

PREVENT, DETECT, AND REPORT MONEY LAUNDERING POLICY

Document Title	Prevent, Detect and Report Money Laundering Policy
Document Classification	Confidential - Internal
Document Owner	Illuminati Trading

Version Control No.	Drafted By	Reviewed By	Approved By	Approval Date	Latest Updated Date
Version 1.0	Compliance Team and Ops Team	Compliance Officer	Board of Directors	23th July 2025	-

**SUGGESTED MEASURES TO PREVENT DETECT AND REPORT
MONEY LAUNDERING TRANSACTIONS**

*From the desk of Principal Officer appointed under PMLA, 2002 by Illuminati Trading Pvt Ltd
("Illuminati")*

1. INTRODUCTION

PREVENTION OF MONEY LAUNDERING ACT, 2002

Prevention of Money Laundering Act, 2002 (PMLA 2002) forms the core of the legal framework put in place by India to combat money laundering. PMLA 2002 and the Rules notified there under came into force with effect from July 1, 2005.

The PMLA 2002 and Rules notified there under impose an obligation on intermediaries (including stock brokers and depository participants) to verify identity of clients, maintain records and furnish information on suspicious transactions to the Financial Intelligence Unit (FIU) - INDIA

FINANCIAL INTELLIGENCE UNIT (FIU) - INDIA

The Government of India set up Financial Intelligence Unit-India (FIU-IND) on November 18, 2004 as an independent body to report directly to the Economic Intelligence Council (EIC) headed by the Finance Minister.

FIU-IND has been established as the central national agency responsible for receiving, processing, analyzing and disseminating information relating to suspect financial transactions. FIU-IND is also responsible for coordinating and stretching efforts of national and international intelligence and enforcement agencies in pursuing the global efforts against money laundering and related crimes.

POLICY OF ILLUMINATI TRADING:

Illuminati Trading has resolved that it would, as an internal policy, take adequate measures to prevent money laundering and shall make a frame-work to report cash and suspicious transactions to FIU as per the guidelines of PMLA Rules, 2002.

OBJECTIVE OF THESE GUIDELINES

The purpose of this document is to guide all the employees of Illuminati Trading and employees of its associates on the steps that they are required to take and implement to prevent and identify any money laundering or terrorist financing activities.

It shall be the responsibility of each of the concerned employees that they should be able to satisfy themselves that the measures taken by them are adequate, appropriate and follow the spirit of these measures and the requirements as enshrined in the "Prevention of Money Laundering Act, 2002".

Some of these suggested measures may not be applicable to every circumstance or to each department, Branch. However, each entity should consider carefully the specific nature of its business, type of customer and transactions to satisfy itself that the measures taken by the employees are adequate and appropriate to follow the spirit of these guidelines.

2. CUSTOMER ACCEPTANCE POLICY

ROLE OF CENTRAL PROCESSING CELL (CPC)

- In-person verification – each client should be met in person. Either the client should visit the office/branch or concerned official may visit the client at his residence / office address to get the necessary documents filled in and signed
- Obtain complete information from the client. It should be ensured that the initial forms taken by the clients are filled in completely. All photocopies submitted by the client are checked against original documents without any exception. Ensure that the ‘Know Your Client’ policy is followed without any exception. All supporting documents as specified by Securities and Exchange Board of India (SEBI) / Forward Market Commission / Exchanges / Depository are obtained and verified.
- Scrutinize the forms and details submitted by the client thoroughly and cross-check the details with various documents obtained like identity of the client, source of income. If required, ask for any additional details like income tax returns, salary slips, etc. to satisfy yourself whenever there is a question.
- As PAN is mandatory, verify its genuineness with IT website and cross verify the PAN card copy with the original. [Please put “verified with original” stamp as proof of verification].
- Ensure that no account is being opened in a fictitious / benami name or on an anonymous basis by calling the client on phone at the given phone number, verifying by visiting personally, if considered necessary, at the address given in KYC and other details.
- Check whether the client’s identity matches with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement/regulatory agency worldwide.
- Accounts should be opened only on receipt of mandatory information along with authentic supporting documents as per the guidelines. Any reluctance by the client to provide information should be a sufficient reason to reject the client.
- Check if client has multiple accounts.
- For scrutiny / background check of the clients using **“Refinitiv World-Check One”**.
- For scrutiny / background check of the clients / HNI, websites such as www.watchoutinvestors.com should be referred. Also, Prosecution Database / List of Vanishing Companies available on www.sebi.gov.in RBI Defaulters Database available on www.cibil.com and United Nations Security Council resolution [UNSCR] and <http://www.fatf-gafi.org/> should be checked.

