**Surveillance Policy**

Raaj Ventures shall implement the following policy:-

**1) Transactional Alerts to be provided by the exchange:**

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

| Sr. No. | Transactional Alerts |
|---------|---------------------|
| 1 | Significantly increase in client activity |
| 2 | Sudden trading activity in dormant account |
| 3 | Clients/Group of Client(s), deal in common scrips |
| 4 | Client(s)/Group of Client(s) is concentrated in a few illiquid scrips |
| 5 | Client(s)/Group of Client(s) dealing in scrip in minimum lot size |
| 6 | Client / Group of Client(s) Concentration in a scrip |
| 7 | Circular Trading |
| 8 | Pump and Dump |
| 9 | Wash Sales |
| 10 | Reversal of Trades |
| 11 | Front Running |
| 12 | High Turnover Concentration |
| 13 | Order Book Spoofing i.e. large orders away from market |

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

**2) Clients Information:**

The Firm will carry out the Due Diligence of its client(s) on a yearly basis. Further, Raaj Ventures 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 Firm shall establish groups / 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 scrips identified based on above alerts, Raaj Ventures will carry out the following procedure:

a. To seek explanation from such identified Client(s) / Group of Client(s) for entering into such transactions.

b. To Seek documentary evidence such as bank statement / demat transaction statement or any other documents as below:

a. In case of funds, Bank statements of the Client(s) / Group of Client(s) from which funds pay-in have been met, to be sought. In case of securities, demat account statements of the Client(s) / Group of Client(s) from which securities pay-in has been met, to be sought.

b. The period for such statements may be at least 15 days from the date of transactions to verify whether the funds / securities for the settlement of such trades actually belongs to the client for whom the trades were transacted.

c. The Firm 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 linkages, etc)
f. Other publicly available information.

d. After analyzing the documentary evidences, including the bank / demat statement, the Firm will record its observations 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 Firm;

1. Within 30 days of alert generation shall dispose off 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 maintained for the purpose and will be reported to the Stock Exchanges within 45 days of the alert generation.

   a. The Firm shall prepare quarterly MIS and shall put to the Proprietor on the number of alerts pending at the beginning of the quarter, generated during the quarter, disposed of during the quarter and pending at the end of the quarter. Reasons for pendency shall be discussed and appropriate action shall be taken. Also, the Proprietor 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 Firm and for the record maintenance and reporting of such activities.

b.  Internal auditor of the Firm 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.

## 5) Record Maintenance

All documents relating to client accounts, surveillance, alerts generated, suspicious activity log with timeline from identification to disposal shall be maintained.

6) All policies shall be first approved by the Proprietor before being implemented.