

Surveillance Policy

(As per SEBI Circular No: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/96,
NSE Circular No: NSE/SURV/62827,
BSE Notice No. 20240705-11)

Version 1.1 dated March 03, 2025

Version 1.0 dated January 2, 2025

Table of contents

Introduction.....	3
Purpose	3
Scope.....	3
Objectives	3
Roles and Responsibilities	4
Surveillance Systems	4
Client(S) Information.....	4
Analysis	4
Monitoring and Reporting.....	5
Reporting Mechanism	6
Review and Update.....	6
Whistle blower Protection.....	6
Training and Awareness.....	7
Compliance with Regulations	7

Surveillance Policy

Introduction

In accordance with the SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/96 dated July 04, 2024; NSE Circular No: NSE/SURV/62827 dated December 31, 2024 and BSE Notice No. 20240705-11 dated July 07, 2024, stock brokers are mandated to establish a comprehensive institutional mechanism aimed at the prevention and detection of fraud or market abuse including this policy. Through this policy, GEPL Capital Private Limited ("GEPL") emphasizes implementation of robust surveillance systems that monitor trading activities, ensuring compliance with regulatory standards and safeguarding the interests of investors in the securities market. This policy outlines the framework for surveillance mechanisms, internal controls, and reporting procedures that GEPL adopts to effectively mitigate risks associated with fraudulent activities and market manipulation.

Purpose

The purpose of this Surveillance Policy is to establish a framework for monitoring trading activities to detect, prevent, and report potential fraud or market abuse. GEPL through this policy aims to ensure compliance with all regulatory requirements as specified by the regulatory authority and the Exchanges along with the Internal Committee headed by the Director.

Scope

GEPL through this policy applies to all employees, branches, sub branches, authorized persons (APs), and clients of GEPL. It encompasses all trading activities conducted through the GEPL's platforms.

Objectives

- To maintain the integrity of the securities market.
- To detect suspicious activities and potential fraud.
- To ensure compliance with Know Your Client (KYC) requirements.
- To establish clear reporting mechanisms for suspicious activities.

Roles and Responsibilities

- **Compliance Officer:** Responsible for overseeing the implementation of this policy and reporting any non-compliance to the Board.
- **Senior Management:** Ensure that adequate systems for surveillance and internal controls are in place and regularly updated.
- **Employees:** Required to report any suspicious activities or potential fraud to senior management immediately.

Surveillance Systems

GEPL has implemented and maintained adequate surveillance systems that include:

- **Know Your Client (KYC) Surveillance:** A system to verify the identity of clients and monitor their trading patterns.
- **Order and Trade Monitoring:** An Automated system to track orders and trades for unusual patterns or activities.
- **Alert Generation:** The board has set thresholds for generating alerts for various scenarios are set at reasonable levels, documented, and justified.

Client(S) Information

Due Diligence of its client(s) will be carried out on a continuous basis. It will also be ensure that key KYC parameters are updated on a continuous basis as prescribed by SEBI and latest information of the client is updated in UCC database of the Exchange. Based on this information, the Company will establish groups / association amongst clients to identify multiple accounts / common account / group of clients.

Analysis

In order to analyze the trading activity of the Client(s) / Group of Client(s) or scrips identified based on above alerts, Company will:

- Seek explanation from such identified Client(s) / Group of Client(s) for entering into such transactions.

- Seek documentary evidence such as bank statement / demat transaction statement or any other documents to satisfy itself:
 - 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.
 - b. In case of securities;

Demat account statements of the Client(s) / Group of client(s) from which securities pay-in has been met, be sought.
 - c. In case of Demat Off market or high Value Pay-in or other such alerts;

Demat Account Statements of the Clients(s)/securities; Group of client(s) from which such transaction is observed or telephonic conversion for confirmation. 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.
- After analyzing the documentary evidences, the Company will record its observations for such identified transactions or Client(s)/Group of Client(s).
- In case adverse observations are recorded, the Company will report all such instances to the Exchange within 45 days of the alert generation. The Company may seek extension of the time period from the Exchange, wherever required.

Monitoring and Reporting

Following procedure will follow for monitoring and reporting of alerts:

- Receipt of Alerts from Exchanges / DP/ generated.
- Time frame for disposition of alerts and if there is any delay in disposition, reason for the same shall be documented.
- Suspicious / Manipulative activity identification and reporting process.
- Record Maintenance

- A Quarterly MIS shall be put up to the Board on the number 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. Reasons for pendency shall be discussed and appropriate action will be taken. The Board shall be apprised of any exception noticed during the disposition of alerts.
- The surveillance process shall be conducted under the overall supervision of its Compliance Officer.
- Compliance Officer will be responsible for all surveillance activities carried out by the Company and for the record maintenance and reporting of such activities.
- Based on facts and circumstances, the Company will exercise its independent judgment and will take adequate precaution.

Reporting Mechanism

- Any employee who becomes aware of suspicious activity must inform senior management without delay.
- Suspicious activities must be reported to the stock exchanges within 48 hours of detection, along with relevant details.
- A summary analysis and action taken report on instances of suspicious activity will be submitted to the Exchanges on a half-yearly basis.

Review and Update

The Surveillance Policy will be reviewed and updated at least once a year or as per requirement of the market and regulatory changes.

Whistle blower Protection

GEPL has established, implemented and maintained a documented whistle blower policy providing a confidential channel for employees and other stakeholders to raise concerns about suspected fraudulent, unfair or unethical practices, violations of regulatory or legal requirements or governance vulnerability. This policy provides for protection of whistle blowers subject to any retaliation and procedure for complaints against the Managing

Director, Chief Executive Officer, key managerial personnel, Designated Directors or Promoters.

Training and Awareness

Regular training sessions shall be conducted for employees to ensure they are aware of the surveillance policy, their roles, and the importance of compliance with regulatory requirements.

Compliance with Regulations

This policy is designed to comply with the provisions of the all applicable laws include SEBI act, rules and regulations and their amendments.

This Surveillance Policy has been approved by the Board of Directors vide dated March 03, 2025.