- Refer Back-office software/tool to verify from the blocked PAN numbers

The screenshot shows a web application titled "Blocked PANs Details". It features a search bar at the top with "PAN No." and "Details" fields. Below the search bar is a table with columns for "Sl.", "Pan No.", "Name", "From Date", "To Date", and "Status". The table contains 20 rows of data, each representing a blocked PAN number and the name of the associated company. At the bottom of the page, there are input fields for "Pan No.", "From Date", "To Date", and "Details", along with "Go", "Cancel", "Refresh", and "Print" buttons.

Sl.	Pan No.	Name	From Date	To Date	Status
1	AAAP00000000	Amul Milk			
2	AAAP00000000	M/s. Vinay Jain			
3	AAAP00000000	Sanjay Sengupta			
4	AAAP00000000	Omraj Chao			
5	AAAP00000000	"Omraj Kumar Bhambhaniwal" Tiruvallur Dist-600077TIN:"			
6	AAAP00000000	"Sudhakar Varghese Lakshaj" PAN-61030007			
7	AAAP00000000	M/s. Global Market Associates			
8	AAAP00000000	M/s. Vidyanandan Bank Supta			
9	AAAP00000000	Parvathi Systems Software Pvt Ltd			
10	AAAP00000000	M/S.Viswanath Shakti Roof Sheet Roofing Private Limited			
11	AAAP00000000	M. Sri J Shakti P Ltd			
12	AAAP00000000	Prakasham Management Services Pvt Ltd			
13	AAAP00000000	M/S. Prakasham Services Private Limited			
14	AAAP00000000	S. M. Logistics Private Limited			
15	AAAP00000000	Shriang Shreevast			
16	AAAP00000000	Shreevasthul Management Private Ltd			
17	AAAP00000000	Shreevasthul Trade Centre Private Ltd			
18	AAAP00000000	Shreevasthul Management And A			
19	AAAP00000000	Shreevasthul Management Private Limited			
20	AAAP00000000	Shreevasthul Management Private Limited			

- Keep watch on the welcome kits or other documents / letters received back undelivered at the address given by the client. Client to be contacted immediately on telephone and the trading, if suspected, should be suspended.
- Client authentication process through a voice recording process.
- Authenticity and credibility of Mass affluent clients should be verified by conducting onsite visit.
- Employee of Illuminati Trading should preferably not sign as witness on the Client Registration Form.
- If Employee of Illuminati Trading introduces the client, exact relation of the client with such employee should be documented.
- CPC does not open an account if unable to verify the identity of the clients based on the documents provided. **Such cases are reported immediately to Mr. Raghavendra B, Compliance Officer.**
- Review the above details on an going basis to ensure that the transactions being conducted are consistent with our knowledge of our customers, its business and risk profile, taking into account, where necessary, the customer's source of funds.
- Verify the accuracy of the identity of the customer from the Annex 1.

ROLE OF SETTLEMENT / ACCOUNTS TEAM

- Ensure that there is no cash / currency receipt/payment to the client.
- Ensure that there are no third-party receipt into / payment from the client account.

- Ensure that there are no unusual activities by the Client. Few such unusual activities are:
 - Buying and selling of securities that does not make economic sense
 - Transaction indicative of insider trading and / or market manipulation, for eg. Timely trading, trading outside normal patterns and the use of leverage or margin to increase purchasing power
 - Frequent redemptions

- Guard against “willful blindness” and “tipping off” offence
 - a) Willful blindness happens when the staff is very interested in the client’s business and cons himself/herself into believing any superficial response to questions by the Client
 - b) The tipping off offence happens when the staff tips off the client to an existing / a possible internal investigation into the clients account. This can potentially also be committed by sharing details of our due diligence process/ documents

- Flag for scrutiny / re-profiling should be raised if there is a change in client’s sources of wealth/funds or the ability to accumulate assets or any other significant changes in the client’s background or financial standing. Also, if the client engages in transactions which are inconsistent with their risk tolerance levels.

