



Policy on Ultimate Beneficial Ownership

As a part of Client Due Diligence (CDD) Process under PMLA 2002 read with PMLA Rules, 2005 every SEBI registered entity, which inter alia includes Mutual Funds, is required to obtain sufficient information from their clients in order to identify and verify the identity of persons who beneficially own or control the securities account.

Further, pursuant to SEBI Master Circular No. CIR/ISD/AML/3/2010 dated December 31, 2010 on anti-money laundering standards and Guidelines on identification of Beneficial Ownership issued by SEBI vide its Circular No. CIR/MIRSD/2/2013 dated January 24, 2013, investors (other than Individuals) are required to provide details of Ultimate Beneficial Owner(s) (“UBO(s)”) and submit proof of identity (viz. PAN with photograph or any other acceptable proof of identity prescribed in common KYC form) of UBO(s).

I. Applicability:

1. Providing information about beneficial ownership will be applicable to the subscriptions received from all categories of investors except Individuals and a Company listed on a stock exchange or is a majority owned subsidiary of such a Company.
2. Proof of Identity of the UBO such as Name/s, Address & PAN/Passport together with self-attested copy* along with the declaration form for ‘Ultimate Beneficial Ownership’ are required submitted to Company/its RTA. (* Original to be shown for verification and immediate return.)
3. In case of any change in the beneficial ownership, the investor should immediately intimate to Company/ its Registrar / KRA, as may be applicable, about such changes.

II. Identification Process:

(A) For Investors other than Individuals or Trusts:

(i) If the investor is an unlisted company, partnership firm or unincorporated association / body of individuals, the beneficial owners are the natural person/s who are acting alone or together, or through one or more juridical person and exercising control through ownership or who ultimately has a controlling ownership interest.

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

- more than 25% of shares or capital or profits of the juridical person, where juridical person is a company.

- more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership firm; or
- 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.

(iii) In cases, where there exists doubt 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 details should be provided of the natural person who is exercising control over the juridical person through other means (i.e., control exercised through voting rights, agreement, arrangements or in any other manner).

(iv) Where no natural person is identified under any of the above criteria, the person who holds the position of senior managing official shall be provided.

(B) For Investor which is a Trust:

In case of a Trust, the settler of the trust, the trustee, the protector and the beneficiaries with 15% or more interest in the trust or any other natural person exercising ultimate effective control over the trust through a chain of control or ownership shall be considered as beneficial owner.

(C) For Foreign Investors:

The Know Your Client requirements in case of foreign investors viz. Foreign Institutional Investors (FIIs), Sub accounts and Qualified Foreign Investors (QFIs) as specified in SEBI circular no CIR/MIRSD/11/2012 dated September 5, 2012 shall be considered for the purpose of identification of beneficial ownership of the investor.

III. Uniform Know Your Client (KYC) Requirements:

SEBI Master Circular No. **SEBI/ HO/ MIRSD/ DOP/ CIR/ P/ 2019/113** dated October 15, 2019 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 identity of persons who beneficially own or control the securities account.

For collection of information/documentation from investors/clients, SEBI has prescribed uniform Know Your Client (KYC) requirements vide circular nos. CIR/MIRSD/16/2011 dated August 22, 2011 and MIRSD/SE/Cir-21/2011 dated October 5, 2011 to be used by the concerned registered intermediaries. Further, the intermediaries are also advised vide SEBI circular no. CIR/MIRSD/ 07 /2013 dated September 12, 2013 read with the guidance on KYC requirements issued by SEBI to follow a risk-based approach towards KYC requirements of Eligible Foreign Investors (EFI)/Foreign Portfolio Investors (FPIs) by classifying them into Category I, II and III.

SEBI has also notified the SEBI KYC Registration Agency (KRA) Regulations, 2011 and have issued guidelines under these regulations from time to time.