GEO VPL FINANCE LIMITED

KYC,AML and CFT policy

Geo VPL Finance Limited

KNOW YOUR CUSTOMER AND ANTI-MONEY LAUNDERING AND COMBATING FINANCING OF TERRORISM POLICY

With reference to the guidelines regarding 'Know Your Customer' norms issued by the Reserve Bank of India NBFCs were advised to follow certain customer identification procedure for opening of accounts and monitoring transactions of suspicious nature for the purpose of reporting it to appropriate authority. Accordingly, this Know Your Customer(KYC) and Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) Policy has been framed in accordance with the Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025.

Background: The Recommendations made by the Financial Action Task Force (FATF) on Anti Money Laundering (AML) standards and on Combating Financing of Terrorism (CFT) standards have become the international benchmark for framing Anti Money Laundering and combating financing of terrorism policies by the regulatory authorities. Compliance with these standards both by the banks/financial institutions, including NBFCs, has become necessary for international financial relationships. The Reserve Bank of India(RBI) has issued revised set of comprehensive 'Know Your Customer' Guidelines to all Non-Banking Financial Companies (NBFCs), Miscellaneous Non-Banking Companies and Residuary Non-Banking Companies in the context of the recommendations made by the Financial Action Task Force(FATF) and Anti Money Laundering (AML) standards and combating financing of terrorism policies by the regulatory authorities and advised all NBFCs to adopt the same with suitable modifications depending on the activity undertaken by them and ensure that a proper policy framework on KYC and AML measures are formulated and put in place with the approval of their respective Boards. The 'Know Your Customer' Guidelines have been drafted and issued in the above context.

'Know Your Customer' Standards

1. The objective of KYC guidelines is to prevent the company from being used, intentionally or unintentionally, by criminal elements for money laundering activities. KYC procedures also enable the company to know/understand their customers and their financial dealings better which in turn help them manage their risks prudently. The Company has framed its KYC policy incorporating the following key elements:

    i. Customer Acceptance Policy (CAP);
    ii. Customer Identification Procedures (CIP);
    iii. Monitoring of Transactions;
    iv. Risk management. and
    v. Money Laundering and Terrorist Financing Risk Assessment

2. For the purpose of the KYC policy, a 'Customer' is defined as:

    - a person a person or entity that maintains an account and/or has a business relationship with the Company
    - a person on whose behalf a loan account is maintained (i.e, the beneficial owner)
    - beneficiaries of transactions conducted by professional intermediaries such as stockbrokers, chartered accountants, or solicitors, as permitted by law.
    - any person or entity connected with a financial transaction (such as a wire transfer or high-value demand draft) that could pose significant reputational, legal, or financial risk to the institution

GEO VPL FINANCE LTD. Thoppumpady Pin-682005

3. The Company's Customer Acceptance Policy, which lays down explicit criteria for acceptance of customers, ensures the following aspects of the customer relationship:

    i. No account is opened/transactions entertained in anonymous or fictitious/benami name(s);
    ii. Customers are all assessed for location of residence, business if any including type of clients and also the mode of transactions and payments. ;
    iii. Volume of turnover, social and financial status, etc. to enable categorization of customers into low, medium and high risk (these customers will require very high level of monitoring). Currently given the size of our loans and type of clients we deal with, all our customers are considered low risk;
    iv. Documentation requirements and other information collected in respect of different categories of customers depending on perceived risk and keeping in mind the requirements of PML Act, 2002 and guidelines issued from time to time;
    v. The Company will not transact where it is unable to apply appropriate customer due diligence measures, i.e. where the company is unable to verify the identity and /or obtain documents required as per the risk categorization due to non co-operation of the customer or non reliability of the data/information furnished. However the company will have suitable built-in safeguards to avoid harassment of a genuine customer.
    vi. Circumstances, 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 practices, as there could be occasions when an account is operated by a mandate holder or where a loan account may be opened by an intermediary in a fiduciary capacity, and
    vii. Checks against any notified list of the RBI any other regulator, before accepting a customer, 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 organizations, etc.