- Ensure that any information relating Money Laundering gathered during formal or informal conversation with clients is passed on to the Principal Officer through your Branch/Department Head

3. RECORD KEEPING:

For the purpose of the record keeping provision, we should ensure compliance with the record keeping requirements contained in the SEBI Act, 1992, Rules and Regulations made there-under, PMLA act, 2002 as well as other relevant legislation, Rules, Regulations, Exchange Byelaws and Circulars. Records to be maintained should be sufficient to permit the reconstruction of individual transactions (including the amounts and type of currencies involved, if any) so as to provide, if necessary, evidence for prosecution of criminal behavior. Should there be any suspected drug related or other laundered money or terrorist property, the competent investigating authorities would need to trace through the audit trail for reconstructing financial profile of the suspect's account.

To enable this reconstruction, Illuminati Trading would retain the following information for the accounts of their customers to maintain a satisfactory audit trail.

- a. The beneficial owner of the account.
- b. The volume of the funds flowing through the account; and for selected transactions.
- c. The origin of the funds.
- d. The form in which the funds were offered or withdrawn, e.g. cash, cheques, etc.
- e. The identity of the person undertaking the transaction.
- f. The destination of the funds.
- g. The form of instruction and authority. Organization should ensure that all client and transaction records and information are made available on a timely basis to the competent investigating authorities.

Points to be noted:

- All the records are maintained for 5 years from the date of cessation of the transactions for the purpose of the PMLA Act and additional 3 years under depository and stock broking regulations. Overall, the company is required to maintain all the records for the period of 8 years from the date of cessation of transaction.
- Strict procedures both to ensure that only relevant information is shared and to protect the security and confidentiality of this information, including segregating it from the firm's other books and records
- All the records and registers are maintained in accordance with the SEBI Act, 1992 and various Regulations applicable to different business divisions
- One senior officer under the guidance of Designated Officer will oversee the activities related to record maintenance
- Account opening forms are properly filed – location wise and date wise
- All the files are kept in the safe storage for the purpose of easy retrieval
- Designated Officer reports the status of record maintenance on a weekly basis
- No records are given to any third party without the approval of Principal Officer or AML Compliance Officer

CLIENTS OF SPECIAL CATEGORY (CSC)

- CSC Clients include the
 - Non-resident clients (NRI),
 - High Net worth clients (HNI) holding value of shares above one crore.
 - Trust, Charities, NGOs and organizations receiving donations.,
 - Companies having close family shareholdings or Beneficial Ownership,
 - Politically Exposed Persons (PEP) of Foreign Origin, Current /Former Head of State, Current or Former Senior High-profile politicians and connected persons (immediate family, close advisors and companies in which such individuals have interest or significant influence);
 - Companies offering foreign exchange, etc.) or
 - Clients from high-risk countries (like Barbados, Bulgaria; Burkina Faso, Croatia, Democratic Republic of Congo, Gibraltar, Jamaica, Mali, Mozambique, Nigeria, Philippines, Senegal, South Africa, South Sudan, Tanzania, Türkiye, UAE, and Uganda, etc.) or clients belonging to countries where corruption/fraud level is high, Clients with dubious reputation as per public information available etc.;

The parameters of clients into Clients of Special Category (as given below) may be classified as higher risk and higher degree of due diligence and regular update of KYC profile should be performed.

- ➔ Category – A : Low Risk - Clients are those pose low or nil risk.
- ➔ Category – B : Medium Risk - clients are those who are intra-day clients or speculative clients
- ➔ Category – C : High Risk- clients are those who have defaulted in the past, have suspicious background, do not have any financial status, etc.

CLIENT DUE DILIGENCE MEASURES

- Clients be sub-divided into High, Medium and Low –risk categories. High Risk accounts should be scrutinized regularly.
- For corporate clients, revised annual data (Financial / Shareholding) should be collected periodically at the end of each financial year.
- Credit worthiness should be verified in-house through independent supporting documents like financial statements, MCA records.

