



Aatma

Aatma Capital Private Limited

CIN: U65990TN2018PTC126529, PAN: AARCA7177Q

Phone No: 044-28254245, E-mail: customercare@aatmacapital.com

KNOW YOUR CUSTOMER

Reserve Bank of India has issued comprehensive guidelines on Know Your Customer (KYC) norms and Anti-money Laundering (AML) standards and has advised all NBFCs to ensure that a proper policy framework on KYC and AML measures be formulated and put in place with the approval of the Board.

Accordingly, in compliance with the guidelines issued by Reserve Bank of India (RBI) from time to time, the following KYC & AML policy of the Company is approved by the Board of Directors of the Company.

This policy is applicable to all categories of products and services offered by the Company.

A. Introduction

1. The policy set out herein has been approved by the Company's Board of Directors.
2. This policy is based on and is in compliance with, the regulatory directions issued by RBI through its Master Direction – Know Your Customer (KYC) Direction, 2016 dated 25th February, 2016 to every entity regulated by RBI including Non-Banking Finance Companies (NBFCs). The directions have been issued in terms of the provisions of the Prevention of Money-laundering Act, 2002, (“the Act”) and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 (“the Rules”).
3. As an NBFC, the Company's primary business is to extend both secured and unsecured loans of varied tenure to all class of people/ entities to suit their needs. The Company does not offer a wide range of financial products and services such as those offered by a commercial bank or a financial conglomerate. Unlike a commercial bank, the Company cannot accept demand deposits withdrawable by cheque, draft, and order or otherwise and it cannot open or maintain current or savings accounts. The Company does not extend overdraft or cash-credit facilities, or collect or discount bills for customers. Also, unlike banks, the Company does not undertake money transfers, such as through bank drafts or electronic transfers. It does not dispense cash through electronic machines or issue credit cards. The Company has no subsidiaries in India or abroad and does not have overseas operations.
4. Given its specialised and limited role and functions, the Company is unlikely in practice to encounter several of the types of situations, or enter into some of the types of business or non-business relationships captured by the Act and the Rules. Thus, not all of the requirements of the Act and the Rules that would seem to apply to, say, a commercial bank would be equally applicable to the Company in the ordinary course of its business. Nevertheless, this policy incorporates the requirements, too, to conform to the wide statutory and regulatory ambit. In practice, the staff concerned should carefully exercise their reasonable judgment in determining whether particular situations or circumstances encountered by them fall within the purview of this policy and need any appropriate action



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as required, while ensuring that the policy is unfailingly implemented in all cases where it is clearly applicable.

5. The Company shall ensure that the provisions of the Act, the Rules framed thereunder, is adhered to strictly. In case of any inconsistency between this policy and the statutory and regulatory requirements, the latter shall prevail.
6. In this policy, unless repugnant to the subject or context:
 - a. Words importing the masculine gender shall include the feminine ; and
 - b. Words in the singular shall include the plural, and vice versa.

B. “Know Your Customer” (KYC) policy

7. The principal objective of the policy is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money-laundering activities. KYC procedures are intended to help the Company know or understand its customers and their financial dealings better and thereby enable it to manage risks prudently.
8. For the purpose of the KYC policy, a “customer” means:
 - A person or entity that maintains an account and/or has a business relationship with the Company;
 - The beneficial owner of an account with the Company;
 - Beneficiaries of transactions with the Company conducted by professional intermediaries, such as stockbrokers, chartered Accountants, and solicitors, as permitted under the law: and
 - Any person or entity having a financial transaction with the Company, where the transaction can pose significant reputational or other risks to the Company.

C. Customer Acceptance Policy

9. No account will be opened with the Company in an anonymous or fictitious or benami name.
 - Parameters of risk perception will be clearly defined in terms of the nature of business activity, customer’s location, clients and mode of payments, volume of turnover, and social and financial status, to enable categorisation of customers into low-, medium-, and high-risk categories.
 - The Company will specify the documentation requirements and other information to be collected in respect of different categories of customers while opening their accounts, depending on their perceived risk categorisation and keeping in mind the statutory and regulatory requirements.



