



SURVEILLANCE POLICY

Maitra Commodities Private Ltd

SEBI Registration No - INZ000074139

MCX Trading Member ID- 55060

NSE Trading Member ID – 90175

Depository Participant ID – 89300

DP SEBI Registration No - IN-DP-430-2019

Objective of this policy

- To establish a surveillance mechanisms and controls in the operations /trading activity of our clients.
- To put in place appropriate controls for the detection and reporting of suspicious trading activities in accordance with applicable laws/laid down procedures.
- To comply with applicable laws and regulatory guidelines.

SURVEILLANCE POLICY
TRADING AND DEMAT

Duties and Responsibilities

This Surveillance policy is approved by the all Board of Directors of **M/s. Maitra Commodities Pvt Ltd** and 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. Further, reasons for pendency along with appropriate action taken to resolve them shall be discussed. Board shall be apprised of any exception noticed during the disposition of alerts.

Designated directors/ Compliance officer shall be the responsible for all surveillance activities carried out by **M/s. Maitra Commodities Pvt. Ltd.**, maintenance of record and reporting of such activities.

Internal auditor of **M/s. Maitra Commodities Pvt. Ltd.** shall review the surveillance policy, its implementation, effectiveness and the alerts generated during the period of audit. Internal auditor shall record the observation with respect to the same in their report.

Transaction Alerts

Our surveillance desk shall download all the below mentioned alert based on the trading activity of client provided by the exchange.

S. No.	Transaction Alerts	Duration
1	Significantly increase in client activity	Monthly
2	Sudden trading activity in dormant account	Monthly
3	Concentrated Position in the Open Interest	Daily
4	High Turnover Concentration	Daily
5	Clients/Group of Client(s), deal in common Commodity and Stocks	Daily
6	Client(s)/Group of Client(s) dealing in commodity in minimum lot size and in Penny Stocks or in illiquid stocks	Daily
7	Trading Pattern	Daily
8	Client code change monitoring	Daily
9	Wash Sales	Weekly
10	Front Running	Weekly

Clients Due Diligence

We shall carry out the Due Diligence of client(s) on a continuous basis and shall update all the KYC parameters as prescribed by SEBI and latest information of the client in Unique Client Code (UCC) database of the Exchange.

Analysis

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

1. Require explanation from such identified Client(s) / Group of Client(s) for entering into such transactions.
2. We shall require documentary evidence such as bank statement / demat transaction statement or any other documents. In case of funds, we shall require 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, we shall require demat account statements of the Client(s) / Group of Client(s) from which securities pay-in has been met, to be sought.
3. We shall analyze the documentary evidences, including the bank / demat statements; We shall record its observations for such identified transactions or Client(s) / Group of Client(s).
4. In case adverse observations are recorded, we shall report all such instances to the Exchange within **45 days** of the alert generation.
5. In case of extension is required, we shall send a request to exchange for a period of extension.

6. If explanation on the same shall not satisfactory / reply shall not receive within time period as above mentioned then we suspend the client from trading / report the instance to Regulators (if suspicious).

Monitoring and Reporting

All the alerts downloaded will be analyzed by Operations Manager & Compliance Officer keeping in view Client Type, Risk Categorization, Income Range Selected and Past Trading Pattern. In case of any adverse findings, same shall be informed to Exchange with comments within 45 days of receipt of Alert. In case of delay in disposition, written extension to be taken from respective exchange and reason for the same shall be documented.

1. Receipt of Alerts from Exchanges.
2. Time frame for disposition of alerts and if there is any delay in disposition, reason for the same shall be documented.
3. Suspicious / Manipulative activity identification and reporting process
4. Record Maintenance
5. 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.
6. The surveillance process shall be conducted under overall supervision of its Compliance Officer
7. Compliance Officer will be responsible for all surveillance activities carried out by the Company and for the record maintenance and reporting of such activities.

Surveillance Policy for operations as Depository Participant

- CDSL is providing transactional alerts on Fortnightly basis based on threshold defined by CDSL to the all the Depository Participants including M/S MAITRA COMMODITIES PRIVATE LIMITED through CDSL report download utility. As per applicable Communiques, M/S MAITRA COMMODITIES PRIVATE LIMITED 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, M/S MAITRA COMMODITIES PRIVATE LIMITED has framed its Surveillance Policy for Stock Broking operations to generate alerts as per guidance based on following criteria:
- 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
- Email/ letters sent to clients on their registered email ID/address which bounces/ returns undelivered.

- 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, Authorized Signatory etc. at least twice in a month.
- Frequent off-market transfer of securities more than twice in a month without genuine reasons.
- Off-market transactions not commensurate with the income/net- worth of the BO.
- Pledge transactions not commensurate with the income/net-worth of the BO.
- High value off-market transfer immediately after modification of either email ID/mobile number/ address without genuine reason.
- 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.
- 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.
- 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.
- In case of any delay in disposing off any alerts, reasons for the same shall be recorded.
- The DP shall identify suspicious/manipulative activities undertaken by any client through monitoring of transaction(s)
- 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.
- 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.

Process of disposal of alerts and action

- The designated officials who are tasked to review the alerts on daily basis shall review the same.
- 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.
- If the designated official after due diligence and making such inquiry as such official finds necessarily 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.

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

Obligations of Compliance Officer/ Designated Director and Internal Auditor of the Stock Broking Business and Depository Participant operations

- The surveillance activities of the stock broking operations and that of DP operations shall be conducted under overall supervision of the Compliance Officer of M/S MAITRA COMMODITIES PRIVATE LIMITED. The policy implemented by M/S MAITRA COMMODITIES PRIVATE LIMITED in accordance with the provisions of Prevention of Money Laundering Act, 2002 and rules made there under as Reporting Entity.
- 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.
- The Designated Director shall be responsible for all surveillance activities carried out by the trading member.
- M/S MAITRA COMMODITIES PRIVATE LIMITED 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.

Obligation of Quarterly reporting of status of the alerts generated for Stock Broking Operations and Depository Participant Operations

- A quarterly statement providing duly approved status of alerts in respect of stock broking operations on quarterly basis shall be submitted to 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 M/S MAITRA COMMODITIES PRIVATE LIMITED does not have anything to report, a “NIL Report” shall be filed within 15 days from the end of the quarter.

- 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 M/S MAITRA COMMODITIES PRIVATE LIMITED DP operation does not have anything to report, a “NIL Report” shall be filed within 15 days from the end of the quarter.

This Surveillance Policy is prepared by This Surveillance Policy is prepared by M/S Maitra Commodities Private Limited and reviewed by Senior Management Team.

This Surveillance Policy presented before the Board of Directors for approval on the Wednesday, 2nd August 2023.

And reviewed by Senior Management Team.

This Surveillance Policy presented before the Board of Directors for approval on the Wednesday, 2nd August 2023.

Board of Directors Approval

We have approved this policy which is designed to monitor the day-to-day transactions and report it to authorities, if any alerts generated based on the SEBI PMLA regulations and/or Exchange/Depository regulations.

Review of Policy

Policy will be reviewed by the senior management officials and internal auditor on regular basis. The policy will be reviewed on yearly basis and/or earlier whenever there is a need of it due to change in the regulations by SEBI / Exchanges / Depositories.

Policy Approval Date: 2nd Aug 2024
Next Policy Review Date : 1st Aug 2025

Place: Chennai.