driving License (with photo and signature)</li><li>v. Letter issued by the National Population Register containing details of name and address.</li></ul></li><li>c) Any 2 of the following documents as a proof of business/activity in the name of Proprietary Concern (applicable in case of business customer only):<ul style="list-style-type: none"><li>i. Proof of the name, address and activity of the entity, like GST certificate or Shop &amp; establishment license or any registration/licensing document issued in the name of the proprietary concern by the Central Government or State Government Authority/Department.</li><li>ii. Complete Income Tax Return (ITR form and not only the acknowledgement)</li><li>iii. GST Certificate and GST Returns (GSTR1/GSTR-3B) for the past 3 months</li><li>iv. IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT/License/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute.</li></ul></li></ul>

	<p>v. Utility bills such as electricity, water, and landline telephone bills in the name of the proprietary concern</p> <p>In case of OVD furnished by the customer does not contain updated address, the following documents shall be deemed to be OVD for limited purpose of proof of address:</p> <p>i. Utility Bill not more than two months old (electricity, telephone, post-paid mobile phone, piped gas, water bill) of any service provider</p> <p>ii. Letter of allotment of accommodation from employer issued by State Government or Central Government Departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies and leave and licence agreements with such employers allotting official accommodation</p> <p>iii. Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address</p> <p>iv. Property or Municipal tax receipt</p> <p><b>The customer shall submit OVD with current address within a period of 3 months of submitting the documents mentioned above.</b></p> <p>Note: A copy of the borrower's marriage certificate issued by the State Government or Gazette notification representing the change in name of the borrower along with a certified copy of the OVD in the existing name of the person shall be obtained for proof of address and identity to establish an account-based relationship or to periodically update records in case the borrower changes their names on account of marriage or otherwise.</p>
Accounts of partnership firms	<p><b><u>Partnership firm Documents:</u></b></p> <p>a) Permanent Account Number of the partnership firm;</p> <p>b) Proof of the name, address and activity of the entity, like GST certificate or Shop &amp; establishment license or Any registration/licensing document issued in the name of the partnership firm by the Central Government or State Government Authority/Department.</p>

	<p>c) Partnership deed (partnership deed should contain a provision for borrowing clause covering hypothecation / creating charge on the asset belonging to the firm and giving guarantee) executed on stamp paper or franked and signed by all partners at least on last page under authority stamp (for capacity).</p> <p>d) Authority Letter signed by all the partners.</p> <p>e) The complete Income Tax return of last three years if it is applicable or such lesser period (not just the acknowledgement) in the where the firm's income is reflected duly authenticated/ acknowledged by the Income Tax Authorities.</p> <p>f) Utility bills such as electricity, water, and landline telephone bills in the name of the partnership firm.</p> <p>g) Documents as specified in Individual section for the partner, BOs, authorized signatories and individual holding an attorney to transact on firm's behalf.</p> <p>Any other prescribed equivalent e-documents.</p>
Accounts of Companies	<p><b><u>Company Documents:</u></b></p> <p>a) Basic documents of company i.e. Certificate of incorporation, Memorandum &amp; Articles of Association, Permanent Account Number of the company &amp; Any license or registration certificate by central government state government or any regulatory authority of India.</p> <p>b) Resolution by the Board of Directors to obtain a loan from ACPL and power of attorney to any director or employee to act on behalf of the company.</p> <p>c) Board Resolution from the Company Secretary/Managing Director to the effect that the person signing the loan document has the authority to execute the deal on behalf of the company along with the extract of the Board Resolution in this respect.</p> <p>d) One Proof of identity (PAN CARD), Proof of address, and a Colored recent passport size photograph of the authorized person.</p> <p>e) Latest List of all Directors with their addresses signed and dated by the Company Secretary / Director(s) so as to ensure the certifying Director name is in the List of Directors submitted by the Company</p> <p>f) List of Shareholders.</p>

