

SANJAY AGARWAL BROKING LIMITED

ECSL0710, AMBUJA NEOTIA ECOCENTRE, EM 4, SALT LAKE SECTOR V, KOLKATA - 700091 ● TEL: +91 33 46020776

SANJAY AGARWAL BROKING **LIMITED**

SURVEILLANCE POLICY

2020

SANJAY AGARWAL BROKING LIMITED

ECSL0710, AMBUJA NEOTIA ECOCENTRE, EM 4, SALT LAKE SECTOR V, KOLKATA - 700091 ● TEL: +91 33 46020776

1. OBJECTIVE

Leading Stock Exchanges Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE") have put in place a mechanism that will generate automated alerts for Stock Brokers & Trading Members whenever suspicious transactions are detected in their clients' accounts. The alerts will be generated in case of unusual changes in the trading pattern of the clients, sudden trading in dormant accounts as also in suspected cases of circular trading, 'pump and-dump', front running" and 'wash-sale' activities etc

2. BACKGROUND

National Stock Exchange vide circular no. NSE/INVG/22908 dated March 7, 2013, intimated that the Exchange would be downloading the following alerts based on the trading activity of the client for facilitating the effective surveillance mechanism and directed the stock brokers to frame a surveillance policy for the same. The surveillance policy shall cover the maintenance and disposition of alerts received from exchanges/generated at our end.

In view of the above, the SAS endeavors to frame this policy for surveillance of these alerts and the manner of disposal of the same.

The said surveillance and disposal of the alerts shall be done on the following grounds:

- Receipt of Alerts" from Exchanges / generated at member's end
- Time frame for disposition of alerts and if there is any delay in disposition, reason for the same shall be documented
- Suspicious / Manipulative activity identification and reporting process.
- Record Maintenance

In this regard, in order to facilitate effective surveillance mechanisms at the Broker level, the Exchanges have derived following transactional alerts that would be downloaded to the trading members. This will facilitate the Company to effectively monitor the trading activity of its clients.

SANJAY AGARWAL BROKING LTD.

Sanjay Kumar Sonu
Director

SANJAY AGARWAL BROKING LIMITED

ECSL0710, AMBUJA NEOTIA ECOCENTRE, EM 4, SALT LAKE SECTOR V, KOLKATA - 700091 ■ TEL: +91 33 46020776

List of Transactional Alerts to be provided by BSE & NSE

Sr. No.	TRANSACTIONS ALERTS	SEGMENT
1	Significant increase in client activity	Cash
2	Sudden trading activity in dormant account	Cash
3	Clients/Group of Client(s), deal in common scrip's	Cash
4	Client(s)/Group of Client(s) is concentrated in a few illiquid scrip's	Cash
5	Client(s)/Group of Client(s) dealing in scrip in minimum lot size	Cash
6	Client / Group of Client(s) Concentration in a scrip	Cash
7	Circular Trading	Cash
8	Pump and Dump (Pump-and-dump" involve the touting of a company's stock (typically small, so-called "microcap" companies) through false and misleading statements to the marketplace.)	Cash
9	Wash Sales (A wash sale is trading activity in which shares of a security are sold at a loss and a substantially identical security is purchased)	Cash & Derivatives
10	Reversal of Trades	Cash & Derivatives
11	Front Running (Execution of orders in a security for its own account by the member while taking advantage of advance knowledge of orders from its customers)	Cash
12	Concentrated position in the Open Interest / High Turnover concentration	Derivatives
13	Order book spoofing i.e. large orders away from market	Cash

3. CLIENT(S) INFORMATION:

- The Company is required to carry out the Due Diligence of its client(s) on a continuous basis.
- The Company shall ensure that key KYC parameters are updated on a continuous basis as prescribed by SEBI and latest information of the client is updated in UCC database of the Exchange.
- Based on KYC and updated information the Company shall establish groups/ association amongst clients to identify multiple accounts / common account/ group of clients.

SANJAY AGARWAL BROKING LTD.

Sanjay Kumar Soma

Director

SANJAY AGARWAL BROKING LIMITED

ECSL0710, AMBUJA NEOTIA ECOCENTRE, EM 4, SALT LAKE SECTOR V, KOLKATA - 700091 ● TEL: +91 33 46020776

4. MONITORING AND REPORTING

- Unexplained, unusual or abnormal transactions which are not in line with the normal expected trend of transactions in the account are required to be identified and should be reported accordingly
- In view of the above, the Company shall download the aforementioned alerts in addition to the existing internal monitoring of the transactions
- Upon receipt of alerts, the same are to be forwarded to the concerned dealer/RM of the client(s) seeking an explanation/clarification from the client(s) reason behind carrying out such trade(s) in their accounts
- In addition to above, the Company also seeks documentary evidence from clients such as bank statement / updated financial statement
 - a) In case of funds, Bank statements of the Client(s) / Group of Client(s) from which funds pay-in have been met, to be sought
 - b) In case of securities, demat account statements of the Client(s)/ Group of Client(s) from which securities pay-in has been met, to be sought. 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, the Company should record its observations for such identified transactions or Client(s)/Group of Client(s).
- The Company may seek extension of the time period from the Exchange, wherever required.

5. RECORD MAINTENANCE

As per the company's Anti Money Laundering policy, the background including all documents / office records / clarifications sought pertaining to such transactions & purpose thereof shall be examined carefully & finding shall be recorded in writing. Documents & records should be made available to auditors & SEBI /Stock Exchanges / FIUIND etc. Records are required to be preserved for 5 years.

SANJAY AGARWAL BROKING LTD.

Sanjay Kumar Sen
Director

SANJAY AGARWAL BROKING LIMITED

ECSL0710, AMBUJA NEOTIA ECOCENTRE, EM 4, SALT LAKE SECTOR V, KOLKATA - 700091 ● TEL: +91 33 46020776

6. REVIEW POLICY:

This Surveillance Policy is subject to the review of the senior management of the Company, who shall verify its implementation, effectiveness and review the alerts generated during the period of audit.

The above guidelines are illustrative and not exhaustive. Based on facts and circumstances, officials are required to exercise their independent judgment and take adequate precaution.

SANJAY AGARWAL BROKING LTD.

Sanjay Kumar Sanan
Director