

SAAKETA INVESTMENT SERVICES LIMITED

CIN: L74140TG1992PLC014483

Corporate Member – NSE / BSE/MCX INZ000179131, CDSL: IN-DP-CDSL-707-2022

Regd Off: 3-4-616/1, 2nd floor, Narayanguda, Hyderabad – 500 029

Standard Operating Procedure for DP Operations Surveillance Alerts:

CDSL Alerts:

Indicative themes:

- 1 Alert for multiple demat accounts opened with same demographic details: Alert for accounts opened with same PAN /mobile number / email id/ bank account no. / address considering the existing demat accounts held with the DP.
- 2 Alert for communication (emails/letter) sent on registered Email id/address of clients are getting bounced.
- 3 Frequent changes in details of demat account such as, address, email id, mobile number, Authorized Signatory, POA holder etc.
- 4 Frequent Off-Market transfers by a client in a specified period
- 5 Off-market transfers not commensurate with the income/Networth of the client.
- 6 Pledge transactions not commensurate with the income/Networth of the client.
- 7 Off-market transfers (High Value) immediately after modification of details in demat account
- 8 Review of reasons of off-market transfers provided by client for off-market transfers vis- à-vis profile of the client e.g. transfers with reason code Gifts with consideration, frequent transfers with reason code Gifts/Donation to unrelated parties, frequent transfers with reason code off-market sales
- 9 Alert for newly opened accounts wherein sudden Increase in transactions activities in short span of time and suddenly holding in demat account becomes zero or account becomes dormant after some time.
- 10 Any other alerts and mechanism in order to prevent and detect any type of market manipulation activity carried out by their clients.

II. IN-HOUSE ALERTS

1. Client / group of clients, as identified by the trading member, accounting for a significant percentage of the total trading activity in a scrip / contract as compared to the market.
2. Client / group of clients with new account or clients dealing after a significant time gap, as identified by the trading member, accounting for significant value / percentage of total trading activity in a scrip / contract as compared to the market.
3. Client / group of clients dealing frequently in small quantities/minimum market lot in a scrip /contract.
4. Disproportionate trading activity vs reported income / Net worth.

5. Frequent changes in KYC submitted by clients.
6. Based on an announcement by a listed company, identify Client / group of clients, having possible direct / indirect connection with a listed company, who have undertaken any suspicious trading activity prior to price sensitive announcement by said listed company.
7. Client / group of clients having significant selling concentration in the scrips, forming part of 'For Information list' or 'Current Watch list'.
8. Consistency in profit / loss at client / group of clients' levels, rationale for such trading activities.
9. Significant trading activity in scrips by client who has pledged the shares of same scrip.
10. In case of concerns of trading activity of a client or a group of clients in a scrip, monitoring and monitoring client's address as per KYC vis a vis the dealing office address.
11. Related to DP Operation: Significant trading activity in scrips where client has pledged shares or has significant holding or as frequent off-market transactions.
12. Related to Internet based Trading: Surveillance / monitoring of IP addresses of clients (including identification of multiple client codes trading from the same location)

We will maintain register (electronic/physical) for recording of all alerts generated. While reviewing alerts, we shall obtain transaction rationale, verify demat statement and also obtain supporting documents as required from the client.

After verifying the documentary evidences, we will record its observations for such identified transactions of its Client.

With respect to the transactional alerts provided by Depository, we shall ensure that all alerts are reviewed, and status thereof (Verified & Closed / Verified & Reported to Depository) including action taken is updated within 30 days. Detailed procedure w.r.t

sharing of alert by Depository with DPs and report submission by DPs in this regard will be provided separately.

With respect to the alerts generated at our end, we shall report instances with adverse observation, along with details of action taken within 7 days of the date of identification of adverse observation.

E. Obligation of Compliance officer, Designated Director:

1. The surveillance activities shall be conducted under overall supervision of its Compliance Officer.
2. A quarterly MIS shall be put up to the Designated Directors on the number of alerts pending at the beginning of the quarter, generated during the quarter, processed and acted upon during the quarter and cases pending at the end of the quarter along with reasons for pendency and action plan for closure. Also, the Designated Director shall be apprised of any exception noticed during the disposition of alerts.
3. Designated Directors would be responsible for all surveillance activities carried out.

F. Obligation of Quarterly reporting of status of the alerts generated to Exchanges/Depository:

We will provide duly approved status of the alerts on a quarterly basis, in the prescribed format to the

Exchange/Depository within 15 days from end of the quarter

G. General:

1. A daily reporting of the alerts to the Designated Director and Principal Officer.
2. Quarterly MIS to the Board of Directors , if there are alerts as to the number of alerts received, disposed off during the quarter and pending at the end of the quarter and the reasons for pendency should be discussed and appropriate action taken for disposing of the alerts.
3. The surveillance process to be conducted under overall supervision of its Compliance Officer/Principal Officer. Compliance Officer of the Company and their team would be to be responsible for all surveillance activities carried out for the record maintenance and reporting of such activities under the supervision of the Designated Director.
4. Internal auditor shall review the surveillance alerts, its implementation, effectiveness and review the alerts generated during the period of audit. Internal auditor shall record the observations with respect to the same in their report.