4. The Company will prepare a profile for each new customer which may 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, while preparing the customer profile, the company will seek only such information from the customer which is relevant and is not intrusive. The customer profile will be a confidential document and details contained therein will not be divulged for cross selling or any other purposes.

5. Given the nature of our business (small ticket secured loans to low income families) we have categorized our customers as low risk. It is highly unlikely that the Company will have any medium / high risk clients given its focus on the lower income section of society, but for information, examples of customers requiring higher due diligence may include:

    a) non-resident customers,
    b) high net worth individuals,
    c) trusts, charities, NGOs and organizations receiving donations,
    d) companies having close family shareholding or beneficial ownership,
    e) firms with 'sleeping partners',
    f) politically exposed persons (PEPs) of foreign origin,
    g) those with dubious reputation as per public information available, etc.

GEO VPL FINANCE LTD.
Thoppumpady
Pin-682005

The adoption of Customer Acceptance Policy and its implementation will not result in denial of the company's services to the general public, especially to those who are financially or socially disadvantaged.

Customer Identification Procedure (CIP)

6. The Company will follow RBI guidelines on the Customer Identification Procedure to be carried out 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. Customer identification means identifying the customer and verifying his/ her identity by using reliable, independent source documents, data or information.

   The Company will obtain sufficient information necessary to establish, to its satisfaction, the identity of each new customer, whether regular or occasional and the purpose of the intended nature of relationship. Being satisfied means that the company must be able to satisfy the competent authorities that due diligence was observed based on the risk profile of the customer in compliance with the extant of guidelines in place. Besides risk perception, the nature of information/documents required would also depend on the type of customer (individual, corporate etc). For customers that are natural persons, which will be most of its clients, the company will obtain sufficient identification data to verify the identity of the customer, his address/location, and also his recent photograph. For customers that are legal persons or entities (very unlikely to be a customer except for travel related services), the company will:

   i. verify the legal status of the legal person/ entity through proper and relevant documents;
   ii. verify that any person purporting to act on behalf of the legal person/entity is so authorized and identify and verify the identity of that person; and
   iii. understand the ownership and control structure of the customer and determine who are the natural persons who ultimately control the legal person.
   iv. periodical updation of customer identification data, ie once in every year in case of regular customers shall be followed.

7. Documents that may be obtained from customers.

Proof of Identity & Proof of Address.

KYC document for individuals shall comprise 2 aspects viz:

Proof of Identity will carry the photograph of the holder while Proof of Address will contain the present address of the customer.

The genuineness of the documents must be verified by the branch/HO staff. Some documents may serve as both Proof of Identity and Proof of Address, but in such cases it must be ensured that the document mentions the Present / current address of the customer otherwise a separate Proof of Address will be required-

a. IDENTITY: Common documents evidencing Proof of Identity-

i. Passport
ii. PAN Card
iii. Voter ID Card
iv. Driving license

GEO VPL FINANCE LTD. Thoppumpady Pin-682005

v. Ration Card with photo
vi. UIDAI card (Aadhar)
vii. Bank Pass Book issued by public sector banks having photograph of the customer
viii. All the above documents except PAN card could serve as Proof of address also provided they contain the current valid address.

b. ADDRESS: Common documents evidencing Proof of Address-

i. Telephone bill
ii. Electricity bill
iii. Water bill
iv. Bank account
v. Municipal / Local/House tax bill / receipt
vi. Authentic rent receipt / lease document
vii. Letter from reputed employer, public authority
viii. LPG connection receipt issued by a distributor of public sector oil companies (IOC, BPCL, HPL).
ix. Cheque book leaf which contains the full address.
x. Pass Book issued by Post Office.
xi. Proof of address issued by Post Office.
xii. Certificate of residence issued by Government / Local authorities.

Where Proof of Address is separately obtained and accepted it should not be more than 6 months old. There will be no such limit if Proof of Identity also serves as Proof of Address.

