ADVENTZ SECURITIES ENTERPRISES LIMITED

KNOW YOUR CLIENT POLICY

The objective of 'Know Your Customer (KYC) Policy' is for Adventz Securities Enterprises Limited ('ASEL' or 'Company') to know / understand its customers and their financial dealings and help the company to manage its risks prudently.

Introduction

The Company commits itself to the highest standards of transparency, compliance and fair practices while meeting the business needs of corporates in a timely and effective manner. The Company intends that its business, be conducted in accordance with the prevailing statutory and regulatory requirements with due focus on efficiency, customer-orientation and corporate governance principles.

The RBI, vide its Circular no. DNBS(PD).CC48/10.42/2004-05 dated 21st February 2005, issued revised KYC guidelines to all the Banking as well as Non Banking Finance Companies (NBFCs). These guidelines were issued in February 2005 revisiting the earlier guidelines issued in January 2004 in the context of the Recommendations made by the Financial Action Task Force (FATF) on Anti Money Laundering (AML) standards and on Combating Financing of Terrorism (CFT). These guidelines were issued in the context of the recommendations made by the Financial Action Task Force (FATF) on AML and CFT. These guidelines have since then been reviewed and updated by the RBI from time to time. Under these guidelines all the Company's are required to ensure that proper framework of policies for KYC, AML and CFT is put in place with the approval of their respective Board of Directors. These guidelines are issued by the RBI under sections 45K and 45L of the Reserve Bank of India Act, 1934. With effect from November 28, 2025 (updated as on December 29, 2025), the RBI has replaced the earlier circulars and Master Directions referred to above with a single consolidated Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025 ('RBI KYC Directions'), and this Policy has accordingly been updated to align with the RBI KYC Directions. These Directions apply to the Company for all layers of its business, in line with the regulatory layer (Base/Middle/Upper) in which the Company is placed under the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025. The Company's holding/parent company is presently classified by the RBI as a Middle Layer NBFC, and the Company is, consequently, also placed in the Middle Layer.

The Board of Directors has reviewed this Policy and approved its update on 25th May, 2026 to align it with the Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025 (updated as on December 29, 2025), and the revised Policy shall come into effect from that date.

KNOW YOUR CUSTOMER (KYC) GUIDELINES OF RBI

The Company shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications, whenever necessary to this policy to conform to the standards, so prescribed. This policy is applicable across all branches/ business segments of the company. The Policy is to be read in conjunction with related operational guidelines issued from time to time and necessarily read with reference to the changes / modifications as advised by RBI from time to time.

The guidelines with regard to Know Your Customer(KYC) norms as required by Reserve Bank of India , the following policy are framed and adopted by the Company as hereunder:-

ASEL's KYC policy has the following four key elements:

(i) Customer Identification Procedure;
(ii) Customer Acceptance Policy;
(iii) Monitoring of Transactions; and
(iv) Risk management.

KEY WORDS:

Customer/Client

- A person or entity that has been sanctioned or given Interoperate Deposits (ICDs) by the Company
- One, on whose behalf the Loan account is maintained (i.e. the beneficial owner);
- Beneficiaries of transactions conducted by professional intermediaries, such as Stock Brokers, Chartered Accountants, Solicitors, etc. as permitted under the law, and
- Any person or entity connected with a financial transaction which can pose significant reputational or other risks to the ASEL.

DEFINITIONS:

The Policy shall have the same definitions as defined in the Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025 (updated as on December 29, 2025), as amended/modified from time to time.

- **Customer:** any person or entity that maintains a loan account with the Company, or on whose behalf a loan account is maintained (the beneficial owner), or who is otherwise party to a transaction that could expose the Company to reputational, financial, or other risk.
- **Beneficial owner:** the individual(s) who ultimately own, control, or benefit from a company, partnership, trust, or other entity that borrows from the Company, even if the loan is formally taken in the entity's name.
- **Customer Due Diligence (CDD):** identifying a customer and verifying that identity using reliable documents, and understanding the purpose of the relationship.
- **Officially Valid Document (OVD):** Aadhaar, passport, voter's ID card, driving licence, the NPR letter, or any other document notified by the Central Government, used to verify identity and address.
- **Politically Exposed Person (PEP):** an individual who has held a prominent public office in India or abroad, or their close family members/associates.