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- The Company shall not open a new account, and may close an existing account, where the Company is unable to apply appropriate customer due diligence measures, eg., where the Company is unable to verify the identity of the applicant/customer or obtain the documents required as per the risk categorisation owing to non co-operation of the applicant/customer or non- reliability of the information furnished by him to the Company. However, suitable safeguards will be built into the procedures to avoid harassment of the applicant/customer. The decision to close an account will be taken at a senior level, after giving due notice to the customer, indicating the reason for such a decision.
 - Where a customer acts on behalf of another person or an entity, as where an account is operated by a mandate holder or is opened by an intermediary in a fiduciary capacity, the attendant circumstances shall be clearly spelt out in conformity with the established law and practices.
 - Before opening a new account, the Company will carry out necessary checks to ensure that the customer's identity does not match that of: (a) any person who is known as a terrorist or has a criminal background within the knowledge of the Company, or (b) a banned entity such as a terrorist organization.
10. The nature and extent of the information to be collected and the due diligence to be carried out by the Company while opening an account for a new customer will depend on its perception of the risk involved in entertaining him and dealing with him as a customer. However, staff should not adopt an intrusive approach, and should only seek such information from the customer as is relevant to the risk category, and is in conformity with the regulatory guidelines.
 11. For each new customer, a customer profile will be compiled, based on his risk categorisation, and containing information relating to his identity, social/financial status, nature of business activity, his clients and their location, etc. The contents of the customer profile shall be treated as confidential and, to the extent that these are not in public knowledge, shall not be divulged for cross- selling or any other purpose without the customer's consent. Any other information may be sought from the customer, with his consent, after the opening of the account.
 12. Where an existing customer or the beneficial owner of an existing account subsequently becomes PEP, Director's approval would be necessary to continue the business relationship with him. If continued, the relationship shall be subjected to enhance monitoring.
 13. It shall be ensured that adoption and implementation of the Customer Acceptance Policy does not become too restrictive as would result in denial of the Company's services to any genuine customers, especially to those who are financially or socially disadvantaged.
 14. Suitable system is put in place to ensure that the identity of the customer does not match with any person or entity, whose name appears in the sanctions lists circulated by RBI.
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D. Risk Categorisation

15. The Company shall put in place a system of periodical review of risk categorization of accounts and the need for applying enhanced due diligence measures in case of higher risk perception on a customer. Such review of risk categorization of customers will be carried out at a periodicity of not less than once in six months.
16. The Company shall have a system in place for periodical updation of customer identification data after the account is opened. Full KYC exercise will be done at a periodicity not less than once in ten years in case of low risk category customers, not less than once in eight years in case of medium risk category customers and not less than once in two years in case of high risk category customers.
17. Low risk category customers need not submit fresh proofs of identity and address at the time of periodic updation, in case of no change in status with respect to their identities and addresses and a self-certification by the customer to that effect shall suffice in such cases. In case of change of address of such 'low risk' customers, they can forward a certified copy of proof of address by mail/post, etc.
18. All the customers under different product categories are categorized into low, medium and high risk based on their profile. The Credit manager while appraising the transaction and rendering his approval will prepare the profile of the customer based on risk categorization. An indicative categorization for the guidance of businesses is provided in Annexure - III. Each business process adopts the risk categorization in their respective credit policies based on the credit appraisal, customer's background, social/financial status, nature and location of activity, country of origin, sources of funds, client profile, etc., Where businesses believe that a particular customer falling under a category mentioned below is in his judgment falling in a different category, he may categorize the customer so, so long as appropriate justification is provided in the customer file.

E. Customer Identification Procedure (CIP)

19. At the time of commencement of an account-based relationship, the customer's identify shall be verified and information obtained on the purpose and intended nature of the business relationship he seeks with the Company.
20. All the customers shall be identified by a unique identification code to identify customers, track the facilities availed, monitor financial transactions in a holistic manner and to have a better approach to risk profiling of customers.