Documents to be collected from customers for Money Transfer & Liability Products:

KYC documents as mentioned above should be taken without exception for customers transacting in Money Transfers, other activities relating to money changing business and Liability Products such as NCDs & Sub debts irrespective of the amounts.

Branches need not insist for local address proof if other requirements are satisfied and Branches can accept any address proof provided by customers for MTSS transaction.

Where the company is unable to apply appropriate KYC measures due to non-furnishing of information and /or non-cooperation by the customer, the company shall consider not to transact or closing the account or terminating the business relationship after issuing due notice to the customer explaining the reasons for taking such a decision.

Customer Due Diligence (CDD) Procedure

For undertaking customer due diligence, the Company shall obtain the following from an individual while establishing an account-based relationship.

- Copy of Aadhaar Card – Verify the same with original and carry out offline verification.
- Permanent Account Number or the equivalent e-document thereof or Form No. 60 as defined in Income-tax Rules, 1962;

GEO VPL FINANCE LTD. Thoppumpady Pin-682005

Monitoring of Transactions

8. Ongoing monitoring is an essential element of effective KYC procedures. The company can effectively control and reduce its risk only if it has an understanding of the normal and reasonable activity of the customer so that it can identify transactions that fall outside the regular pattern. However, the extent of monitoring will depend on the risk sensitivity of the customer. Since the company will not have any deposit accounts, this situation will hardly arise, but the company will in any case pay special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose or transactions that involve large amounts of cash inconsistent with the normal and expected activity of the customer. The Company will put in place a system of periodical review of risk categorization of accounts and the need for applying enhanced due diligence measures. The Company will ensure that a record of transactions in the accounts is preserved and maintained as required in terms of section 12 of the PML Act, 2002 (and the Amended Act, 2009). It will also ensure those transactions of suspicious nature and/or any other type of transaction notified under section 12 of the PML Act, 2002 (and the Amended Act, 2009), is reported to the appropriate law enforcement authority.

   The Unlawful Activities (Prevention) Act, 1967 (UAPA) has been amended by the Unlawful Activities (Prevention) Amendment Act, 2008. Government has issued an Order dated August 27, 2009 detailing the procedure for implementation of Section 51A of the Unlawful Activities (Prevention) Act, 1967 relating to the purposes of prevention of, and for coping with terrorist activities. In terms of Section 51A, the Central Government is empowered to freeze, seize or attach funds and other financial assets or economic resources held by, on behalf of or at the direction of the individuals or entities Listed in the Schedule to the Order, or any other person engaged in or suspected to be engaged in terrorism and prohibit any individual or entity from making any funds, financial assets or economic resources or related services available for the benefit of the individuals or entities Listed in the Schedule to the Order or any other person engaged in or suspected to be engaged in terrorism.

   The Company will monitor the customers to find whether they fall in the names listed in the schedule and report to the appropriate authority accordingly.

   The Company also put in place system to check transactions with customers from countries that do not or insufficiently apply the FATF(Financial Action Task Force) recommendations and jurisdictions included in FATF.

Risk Management

9. Risk Management/ Compliance & Internal Audit function of the company will play an important role in evaluating and ensuring to the KYC policies and procedures. These departments should ensure that their inspection machinery is staffed adequately with individuals who are well versed in KYC/AML policy and procedures.

10. The Board of Directors of The Company has ensured that an effective KYC program is in place and has established appropriate procedures and is overseeing its effective implementation. The program covers proper management oversight, systems and controls, segregation of duties, training and other related matters. Responsibility has been explicitly allocated within The Company to ensure that the company's policies and procedures are implemented effectively. The Board of The Company is aware that while all customers will be of low risk profile given the nature of its business, unless belonging to a higher risk profile listed under #5 above and

GEOVPL FINANCE LTD. Thoppumpady Pin-682005 approved as an exception, it will apply various Anti Money Laundering measures keeping in view the risks involved in a transaction, account or business relationship.

11. The Company's Board through the responsible persons will directly evaluate and ensure adherence to the KYC policies and procedures, including legal and regulatory requirements.

12. The Company has already ensured that its front line staff and credit staff are aware that no loan accounts will be created/ transactions will be entered into, unless the KYC procedures are adhered to completely.

