

## Surveillance Policy

To aid in the task of Risk Management, it is essential to have a mechanism that would trigger an alert of any unusual trading activity at the end of Clients position. For such surveillance, a non-RM Managerial person shall be authorised to monitor the position and trades of all the Clients On market and off market and bring in knowledge of the Compliance Officer of any such unusual activity.

### Scrip-wise Surveillance

#### **A. Online Surveillance.**

1. The surveillance Manager watches the online trades as they are executed, and extra ordinary volume in the particular scrip or client is immediately investigated by calling up the Dealer / RM and asking for details of clients and as per the details made available, the clients previous purchase or sales transactions are looked into, by viewing the ledgers.
2. We have allocated group limit for A, B1, B2, T, TS and Z group. The Surveillance Manager gives limit in a very conservative manner, especially, illiquid scrips. Trading in such scrips are discouraged and allowed on a case to case basis, based on the level of confidence in the client. Any limit accretion requests are first investigated and then upon being satisfied with the bonafide of the trade as well as the client, limits are accordingly increased.
3. Since the same staffs are monitoring the trades daily, any pattern in trading / limit enhancement is reported once a week to the director for further investigation.

#### **B. Offline Surveillance**

1. Unusually large volume is checked especially if the client has incurred a loss, or unusually high profits.
2. Where volumes are unusually high, they are compared with the total volume in the exchange for the day in that particular scrip, and such reporting is done to the Compliance Officer.
3. Price movement over a 3 / 6 months period is also tracked.
4. After due investigation, Surveillance Manager reports to the Compliance Officer / Director its finding and thereafter is required; such scrip is disabled for trading for that client and his Family Members.

## **Client-wise Surveillance**

1. All the clients who have traded in the scrip placed in where there is unusual volume visa-vis average volume are scrutinized for their other scrip dealings.
2. Looking at the general quality of scrips that they are dealing in, Surveillance Manager reports to the Compliance Officer / Director for further action on whether we want to continue to deal as a broker for that client or not.
3. Intra-day Scrip Wise Volume:-The Surveillance Manager offline tracks the intra-day loss of all clients. The Surveillance Manager prepares & scrutinizes the statement to look at any unnatural volumes happening without delivery.