

## **RUDRA SHARES & STOCK BROKERS LIMITED**

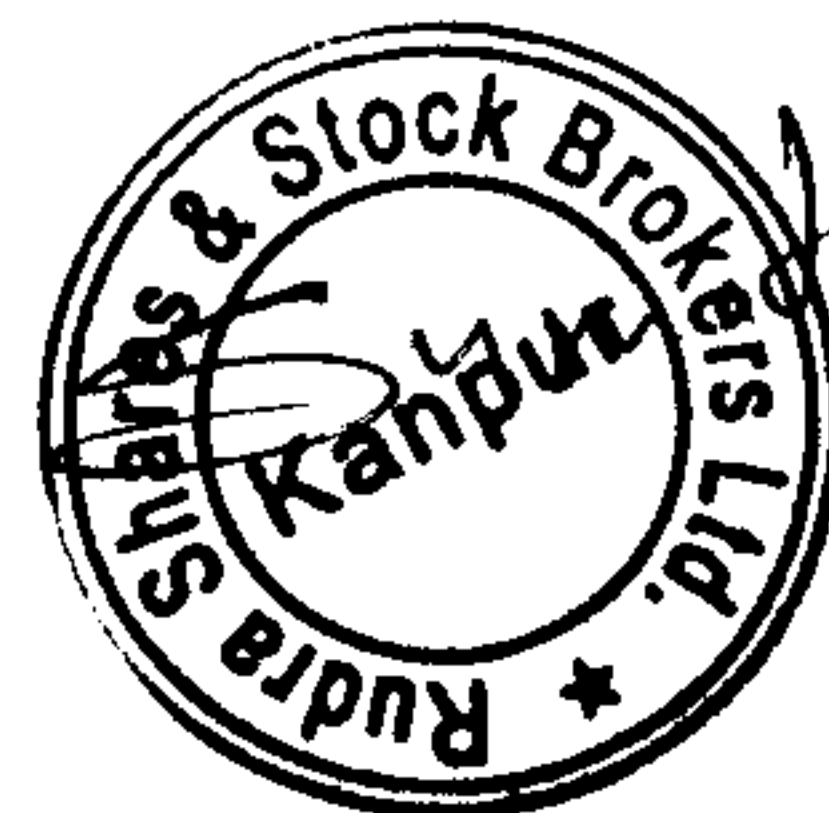
### **Surveillance Policy and Procedures**

Surveillance and monitoring is very crucial part of today's trading system. effective surveillance can achieve investor protection , market integrity and safeguard of capital market. The main objective of surveillance is to stop suspicious and manipulated trading activity by individual or group of individuals on the exchange platform.

#### 1. Receipt of Alerts from Exchange :

As per the circulars issued by the exchanges the trading member will receive certain alerts from the exchange on daily/monthly basis as mentioned below :

Sr. No.	Transactional Alerts	Segment
1.	Increase in client trading activity from previous month	Cash
2.	Significantly increase in client activity	Cash
3.	Sudden trading activity in dormant account	Cash
4.	Clients/Group of Client(s), deal in common scrips	Cash
5.	Client(s)/Group of Client(s) is concentrated in a few illiquid scrips	Cash
6.	Client(s)/Group of Client(s) dealing in scrip in minimum lot size	Cash
7.	Client / Group of Client(s) Concentration in a scrip	Cash
8.	Circular Trading	Cash
9.	Pump and Dump	Cash
10.	Wash Sales	Cash & Derivatives
11.	Reversal of Trades	Cash & Derivatives
12.	Front Running	Cash
13.	Concentrated position in the Open Interest / High Turnover concentration	Derivatives
14.	Order book spoofing i.e. large orders away from market	Cash



## 2. Analysis of Client(s) transaction(s)/alert(s) :

On receiving the said alerts from the exchange we shall analyze each and every alerts with the information available with us. In order to analyze/verify such alert we shall examine trading activity of the Client(s) / Group of Client(s) or scrips identified based on above alerts.

a) We may seek written explanation/undertaking from such identified Client(s) / Group of client(s) for entering in to such transactions.

b) We also ask for documentary evidences such as Bank statement /Demat transaction or holding statement within the period of such transactions or more than that. We may also ask for financial Details of the client such as income tax return , salary slip , Annual returns etc.

After analyzing the documentary evidences, such as the bank / demat statement or any other documents relevant to the said alert/transaction, we shall record its observations for such identified transactions or Client(s) / Group of Client(s). In case any adverse observations are recorded, We shall report all such instances to the Exchange.

## 3. Time frame for disposition of alerts :

In case adverse observations/alerts are recorded , we shall report such instances to the Exchanges within 45 days of alert generation. In case there is delay , we shall seek extension of the time period from the exchange after giving proper reason for delay.

## 4. Suspicious / Manipulative activity identification and reporting process :

After analysis of the transaction/alerts , documentary evidences and information available with us. We shall identify the suspicious / manipulative transactions of any of the client /group of clients, if any and shall report the same to the exchange within the prescribed time limit Further we may stop/banned client for doing further trading at our end.

## 5. Record maintenance:

We shall maintain and keep all such records and documentary evidences that have been analyzed/taken by us either In soft copy or In hard copy for the time period as prescribed by the regulatory authority. We shall produce such records as and when asked by exchanges or by the regulatory authority.

