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## POLICIES AND PROCEDURES SURVEILLANCE POLICY

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### FOR STOCK BROKING AND DEPOSITARY PARTICIPANT OPERATIONS

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Dated 19.07.2024

#### 1. Applicability

The policy is applicable to the stock broking operations and depository participant (DP) operations w.e.f. 01.08.2021 of Fair Intermediate Investment Pvt. Ltd. (FIPL). The policy is approved in the meeting of Board of Directors of Fair Intermediate Investment Pvt. Ltd. (FIPL) dated 28.07.2021.

The policy is framed in accordance with the provisions of SEBI Circular No. SEBI/HO/ISD/ISD/CIR/P/2021/22 dated 01.03.2021, NSE Circular No. NSE/SURV/48818 dated 01.07.2021 and CDSL communique No. CDSL/OPS/DP/SYSTEM/2021/309 dated 15.07.2021.

#### 2. Obligation of Trading Members/CDSL-Depository Participants to frame Surveillance Policy:

**Trading Member - Fair Intermediate Investment Private Limited, is a broking entity providing services to retail clients. For effective monitoring, the Trading Member shall formulate a monitoring policy taking into account the various types of clients offering retail services through various modes such as call and trade, mobile based trading, internet based trading (through Exchange CTCL platform only) and combination thereof. The said monitoring policy shall, inter alia, cover the following:**

- A. Generation of appropriate surveillance alerts which may be guided by the indicative themes given in para 2 below (the list is inclusive and not exhaustive) as well as transaction alerts downloaded by the exchanges. (Transaction alerts downloaded by the exchanges are based on certain thresholds or parameters. Trading members will also have their own thresholds or parameters to detect any suspicious trading activity).
- B. Processing of alerts within 30 days from the date of downloading of alerts by exchanges and alerts generated by the trading member.
- C. Documentation of reasons for any delay in settlement of any alert.
- D. Identification of suspicious/manipulative activity.
- E. Outline of appropriate actions that may be taken by the trading member. In addition to obligations under the Prevention of Money Laundering Act (PMLA), actions may include suspending trading activity of the suspicious client, or any other action that may be deemed appropriate.
- F. The records may be maintained and updated in electronic form and/or physical form on an annual basis (Financial Details). Other Details & Data when required as per guidance prescribed by PMLA/SEBI Guidance.

#### 3. Obligation of Trading Member/ CDSL-Depository Participants to generate additional Surveillance alerts:

The Stock Exchanges & Depository viz. NSE/BSE and CDSL are providing alerts based on predefined criteria to the all the stock brokers including FIPL through their portals. As per applicable Circulars, FIPL is reviewing these alerts and taking appropriate actions after carrying out due diligence viz. either disposing off alerts with appropriate reasons/findings recorded or filing Suspicious Transaction Report (STR) with FIU-India in accordance with provisions of PMLA (Maintenance of records) Rules, 2005.

In addition to the same, FIPL has framed its Surveillance Policy for Stock Broking operations to generate alerts as per guidance provided in NSE Circular No. NSE/SURV/48818 dated 01.07.2021 based on following criteria:

In addition to the transactional alerts downloaded by Exchanges, Trading member will also generate appropriate surveillance alerts at our end, to enable us to effectively monitor the trading activity of our clients at our end as per the laid down surveillance policy.

The indicative themes on which trading member may formulate alerts are as under. The trading member also needs to analyze patterns and trends with respect to different themes.

