

# SANKALP SHARE BROKERS PVT. LTD.

## Surveillance policy for transactional Alerts to be provided by the Exchange / or generated at our end

➤ **Transactional Alerts generated and sent by Exchanges on daily basis**

<b>Sr. No.</b>	<b>Transactional Alerts</b>	<b>Segment</b>
1	Significantly increase in client activity	Cash
2	Sudden trading activity in dormant account	Cash
3	Clients or relatives of Clients or group of clients, dealing in common scrips	Cash
4	Clients or relatives of Clients or group of clients is concentrated in a few illiquid scrips	Cash
5	Clients or relatives of Clients or group of clients dealing in scrip in minimum lot size	Cash
6	Clients or relatives of Clients or group of clients concentration in a scrip	Cash
7	Circular Trading	Cash
8	Pump and Dump	Cash
9	Wash Sales	Cash & Derivatives
10	Reversal of Trades	Cash & Derivatives
11	Front Running	Cash
12	Concentrated position in the Open Interest / High Turnover concentration	Derivatives
13	Order book spoofing i.e. large orders away from market	Cash
14	Clients trading in illiquid scrips	Cash
15	Trading activity of High Risk clients	Cash & Derivatives

The above alerts along with the alerts generated through Back-office software are to be checked regularly by the Compliance Team and after receipt of the same necessary steps to be taken as mentioned below:

1. Analysis of the Orders / Trades undertaken by the Client / Group of clients on the basis of Financial Soundness, Past Trading Pattern, Bank /Demat transaction details & other publicly available information etc.
2. If necessary, Issue letter to Client and Seek necessary explanation / clarification from the client for entering into such transactions within 7 days of receipt of the Alert and reply of the same to be obtained in a time-bound manner.
3. Seek documentary evidence such as Bank Statement / Demat Statement / Financial Statements etc.
4. The period of Bank Statement / Demat Statement may be at least +/- 15 days from the date of transactions to verify whether the funds / securities for the settlement of such trades actually belongs to the client for whom the trades were transacted.
5. After analyzing the documentary evidences, including the bank / demat statement, Compliance Team shall record its observations for such identified transactions or Client(s) / Group of Client(s). In case of Exchange generated alerts, non reply by client or adverse observations being recorded, the same shall be reported to the Exchange within 45 days of the alert generation. In case of Alerts generated at our back-office , non reply by client or adverse observations being recorded, the same shall be reported to the FIU-IND within 7 days of arrival at a conclusion.
6. However in cases where the alerts cannot be disposed off within 45 days of alerts generation, additional time is required for Exchange generated alerts the same shall be intimated to the exchanges along with necessary reason to seek extension of the time period.
7. Record of all the above mentioned alerts along with action taken , letters issued to clients, reply received from the clients along with necessary attachments are to be preserved & kept separately for the period of at least 5 years.

Overall surveillance policy would be implemented & monitored by the Compliance Officer and he is responsible for day to day implementation of the same within the organization. A Quarterly MIS report should be prepared and put before the Board of Directors wherein details of the alerts received, disposed , pending etc. are to be presented and board be apprised of any exception noticed during the disposition of Alerts. The Compliance Officer would be responsible for the Record Maintenance & reporting of such activities before all necessary authorities including Exchanges / FIU etc.

The above Surveillance Policy should be updated on a periodic basis based on inputs obtained from Exchanges or inputs derived from within the Organization after ratification from the Board of Directors.