

DP Surveillance Policy

In order to strengthen the Surveillance framework and also to comply the depository circular no CDSL / OPS / DP /SYSTM / 2021 /309, dated April 22, 2023 the company has framed the Surveillance policy

Company shall generate surveillance alerts as per indicative themes given hereunder

Sr. No.	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.

Apart from the aforesaid indicative themes, there shall be depository generated transactional alerts

The company will analyse and review these alerts based on the facts and verification of relevant documents including / networth as provided by the beneficiary owner.

Further, company will carry out the due diligence of clients on an on-going basis and ensure that key KYC parameters of the clients are updated on a periodic basis as prescribed by SEBI and latest information of the client is updated in depository system.

Transaction Review

In order to analyze the trading activity of the Client(s) / Group of Client(s) or scrips identified based on above alerts, the company shall do the following activity:

- Seek explanation from such identified Client(s) / Group of Client(s) for entering into such transactions.
- Seek documentary evidence such as bank statement / demat statements or any other documents to satisfy the genuiness of the transaction
- Source of funds and securities.
- In case of funds, bank statements of the client(s) / group of Client(s) from which funds pay-in have been met / in case of stocks, documentary evidence including holding / transaction statement of the client(s)/ group of clients for which stocks pay-in have been met, bought
- The period for such statements 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.

After analyzing the documentary evidences, including the bank / demat statement, the company shall record its observations for such identified transactions or client(s) / group of client(s).

Update the status of the transaction alerts within 30 days from the date of alert generation with observations for the alerts provided by the depository

As with regard to company internal alerts, the company shall report instances only in case of any negative adverse observation, along with details of action taken to CDSL within timelines i.e. 7 days.

The company will maintain the record of alerts and observation

The surveillance activities shall be conducted under overall supervision of Compliance Officer.

A quarterly MIS shall be prepared and tabled at the board meeting.

The MIS shall contain

- Number of alerts pending at the beginning of the quarter.
- Alerts generated during the quarter.
- Alerts processed and acted upon during the quarter.
- Alerts pending at the end of the quarter along with reasons for pendency.
- Action plan for closure.

Also, the Board shall be apprised of any exception noticed during the disposal of alerts.

Internal auditor of DP shall review the surveillance policy, its implementation, effectiveness.

The Internal auditor shall also review the alerts generated during the period of audit, observations recorded and also shall verify that the quarterly MIS is prepared and placed before the Board of the DP.

Policy Prepared by D.Bangaru Babu (Compliance Officer)

Policy Reviewed by N.Subramanian (Designated Director)

The company has reviewed on 19-Apr-2025