#### **4. Surveillance Policy for Stock Broking:**

- 1.1 The indicative themes that will be considered by the Trading Member will be as enumerated below.
- 1.2 Trading activity in a single day by one client or group of clients who have contributed more than 25% in single scrip or a single derivative contract.
- 1.3 A client or a group of clients who are either new client/ clients or who have reactivated their trading account after significant time gap and who have contributed more than 50% of the total trading volume of a single scrip or derivative contract in a single day.
- 1.4 Client or a group of clients dealing frequently in small quantities in a scrip.
- 1.5 Trading activity of a client found to be disproportionate considering a reported income range details or Net-worth.
- 1.6 A client who has submitted modification request for changes in his/her/its demographic details of address, email id, mobile number, bank details etc. at least twice in a month.
- 1.7 A client or a group of clients who have been found to have direct or indirect connection with a listed company and who have executed any transactions prior to any dissemination of any price sensitive information by such listed company.
- 1.8 A client or group of clients having more than 20% volume of any scrip listed in for 'information list' or 'current watch list'.
- 1.9 A client or group of clients which persistently earn or incur high amount of loss through their trading activities or clients who appear to have executed trades with the objective of transfer of profits or losses.
- 2.0 A client who is holding more than 5% of paid up capital of a listed company and has pledged 100% of his/her/it's such holding for margin purpose and who has also significant trading volume in the same scrip which he/she/it holds.
- 2.1 In case of a client or a group of clients who have been identified as per any of the above 9 criteria and whose orders are placed through a dealing office which is far from such client's address as per his/her/its KYC.
- 2.2 A client having demat account with FIPL and who has holding in a scrip of more than 5% of paid up capital of a listed company which has received the same shares though off-market transfer.
- 2.3 A client who has received shares of a listed company through multiple off-market transfer and has pledged such shares.
- 2.4 Identification of IP addresses of clients to identify multiple client codes trading from same IP address.
- 2.5. Clients who are connected with each other as per key KYC parameters of the clients as updated by respective client.
- 2.6 The stock broking operation shall review the alerts provided by Stock Exchanges on an ongoing basis and shall ensure to process the same as early as possible. In any case, these alerts will be processed within 45 days from the date of generation of the alert by the Stock Exchanges.

2.7 In case of any delay in disposing off any alerts, reasons for the same shall be recorded.

2.8 The stock broking operation shall identify suspicious/ manipulative activities undertaken by any client through monitoring of order(s) and trade(s).

2.9 The stock broking operation shall, in case of reporting of any transaction as STR to FIU-India, shall evaluate whether any further action including suspension of the trading activity of the suspect client(s), reporting to Stock Exchanges/SEBI and/or other Regulatory Authorities.

3.0 The stock broking operation shall maintain records for such period as is prescribed under PMLA (Maintenance of Records) Rules, 2005, and Securities Contracts (Regulation) Rules, 1957 and any other directions as may be issued by SEBI/ Stock Exchanges from time to time.

## **5. Surveillance Policy for operations as Depository Participant:**

3.1. CDSL is providing transactional alerts on a weekly basis based on threshold defined by CDSL to all the Depository Participants including FIPL through CDSL report download utility. As per applicable Communiqués, FIPL is reviewing these alerts and taking appropriate actions after carrying out due diligence viz. either disposing off alerts with appropriate reasons/findings recorded or filing Suspicious Transaction Report (STR) with FIU-India in accordance with provisions of PMLA (Maintenance of records) Rules, 2005.

3.2. In addition to the same, FIPL has framed its Surveillance Policy for Stock Broking operations to generate alerts as per guidance provided in NSE Circular No. NSE/SURV/48818 dated 01.07.2021 based on following criteria:

3.3. Multiple Demat accounts opened with same PAN/mobile number/ email ID/ bank account details/ address. While reviewing BO account details, the details of existing BO shall also be considered.

3.4. Email/ letters sent to clients on their registered email ID/address which bounces/ returns undelivered.

3.5. A BO who has submitted modification request for changes in his/her/its demographic details of address, email id, mobile number, bank details, POA holder, Authorised Signatory etc. at least twice in a month.

3.6. Frequent off-market transfer of securities more than twice in a month without genuine reasons.

3.7. Off-market transactions not commensurate with the income/networth of the BO.

3.8. Pledge transactions not commensurate with the income/networth of the BO.

3.9 High value off-market transfer immediately after modification of either email ID/mobile number/ address without genuine reason.

4.0 Review of reasons for off-market transfer provided by the BO which appears non-genuine based on either profile of the BO or on account of reason codes, including frequent off-market transfer with reason code gift/donation to unrelated parties and/or with reason code off-market sales.

4.1 Sudden increase in transaction activity in a newly opened account in a short span of time. An account in which securities balance suddenly reduces to zero and an active account with regular transaction suddenly becomes dormant.

4.2 The DP shall review the alerts provided by CDSL on fortnightly basis and shall ensure to process the same as early as possible. In any case, these alerts will be processed within 30 days from the date of generation of the alert by CDSL.

4.3 In case of any delay in disposing off any alerts, reasons for the same shall be recorded.

4.4 The DP shall identify suspicious/ manipulative activities undertaken by any client through monitoring of transaction(s)

4.5 The DP shall, in case of reporting of any transaction as STR to FIU-India, shall evaluate whether any further action including disassociating with the suspect client(s) and reporting to CDSL/SEBI and/or other Regulatory Authorities.