GROUP-WIDE AML/CFT INFORMATION SHARING:

The Company, being part of a financial group comprising regulated financial sector entities, may share customer, account, transaction, Client Due Diligence (CDD), suspicious transaction, and risk assessment information with group entities, compliance functions, audit functions, and AML/CFT teams, wherever necessary for the purposes of Anti-Money Laundering (AML), Combating Financing of Terrorism (CFT), regulatory compliance, risk management, internal audit, or investigation under applicable laws and regulations. Such sharing shall be carried out strictly on a need-to-know basis, subject to applicable confidentiality, data protection, and regulatory requirements.

The Company shall maintain appropriate safeguards to ensure confidentiality and security of customer information while enabling effective group-wide AML/CFT oversight and coordination.

AUDIT TRAIL

To enable any competent investigating authorities to trace through the chain of events, the following information for the accounts of customers is required to be maintained:

- The beneficial owner of the account.
- Inflow/outflow of funds routed through the account / and for the selected transactions:
 - The origin of the funds
 - The form in which the funds were offered or withdrawn, e.g. cash, cheques, bank drafts / pay order etc.
 - The identity of the person undertaking the transaction
 - The destination of the funds
 - The form of instruction and authority
 - The identity of official who made in-person verification

4. The identity of official who verified copies documents obtained from client with originals.ROLE OF RISK MANAGEMENT TEAM

RMS gives exposure to clients based on margin available in the system and clean exposure to selected clients based on the clearing corporation guidelines. It is the duty of RMS to validate such exposures with the financial details provided by the client in KYC form. Where there is a trading activity of the client, which is not commensurate with the financial details declared by the client, it should be analyzed and referred to the Principal Officer with reasons of suspicion.

MONITORING OF TRANSACTIONS

- Scrutinize unusually large transactions like, clients having traded in scrips/shares of a company for a quantity of 20,000 or more in a single day and volume in that scrip of that client is 5% or more of the total volume in that scrip at the Exchange.
- Check trade log for indication of negotiated trades (if any).
- Check for any relation of the client with the company / directors / promoters.
- Check previous trading pattern of the client in that particular scrip.
- Scrutinize bulk deal transactions by sample check. A 'bulk' deal constitutes transaction in a scrip (on a Exchange) where total quantity of shares bought/sold is more than 0.5% of the number of equity shares of the company listed on the Exchange
- Select randomly a few clients, pick up some of their high value transactions and scrutinize to check whether they are of suspicious nature or not.
- If there is a substantial increase in turnover in a dormant account then it, should be brought into the notice of the Branch Manager. Review balances and trading in the dormant accounts. Be vigilant on the movement of credit balances from the dormant account.
- Analysis be carried out by RMS to identify clients with huge and regular losses and who are still placing trades/orders. Identify the sources of funds in such cases.
- Suspicious transactions to include 'transactions integrally connected' as well as 'transactions remotely connected or related' including an **attempted transaction**, whether or not made in cash, which to a person acting in good faith.

Dormant Accounts

RMS to keep a close watch on inactive client codes/accounts which are inoperative for a **minimum period of 12 months** Inactive codes/accounts, generally, mean codes/accounts which are not used by clients in the preceding 12 months. All inoperative accounts should be deactivated and any further trading should be possible only after completion of reactivation.

Any new requests for orders to trade should be accepted from such clients only on receipt of **specific written request** from the client for permission to trade along with completion of all required formalities of KYC, if necessary.

5. HIGH STANDARDS IN HIRING POLICIES

ROLE OF HUMAN RESOURCE DEPARTMENT

- The Human Resource Department and other Department Heads involved in hiring new employees should have adequate screening procedure in place to ensure high standards in hiring new employees.
- Bona fides of employees be checked to ensure that the employees do not have any link with terrorist or other anti-social organizations.
- Not only "Know Your Customer" (KYC) documentations but also "Know Your Employee" documents should be in place.

ROLE OF LEGAL TEAM

- KYC forms and other documents drafted for each product should invariably have undertaking from the client that he is not indulging in or has not been associated with any money-laundering activity or terrorist activity and that he has not been convicted of any fraud/offence/crime by any regulatory/statutory/local/state/ authority existing in the country.
- All disclosure documents should have notice to the client informing about company's right to obtain and disclose any information about the client to the competent authority as may be required.
- Briefings to new employees at induction programs and rounds of small meetings and presentations at branch locations

All are requested not to accept cash from the clients whether against obligations or as margin for purchase of securities or otherwise. All payments shall be received from the clients strictly by "Account Payee" crossed cheques drawn in favour of the respective Company. The same is also required as per SEBI circulars no. SMD/ED/IR/3/23321 dated November 18, 1993 and SEBI/MRD/SE/Cir-33/2003/27/08 dated August 27, 2003 in respect of broking operations.