- **Principal Officer**: the senior officer nominated by the Company to oversee KYC/AML compliance and to report suspicious transactions to the authorities.
- **Designated Director:** the Board-level director who is accountable for the Company's overall compliance with the PMLA and the RBI KYC Directions.
- **CKYCR:** the Central KYC Records Registry maintained by the Government of India, where KYC records of customers are uploaded and can be retrieved by other regulated entities.

Any term used in this policy but not defined here will carry the meaning given to it in the RBI KYC Directions or the PMLA and rules made thereunder, as amended from time to time.

(i) Client Identification Procedure

Customer identification means identifying the customer and verifying his/ her/ its identity by using reliable, independent source documents, data or information. The Company must obtain the necessary information to establish the identity of each new client, whether regular or occasional and the purpose of the intended nature of relationship. The Company must carry out the identification procedure at different stages, i.e. while establishing a relationship; carrying out a financial transaction or when the Company has a doubt about the authenticity/veracity or the adequacy of the previously obtained customer identification data. The company should verify:

1. At the time of commencement of an account–based relationship, identify its clients, verify their identity and obtain information on the purpose and intended nature of the business relationship, and

2. In all other cases, verify identity while carrying out :
   a) Transaction of an amount equal to or exceeding rupees fifty thousand, whether conducted as a single transaction or several transactions that appear to be connected, or
   b) Any international money transfer operations.

The Customer Identification Procedure is to be carried out at the following stages i.e.

While establishing a relationship

- In case of a client who intends to avail ICDs, at the time the duly completed application form is received from the prospective borrower.
- In case of a client who is a repeat cilent/associate of the Company, a duly updated check on credentials at the time when repeat application form is received for processing.

While carrying out a financial transaction:

- In case of a borrower, a financial transaction is said to have been carried out when the Company issues a sanction letter to the borrower or at the time of disbursing the first disbursement.
- The Company will obtain sufficient information necessary to establish, to their satisfaction, the identity of each new customer, whether regular or occasional and the purpose of the intended nature of relationship. Rule 9 of the PML Rules provides for the documents/information to be obtained for identifying various types of customer's i.e. individuals, companies, partnership firms, trusts, unincorporated association or a

body of individuals and juridical persons. ASEL will take care of above rule and will ensure compliance. Customer identification requirements keeping in view the provisions of the said rule is followed as given in **Annex-I**. A list of the nature and type of documents/information that may be relied upon for customer identification is given in the **Annex-I.**

Reliance on Central KYC Records Registry (CKYCR):

The Company may rely on a customer's KYC records already available on the Central KYC Records Registry (CKYCR), provided such records are current and compliant with the PML Act, 2002 and PML Rules, 2005. As per the Explanation inserted vide the RBI KYC (Amendment) Directions dated December 29, 2025, the regulated entity that last uploaded or updated a customer's KYC records in the CKYCR shall be responsible for verifying that customer's identity and/or address; accordingly, where the Company downloads and relies on such records, it shall not be required to re-verify the customer's identity and/or address, but shall remain responsible for all other aspects of the Customer Due Diligence procedure and the provisions of this Policy. Where a customer's KYC record is not available on, or is incomplete on, the CKYCR, the Company shall upload the same upon completion of the Customer Identification Procedure, subject to the customer's consent wherever required.

Periodic Updation of KYC:

In line with the RBI KYC Directions, the Company shall carry out periodic updation of KYC on a risk-based cycle, namely once every 2 years for high risk customers, once every 8 years for medium risk customers, and once every 10 years for low risk customers, unless there is a material change in the customer's identity, address, ownership, or other KYC particulars earlier, which shall be updated as and when the Company becomes aware of it. No fresh documentation is required for periodic updation where there is no change in the customer's KYC information and a self-declaration to that effect is obtained, except where mandated otherwise under the RBI KYC Directions.

(ii) Customer Acceptance Policy:

The Company will ensure that elaborate standard procedures are in place on the following aspects of customer relationships.