4.6 The DP shall maintain records for such period as is prescribed under PMLA (Maintenance of Records) Rules, 2005, and Securities Contracts (Regulation) Rules, 1957, SEBI (Depository and Participants) Regulations, 1996, DP Operating Instructions and any other directions as may be issued by SEBI/ Stock Exchanges from time to time.

## **6. Process of disposal of alerts and action:**

4.7 The designated officials who are tasked to review the alerts on daily basis shall review the same.

4.8 If the designated official finds after review and due diligence that the alert is required to be closed, the official shall close the same with appropriate remarks.

4.9 If the designated official after due diligence and making such inquiry as such official finds necessary comes to a conclusion that the alert warrants an action, the official will forward the same with his/her views to the Compliance Officer for his/her approval.

5.0 The Compliance Officer, after review of the alerts along with the submitted comments of the designated official, decides to close the alert, he/she shall close it with appropriate remarks. If the Compliance Officer finds that action in respect of such alert is warranted, he/she shall take such actions including filing STR with FIU-India, informing to Stock Exchanges and CDSL and/or discontinue the relationship with the client.

5.1. The report of such instances along with adverse observations and details of actions taken shall be submitted to the Stock Exchanges/ CDSL within 7 day from date of identification of such instances.

5.2. The records of alerts generated, disposed of as closed and details of action taken wherever applicable shall be maintained with such security measures as would make such records temper proof and the access is available on to designated officials under the supervision of the Compliance Officer.

DP shall ensure that Maker-Checker mechanism is followed during processing and disposal of surveillance alerts

## **7. Obligations of Compliance Officer/ Designated Director and Internal Auditor of the Stock Broking Business and Depository Participant operations:**

The surveillance activities of trading member shall be conducted under overall supervision of its Compliance Officer.

5.3 The surveillance activities of the stock broking operations and that of DP operations shall be conducted under overall supervision of the Compliance Officer of FIIP. The policy implemented by FIIP in accordance with the provisions of Prevention of Money Laundering Act, 2002 and rules made thereunder as Reporting Entity.

5.4 A quarterly MIS shall be put up by the Compliance Officer to the board and the Designated Director giving number of alerts generated during the quarter, number of alerts closed, number of alerts on which action taken with details of action taken and number of alerts pending at the end of the quarter along with reasons for pendency and action plan for closure. The Board as well as the Designated Director shall be apprised of any exception noticed during the disposal of the alerts.

5.5 The Designated Director shall be responsible for all surveillance activities carried out by the trading member.

5.6 FIPL shall submit its surveillance policy to the internal auditor for stock broking operations and internal auditor of DP operations for review and shall satisfy the queries/questions, if any, raised by the internal auditor with respect to the implementation of the surveillance policy, its effectiveness and the alerts generated.

### 8. Obligation of Quarterly reporting of status of the alerts generated for Stock Broking Operations and Depository Participant Operations:

5.7 A quarterly statement providing duly approved status of alerts in respect of stock broking operations on quarterly basis shall be submitted to BSE and NSE in the following format within 15 days after the end of the quarter:

#### A. Status of Alerts generated by the Trading Member:

Name of Alert	No. of alerts under process at the beginning of quarter	No. of new alerts generated in the quarter	No. of alerts Verified & Closed in the quarter	No. of alerts referred to Exchange (*)	No. of alerts pending/ under process at the end of quarter

#### B. Details of alerts referred to the Exchange

Sr. No.	Date of Alert	Type of Alert	Brief observation and details of action taken	Date referred to Exchange

#### C. Details of any major surveillance action taken (other than alerts referred to Exchanges) if any during the quarter

Sr. No.	Brief action taken during the quarter

In case FIPL does not have anything to report, a "NIL Report" shall be filed within 15 days from the end of the quarter.

5.8 A quarterly statement providing duly approved status of alerts in respect of DP operations on quarterly basis shall be submitted to CDSL in the following format within 15 days after the end of the quarter:

#### A. Status of Alerts generated by the Depository Participant:

Name of Alert	No. of alerts under process at the beginning of quarter	No. of new alerts generated in the quarter	No. of alerts Verified & Closed in the quarter	No. of alerts referred to Exchange (*)	No. of alerts pending/ under process at the end of quarter

#### B. Details of any major surveillance action taken (other than alerts reported to CDSL) if any during the quarter

Sr. No.	Brief action taken during the quarter

In case FIPL DP operation does not have anything to report, a "NIL Report" shall be filed within 15 days from the end of the quarter.

