

RAJSONS SECURITIES LIMITED

Regd. Office: 306 ASHOK BHAWAN 93 NEHRU PLACE NEW DELHI-110019

SURVEILLANCE POLICY

As approved by its management on 15 may 2013

INTRODUCTION:

National Stock Exchange of India Limited (NSE) vide is circular dated 7th March 2013 has directed the trading members to frame the a surveillance policy for effective monitoring of trading Members and monitoring the alert based on trading activity on ensure that proper checks and balance are in control and Dooger & Associates Securities Ltd (The Company) is framing policy accordingly.

SCOPE:

The company shall implement the following policy:-

1) Transactional Alert to be provided by the exchange:

In order to facilitate effective surveillance mechanism, the Firm would download the below mentioned alert based on trading activities on the exchanges.

Sr. no.	Transactional Alerts	Segment
1	Significantly increase in client activity	Cash
2	Sudden tracing activity in dormant account	Cash
3	Clients/Group of Client(s), deal in common Scripts	Cash
4	Client(s)/Group of Client(s) is concentrated in a few illiquid Scripts	Cash
5	Client(S)/Group of Client(s) dealing in Scrip in minimum lot size	Cash
6	Client(s)/Group of Client(s) concentration in a scrip	Cash
7	Circular Trading	Cash
8	Pump and Dump	Cash
9	Wash Sales	Cash

10	Reversal Running	Cash
11	Front Running	Cash
12	High Turnover Concentration	Cash
13	Order Book Spoofing i.e. large order away from market	Cash

The Firm may formulate its own alerts in above mentioned type of alerts.

2) Clients Information:

The Company will carry out of Due Diligence of its client(s) on a yearly basis. Further, Doogar & associate Securities Ltd shall ensure that key KYC parameters are updated on a yearly basis and latest information of the client is updated in Unique Client Code (UCC) database of the Exchange. Based on this information the company shall establish group / association amongst clients to identify multiple accounts /common account/group of clients.

3) Analysis:

In order to analyze the trading activity of the Client(s) /Group of client(s) or scripts identify based on above alerts, Doogar & associates Securities Ltd will carry out the following procedure:

- a. To seek explanation from such identify client(s) /group of Client(s) for entering into such transactions.
- b. To seek documentary evidence from such as bank Statement /demat transaction statement or any other documents as below:
 - a. In case of fund, Bank statement of the Client(s) /Group of Client(s) from which securities, demat account statement of the Client(s) /Group of client(s) from which securities pay-in has been met, to be sought.
 - b. The period for such statement may be at 15 days from the date of transactions to verify whether the fund /securities for the settlement of such trades actually belongs to the client for whom the trade were transacted.
- c. The company shall review the alerts based upon:
 - a. type of the alerts downloaded by the exchange.
 - b. Financial details of the clients.
 - c. Past trading pattern of the clients /client group.
 - d. Bank / Demat transaction details.

- e. Other connected clients in UCC (common email/mobile number/address, other linkage, etc).
 - f. Other publicly available information.
- d. After analyzing the documentary evidence, including the bank/demat statement the Firm will record its observation for such identified transactions or Client(s)/ Group of Client(s). In case adverse observations are recorded, the compliance officer shall report all such instances to the Exchange within 45 days of the alert generation. The Firm may seek extension of the time period from the exchange, wherever required.

4) Monitoring and reporting :

For effective monitoring, the Company;

1. Within 30 days of alert generation shall dispose of the alert, and any delay in disposition, reason for the same shall be documented.
2. In case of any Suspicious or any Manipulative activity is identified, the same will be mentioned in the Register to be stock Exchange within 45 days of the alert generation.

a. The Company shall prepare quarterly MIS and shall put to the Directors on the numbers 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 shall be taken. Also, the Board shall be apprised of any exception noticed during the disposition of alerts. The surveillance process shall be conducted under overall supervision of its compliance officer.

Compliance officer would be responsible for all surveillance activities carried out by the company and for the record maintenance and reporting of such activities.

- b. Internal auditor of the company shall review the surveillance policy, its implementation, Effectiveness and review the alerts generated during the period of audit. Internal auditor shall Record the observations with respect to the same in their report.