In case an Account Payee cheque has been received from a bank account other than that captured in records, the same may be accepted after ascertaining that the client is the first holder of the account after obtaining such other information as may be considered appropriate. Relevant copies of the supporting documents should be sent to HO and details of such accounts should be captured in the Client Master records.

Only in exceptional cases, bank draft/pay-order may be accepted from the client provided identity of remitter/purchaser written on the draft/pay-order matches with that of client else obtain a certificate from the issuing bank to verify the same.

6. CASH TRANSACTIONS

All employees are requested not to accept cash from clients under any circumstances, whether against obligations, as margin for the purchase of securities, or for any other purpose. All payments from clients must be received strictly through "Account Payee" crossed cheques drawn in favour of the respective Company. This requirement is in line with SEBI Circulars No. SMD/ED/IR/3/23321 dated November 18, 1993, and SEBI/MRD/SE/Cir-33/2003/27/08 dated August 27, 2003, which govern broking operations.

If an Account Payee cheque is received from a bank account other than the one recorded in the client's records, it may be accepted only after verifying that the client is the first holder of the account and after obtaining such additional information or documentation as deemed appropriate. Copies of the supporting documents must be forwarded to the Head Office, and the details of such accounts

should be updated in the Client Master records.

In exceptional cases, a bank draft or pay order may be accepted from a client, provided that the identity of the remitter/purchaser mentioned on the instrument matches that of the client. If it does not, a certificate from the issuing bank confirming the same must be obtained before acceptance.

All are requested to analyze and furnish details of suspicious transactions, whether or not made in cash. It should be ensured that there is no undue delay in analysis and arriving at a conclusion.

All cash transactions, if any, are required to be reported on monthly basis to Compliance Officer and CFO by Operations team before 5th of following month.

7. SUSPICIOUS TRANSACTIONS

All are requested to analyze and furnish details of any suspicious transactions, whether or not they involve cash. It must be ensured that the analysis is conducted promptly and that there is no undue delay in reaching a conclusion regarding such transactions.

WHAT IS A SUSPICIOUS TRANSACTION?

Suspicious transaction means a transaction whether or not made in cash, which to a person acting in good faith -

- a. Gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or
- b. Appears to be made in circumstance of unusual or unjustified complexity; or
- c. Appears to have no economic rationale or bona fide purpose

REASONS FOR SUSPICION

→ Identity of Client

- False identification documents
- Identification documents which could not be verified within reasonable time
- Non-face to face client
- Clients in high-risk jurisdiction
- Clients introduced by banks or affiliates or other clients based in high risk jurisdictions
- Doubt over the real beneficiary of the account
- Accounts opened with names very close to other established business entities
- Receipt back of well -come kit undelivered at the address given by the client

→ Suspicious Background: Suspicious background or links with criminals

→ Multiple Accounts

- Large number of accounts having a common parameter such as common partners / directors / promoters / address/ email address / telephone numbers introducer or authorized signatory
- Unexplained transfers between such multiple accounts.

→ **Activity In Accounts**

- Unusual activity compared to past transactions
- Use of different accounts by client alternatively
- Sudden activity in dormant accounts
- Activity inconsistent with what would be expected from declared business
- Substantial increases in business without apparent cause
- Account used for circular trading

→ **Nature of Transactions:** Whether attempted or executed

- Unusual or unjustified complexity
- No economic rationale or / non bonafide purpose
- Source of funds are doubtful
- Appears to be case of insider trading
- Purchases made on own account transferred to a third party through an off-market transactions through DP account
- Transactions reflect likely market manipulations
- Placing orders at price not commensurate with underlying price of scrip on exchanges
- Usual trading / placing of orders not commensurate with price of scrip, in case of re-listing of suspended securities / new issues/ corporate actions, etc
- Suspicious off market transactions
- Transfer of investment proceeds to apparently unrelated third parties
- Clients transferring large sums of money to or from overseas locations with instructions for payment in cash*

→ **Value Of Transactions**

- Value just under the reporting threshold amount in an apparent attempt to avoid reporting
- Large sums being transferred from overseas for making payments
- Inconsistent with the clients apparent financial standing
- Inconsistency in the payment pattern by client
- Block deal which is not at market price or prices appear to be artificially inflated/deflated.