## 9. Schedule of the implementation of the policy:

5.9. The policy shall be implemented by stock broking operations with effect from 01.08.2021. The first reporting by Stock Broking operations shall be submitted within 15 days of 30.09.2021.

6.0. The policy shall be implemented by DP operations with effect from 01.10.2021. The first reporting by DP operations shall be submitted within 15 days of 31.12.2021.

## 10. Penalty in case of late / non submission of Quarterly Reporting of status:

Trading member should note that in case of late / non submission of quarterly reporting of the alerts generated by the trading member as mentioned in Para 6 above, trading member shall be liable for penalty as given below:

### **Submission of status report beyond stipulated period Penalty to be imposed**

1st instance Rs.10,000 per day till submission of quarterly report

2nd instance onwards Rs.20,000 per day till submission of quarterly report

Trading members may note that aforesaid penalty shall be levied on a monthly basis based on slabs as mentioned above and same shall be debited in the monthly bill.

## 11. Disciplinary Action for non-fulfilment of Surveillance obligation by Trading Members:

Trading member may note that during investigation / inspection, if it is observed that the member has not fulfilled their surveillance obligations, then appropriate disciplinary action shall be initiated against the concerned trading member.

Any non-compliance with respect to surveillance obligations which may inter alia include delay in processing of transactional alerts downloaded by the Exchange and repeated instances of delay in reporting of the status of alerts, may result in further disciplinary action as deemed fit in terms of Rules, Bye-laws and Regulations of the Exchange.

It may further be noted that aforesaid measure does not preclude SEBI / Exchange to take any further action(s), if the facts and circumstances so demand.

## 12. Review of Policy:

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

### **Notes forming part of CDSL- Depository Participant's Surveillance Policy:**

DPs have to analyze and review these alerts based on facts and verification of relevant documents including income/net worth as provided by BO. Further, DPs are required to exercise their independent judgment and take appropriate action in order to detect any abnormal or suspicious transactions.

Our DPs surveillance policy shall take into account the cognizance of type of clients, number of demat accounts, number of transactions etc. and which shall, inter alia, cover the following:

- i. Generation of suitable surveillance alerts which may be guided by indicative themes (the list is inclusive and not exhaustive) given in point B below
- ii. Review and disposal of transactional alerts provided by CDSL (Transactional alerts provided by CDSL will be based on some thresholds. DPs may have their own different thresholds or own parameters to generate additional alerts of their own in point I above, so as to detect any suspicious transaction activity).
- iii. Documentation of reasons for delay, if any, in disposition of alerts.

## Annexure I (FOR NSE/ BSE)

Transactional alerts downloaded by the Exchange to facilitate effective surveillance at the Member end:

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

BSE – Alerts can be downloaded by log-in into e-Boss Surveillance System.

NSE - Alerts can be downloaded by log-in into ENIT- ENIT Compliance- Investigation Department – Transactional Alerts.

### Suspicious / Manipulative activity identification and reporting process

Suspicious / Manipulative activity identification and reporting process include gathering of client information, analysing client activity, seeking documentary evidence required, monitoring the trading activities, record maintenance and reporting.

#### 1. Client Information

- Implementing Anti Money Laundering Policy viz a viz KYC standard for new clients acceptance and implementing high standard of due diligence process.
- Periodic updating of client database and having system to do continues due diligence.
- Identification of Beneficial Ownership
- Identification of Multiple Accounts/common Accounts/group of clients
- Analysing common emails, mobile numbers, address and other linkages
- Other publicly available information

#### 2. Analysing Client Activity

Client' trading pattern or activity shall be analysed based on Alert received/generated through exchange system. There are alerts which require only client confirmation or explanation or trading history analysis and there are other alerts which require documentary evidence viz. Bank Statement or Demat Statement for +/- 15 days as per Exchange requirements.

#### • Transaction Alerts falling under Sr. No. 1 & 2

It requires only trading history analysis, last 12 months trading turnover analysis, turnover v/s income range comparison and client confirmation on sudden activity in dormant account. Member shall also take reasonable steps to analyse these type of alerts and shall be required to close the status of alerts or report the exchange in case of any adverse findings.

