



POLICY ON BENEFICIAL OWNERSHIP

OBJECTIVE:

The primary objective of this policy is to ensure that we are aware as to who is the ultimate beneficiary of the transaction and that the transactions executed, through the mandate holder is bonafide. It is possible that some of the individual clients might appoint a mandate holder. Normally the trading account is opened in the name of various family members but one of the family members can hold the mandate. Also, in case of some NRI clients who are based abroad, there may be on a POA/Mandate in favour of a person residing in India.

POLICY:

Whenever any account is operated by a mandate holder, find out the relationship of the mandate holder with the client, followed by establishing the identity of the mandate holders by obtaining proof of identity and address.

We should not accept any payment from the account of mandate holder in favour of the client. All the payments have to be received from the client's bank account only for which the POA holder may or may not have the mandate to operate the bank account. Similarly pay-out cheques should be issued only in the name of the client and not in the name of the mandate holder. In case there is suspicion on the relationship between the mandate holder and the actual client or in case the behavior of the mandate holder is suspicious, do take necessary advice from the Business Head.

Where the client is a person other than an individual or trust, viz., company, partnership or unincorporated association/body of individuals, we should shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the 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.

Explanation: Controlling ownership interest means ownership of/entitlement to:

- i. more than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
- ii. more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
- iii. more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

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b). In cases where there exists doubt under clause (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 the natural person exercising control over the juridical person through other means.

Explanation: 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 (a) or (b) above, the identity of the relevant natural person who holds the position of senior managing official.

Where the client is a trust, we should 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.

Where 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 listed company, it is not necessary to identify and verify the identity of the beneficial owner of such companies.

POLICY COMMUNICATION:

A copy of this policy shall be made available to all the relevant staff of Back Office, RMS, Compliance Officer, and other stakeholders for their information and any change should be communicated to them.

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