- No account is opened in anonymous or fictitious/benami name(s)
- Obtaining comprehensive information depending on the perceived risk and in accordance with the guidelines issued by the RBI regarding new customers at the initial stage
- Ascertaining the volume of turnover, social and financial status, etc. to enable categorization of customers into low, medium and high risk
- Collecting information and documents in respect of different categories of customers depending on perceived risk and keeping in mind the requirements of The Prevention of Money Laundering Act (PML Act), 2002 and guidelines issued from time to time. The Company may apply enhanced due diligence measures based on the risk assessment, thereby requiring intensive 'due diligence' for higher risk customers, especially those for whom the utilization of funds are not clear. Examples of customers requiring higher due diligence may include :

1. Non-resident customers,
2. High net worth individuals,
3. Trusts, charities, NGOs and organisations receiving donations,
4. Companies having close family shareholding or beneficial ownership,
5. Firms with 'sleeping partners',
6. Politically exposed persons (PEPs) of foreign origin,
7. Non-face to face customers, and
8. Those with dubious reputation as per public information available, etc.

- Taking appropriate steps to verify the identity and /or obtain documents required as per the risk categorization. The Company must refuse to open an account where the prospective customer does not co-operate with the Company in obtaining these details or where the Company is not sure about the reliability of the data furnished by the prospective customer.
- Taking adequate steps to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organisations, etc.
- Preparation of a profile for new and existing customers based on risk categorization. The customer profile must contain information relating to the customer's identity, social/financial status, nature of business activity, information about his clients' business and their location, etc. The nature and extent of due diligence will depend on the risk perceived by the company. However, the seeking of such information must not be intrusive and the Company must not use such confidential information cross selling or any other purposes.
- Ensuring that circumstance in which a customer is permitted to act on behalf of another person / entity will be clearly spelt out in conformity with the established law and practice of housing sector as there could be occasions when an account is operated by a mandate holder or where an account is opened by an intermediary in the fiduciary capacity.
- If ASEL is unable to apply appropriate KYC measures due to non-furnishing of information and /or non-cooperation by the customer, ASEL may consider closing the account or terminating the business relationship after issuing due notice to the customer explaining the reasons for taking such a decision. Such decisions need to be taken at a reasonably senior level after consulting the Principal Officer.

The Company will undertake adequate steps to ensure that the implementation of this policy must not become too restrictive and must not result in denial of the Company's services to general public, especially to those, who are financially or socially disadvantaged.

(iii) Monitoring of Transactions and maintenance and preservation of records:

Ongoing monitoring is an essential element of effective KYC procedures. ASEL can effectively control and reduce their risk only if they have an understanding of the normal and reasonable activity of the customer so that they have the means of identifying transactions that fall outside the regular pattern of activity. ASEL shall monitor and also maintain a record of a transaction of

all the loan accounts where there has been a receipt or payment. No cash transactions for either disbursement or repayment of ICDS shall be allowed.

ASEL shall have in place a comprehensive transaction monitoring process from a KYC/AML perspective. The Company shall put in place strong transaction alerts which will provide proactive signals on suspicious transactions and possible money laundering, in conjugation with the Risk Management Committee. The ICD monitoring team shall endeavour to update the list based on current understanding of the market scenario and trading patterns followed by clients.

The Company is required to maintain proper record of transactions as prescribed under Rule 3, of the Prevention of Money-Laundering (Maintenance of records of the nature and value of transactions, the procedure and manner of maintaining and time for furnishing information and verification and maintenance of records of the identity of the clients of the (Banking Companies, Financial Institutions and Intermediaries) Rules, 2005). Special attention is required for all complex, unusually large transactions / patterns which appear to have no economic purpose. The background including all documents, office records and clarifications pertaining to such transactions and their purpose will be-examined carefully and findings will be recorded. Such findings, records and related documents would be made available to auditors and also to SEBI/FMC/Stock Exchanges/FIU-IND/Other relevant authorities, during audit, inspection or as KYC/AML Policy and when required. These records are to be preserved for such period of time as prescribed under PMLA 2002 or any rules made thereafter.

(iv) Risk Management

The aim of this policy is to ensure that an effective KYC programme is in place by establishing appropriate procedures and ensuring their effective implementation. Responsibility should be explicitly allocated within the Company for ensuring that the policies and procedures are implemented effectively. Through Authority delegation matrix the responsibility lies with the senior management.

The information available from the customers to prove their identity will determine the risk perception. However, for proper risk assessment of business relationship with customers the customers will be broadly classified as Low risk, Medium Risk and High Risk, based on the risk perceived as per the Risk management Policy of the Company.