- **In case of transactional alerts from Sr. No. 3 to 13,**

Apart from analysing trading history and income comparison, member shall take explanations regarding alerts received from the exchange and also ask for +/- 15 Days Bank Statement in case of Funds Movement and Demat Statement in case of movement of shares and Compliance Manager/Operation Manager shall verify whether the funds/securities for the settlement of such trades actually belongs to the client for whom the trades were transacted or not.

Members shall record observation for such transactional alerts and maintain records with regards to such analysis. In case, client failed to provide explanation or documentary evidences, such client shall be deactivated and shall be activated only after they satisfy all requirement of this policy.

### **Unsolicited Messages (SMS Stocks):**

Clients are advised to remain cautious on the unsolicited emails and SMS advising investorto buy, sell or hold securities and trade only on the basis of informed decision.

Investors are also requested to share their knowledge or evidence of systemic wrongdoing, potential frauds or unethical behavior through the anonymous portal facility provided onExchange website and mail at the following addresses

[invg@nse.co.in](mailto:invg@nse.co.in)

[investigation@bseindia.com](mailto:investigation@bseindia.com)

Clients to exercise caution towards unsolicited emails and SMS and also request their clientsto buy, sell or hold securities and trade only on the basis of informed decision. Clients are further requested not to blindly follow these unfounded rumours, tips etc. and invest after conducting appropriate analysis of respective companies.

In view of above & as a part of surveillance measure to protect investor's interest and maintain market integrity, Exchange has advised members to exercise greater caution with respect to tips / rumors circulated via various mediums such as analyst websites, social networks, SMS, WhatsApp, Blogs etc. while dealing in the securities listed on the Exchange on behalf of their clients.

The Securities identified by Exchange(s) in which unsolicited SMS are circulated shall be keptSuspended and barred from further buying & selling by us and shall be monitored on regularBasis

The Clients shall remain cautious on the unsolicited emails and SMS advising to buy, sell orhold securities and trade only on the basis of informed decision.

Broker may in exceptional circumstances, where the Client has dealt in "SMS Stocks, shall withhold the pay-out of funds and/or securities of the Client and/or suspend the Demat Accounts for Debits, without assigning any reasons, to adjust the Traded Value of Trades in such SMS Stocks with retrospective effect and transfer the same to the Designated Bank Account earmarked for this purpose as mandated by Stock Exchange(s)/SEBI from time-to- time and retain the same till directed by the Stock Exchange(s)/SEBI for such release.

### **Graded Surveillance Measures (GSM):**

In continuation with the various measures implemented above to enhance market integrity and safeguard interest of investors, the Compliance Officer and Risk Management Team shall also implement the Graded Surveillance Measures (GSM) on securities that witness an abnormal price rise that is not commensurate with financial health and fundamentals of thecompany.

At present, there are 6 stages defined under GSM framework viz. from Stage I to Stage VI. Surveillance action has been defined for each stage. Once the security goes into a particularstage, it shall attract the corresponding surveillance action. Stage wise Surveillance actions are listed below –



<b>Stage</b>	<b>Surveillance Actions</b>
I	Transfer to Trade for Trade with price band of 5% or lower as applicable.
II	Trade for Trade with price band of 5% or lower as applicable and Additional Surveillance Deposit (ASD) of 100% of trade value to be collected from Buyer.
III	Trading permitted once a week (Every Monday) and ASD of 100% of trade value to be collected from Buyer.
IV	Trading permitted once a week (Every Monday) with ASD of 200% of trade value to be collected from Buyer.
V	Trading permitted once a month (First Monday of the month) with ASD of 200% of trade value to be collected from Buyer
VI	Trading permitted once a month (First Monday of the month) with no upward movement in price of the security with ASD of 200% of trade value to be collected from Buyer

The Risk Management Team has to be extra cautious and diligent while dealing in such securities as they have been placed under higher level of surveillance. A file containing stage wise GSM details is available on the website of NSE and BSE at the following link:

- ❖ [https://www.nseindia.com/invest/content/equities\\_surv\\_actions.htm](https://www.nseindia.com/invest/content/equities_surv_actions.htm)
- ❖ [https://www.bseindia.com/markets/equity/EQReports/graded\\_surveil\\_measures.aspx](https://www.bseindia.com/markets/equity/EQReports/graded_surveil_measures.aspx)

GSM framework shall work in addition to existing actions undertaken by the Exchange on the company's securities.