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21. In the case of a non-account-based relationship, the customer's identity shall be verified while carrying out:
 - A single transaction of Rs.50,000 or more, or a series of several transactions that appear to be connected and total Rs.50,000 or more; or
 - Any international money transfer.
22. All reasonable steps shall be taken to verify the identity of any beneficial owner of an account.
23. Where the customer is a judicial person, the identity and authority of any person purporting to act on its behalf shall be verified.
24. For proprietary concerns, the Company will collect any two documents from the list given in Annexure II and only where the Company is satisfied that it is not possible for the customer to furnish two such documents, the Company will have the discretion to accept only one of those documents as activity proof. In such a situation, the Company will record the appropriate reason for accepting one document as activity proof.
25. Customer identification means identifying the customer and verifying his identity by using reliable, independent source documents, and information. Sufficient information needs to be obtained to establish, to the Company's satisfaction, the identity of each new customer, whether regular or occasional, and the purpose of the proposed relationship. Documents and information shall be obtained as indicated in Annexure I. An indicative list of the nature and type of documents and information that may be relied upon for customer identification is given in Annexure II.
26. If an existing KYC compliant customer desires to open another account, there is no need for submission of fresh proof of identity and/or proof of address for the purpose.

F. Verification

27. Each business process as a part of the credit policy will 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 each business process shall describe acceptable methods of verification of customer identity, which may include verification through documents or non-documentary verification methods that are appropriate given the nature of the business process, the products and services provided and the associated risks.
 - I. Verification through documents:
 - These documents may include, but are not limited to the list of documents that can be accepted as proof of identity and address from customers across various products offered by the Company as provided in annexure - II to this policy. These are appropriately covered in the credit policies of the respective businesses.
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- 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 II to this policy. These should be appropriately covered in the credit policies of the respective businesses. The customer verification processes will be covered in detail in the credit policies of every business.

II. Verification through non-documentary methods:

These methods may include, but are not limited to:

- Contacting or visiting a customer;
- Independently verifying the customer's identity through the comparison of information provided by the customer with information obtained from a consumer reporting agency, public database, or other source;
- Checking references with other financial institutions; or
- Obtaining a financial statement.

III. Additional verification procedures.

If applicable, the business process verification procedures should address situations where:

- A person is unable to present an unexpired government-issued identification document that bears a photograph or similar safeguard;
- The business process associate is not familiar with the documents presented;
- The Account is opened without obtaining documents;
- Where the business process is otherwise presented with circumstances that increase the risk that it will be unable to verify the true identity of a customer through documents; and
- If the business process cannot verify the identity of a customer that is other than an individual, it may be necessary to obtain information about persons with authority or control over such account, including signatories, in order to verify the customer's identity.

28. Where a low risk category customer expresses inability to complete the documentation requirements on account of any reason that the Company considers to be genuine, and where it is essential not to interrupt the normal conduct of business, the Company may complete the verification of identity within a period of six months from the date of establishment of the relationship.

29. When a doubt arises about the authenticity, veracity, or the adequacy of previously obtained customer identification data, the matter should be referred, where the account is maintained at a branch, to the head of the branch and, where the account is maintained at the Corporate Office, to the Head (Operations) as the case may be.



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G. Monitoring of transactions

30. Ongoing due diligence shall be exercised with respect to the business relationship with every customer. The transactions with every customer shall be closely examined in order to ensure that they are consistent with the Company's knowledge of the customer, his business and risk profile. The Company shall have systems and procedures for monitoring its customers' accounts, based on the risk categorisation, the size of the transactions entered into by the Company with the customers, their background, such as the country of his origin, sources of his funds, the types of transaction involved, and other risk factors. For this purpose, staff shall seek to understand 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 account. Special attention shall be paid to all complex and unusually large transactions and all unusual patterns that seem to have no apparent economic or visible lawful purpose. Transactions that involve large amounts of cash inconsistent with the normal and expected activity of the customer should particularly attract attention. High-risk accounts shall be subjected to intensified monitoring. The risk categorization of accounts and the need for applying enhanced due diligence measures to particular accounts shall be reviewed periodically.