	<ul style="list-style-type: none"> <li>g) Financials statement along with the statutory company's auditor report of the latest preceding completed financial year.</li> <li>h) Income tax return of last 3 years or such a lesser period as may be applicable along with the Tax audit report.</li> <li>i) Documents as specified in Individual section for the shareholders, directors, BOs, authorized signatories and individual holding an attorney to transact on firm's behalf.</li> <li>j) Any other prescribed equivalent e-documents.</li> </ul>
<b>Trust</b>	<p>One certified copy of each of the following documents or equivalent e-documents shall be obtained:</p> <ul style="list-style-type: none"> <li>a) Registration Certificate.</li> <li>b) Copy of PAN in the name of entity.</li> <li>c) Certified "True and updated" copy of Trust Deed / Bye Laws / MOA attested by Secretary/ Managing Trustee/ Chairperson.</li> <li>d) Certified " True and Updated" Copy of Certificate of Registration (For Club / Society / Association/ Trust) signed by the secretary.</li> <li>e) List of all Office Bearers / Trustees, along with Settlers (including any person settling assets into the Trust), grantors, protectors, beneficiaries (when they are defined) and in Customer Type Documents case of Foundations the founders / managers / directors, to be obtained on the letterhead with their addresses.</li> <li>f) Certified copy of Resolution to borrow facility / loan signed by managing trustee/chairperson/ secretary.</li> <li>g) Documents of Trustee, BO and authorized signatory signing the facility / loan documents as specified in "Individuals" Section above.</li> <li>h) Notarized Power of Attorney granted to managers, officers or employees of the firm to transact business on its behalf, if such managers, officers or employees are entering into the contract, on behalf of the firm. Certified copy of OVD of PoA holder has to be obtained. Notarized PoA would not be required if one or more member of the Trust/Society/etc. are directly executing the contract.</li> <li>i) Information to be collected about the shareholding/ownership share/profit share/beneficiary for establishing percentage holding.</li> </ul>

<b>Hindu Undivided Family (HUF)</b>	<p>One certified copy of each of the following documents shall be obtained:</p> <ul style="list-style-type: none"> <li>a) HUF letter with specimen signatures of the Karta and all adult co-parceners.</li> <li>b) PAN Card in the name of HUF.</li> <li>c) Documents of Karta. (As applicable for Individuals)</li> <li>d) Address proof of the HUF: <ul style="list-style-type: none"> <li>i. Latest available Income Assessment order OR</li> <li>ii. Bank statement of account with existing Banker (Scheduled Bank) bearing the account holder's address with entries of preceding 3 calendar months from the date of Log in.</li> </ul> </li> </ul>
<b>Unincorporated association or Body of Individuals</b>	<p>One certified copy of each of the following documents or equivalent e-documents shall be obtained:</p> <ul style="list-style-type: none"> <li>a) Resolution of the managing body of such association or body of individuals (PAL will be applicable for partnership firm).</li> <li>b) Copy of PAN or Form No. 60 in the name of entity.</li> <li>c) Documents as specified in Individual section for the BOs, Managers, authorized signatories and individual holding an attorney to transact on firm's behalf.</li> <li>d) Notarized Power of Attorney granted to managers, officers or employees of the firm to transact business on its behalf, if such managers, officers or employees are entering into the contract, on behalf of the firm.</li> <li>e) Information to be collected about the shareholding/ownership share/profit share/beneficiary for establishing percentage holding.</li> <li>f) Such information may be required by the bank to collectively establish the legal existence of such an association or body of individuals</li> </ul> <p>Explanation: Unregistered trusts/partnership firms shall be included under the term 'unincorporated association'.</p> <p>Explanation: Term 'body of individuals' includes societies.</p>

**Procedure for Undertaking Customer Due Diligence (CDD)**

This annexure details the procedures Archbridge Capital Private Limited (ACPL) shall follow for undertaking Customer Due Diligence (CDD) for all customers, as mandated by the Reserve Bank of India (RBI). The objective is to obtain and verify identification information for every individual, beneficial owner, authorized signatory, or power of attorney holder.

The Company shall adopt the following methods for conducting CDD:

**A. Standard (In-Person) Verification**

This method involves a physical interaction with the customer, where an authorized officer of ACPL verifies the customer's original, physical documents against the certified copies being submitted.

**Procedure:**

- a) Obtain the complete set of documents as specified in **Annexure-A** for the specific customer type.
- b) An authorized officer of ACPL must conduct a physical visit to the customer's provided residence or business address to confirm the location.
- c) Verify the original documents with the copies provided and record that the original was seen and verified.
- d) Verify the Permanent Account Number (PAN) from the verification facility of the issuing authority.
- e) Verify the Goods and Services Tax (GST) number, where available, from the issuing authority's portal.

**B. Digital KYC Process**

As an alternative to standard in-person verification, a trained and authorized officer of ACPL may use the secure Digital KYC process.