### **The surveillance actions applicable for the shortlisted securities are as under:**

Securities shall be placed in Price Band of 5% or as directed by the Stock Exchange(s) from time to time  
Margins shall be levied at the rate of 100%.

ASM framework shall be in conjunction with all other prevailing surveillance measures being imposed by the Exchanges from time to time

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## **Annexure II (FOR CDSL- DEPOSITORY PARTICIPANTS)**

**Transactional alerts downloaded by the Exchange to facilitate effective surveillance at the Member end:**

<b>Sr. No.</b>	<b>Indicative themes:</b>
1	Alert for multiple demat accounts opened with same demographic details: Alert for accounts opened with same PAN /mobile number / email id/ bank account no. / address considering the existing demat accounts held with the DP.
2	Alert for communication (emails/letter) sent on registered Email id/address of clients are getting bounced.
3	Frequent changes in details of demat account such as, address, email id,mobile number, Authorized Signatory, POA holder etc.
4	Frequent Off-Market transfers by a client in a specified period
5	Off-market transfers not commensurate with the income/Net worth of the client.
6	Pledge transactions not commensurate with the income/Net worth of the client.
7	Off-market transfers (High Value) immediately after modification of details in demat account
8	Review of reasons of off-market transfers provided by client for off-market transfers vis-à-vis profile of the client e.g. transfers with reason code Gifts with consideration, frequent transfers with reason code Gifts/Donation to unrelated parties, frequent transfers with reason code off-market sales
9	Alert for newly opened accounts wherein sudden Increase in transactions activities in short span of time and suddenly holding in demat account becomes zero or account becomes dormant after some time.
10	Any other alerts and mechanism in order to prevent and detect any type of market manipulation activity carried out by their clients.
11.	Multiple demat accounts of different entities being opened with a common bank account.
12.	Accounts were opened by obtaining multiple PANs by single entity

### **Scrutiny and Disposal of the Transaction Alerts:**

1. The DP Operations team shall be responsible for analysing the alerts raised basis the parameters defined above on a quarterly basis.
2. The following steps to be followed for analysing the transaction alerts raised internally by the DP Operations team:
  - a. System generated reports, wherever available to be downloaded within 5 days of the end of the each quarter.
  - b. Obtain transaction rationale and obtain such supporting documents as may be required from the client.
  - c. After analysing the documentary evidences, including the bank / demat statement, if any, the DP Operations team shall record their preliminary observations for such identified transactions or client(s) / group of client(s) and share the same with the Compliance Officer within 10 days from the date of generation of alerts.
  - d. In case the Compliance Officer concludes the adverse observation to the alert, he/she shall in form CDSL within 15 days from date of identification of adverse observation.
3. With respect to the transactional alerts provided by CDSL, the DP Operations team and the Compliance Officer shall ensure that all alerts are reviewed and status thereof (Verified & Closed/Verified & Reported to Depository) including action taken is reported to CDSL within 30 days as per the prescribed process by CDSL

4. The records of alerts generated, disposed of as closed and details of action taken wherever applicable shall be maintained either in physical or electronic format by the DP Operations team with such security measures as would make such records temper proof and the access is available on to designated officials under the supervision of the Compliance Officer.

**Obligation of Quarterly reporting of status of the alerts generated by the Depository participants:**

**Status of Alerts generated by the Depository:**

Name of Alert	Opening Balance of alerts at the beginning of the quarter (A)	No. of alerts generated during the quarter (B)	Total no. of alerts (C=A+B)	No. of alerts closed during the quarter (D)	Alerts pending at the end of the quarter (E = CD)	Ageing analysis of the alerts pending at the end of the Quarter (since alert generation date) (Segregation of E column)					Reason for pendency#
						< 1 month	1-2 months	2-3 months	3-6 months	> 6 months	

# reason for pendency is required to be provided for outstanding alerts in each bucket of age.

The above format will come in effect from September 30, 2024. DP can submit the report in new format for the quarter ended September 2024.

**Policy created by: KULDEEP TRIVEDI**

**Policy reviewed by: NALIN RASTOGI**

**Policy reviewed on: 19<sup>th</sup> July 2024**

**Policy approved by: Board of Directors**

**Policy approved on: 19<sup>th</sup> July 2024**