H. Risk management

31. Appropriate procedures, with the approval of the Board of Directors or of a Committee constituted by the Board, shall be put in place for implementing an effective KYC programme. The procedures shall cover proper management supervision and guidance, systems and controls, segregation of duties, training and other related matters. Responsibility shall be explicitly allocated within the Company for ensuring that the relevant policy and procedures are implemented effectively.
32. The Company's compliance function shall carry out an independent evaluation of the Company's KYC policy and procedures, including compliance with the legal and regulatory requirements. The internal and concurrent auditors shall specifically check and verify the compliance with KYC / AML policies and procedures including application of KYC procedures in branches and other offices and comment on any observed lapses. The main findings of the audits shall be put up to the Board on a quarterly basis. Accountability will be fixed for serious lapses and intentional circumvention of prescribed procedures and guidelines.
33. The Company's employee-training programme will include a focus on adequate training of relevant staff in KYC procedures, with appropriate differentiation of frontline staff, compliance staff and staff dealing with new customers, so that all those concerned fully understand the rationale behind the KYC policy and implement it consistently.



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I. Customer education

34. Implementation of KYC procedures may involve asking customers to provide information that may be of a personal nature or that has not been asked for previously. Some customers may question the need for and the purpose of collecting such information. The Company shall train its staff concerned to deal with such situations, and seek to educate the customer about the objectives of the KYC programme with the help of appropriate literature put out by the Company.

J. Introduction of new technology

35. The Company shall pay special attention to any money-laundering threats that may arise from a new or developing technology, including on-line transactions that might favour anonymity, and take measures, if needed, to prevent their use in money-laundering schemes.

K. The Principal Officer

36. Mr..... (Name and Designation) shall be the Principal Officer of the Company responsible for monitoring and reporting all transactions and sharing of information as required under the law. He will maintain close liaison with enforcement agencies and any other institution involved in the fight against money-laundering and financing of terrorism.

L. Maintenance of records of transactions

37. The Company shall have a system of maintaining proper records of transactions as mentioned below:

- a. All cash transactions of the value of more than Rs. 10 lakh or its equivalent in foreign currency;
- b. All series of cash transactions integrally connected to each other which have been valued below Rs. 10 lakh or its equivalent in foreign currency where the transactions have taken place within a month and the aggregate value of such transactions exceeds Rs. 10 lakh;
- c. All transactions involving receipts by non-profit organizations of value of more than Rs. 10 lakh or its equivalent in foreign currency;
- d. All cash transactions where, to the Company's knowledge, forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place; and
- e. All suspicious transactions, whether or not made in cash.

38. "Suspicious transaction" means a transaction whether or not made in cash 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 made in circumstances of unusual or unjustified complexity; or
- Appears to have no economic rationale or bona-fide purpose; or



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- Gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism; Transaction involving financing of the activities relating to terrorism includes transaction involving funds suspected to be linked or related to, or to be used for terrorism, terrorist acts or by a terrorist, terrorist organization or those who Finance or are attempting to finance terrorism or
- Where the transactions are abandoned by customers on being asked to give some details or to provide documents.

39. The Company shall maintain proper records of all cash transactions (deposits and withdrawals) of Rs. 10 lakh and above. The internal monitoring system shall have an in-built procedure for fortnightly reporting of such transactions and those of suspicious nature whether made in cash or otherwise, to the controlling unit or the head office.

40. Records referred to above shall contain the following information:

- a. The nature of the transaction;
- b. The amount and currency of the transaction;
- c. The date on which the transaction was conducted; and
- d. The parties to the transaction.

