

Policy for Identification of Beneficial Ownership

As per SEBI Master circular no: CIR/ISO/ AML/3/2010 dated: 03.12.2010, It is mandatory for the company to obtain, as a part of Customer Due diligence Policy, sufficient information from the client in order to identify and verify the identity of the persons who beneficially own or control the securities account. The Beneficial owner has been defined as the natural person or persons who ultimately own, control, or influence a client and/or persons on whose behalf a transaction is being conducted, and includes a person who exercises ultimate effective control over a legal person or arrangement.

Further, in view of SEBI Circular no: CIR/MIRSD/2/2013 dated: 24.01.2013 and NSE Circular No: 154/2013 dated: 24/01/2013, we have adopted the following policy for Identification of Beneficial Ownership.

- 1) Clients other than individuals or trusts: In case of Non-individual client or trust i.e. Company, partnership firm or unincorporated association/body of individuals, the company will identify the beneficial owners of the client on the basis of following information.
 - a) The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through Ownership or who ultimately has a controlling ownership interest. Here Controlling ownership interest mean:
 - i. Ownership of more than 25% of shares or capital or profits of the Juridical Person, where Juridical Person is a company.
 - ii. Ownership of more than 15% of the capital or profits of the juridical person where juridical person is a partnership.
 - iii. Ownership of more than 15% of the property or capital or profits of the juridical person where juridical person is an unincorporated association or body of individuals.
 - b) In cases where there exists doubt under clause 1 (a) above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of natural person exercising control over the juridical person through other means. Control through other means can be exercised through voting rights, agreement, arrangements or in any other manner.
 - c) Where no natural person is identified under clauses 1 (a) or 1 (b) above, the identity of the relevant natural person who holds the position of senior managing official.
- 2) **Client which is a trust:** In case the client is a trust, the Company will identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% 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.

- 3) **In case of Listed Companies:** In case the client or the owner of the controlling interest is a company listed on a stock exchange or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.
- 4) **In case of Foreign Investors** (i.e. foreign institutional investors, Sub Accounts and Qualified Foreign investors) the clarifications given in SEBI Circular No: CIR/MIRSD/11/2012 dated: 05/09/2012 must be followed for identification of Beneficial ownership of the client.

Further SEBI issued circular No. CIR/IMD/FPI&C/59/2016 dated June 10, 2016, Know Your Client (KYC) norms for ODI subscribers, transferability of ODIs, reporting of suspicious transactions, periodic review of systems and modified ODI reporting format. Applicability of Indian KYC/AML norms for Client Due Diligence SEBI vide circular No. CIR/IMD/FIIC/20/ 2014 dated November 24, 2014 had aligned the applicable eligibility and investment norms of FPI regime with norms applicable for subscription through the ODI route. With regards to KYC of ODI subscribers, ODI Issuers shall now be required to identify and verify the beneficial owners (BO) in the subscriber entities, who hold in excess of the threshold as defined under Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 i.e. 25 % in case of a company and 15 % in case of partnership firms/ trusts/ unincorporated bodies. ODI issuers shall also be required to identify and verify the person(s) who control the operations, when no beneficial owner is identified based on the aforesaid materiality threshold.