For medium and high risk customers, ASEL may draw up additional precautions to be taken while dealing with such customers in conjugation with the Risk Management Committee. The Principal Officer shall formulate a procedure for the risk assessment of such medium and high risk customers.

The Risk Management Committee shall specifically check and verify the application of KYC/AML procedures and comment on the lapses observed in this regard. The reports and compliance in this regard shall also put up before the Risk Management Committee of the Board at regular intervals.

Appointment of a Principal Officer and his duties:

The Company Secretary or any other authorised officer of the Company shall be designated as Principal Officer to discharge responsibilities

1. The Principal Officer and other appropriate staff should have timely access to customer identification data and other CDD information, transaction records and other relevant information.

2. The Company will ensure that the Principal Officer is able to act independently and report directly to the senior management or to the Board of Directors.

3. The role and responsibilities of the Principal Officer should include overseeing and ensuring overall compliance with regulatory guidelines on KYC/AML/CFT issued from time to time and obligations under the Prevention of Money Laundering Act, 2002, rules and regulations made thereunder, as amended form time to time.

Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules notified thereunder

NBFCs were advised to appoint a Principal Officer and put in place a system of internal reporting of suspicious transactions and cash transactions of Rs.10 lakh and above. In this connection, Government of India, Ministry of Finance, Department of Revenue, issued a notification dated July 1, 2005 in the Gazette of India, notifying the Rules under the Prevention of Money Laundering Act (PMLA), 2002. In terms of the Rules, the provisions of PMLA, 2002 came into effect from July 1, 2005. Section 12 of the PMLA, 2002 casts certain obligations on the NBFCs in regard to preservation and reporting of customer account information.
With the enactment of Prevention of Money Laundering (Amendment) Act, 2012 and amendment to Section 13 of the Act which provides for "Powers of Director to impose fine", the section 13(2) now reads as under:

"If the Director, in the course of any inquiry, finds that a reporting entity or its designated director on the Board or any of its employees has failed to comply with the obligations under this Chapter, then, without prejudice to any other action that may be taken under any other provisions of this Act, he may—
(a) issue a warning in writing;
or
(b) direct such reporting entity or its designated director on the Board or any of its employees, to comply with specific instructions;
or
(c) direct such reporting entity or its designated director on the Board or any of its employees, to send reports at such interval as may be prescribed on the measures it is taking;
or
(d) by an order, levy a fine on such reporting entity or its designated director on the Board or any of its employees, which shall not be less than ten thousand rupees but may extend to one lakh rupees for each failure."

In view of the above amendment, the Company has appointed the Chairman of the Board as the "Designated Director" to ensure compliance with the obligations under the Prevention of Money Laundering (Amendment) Act, 2012 and his functions shall be to act according to the guidelines given above.

Maintenance and Preservation of records

The Company should take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. The identification records and transaction data should be made available to the competent authorities upon request.

The Company shall put in place a system of maintaining proper record of transactions prescribed, as mentioned below:

(i) any cash transactions of the value of more than rupees ten lakh.

(ii) all series of cash transactions integrally connected to each other which have been valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds rupees ten lakh;

(iii) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place;

(iv) all suspicious transactions whether or not made in cash and in manner as mentioned in the Rules framed by Government of India under the Prevention of Money Laundering Act , 2002.

Information to be preserved

The Company is required to maintain the following information in respect of transactions:

(i) the nature of the transactions;

(ii) the amount of the transaction and the currency in which it was denominated;

(iii) the date on which the transaction was conducted; and

(iv) the parties to the transaction.

Reporting to Financial Intelligence Unit-India

In terms of the PMLA rules, NBFCs are required to report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND) at the following address: **Director, FIU-IND, Financial Intelligence Unit-India, 6th Floor, Hotel Samrat, Chanakyapuri, New Delhi-110021**

(a) Upon the occurrence of any reportable cash transaction, the Company shall ensure that the details are examined for reporting under the applicable regulatory requirements. Where a Cash Transaction Report (CTR) is required to be filed, the Principal Officer shall ensure that the CTR

is submitted to the Financial Intelligence Unit – India (FIU-IND) by the 15th day of the month succeeding the month in which the reportable transaction occurred. Individual cash transactions below ₹50,000 shall not be included while preparing the CTR, in accordance with the applicable guidelines. Any branch or office of the Company identifying a reportable cash transaction shall promptly report the same to the Principal Officer to facilitate timely filing with FIU-IND.