41. The Company shall maintain records as under:

- a. Records of all transactions referred to in section 12(1)(a) of the Act read with Rule 3 of the Rules shall be maintained for a period of five years from the respective dates of the transactions with the customers; and
- b. Records of the identity of all customers shall be maintained for a period of five years from the respective dates of cessation of transactions with them.
- c. The Company shall evolve a system for proper maintenance and preservation of information in a manner (both hard and soft copies) that allows data to be retrieved easily and quickly whenever required or when requested by competent authorities.

M. Reporting to the Financial Intelligence Unit-India (FIU-IND)

42. The Company shall report information on transactions referred to in section 12(1) of the Act read with Rule 3 of the Rules relating to cash and suspicious transactions in the formats prescribed in this regard including the electronic filing of reports direct to:

The Director,
Financial Intelligence Unit - India,
6th Floor, Hotel Samrat, Chanakyapuri,
New Delhi-110021.



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43. Where the Principal Officer has reason to believe that a single transaction, or a series of integrally connected transactions, has been valued below the prescribed value to so to defeat the provisions of this section, the Principal Officer shall furnish information in respect of such transactions to the Director within the prescribed time.
44. Mr. Divakar Vijayasathya Director is the Designated Director for the purpose of Anti-Money Laundering (AML) compliances under Prevention of Money Laundering Activities (PMLA) who is responsible to ensure overall KYC compliance as required under PMLA Act and Rules.
45. (a) The information in respect of the transactions referred to in items (a) to (c) in paragraph 27 supra shall be submitted to the Director every month by the 15th day of the succeeding month.
- a) The information in respect of the transactions referred to in item (d) in paragraph 27 supra shall be furnished promptly to the Director not later than seven working days from the dates of occurrence of the transactions.
- b) The information in respect of the transactions referred to in item (e) in paragraph 27 supra shall be furnished promptly to the Director in writing, or by fax or by electronic mail, not later than seven working days on being satisfied that the transaction is suspicious. However, the Company and its employees shall maintain strict confidentiality of the fact of furnishing or reporting details of suspicious transactions.
46. There is no need to submit "nil" reports where there are no cash or suspicious transactions during a particular period.
47. Copies of the information furnished to the Director shall be retained by the Principal Officer for the purposes of official record.

48. Customer Identification Procedure Notice

Each business process shall implement procedures for providing customers with adequate notice that the Company is requesting information and taking actions in order to verify their identity. Each business process shall determine the appropriate manner to deliver the notice, which shall be reasonably designed to ensure that the customer is able to view or is otherwise given such notice prior to account opening.

Existing Customers

The requirements of the earlier sections are not applicable to accounts opened by existing customers, provided that the business process has previously verified the identity of the customer and the business process continues to have a reasonable belief that it knows the true identity of the customer. Further, transactions in existing accounts should be continuously monitored and any unusual pattern in the operation of the account should trigger a review of the due diligence measures.



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Reliance on third party due diligence:

For the purpose of identifying and verifying the identity of customers at the time of commencement of an account-based relationship, the Company may rely on a third party; subject to the conditions that

- The Company immediately obtains necessary information of such client due diligence carried out by the third party;
- The Company takes adequate steps to satisfy itself that copies of identification data and other relevant documentation relating to the client due diligence requirements will be made available from the third party upon request without delay;
- The Company is satisfied that such third party is regulated, supervised or monitored for, and has measures in place for compliance with client due diligence and record-keeping requirements in line with the requirements and obligations under the Act;
- The third party is not based in a country or jurisdiction assessed as high risk; and
- The Company is ultimately responsible for client due diligence and undertaking enhanced due diligence measures, as applicable



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Annexure - I

CUSTOMER IDENTIFICATION REQUIREMENTS:

INDICATIVE GUIDELINES

A. Trust / nominee / fiduciary accounts

There exists the possibility that trust/nominee/fiduciary accounts can be used to circumvent the customer identification procedures. Where a customer is acting on behalf of another person as a trustee/nominee or is an intermediary, the Company may insist on receipt of satisfactory evidence of the identity of the intermediary and of the person(s) on whose behalf he is acting, and details of the nature of the trust or other arrangements in place. While opening an account for a trust, reasonable precautions should be taken to verify the identity of the trustees and the settlors 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. If a decision is taken to accept such an account in terms of the Customer Acceptance Policy, reasonable measures should be taken to identify the beneficial owner(s) and verify his/her/their identity so that the Company comes to know who the beneficial owner(s) is/are.

