

# ISHANIKA SECURITIES PVT. LTD.



Member : National Stock Exchange of India Ltd.  
SEBI Registration No. CM : INB 231049330 / F&O : INF 231049330

## SURVEILLANCE POLICY

### Applicability & Awareness

The Board of Directors has approved the following guide lines in order to carry out the policy for surveillance as necessary for the company to manage internal control with reference to Exchange Circular No. NSE/INVG/22908 dated 07/03/2013.

### Objective

A market can be considered efficient if no single entity or group of entities can influence the price discovery based on available information and / or demand and supply. The main objectives of the system can be summarized below:

- To detect potential abnormal activity.
- Capture real time data on surveillance system.
- To generate alerts in case of aberrations.

### Surveillance Obligations for Trading Members

The following activities are also required to be carried out by us based on UCC parameters:

#### **Client(s) Information:**

We are required to carry out the Due Diligence of our client(s) on a continuous basis. Further, we shall ensure that key KYC parameters are updated on a periodic basis as prescribed by SEBI and latest information of the client is updated in UCC database of the Exchange. Based on this information, we can establish groups/ association amongst clients to identify multiple accounts/ group of clients.

#### **Analysis:**

In order to analyze the trading activity of the Client(s) / Group of Client(s) or scripts identified based on Transactional alerts received from the Exchange and Alerts generated at our end, we are required to:

- a) Seek explanation from such identified Client(s) / Group of Client(s) for entering into such transactions.
- b) Seek documentary evidence such as Bank statement / Demat transaction statement or any other documents to satisfy ourselves.
- c) After analyzing the documentary evidences, including the Bank / Demat statement, we shall record our observations for such identified transactions or Client(s) / Group of Client(s). In case of adverse observations are recorded, we shall report all such instances to the Exchange within 45 days of the alert generation. We may seek extension of the time period from the exchange, whenever required.

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## Alerts

### **Online Real Time Alerts**

These alerts are based on the trade related information during the trading hours. These alerts include intra-day price movement related and abnormal trade quantity or value related alerts.

### **Online Non real Time Alerts**

These alerts are based on the traded related information at the end of the day and the available historical information.

## Monitoring and Reporting

Transactional Alerts received from the Exchange and Alerts generated at our end shall be disposed of within 15 days and if there is any delay in disposition, reason for the same shall be recorded. A quarterly MIS shall be put to the Board on the number of alerts pending at the beginning of the quarter, generated during the quarter, disposed off during the quarter and pending at the end of the quarter. Reason for pendency shall be discussed and appropriate action taken.

The whole Surveillance process shall be conducted under the supervision of Mr. Jugal Kishore Sharma, Compliance Officer of the Company. He shall be responsible for all surveillance activities carried out by the company and for the record maintenance and reporting of such activities.

## PRECAUTIONS WHILE TRADING FOR CLIENTS

We are required to ensure proper due diligence while registering new clients. We are also required to be cautious while trading in illiquid securities either on own account or on behalf of their clients. Some examples of such cases could be:

- Orders placed away from the market price
- Significant concentration of the client to the market quantity
- Trading concentrated only in one script or a group of scripts.
- Repeated pattern of losses.
- Client trading indulging in synchronized transactions.
- Regular trading in securities classified as illiquid by the Exchanges.
- Possible order book manipulation.

**POLICY ADOPTED ON APRIL 01, 2013.**

**By order of the Board of Directors**

ISHANIKA SECURITIES PVT. LTD.

*Hari Prasad Khator*

Director