**a) Infrastructure & Control:**

- i. The process must be conducted only through a secure, authenticated application provided by ACPL, with access controlled via login credentials or OTPs for authorized officials only.

**b) Procedure:**

- i. **Initiation:** The customer must be physically present with the authorized officer, and the original Officially Valid Document (OVD) must be in the customer's possession.
- ii. **Live Photo of Customer:** A live photograph of the customer must be captured by the officer. The background must be white, and no other person should be in the frame.
- iii. **Live Photo of Document:** A live photograph of the original OVD must be captured. The document should be placed horizontally and the photo taken vertically from above to avoid skew.
- iv. **Watermarking:** The application will automatically embed a readable watermark on both captured photos, including the CAF number, GPS coordinates, the officer's name and unique code, and a precise date and time stamp.
- v. **Data Entry:** Information shall be entered into the Customer Application Form (CAF). Where a QR code is available on a document (e.g., Aadhaar card), it may be scanned to auto-populate the details.

- vi. **Customer Consent:** An OTP containing the text "Please verify the details filled in form before sharing OTP" will be sent to the customer's mobile number. Successful validation of this OTP acts as the customer's signature on the CAF. The officer's mobile number shall not be used for this purpose.
- vii. **Officer's Declaration:** The officer shall provide a declaration, verified via an OTP sent to their registered mobile number. The officer's live photograph will also be captured as part of this declaration.
- viii. **Completion:** A transaction ID is generated and shared with the customer. The officer must then verify that the information in the form matches the document, and the customer's photo matches the photo on the OVD, before submitting it for final activation.

### C. Video-based Customer Identification Process (V-CIP)

ACPL may use V-CIP for new customer onboarding, periodic KYC updation for eligible customers, and for converting accounts opened via OTP-based e-KYC.

#### a) Infrastructure & Security:

- i. The V-CIP infrastructure must be located in ACPL's own premises, with the connection originating from its own secured network domain.
- ii. The platform must use end-to-end encryption.
- iii. The system must be capable of verifying that the customer's IP address is from within India and is not spoofed.
- iv. It must incorporate face liveness and spoof detection technology.
- v. The infrastructure must undergo regular Vulnerability Assessment, Penetration Testing, and Security Audits by CERT-In empanelled auditors.

#### b) Procedure:

- i. **Initiation:** The process must be conducted only by specially trained ACPL officials. In case of a call drop, a fresh session must be initiated.
- ii. **Liveness Check:** The official must establish that the interaction is real-time by asking a varied sequence of questions. Any prompting observed at the customer's end will lead to rejection.
- iii. **Information & Document Verification:** During the live audio-video call, the official will:
  - 1) Capture a clear photograph of the customer.
  - 2) Obtain identification information through OTP-based Aadhaar e-KYC, offline Aadhaar verification, or by using the KYC Identifier to download records from CKYCR.
  - 3) Capture a clear image of the customer displaying their PAN card (unless e-PAN is provided). The PAN details must be verified from the database of the issuing authority.
  - 4) Ensure the customer's face in the video matches the photo in the Aadhaar/OVD and PAN card.
- ii. **Record Keeping:** The entire video session shall be recorded and stored securely in a system located in India, bearing a date and time stamp.
- iii. **Audit:** All accounts opened through V-CIP must be subject to concurrent audit to ensure the integrity of the process.

### D. Accounts Opened via Aadhaar OTP-based e-KYC

This non-face-to-face process is subject to the following limitations:



- a) Such accounts shall not be allowed to operate for more than one year unless full identification via an in-person visit, Digital KYC, or V-CIP is completed.
- b) The aggregate balance in deposit accounts shall not exceed ₹1 lakh.
- c) The aggregate of all credits in a financial year shall not exceed ₹2 lakh.
- d) For borrowal accounts, only term loans up to an aggregate of ₹60,000 in a year can be sanctioned.
- e) If full CDD is not completed within a year, the account will be closed (for deposits) or further debits will be disallowed (for loans).

