

PCS Securities Ltd
Surveillance Policy
Version 1.0

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The Broker can suspend/close the client account and also withhold the pay-outs of client if there is any judicial or/and regulatory order/action requiring suspension/closure of client's account. The Stock Broker can also suspend/close the client account if the Stock Broker observes any abnormal or suspicious activity in the client account through its monitoring and surveillance of the client account. The Stock Broker may also temporarily suspend/close the client account if there is no activity in the client account for a period, as deemed fit by the Stock Broker from time to time. The client's account can also be put under temporary suspension/closure if the client has not cleared the uncovered debit in its account or if the client has not submitted Know Your Client (KYC) details sought by the Stock Broker to fulfill its own surveillance or exchange related requirements. In the event of information/reports reaching the Stock Broker of the client's death, the account can also be put under temporary suspension/closure. The Stock Broker can also put the client's account under temporary suspension/closure if the client has failed to provide or update its communication details like correspondence address, Mobile number, landline numbers or E-mail ID. The client may also request the Stock Broker to temporarily suspend/close his account, Stock Broker may do so subject to client accepting / adhering to conditions imposed by Stock Broker including but not limited to settlement of account and / or other obligation.

In order to analyze the trading activity of the Clients /group of clients or scrip /contracts identified basis on alert as mentioned as **Table A**.

- a. PCS seek explanation from such identified clients for entering into such transactions
- b. PCS seek documentary evidence such as bank statement /demat transaction statement or any other documents i.e IT returns to itself.
- c. After analyzing the documentary evidences, including the bank /demat statement, PCS shall record its observation for such identified transaction or Clients. In case adverse observation are recorded. PCS shall report all such instances to the respective Exchange within 45 days of the alert generation. PCS may seek extension of the time period from exchange, wherever required.

Table A

Transactional alerts to be provided by the Exchange:

Sr. No	Transaction Alert	Alerts Segment
1.	Significantly increase in Client Activity	Derivative
2.	Sudden trading activity in dormant account	Derivative
3.	Client(s)/Group of Client(s), deal in Common Contracts	Derivative
4.	Client (s)/Group of Client (s) is concentrated in a few illiquid contracts	Derivative
5.	Client (s)/Group of Client dealing in contract minimum lot size	Derivative
6.	Client /Group of client (s)concentration in a contract	Derivative
7.	Circular Trading	Derivative
8.	Reversal of Trades	Derivative
9.	Concentrated position in the open interest/High Turnover Concentration	Derivative
10.	Order book spoofing i.e large orders away from market	Derivative

Monitoring and reporting order/trade Surveillance:

Order/Trade Surveillance shall be managed independently by RMS team. To ascertain suspicious transactions in form of intraday volume status, Inter Client Trades, Trade Executed at exceptionally higher or lower rates or trade executed in illiquid contracts, RMS software is being used other than alert services provided by Stock Exchanges.

Analysis to find unfair trades:

Our surveillance mechanism continuously keeps watch on order / trade execution.

Process of disposal:

In case of generation of alert, RMS investigates it further by verification of trade with customer and/ or Trader or by any other mean it deem fit. In case, if RMS finds any suspicious transaction, the same is reported to the Principal Officer or Compliance Officer. Principal Officer or Compliance Officer also investigates

it further and upon his satisfaction, the same is disposed under intimation to the Director.