

# **AMRAPALI CAPITAL AND FINANCE SERVICES LIMITED**

## **Surveillance Policy**

### **Purpose:**

Effective surveillance mechanisms is require to monitor the daily activity of the clients, their trading pattern, their profit & loss through the said activity etc.

Effective surveillance help in achieving Investor protection, Due Diligence of client, Market integrity and safeguard of capital market and to establish groups / association amongst clients to identify multiple accounts / common account / group of clients and thus have a bird eye on suspicious and manipulative trading activity of such clients/groups.

The surveillance mechanisms has to be established on trading and demat activity of the clients through reports/ alerts generated from own back office software as well as from alerts provided by Exchanges.

### **Receipt of Alerts from back office software:**

We always check the alerts generated from the back office software and analyze the same to understand the nature and purpose of the transaction

### **Receipt of Alerts from Exchange :**

As per the circulars issued by the Exchanges the trading member will receive certain alerts from the exchange on daily/monthly basis as mentioned below:

1. Increase in client trading activity from previous month Cash
2. Significantly increase in client activity Cash
3. Sudden trading activity in dormant account Cash
4. Clients/Group of Client(s), deal in common scrips Cash
5. Client(s)/Group of Client(s) is concentrated in a few illiquid scrips Cash
6. Client(s)/Group of Client(s) dealing in scrip in minimum lot size Cash
7. Client / Group of Client(s) Concentration in a scrip Cash
8. Circular Trading Cash
- 9 Pump and Dump Cash
- 10 Wash Sales Cash & Derivatives
- 11 Reversal of Trades Cash & Derivatives
- 12 Front Running Cash

13 Concentrated position in the Open Interest / High Turnover concentration Derivatives

14 Order book spoofing i.e. large orders away from market Cash

**Analysis of Client(s) transaction(s)/alert(s) :**

On receiving the said alerts from the exchange we shall analyze each and every alert with the information available with us. In order to analyze/verify such alert we shall examine trading activity of the Client(s) / Group of Client(s) or scrips identified based on above alerts.

a) We may seek written explanation/undertaking from such identified Client(s) / Group of client(s) for entering in to such transactions.

b) We also ask for documentary evidences such as Bank statement / Demat transaction or holding statement within the period of such transactions or more than that.

We may also ask for financial details of the client such as income tax return , salary slip , Annual returns etc.

After analyzing the documentary evidences, such as the bank / demat statement or any other documents relevant to the said alert/transaction, we shall record its observations for such identified transactions or Client(s) / Group of Client(s).

In case any adverse observations are recorded, We shall report all such instances to the Exchange.

**Alerts reflecting on trading terminals:**

The implementation of SEBI and Exchanges rule has been undertaken relating to the alerts and messages to be flashed to the clients on their screens for pre-trade confirmations.

**Alerts generation on Back-Office level:**

The current backoffice has set parameters on which alerts are generated and taken care of by conducting due diligence and maintaining records of the same.

**Time frame for disposition of alerts :**

In case adverse observations/alerts are recorded, we shall report such instances to the Exchanges within 45 days of alert generation. In case there is delay, we shall seek extension of the time period from the exchange after giving proper reason for delay.

**Suspicious / Manipulative activity identification and reporting process :**

After analysis of the transaction/alerts, documentary evidences and information available with us. We shall identify the suspicious / manipulative transactions of any of the client /group of clients, if any and shall report the same to the exchange within the prescribed time limit Further we may stop / banned client for doing further trading at our end.

**Record maintenance :**

We shall maintain and keep all such records and documentary evidences that have been analysed / taken by us either In soft copy or In hard copy for the time period as prescribed by the regulatory authority. We shall produce such records as and when asked by exchanges or by the regulatory authority.