## F. General CDD Rules and Principles

The following principles are applicable across all CDD methods:

- a) **Politically Exposed Persons (PEPs):** ACPL may establish relationships with PEPs provided that:
  - i. Sufficient information about the PEP, their sources of funds, family members, and close relatives is gathered.
  - ii. The identity is verified before the customer is accepted.
  - iii. The decision to open the account is taken at a senior level (HOD and above).
  - iv. All such accounts are categorized as High-Risk and subjected to enhanced and ongoing monitoring.
  - v. If an existing customer subsequently becomes a PEP, senior management approval is obtained to continue the relationship, and enhanced monitoring measures are applied.
- b) **UCIC-Level CDD:** CDD is applied at the Unique Customer Identification Code (UCIC) level. For an existing KYC-compliant customer, a fresh CDD exercise is not needed to open another account, provided their KYC is not due for periodic updation.
- c) **Joint Accounts:** CDD must be followed for all joint account holders.
- d) **Current Address:** If the OVD submitted does not contain the customer's current address, a separate proof of address document as defined in **Annexure-A** must be obtained.
- e) **Outsourcing of CDD:**
  - i. ACPL may outsource CDD activities to a third party, but the information and records must be obtained from the third party or from CKYCR promptly.
  - ii. The ultimate responsibility for CDD remains with ACPL.
  - iii. Crucially, the decision-making function of determining compliance with KYC norms shall not be outsourced.

**Comprehensive Customer Risk Categorization Framework**

Individuals and entities whose identities and sources of funds are not clear and cannot be easily identified, higher due diligence is required which includes customer 's background, nature and location of activity, country of origin, source of funds and his client profile, etc. besides proper identification. Company shall subject such accounts to enhanced monitoring on an ongoing basis.

**High Risk customers – Indicative list:**

<b>Indicative list of High-Risk customers</b>	<b>Description, if any</b>
Trust / HUF / Societies/ NGO / trusts, Charitable Organization, Organizations receiving donations	Includes both registered / unregistered
Non-resident Indians / Foreign Nationals / Merchant Navy Employee	-
Politically Exposed Persons (PEPs) / Influential Persons	a) Celebrity like actors, Business Coach etc. b) Customers who are close relatives of PEPs and accounts of which a PEP is the ultimate beneficial owner
Sleeping Partners or Partnership firms with family members acting as Sleeping Partner	Sleeping Partners refer to Partners who are partner in the form but is not actively involved in the partnership. Includes third party who acts as a sleeping partner.
Companies having close family shareholding or beneficial ownership	Close family shareholding shall also include non-individual entities with complex layering structures. This includes complex business ownership arrangements that may obscure the identity of the ultimate beneficial owners, particularly where there is no legitimate commercial rationale for such structures.
Shell Companies  High net worth individuals	Companies that have no physical presence in the country in which they are incorporated shall not be considered as having a physical presence solely by virtue of employing a local agent or low-level staff. The mere existence of such personnel does not constitute a meaningful physical presence.  Any individual with a net worth exceeding ₹20 crore and who deals in high-value or precious goods—such as jewelry, gems, precious metals, art, antiques, or operates as an auction house—shall be considered under this category

**Medium Risk customers – Indicative list:**

<b>Indicative list of Medium Risk customer</b>	<b>Description, if any</b>
Self Employed Professional	This would include individual independent professionals or proprietary concerns, such as practicing Chartered

	Accountants, Company Secretaries, Lawyers, and Notaries.
Self Employed Non-Professional	This category includes self-employed individuals engaged in cash-intensive businesses such as restaurants, retail shops, parking garages, fast food outlets, travel agencies, telemarketing businesses, movie theaters, used car dealerships, auctioneers, and similar enterprises. It also covers individuals involved in import/export businesses, Direct Selling Agents (DSAs), collection agencies, and others not explicitly listed above.
Partnership firms other than firms with sleeping partners (irrespective of the business activity undertaken by them)	This includes registered partnership firms, unregistered partnership firms, and Limited Liability Partnerships (LLPs).
Private limited Company (irrespective of the Business activity undertaken by them)	-
Association of Persons/ Body of individuals (irrespective of the business activity Undertaken by them)	-

#### **Low Risk Customers–Indicative list**

For the purpose of risk categorization, individuals who are not classified under the High or Medium Risk categories, and entities whose identities and sources of wealth are easily verifiable and whose account transactions generally align with their known profile, may be categorized as Low Risk.

An indicative list of Low Risk customers includes:

- a) Salaried employees with well-defined salary structures
- b) Individuals from the lower economic strata with accounts showing small balances and low transaction volumes
- c) Government departments and government-owned companies
- d) Regulators and statutory bodies

In such cases, the policy may permit simplified due diligence, requiring only basic verification of the customer's identity and address.

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