Customer Education

13. The implementation of KYC procedures requires the Company to demand certain information from customers, which may be of personal nature, or which has hitherto never been called for. This can sometimes lead to a lot of questioning by the customer as to the motive and purpose of collecting such information. the company's front line staff will therefore personally discuss this with customers and if required, the Company will also prepare specific literature/ pamphlets, etc. so as to educate the customer on the objectives of the KYC program.

Hiring of Employees

14. KYC norms/AML standards/CFT measures have been prescribed to ensure that criminals are not allowed to misuse the banking channels. It would, therefore, be necessary that adequate screening mechanism is put in place by banks/financial institutions as an integral part of their recruitment/hiring process of personnel.

    - At the time of recruitment of employees, the vigilance department of the Company should verify the background of the new employee by visiting their residence. A report should be submitted to the HR department regarding their address confirmation, police case filed against them if any etc.
    - HR department should verify the previous employment history of the candidate to ensure his/her moral correctness.

Employee's Training

15. The Company has an ongoing employee training programme so that the members of the staff are adequately trained in KYC procedures.

    - The HR department to include KYC,AML and CFT topic in monthly training programme conducted for new joiners.
    - The internal audit department of the Company should conduct training programme for the employees with respect to KYC procedures including any amendments in Master Direction - Know Your Customer (KYC) Direction on a half yearly basis.

Introduction of New Technologies

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

GEO VPL FINANCE LTD.
Thoppumpady
Pin-682005

Appointment of Principal Officer

17. The Company has appointed its Managing Director to be designated as 'Principal Officer'. Per the RBI guidelines, the Principal Officer will be located at the corporate office and will be responsible for monitoring and reporting of all transactions and sharing of information as required under the law. He will maintain close liaison with enforcement agencies, other HFCs and any other institution which are involved in the fight against money laundering and combating financing of terrorism.

Maintenance of records of transactions

18. The Company has a system of maintaining proper record of transactions prescribed under Rule 3, of the Prevention of Money-Laundering and value of transactions, the procedure and manner of maintaining and verification and maintenance of records of the identity of the clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, as mentioned below:

    - all cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency;
    - 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;
    - all cash transactions were forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place;
    - all suspicious transactions whether or not made in cash and by way of as mentioned in the Rules. Information to be preserved

19. Records to contain specified information.

    Records referred to above -as per Rule 3 of the PMLA Rules to contain the following information:
    - the nature of the transactions;
    - the amount of the transaction and the currency in which it was denominated;
    - the date on which the transaction was conducted; and
    - the parties to the transaction.

Maintenance and Preservation of records

20. The Company has 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 company will maintain for at least ten years from the date of cessation of transaction between the company and the client, all necessary records of transactions, both domestic and international, which will permit reconstruction of individual transactions.

    The Company will also ensure that records pertaining to the identification of the customer and his / her address (e.g. copies of documents like passports, identity cards, driving licenses, PAN, utility bills etc.) obtained while opening the account and during the course of business relationship, are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data will be made available to the competent authorities upon request.

GEO VPL FINANCE LTD. Thoppumpady Pin-682005

Money Laundering and Terrorist Financing Risk Assessment

21. As per RBI KYC Master direction the Company shall carry out 'Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment' exercise periodically to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels, etc.

    - Internal auditors of the Company have to ensure the same.
    - The risk assessment shall be properly documented
    - The board shall review the risk assessment annually.
    - The Company should apply a Risk Based Approach (RBA) for mitigation and management of the identified risk.

Reporting to Financial Intelligence Unit-India

22. In terms of the PMLA rules, The Company will 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,6 th Floor, Hotel Samrat, Chanakyapuri, New Delhi- 110021

AMENDMENTS

The Board of Directors may amend the provisions of this Policy from time-to-time.

******

For Geo VPL Finance Limited

Pradeesh Lawrence
Managing Director
DIN : 00152313

GEO VPL FINANCE LTD.
Thoppumpady
Pin-682005