



**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 stock 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   |
|---------|--|
| 1.      | Increase in client trading activity from previous month                  |
| 2.      | Significantly increase in client activity                                |
| 3.      | Sudden trading activity in dormant account                               |
| 4.      | Clients/Group of Client(s), deal in common scrips                        |
| 5.      | Client(s)/Group of Client(s) is concentrated in a few illiquid scrips    |
| 6.      | Client(s)/Group of Client(s) dealing in scrip in minimum lot size        |
| 7.      | Client / Group of Client(s) Concentration in a scrip                     |
| 8.      | Circular Trading   |
| 9.      | Pump and Dump  |
| 10.     | Wash Sales   |
| 11.     | Reversal of Trades   |
| 12.     | Front Running  |
| 13.     | Concentrated position in the Open Interest / High Turnover concentration |
| 14.     | Order book spoofing i.e. large orders away from market                   |

**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 30 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 shall be maintained and preserved for a period of Eight years or for higher period as prescribed by the regulatory authority. We shall produce such records as and when asked by exchanges or by the regulatory authority.

### 6. Review of Policy:

The Surveillance Policy shall be reviewed on periodic basis and at least once in a year by the Compliance Officer to ensure that the same is updated in line with market trends, updated regulations and practices.

**Last review Date 25-03-2025.**