(b) The Suspicious Transaction Report (STR) should be furnished within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, or a series of transactions integrally connected are of suspicious nature. The Principal Officer should record his reasons for treating any transaction or a series of transactions as suspicious. It should be ensured that there is no undue delay in arriving at such a conclusion once a suspicious transaction report is received from a branch or any other office. Such report should be made available to the competent authorities on request;

(c) The Principal Officer will be responsible for timely submission of CTR and STR to FIU-IND;

(d) Utmost confidentiality should be maintained in filing of CTR and STR with FIU-IND. The reports may be transmitted by speed/ registered post, fax, email at the notified address;

(e) It should be ensured that the reports for all the branches are filed in one mode i.e. electronic or manual;

(f) A summary of cash transaction report for the NBFC as a whole may be compiled by the Principal Officer of the NBFC in physical form as per the format specified. The summary should be signed by the Principal Officer and submitted both for manual and electronic reporting.

Compliance of the KYC Policy :-

The Company Secretary or the authorised officer of the Company

a) shall be responsible for implementation of KYC Policies and procedures.
b) shall conduct a Periodic 'Internal Audit' of ASEL to verify the compliance of KYC/AML Policy and procedures.
c) shall submit reports of the Internal Audit to the Audit committee of ASEL, at regular intervals, who will deliberate the same in their meeting.

Annex-1

Customer/Client	**Documents** (Certified copy of any one of the following officially valid document)
Accounts of Individuals Proof of identity and address	Any one document from the officially valid document is only allowed. They are :- a. Passport b. PAN Card c. Voter's Identity Card issued by Election Commission d. Driving License e. Job Card issued by NREGA duly signed by an officer of the State Govt. f. The letter issued by Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number. Where 'simplified measures' are applied for verifying the identity of customers the following documents shall be deemed to be 'officially valid documents':- • 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; • Letter issued by a gazetted officer, with a duly attested photograph of the person. Where 'simplified measures' are applied for verifying for the limited purpose of proof of address the following additional documents are deemed to be OVDs :- a) Utility bill which is not more than two months old of any service provider (electricity, telephone, postpaid mobile phone, piped gas, water bill); b) Property or Municipal Tax receipt; c) Bank account or Post Office savings bank account statement; d) Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address; e) 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 f) Documents issued by Government departments of foreign jurisdictions and letter issued by Foreign Embassy or Mission in India.
Company	(a) Certificate of incorporation; (b) Memorandum and Articles of Association; (c) A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf; and (d) An officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf.
Partnership Firm	(a) Registration certificate; (b) Partnership deed; and (c) An officially valid document in respect of the person holding an attorney to transact on its behalf.
Trust and Foundation	(a) Registration certificate; (b) Trust deed; and (c) An officially valid document in respect of the person holding a power of attorney to transact on its behalf.
Unincorporated associates or Body of Individuals	(a) Resolution of the managing body of such association or body of individuals; (b) Power of attorney granted to him to transact on its behalf; (c) An officially valid document in respect of the person holding an attorney to transact on its behalf; and (d) Such information as may be required by the bank to collectively establish the legal existence of such an association or body of individuals.

Proprietorship Concerns	Apart from Customer identification procedure as applicable to the proprietor any two of the following documents in the name of the proprietary concern would suffice ✓ 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/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute. 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. In cases where the banks are satisfied that it is not possible to furnish two such documents, they would have the discretion to accept only one of those documents as activity proof. In such cases, the banks, however, would have to undertake contact point verification, collect such information as would be required to establish the existence of such firm, confirm, clarify and satisfy themselves that the business activity has been verified from the address of the proprietary concern.
Juridical persons not specifically covered above, such as societies, universities and local bodies like village panchayats	Certified copies of the following documents shall be obtained: i) Document showing name of the person authorised to act on behalf of the entity; ii) Documents, as specified for Individual, of the person holding an attorney to transact on its behalf and iii) Such documents as may be required by the Company to establish the legal existence of such an entity/juridical person.