B. Accounts of companies and firms

The staff should be vigilant against business entities being used by individuals as a 'fronts' for maintaining accounts with the Company. The legal status of the legal person/entity should be verified through proper and relevant documents. The identity and authority of any person purporting to act on behalf of the legal/juridical person/entity should be verified. The control structure of the entity should be examined, the source of its funds determined, and the natural persons who have a controlling interest and who comprise the management identified. These requirements may be moderated according to the risk perception; for instance, in the case of a public company it will not be necessary to identify all the shareholders.

C. Client accounts opened by professional intermediaries

When it is within the Company's knowledge, or there is reason to believe, that a customer's account opened by a professional intermediary is on behalf of a client, that client must be identified. Where the 'customer due diligence' is carried out by an intermediary, the staff concerned should satisfy themselves that the intermediary is regulated and supervised and has adequate systems in place to comply with the KYC requirements.



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D. Accounts of politically exposed person's resident outside India

Politically exposed persons (PEPs) are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g. heads of states or of governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, and important political party officials. If and when a person of this category, or a member of his family, or his close relative, seeks to establish a relationship with the Company, sufficient information on the person, including information available in the public domain, shall be gathered. The identity of the person should be verified, and information should be asked for about the sources of his funds before accepting him as a customer. The decision to open an account for such a person should only be taken by the Director. Any such account should be put through enhanced monitoring on an ongoing basis.

E. Identity of Beneficial Owner

The Company shall identify the beneficial owner and take all reasonable steps to verify his identity. The term "beneficial owner" has been defined as the natural person who ultimately owns or controls a client and/or the person on whose behalf the transaction is being conducted and includes a person who exercises ultimate effective control over a juridical person. Government of India has since examined the issue and has specified the procedure for determination of Beneficial Ownership

(a) Where the client is a company, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation:

I. "Controlling ownership interest" means ownership of or entitlement to more than twenty-five percent of shares or capital or profits of the company;

II. "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;

(b) where the client is a partnership firm, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of/entitlement to more than fifteen percent of capital or profits of the partnership;

(c) where the client is an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;

(d) Where no natural person is identified under (a) or (b) or (c) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;



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(e) where the client is a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership; and

(f) Where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

F. Accounts of non-face-to-face customers

The Company will not do any transactions with non-face-to-face customers.



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Annexure – II

Customer Identification Procedure

Features to be verified and documents that may be obtained from customers *KYC Documents for Identification and verification*