8. WHAT TO REPORT?

- The nature of the transaction
- The amount of the transaction and the currency in which it was denominated
- The date on which the transaction was conducted: and
- The parties to the transaction.
- The reason of suspicion.

9. WHEN TO REPORT?

In terms of the PMLA rules, brokers and sub-brokers are required to report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit using reporting portal <https://fiuindia.gov.in/files/misc/finnet2.html>

FINnet 2.0 (Financial Intelligence Network 2.0) is the upgraded electronic platform developed by FIU-IND (Financial Intelligence Unit – India) to facilitate and streamline the collection, analysis, and sharing of financial intelligence related to suspicious and high-value transactions under the Prevention of Money Laundering Act (PMLA), 2002.

10. HIRING EDUCATION & TRAINING

The success of implementation of the policy is highly depended on the employees and their job profile which have linked directly or indirectly to money laundering activities. Hiring is done according to the SEBI PMLA guidelines & other applicable laws after doing internal due diligence & identification process. Illuminati Trading has decided to develop an ongoing employee training under the leadership of the AML Compliance Officer and senior management.

The training includes:

- a. how to identify red flags and signs of money laundering that arise during the course of the employees' duties;
- b. what to do once the risk is identified
- c. what employees' roles are in the firm's compliance efforts and how to perform them

Others:

1. Illuminati Trading will maintain records to show the trained people, the dates of training, and the subject matter of their training.
2. Illuminati Trading will review our operations to see if certain employees, such as those in compliance, margin, and corporate security, require specialized additional training.
3. Our written procedures will be updated to reflect any such changes.
4. All the transactions of employees are monitored, and actions are taken, wherever necessary.
5. Employees will report any violations of the firm's AML compliance program to the AML Compliance Officer, unless the violations implicate the Compliance Officer, in which case the employee shall report to Such reports will be confidential, and the employee will suffer no retaliation for making them.

INVESTOR EDUCATION:

Implementation of AML/CFT measures requires intermediaries to demand certain information from investors which may be of personal nature or has hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records

etc. This can sometimes lead to raising of questions by the client with regard to the motive and purpose of collecting such information. There is, therefore, a need for intermediaries to sensitize their clients about these requirements as the ones emanating from AML and CFT framework. Intermediaries shall prepare specific literature/ pamphlets etc. so as to educate the client of the objectives of the AML/CFT programme.

Illuminati Trading takes initiatives to educate clients / investors about the importance & impact of Anti Money Laundering Guidelines. Initiatives may include "sending informative notes, important Circulars, Pamphlets etc.to clients", "displaying PMLA policy/notes on Illuminati Trading website" etc. "

11. RELIANCE ON THIRD PARTY FOR CDD

Illuminati Trading would rely on the data uploaded on the portals of CVL, NDML, DOTEX and other KYC Registration Agencies for the purpose of: (a) identification and verification of the identity of a client (b) determination of whether the client is acting on behalf of a beneficial owner, (c) identification of the beneficial owner and verification of the identity of the beneficial owner. However, Illuminati Trading would not completely rely on the KRAs for the client due diligence and the KYC department would seek fresh and additional documents in cases wherever it finds any suspicion or in cases where there is a noticeable change in the KYC details provided by the client at the time of registration.

12. LIST OF DESIGNATED INDIVIDUALS/ ENTITIES:

An updated list of individuals and entities subject to various sanction measures - such as **freezing of assets/accounts and denial of financial services** - as approved by the **United Nations Security Council Committee** established under various **UN Security Council Resolutions (UNSCRs)**,

These can be accessed at the following websites:

- <http://www.un.org/sc/committees/1267/consolist.shtml>
- <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring.html>

Illuminati Trading shall ensure that **no accounts are opened** in the name of any individual or entity whose name appears on these lists. Furthermore, Illuminati Trading shall **continuously monitor and review all existing accounts** to confirm that none are held by or linked to any of the listed individuals or entities. In the event that any account bears a resemblance to names appearing in the lists, **full details shall be immediately reported to SEBI and FIU-IND.**

13. GUIDELINES ON IDENTIFICATION OF BENEFICIAL OWNERSHIP

A. 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 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 means ownership of/entitlement to more than 10% of shares or control or profits of the juridical person, where the juridical person is a company/ Body Corporate/Firm.*

- b. In cases where there exists doubt under clause 4 (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 4 (a) or 4 (b) above, the identity of the relevant natural person who holds the position of senior managing official.

