

**POLICY ON IDENTIFICATION OF BENEFICIAL
OWNERSHIP**

**ADOPTED BY
GIRIRAJ STOCK BROKING PRIVATE LIMITED
MEMBER: BSE LTD
NSE LTD**



Policy on Identification of Beneficial Ownership

Introduction

Giriraj Stock Broking Private Limited is Securities and Exchange Board of India (SEBI) registered Stock broker of BSE LTD & NSE LTD.

Background

SEBI has come up with a circular no. CIR/MIRSD/2/2013 dated January 24,2013, wherein is has mandated all registered intermediaries to obtain, as part of their Client Due Diligence policy, sufficient information from their clients in order to identify and verify the identify of persons who beneficially owns or controls the accounts opened with the respective intermediaries.

Accordingly, the company shall comply with the following guidelines:

For clients other than individuals or trusts:

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

The identify of the natural person , who, whether acting alone or to gerher, or through on or more juridical person, exercise control through ownership or who ultimately has a controlling ownership interest.

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

- 1) More than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
- 2) More than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
- 3) More than 15% of the property or capital or profits of the juridical person, where the juridical person is an uni corporated association or body of individuals.

In cases where there exists doubt under claues (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 identify of the natural person exercising control over the juridical person through other means.

Explanation: Control through other means can be exercised through voting rights, agreements, or in any other manner.



Where no natural person is identified under clauses(a) or (b) above, the identify of the relevant natural person who holds the position of senior managing official.

For client which is a trust:

Where the client is a trust, the intermediary shall identify the beneficial owners of the client and take reasonable measures to verify the identify of such persons, through the identify of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural personal exercising ultimate effective control over the trust through a chain of control or ownership.

Exemption in case of listed companies:

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 company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

Applicability for foreign investors:

Intermediaries dealing with foreign investors' viz; Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors, may be guided by the clarifications issued vide SEBI circular CIR/MIRSD/11/2012 dated September 5, 2012, for the purpose of identification of beneficial ownership of the client.

Review of Policy:

The policy may be reviewed as and when there is any change introduced by any statutory authority or as and when it is found necessary to change on account of business needs or Risk management policy.

For Giriraj Stock Broking Private Limited

Vinay Jajodia

**Vinay Jajodia
Compliance Officer**