| | |
|-----------------------|---|
| Identity Proof | <p><u>Individual:</u></p> <ul style="list-style-type: none">- Valid Passport- Voter identity card issued by Election Commission of India- Valid PAN card- Valid driving license- Job card issued by NREGA duly signed by an officer of the State Government- Letter issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number. <p><u>Others:</u></p> <p><u>Company:</u></p> <ul style="list-style-type: none">- Certification of incorporation- MOA/AOA- Resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf- An officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf <p><u>Partnership Firms:</u></p> <ul style="list-style-type: none">- Registration certificate- Partnership deed- An officially valid document in respect of the person holding an attorney to transact on its behalf. <p><u>Limited Liability Partnership:</u></p> <p>LLP Agreement Certificate of incorporation LLP Resolution authorizing the signatory to act on behalf of the LLP PAN in the name of the LLP</p> <p><u>Trust and Foundations:</u></p> <ul style="list-style-type: none">- Registration certificate- Trust deed- An officially valid document in respect of the person holding an attorney to transact on its behalf. <p><u>Unincorporated association or body of individuals:</u></p> <ul style="list-style-type: none">- Resolution of the managing body of such association or body of individuals- Power of attorney granted to him to transact on its behalf |
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|----------------------|---|
| | <ul style="list-style-type: none">- An officially valid document in respect of the person holding an attorney to transact on its behalf.- Such information as may be required by the bank to collectively establish the legal existence of such an association or body of individuals |
| Address Proof | <p><u>Individuals:</u></p> <ul style="list-style-type: none">- Valid passport- Voter identity card issued by Election Commission of India- Valid driving license,- Job card issued by NREGA duly signed by an officer of the State Government- Letter issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number. <p><u>Others:</u></p> <p><u>Company:</u></p> <ul style="list-style-type: none">- Certification of incorporation- MOA/AOA- Resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf- An officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf <p><u>Partnership Firms:</u></p> <ul style="list-style-type: none">- Registration certificate- Partnership deed- An officially valid document in respect of the person holding an attorney to transact on its behalf <p><u>Limited Liability Partnership:</u></p> <ul style="list-style-type: none">- LLP AgreementRegistration CertificateList of Partners with profit shareLLP Resolution authorizing the signatory to act on behalf of the LLP <p><u>Trust and Foundations:</u></p> <ul style="list-style-type: none">- Registration certificate- Trust deed- An officially valid document in respect of the person holding an attorney to transact on its behalf. <p><u>Unincorporated association or body of individuals:</u></p> <ul style="list-style-type: none">- Resolution of the managing body of such association or body of individuals- Power of attorney granted to him to transact on its behalf- An officially valid document in respect of the person holding an attorney to transact on its behalf. |



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| | <p>- Such information as may be required by the bank to collectively establish the legal existence of such an association or body of individual</p> |
| Proprietary Concerns | <p><u>For proprietary concerns, the company should call for and verify any two of the following documents:</u></p> <p>- Proof of the name, address and activity of the concern, like registration certificate (in the case of a registered concern), certificate/licence issued by the Municipal authorities under Shop & Establishment Act, sales and income tax returns, CST / VAT certificate, certificate / registration document issued by Sales Tax / Service Tax / Professional Tax authorities, Licence issued by the Registering authority like Certificate of Practice issued by Institute of Chartered Accountants of India, Institute of Cost Accountants of India, Institute of Company Secretaries of India, Indian Medical Council, Food and Drug Control Authorities, etc.</p> <p>- Any registration / licensing document issued in the name of the proprietary concern by the Central Government or State Government Authority / Department. NBFCs/RNBCs may also accept IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT as an identity document for opening of account.</p> <p>- The complete Income Tax return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected, duly authenticated/ acknowledged by the Income Tax Authorities.</p> <p>- Utility bills such as electricity, water, and landline telephone bills in the name of the proprietary concern.</p> |

** Notwithstanding the list of documents as stated above, in case of change, if any, in the regulations as notified by RBI from time to time, the list of documents as prescribed by RBI shall prevail over the above.*

*** In case of proprietary concern, the documents shall be in the name of the concern.*

Note:

1. All the applicants shall have valid ID proof as prescribed above.
2. 'Simplified measures' may be applied in the case of 'Low risk' customers taking into consideration the type of customer, business relationship, nature and value of transactions based on the overall money laundering and terrorist financing risks involved. In respect of low risk category of customers, where simplified measures are applied, it would be sufficient to obtain any of the documents mentioned below for the purpose of -

A. Proof of identity -

1. Identity card with applicant's Photograph issued by Central / State Government Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, and Public Financial Institutions;
2. letter issued by a gazetted officer, with a duly attested photograph of the person;

B. Proof of address



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The following documents shall be deemed to be officially valid documents for 'low risk' customers for the limited purpose of proof of address where customers are unable to produce any officially valid document for the same:

1. Utility bill which is not more than two months old of any service provider (electricity, telephone, postpaid mobile phone, piped gas, water bill);
 2. Property or Municipal Tax receipt;
 3. Bank account or Post Office savings bank account statement;
 4. Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;
 5. Letter of allotment of accommodation from employer issued by State or Central Government departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies. Similarly, leave and license agreements with such employers allotting official accommodation; and
 6. Documents issued by Government departments of foreign jurisdictions and letter issued by Foreign Embassy or Mission in India.
3. Over and above the KYC identification of the customer as per the process laid in above, in case the customer is residing at an address different from the address mentioned in the proof submitted in accordance with annexure III, the company shall collect any of the documents listed below in addition to one address proof as listed in annexure III for communication/contact address:-
- a. Latest Telephone bill – landline and postpaid mobile bills (Not more than six months old)
 - b. Latest Utility bills (Not more than six months old)
 - c. Bank account statement (Not more than six months old)
 - d. Registered Lease deed along with utility bill in the name of the landlord
4. If the proof of address submitted by the low risk customer is for permanent address and not for local address or address where the customer is currently residing, the Company shall take a declaration of the local address on which all correspondence will be made by the Company with the customer along with the proof of permanent address. The Company shall verify the local address through 'positive confirmation' such as acknowledgment of receipt of (i) letter (or) (ii) telephonic conversation (or); (iii) visits; etc. In the event of change in local address due to relocation or any other reason, customers shall intimate the new address for correspondence to the Company within two weeks of such a change.
5. If a low risk co-applicant does not have officially valid document (OVD) for address verification, then, in such cases, the Company should obtain OVD for proof of address and identity of the relative with whom the prospective customer is living together with a declaration from the relative that the said person (prospective customer) proposing to open an account is a relative and is staying with her/him along with the relationship proof if any such as (i) marriage certificate, (ii) family card etc. The Company shall use any supplementary evidence such as a letter received through post for further verification of the address.

Relative for this purpose means husband, wife, son, daughter and parents who live with their wife, husband, father/mother, daughter and son.



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Annexure – III

Illustrative list of risk categorization

Low Risk Category

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, shall be categorised as low risk.

Illustrative examples are:

- Salaried employees whose salary structure is well-defined
- People belonging to lower economic strata of the society whose accounts show small balances and low turnover
- Government departments and Government-owned companies
- Statutory bodies & Regulators

Medium & High Risk Category

Customers that are likely to pose a higher than average risk may be categorized as medium or high risk depending on customer's background, nature and location of activity, country of origin, sources of funds and his client profile etc.

Illustrative examples of medium risk category customers are:

- Non Resident customers
- High Networth Individuals
- Trust, charities, NGO's and Organization receiving donations
- Companies having close family shareholding or beneficial ownership
- Firms with 'sleeping partners'

Illustrative examples of high risk category customers are:

- Politically Exposed Persons (PEPs) of Indian/Foreign Origin
- Non face-to-face customers
- Those with dubious reputation as per public information available
- Accounts of bullion dealers and jewelers.



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Annexure – IV

Illustrative list of activities which would be construed as suspicious transactions

- Activities not consistent with the customer's business, i.e. accounts with large volume of credits whereas the nature of business does not justify such credits.
- Any attempt to avoid Reporting/Record-keeping Requirements/provides insufficient / suspicious information:
- 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.
- Any individual or group that coerces/induces or attempts to coerce/induce the Company employee from not filing any report 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.
- Certain Employees of the Company arousing suspicion:
- An employee whose lavish lifestyle cannot be supported by his or her salary.
- Negligence of employees/willful blindness is reported repeatedly.
- Some examples of suspicious activities/transactions to be monitored by the operating staff:
- Multiple accounts under the same name
- Refuses to furnish details of source of funds by which initial contribution is made, sources of funds is doubtful etc;
- There are reasonable doubts over the real beneficiary of the loan
- Frequent requests for change of address