B. 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 identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 10% 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.

C. 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.

D. Applicability for foreign investors:

Clients under the categories - 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.

REPORTING OF SUSPICIOUS TRANSACTIONS TO FIU-IND THROUGH COMPLIANCE DEPARTMENT

All Department Heads are required to report suspicious transactions to the Compliance Officer through Head – Operations

- The Compliance department to compile all suspicious transactions
- The Principal Officer to report all such transactions to FIU-IND

Procedure for Compliance with UN Sanctions under Section 51A of the UAPA, 1967

To ensure timely compliance with orders and directions issued under Section 51A of the Unlawful Activities (Prevention) Act, 1967, Illuminati Trading shall adhere to the following procedure:

- a) **Implementation of UAPA Directions:** Upon receipt of the updated list of individuals/entities subject to UN Sanctions from SEBI, Illuminati Trading shall promptly implement the prescribed procedure relating to the freezing and unfreezing of financial assets as mandated under the UAPA.
- b) **Monitoring of Designated Lists:** The Company shall maintain and regularly update electronic records of all designated individuals/entities and verify whether any such persons hold funds, securities, or economic resources with Illuminati Trading.
- c) **Immediate Reporting of Matches:** If any customer's details match those of a designated individual/entity, Illuminati Trading shall report the particulars within 24 hours to:
 - Nodal Officer (UAPA), MHA – Fax: 011-23092551 | Email: jsctcr-mha@nic.in | Tel: 011-23092548
 - A copy shall also be dispatched by post.

d) **Intimation to SEBI, State/UT Nodal Officer, and FIU-IND:**

Simultaneous intimation shall be sent to:

- UAPA Nodal Officer, SEBI (sebi_uapa@sebi.gov.in)
- State/UT UAPA Nodal Officer concerned
- Financial Intelligence Unit – India (FIU-IND)

e) **Action on Confirmed Matches:**

On confirmation of a match, Illuminati Trading shall immediately block all related financial transactions and report the action to the Joint Secretary (CTCR Division), MHA, as per prescribed guidelines.

f) **Suspicious Transaction Reporting:**

In all confirmed cases, an STR shall be filed with FIU-IND covering all relevant or attempted transactions.

14. OTHER IMPORTANT POINTS

- ➔ Reasons for treating any transaction or a series of transactions as suspicious should be recorded. It should be ensured that there is no undue delay in arriving at such a conclusion. Utmost confidentiality should be maintained in submitting the information.

- The reports may be transmitted by email/speed/registered post/fax at the Head Office addressed to the Principal Officer.
- No restriction may be put on operations in the accounts where a Suspicious Transaction Report has been made.
- It should be ensured that there is no tipping off to the client at any level.
- To freeze the funds, financial assets of the constituent up on the instructions from relevant authorities to do so.

15. FORMULATE/REVIEW/TRAINING ON THE INTERNAL POLICY AND PROCEDURE TO ALL STAFF

- This internal policy and procedure on “The Prevention of Money Laundering Act, 2002” should be brought to the notice of all employees by HRD through the Company’s intranet.
- Illuminati Trading shall formulate a program for Staff Training and implementing specific procedures for customer identification and retaining internal records of transactions.
- The Internal Policy should be placed before the Board of Directors and if any changes in the policy are warranted, the revised policy should be placed before the Board of Directors for review and approval. The policy will be reviewed yearly or to accommodate any regulatory changes whenever occurring.

16. DESIGNATED DIRECTOR

Pursuant to Prevention of Money Laundering Act 2002, we have appointed “**Designated Director**” who be responsible under said act.

Mr. Manjunatha K M

Designated Director

Email: manjukm@illuminatitrading.com

17. PRINCIPAL OFFICER

In case any further information /clarification is required in this regard, the ‘Principal Officer’ may be contacted.

Mr. Sachin M Hegde, Principal Officer

Email: compliance@illuminatitrading.com