

ARISTRO CAPITAL MARKETS LIMITED

Guidelines on Identification of Beneficial ownership:-

The following precautions will have to be taken in order to ascertain that accounts are not misused by the clients or by any third parties for money laundering activities: -

1. We will obtain sufficient information about the client and identify actual beneficiary of transactions or on whose behalf transactions are conducted.
2. We will Verify client's identity
3. We will register clients as per SEBI/NSE guidelines and it will develop appropriate reporting system to monitor client's trades.
4. We shall periodically update all documents, data or information of all clients and beneficial owners collected under CDD (Client Due Diligence) process provided the client provides the formation.
5. We shall ensure that maker-checker facility is in place for all its operation as a risk management measure as well as to increase efficiency. In case of mismatch of signature/s on PAN and KYC Kit, shall ask for an alternate proof of identity bearing client's signature as on KYC Kit or bank verification of the signature.

Besides PMLA, 2005, requirements, SEBI vide its circular CIR/MIRSD/2/2013 dated January 24, 2013 has issued guidelines on identification of beneficial ownership .SEBI master circular no. CIR/ISD/AML/3/2010 dated 31 December 2010 has mandated all registered intermediaries to obtain, as a part of their client due diligence policy sufficient information from their clients in order to identify and verify the identity of the persons whom beneficially own or control the securities account. The beneficial owner has been defined in the circular 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, as per the provision contained above SEBI circular the exemption is granted in case the client or the owner of the controlling interest is a company listed in the stock exchange.

Pursuant to the above provisions contains in SEBI circular dated Jan 24, 2013, shall at the time of registering the client identify and follow the following:-

For Clients other than individuals or trusts: For Companies, Partnership or unregistered associates, body individual, HUF etc., we shall identify the beneficial owners of the clients and take reasonable measures to verify the identity of such person by verifying the following information:-

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. (Controlling ownership interest means ownership of/entitlement to) :

- a. More than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
- b. More than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
- c. 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.

In case the client is a trust : As a matter of Policy we shall Not register any Charitable Trust as its client. Only Family Trusts and /or Children's Benefit Trusts can be taken in as clients. We therefore, identify the beneficial owner of the client and take reasonable measures to verify the identity of the settlers of the trust, trustee the protector of the beneficiaries with 15 % or more interest in the trust and any other person exercising ultimate control over the trust through a chain of control or ownership.

In case of foreign investors: As a matter of Policy we shall Not register any NRI, FII, or any other kind of foreign Investors as clients.

