

PRAKASH K SHAH SHARES AND SECURITIES PRIVATE LIMITED

Surveillance Policy

In compliance with the Depository Dated July 15,2021 this policy cover the following :

Terms used in this policy

This Surveillance policy based on Nature of DP business (i.e Bank stock broker etc),type of clients, number of demat accounts,number of transactions ec and which shall ,inter alia,cover the following,

i : Generation of suitable surveillance alerts which may be guided by themes given in point B below

ii : Review and disposal of transactional alerts provided by CDSL .

iii : Disposal of alerts within 30 days from the date of alerts generated at DP end and alerts provided by CDSL

iv : Reporting to CDSL and other authorities as applicable, in case of any abnormal activity.

V : Documentation of reasons for delay ,if any ,in disposition of alerts.

Vi : Framework of appropriate actions that can be us as per obligations under Prevention of Money laundering Act (PMLA)

Vii : This Surveillance policy shall be reviewed once in a year

B. The following appropriate Surveillance alerts generated from our DP BackOffice software which enable us

To monitor the transactions of our clients as per the Surveillance Policy, The indicative themes on which we can formulate our own

Alerts are as under :

- 1) Alert for Multiple accounts opened with the 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) Alerts for communication (email/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 transfer by a client in a specified period.
- 5) Off-market transfer 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) 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 manipulation activity carried out by our active clients.

The above mentioned alerts analyze and review based on facts and verification of relevant documents including Income/net worth as provided by BO, we will take appropriate action in order to detect any abnormal or suspicious transactions.

Following activities required to be carried out by us for clients due diligence :

- i We carry out the Due Diligence of our clients on an on-going basis
- ii KYC parameters of all active clients are updated on a periodic basis prescribed by SEBI and latest information of the client is updated in Depository System.

We here by maintain electronic register for recording of all alerts generated. With respect to the transactional alerts provided by Depository ,We shall ensure that all alerts are reviewed ,and status thereof (verified & closed / verified & reported to Depository) including

Action taken is updated within 30 days. With respect to the alerts generated at DP end shall report instances with adverse observation, along with details of action taken to CDSL within 7 days of the date of identification of adverse observation.

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, processed and acted upon during the quarter and cases pending at the end of the quarter along with reasons for pendancey and action plan for closure.

We shall ensure that all alerts are updated on a periodic basis as well as latest information of the clients is updated in clients demat accounts.

Policy Reviewed by :- Sandeep V Gurukar 20/02/2026

Policy Verfied by :- Pranav M Shroff 20/02/2026

For Prakash K. Shah Shares
& Securities Pvt. Ltd.



Director