SURVEILLANCE POLICY

GOGIA CAPITAL GROWTH LIMITED

(Depository Participant of NSDL)

1. Introduction

This Surveillance Policy is formulated in accordance with the latest circulars issued by **SEBI**, **NSDL**, and **stock exchanges** to ensure robust monitoring of demat account activities, early detection of suspicious transactions, and full compliance with regulatory requirements applicable to Depository Participants (DPs). The policy establishes a structured framework for surveillance alert generation, examination, disposal, reporting, and record-keeping.

2. Regulatory Framework

This policy is aligned with the following regulatory guidelines:

- **SEBI Master Circular on Surveillance of Securities Market**
- **NSDL Circular No. NSDL/POLICY/2026/0047 – Surveillance Framework for DPs**
- **NSDL Business Rules & Compliance Requirements**
- **Stock Exchange Surveillance & Risk Management Guidelines**
- **SEBI KYC, UBO, PMLA & AML/CFT Guidelines**

3. Objectives

- To ensure compliance with SEBI/NSDL surveillance obligations.
- To detect and prevent fraudulent activities, market manipulation, and misuse of demat accounts.
- To identify suspicious patterns through automated and manual surveillance alerts.
- To safeguard investor interests and maintain market integrity.
- To ensure timely reporting of surveillance alerts to NSDL.

4. Surveillance Framework for DP

4.1 Alert Generation

The DP shall generate surveillance alerts based on:

- **Indicative themes prescribed by NSDL**
- **Internal risk-based parameters**
- **Client-specific behavioural patterns**
- **KYC modifications and account activity trends**

Alerts shall be generated **daily/weekly/monthly** depending on the nature of the parameter.

4.2 Indicative Surveillance Alert Themes (as per NSDL Circular)

The DP shall configure its surveillance system to generate alerts under the following categories:

A. Alerts relating to multiple or suspicious demat accounts

- Multiple demat accounts with **same PAN / mobile / email / bank account / address**.
- Common demographic details across unrelated clients.

B. Alerts relating to communication failures

- Repeated **email bounces** or **returned physical communications**.

C. Alerts relating to frequent modification of KYC details

- Frequent changes in **address, email, mobile number, signature, bank details, POA holder**, etc.
- Multiple modifications within a short period (e.g., 6 months).

D. Alerts relating to off-market transactions

- High-value off-market transfers not commensurate with client profile.
- Transfers immediately after KYC modification.
- Repetitive transfers with suspicious reason codes (e.g., "gift", "donation", "off-market sale").

E. Alerts relating to pledge/unpledge transactions

- Pledge/unpledge transactions inconsistent with client's financial profile.

F. Alerts relating to dormant/new accounts

- Sudden activity in dormant accounts.
- Newly opened accounts showing abnormal activity.
- Accounts becoming zero balance suddenly.

G. Alerts relating to abnormal demat activity

- Transactions in **illiquid securities**.
- Sudden spike in activity.
- Patterns indicating **pump & dump**, **wash trades**, or **circular transfers**.

4.3 Examination & Disposal of Alerts

- All generated alerts shall be **examined within 45 days** as mandated by NSDL.
- Alerts shall be disposed after proper verification, documentation, and justification.
- Alerts indicating suspicious behaviour shall be escalated to the Compliance Officer.
- Alerts with potential fraud or market abuse shall be reported to NSDL/SEBI immediately.

4.4 Documentation & Audit Trail

The DP shall maintain:

- Complete audit trail of alerts generated, examined, and disposed.
- Supporting documents, client communication, and verification records.
- Logs of system-generated alerts and manual reviews.
- Records for **minimum 8 years** or as per regulatory requirement.

4.5 Client Due Diligence (CDD)

- Periodic review of client profile, trading behaviour, and financial background.
- Enhanced due diligence for **high-risk clients**, **PEPs**, **NRI**, **HUF**, **corporates**, and **UBO-linked accounts**.
- Verification of UBO as per SEBI/AML guidelines.
- Review of clients with repeated KYC modifications.

4.6 Insider Trading & Sensitive Accounts Monitoring

- Monitoring of trades/demat activity of employees, directors, promoters, and connected persons.
- Restricted list mechanism for sensitive securities.
- Reporting of unusual patterns to regulators.

4.7 Risk-Based Surveillance

The DP shall adopt a risk-based approach by:

- Categorizing clients into **Low / Medium / High Risk**.
- Applying enhanced monitoring for high-risk categories.
- Reviewing alerts with higher priority for high-risk clients.

5. Reporting & Compliance

- Quarterly reporting of **alerts generated and disposed** to NSDL within prescribed timelines.
- Immediate reporting of suspicious transactions to NSDL/SEBI.
- Submission of periodic surveillance MIS to senior management.
- Ensuring no "Nil" reporting unless fully justified and documented.

6. Roles & Responsibilities

6.1 Compliance Officer

- Ensuring adherence to SEBI/NSDL surveillance guidelines.
- Reviewing alerts and approving disposal notes.
- Coordinating with NSDL/SEBI for surveillance matters.
- Conducting periodic internal audits.

6.2 Surveillance & Risk Management Team

- Daily monitoring of alerts.
- Identifying and mitigating surveillance risks.
- Conducting stress tests and scenario analysis.
- Maintaining audit trails and documentation.

7. Technology & System Controls

- Automated alert generation through surveillance software.
- Periodic validation of system parameters.
- Ensuring no suppression of alerts due to incorrect thresholds.
- Regular updates as per NSDL/SEBI circulars.

8. Review & Amendments

- This policy shall be reviewed **annually** or upon regulatory updates.
- Amendments shall be made in line with SEBI/NSDL circulars.
- Last reviewed on: **13/02/2026**

For Gogia Capital Growth Limited
Sd/-
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