

# GLOBE

money *must* grow

AY Securities & Commodities Limited

(Formerly known as Globe Commodities Limited)

Regd. Office : 804, Ansal Bhawan, 16 K.G. Marg, Connaught Place, New Delhi - 110001

## Surveillance Policy

AY Securities and Commodities Limited



Trading Member : MCX, NCDEX, ICEX, NCDEX Spot Exchange  
Clearing Member : MCXCCL, NCCL, ICCL

Tel +91-11-30412345 (30 Lines) • Fax +91-11-23720883

E-mail : [customercare@globecapital.com](mailto:customercare@globecapital.com) • Visit us at : [www.globecapital.com](http://www.globecapital.com)

CIN : U74899DL1993PLC055179

## About Surveillance

In stock market, **surveillance** means analysis of client's transactions activities post trade in order to observe that any transaction or behavior, whether it is buying, selling or instigating in a manner to willfully produce an abnormal effect on prices and/or volumes, goes against the very fundamental objective of the securities markets.

## Objective of Policy

The objective of this policy is to comply with the Bye laws, rules and regulation prescribed by SEBI and Exchanges for monitoring of transactions of clients for due diligence and exchanges and subsequent changes/ modifications prescribed for Surveillance Obligations for Trading Members.

The prime purpose of the surveillance policy is to overseeing trades that occur. Monitoring is a key part of the alerting system. Since electronic trading takes place far too quickly for the naked eye to analyze each trade, individual transactions, therefore the need of surveillance department has arisen. The Surveillance Department is responsible for identifying any potential irregularities that occur in the trading of stocks and to carry out the due diligence of its clients on a continuous basis. Further, said department shall ensure that key KYC parameters are updated on a periodic basis as prescribed by SEBI and latest information of the clients is updated in UCC database of the exchanges. In other words, it acts as a security department that watches potential fraud, to protect the interests of investors who invest in the market which is one of main objective of our regulator Securities Exchange Board of India (SEBI).

## Scope of Policy

Generally, activities of surveillance and other department are elaborated below:-

### 1. Client' information Updation

It is the responsibility of KYC department to ensure the updation of key KYC information such as latest financial details of client, change of bank detail etc. on back office software and exchange(s) platform i.e. UCC database of exchange through KYC department should be done on regular basis.



Trading Member : MCX, NCDEX, ICEX, NCDEX Spot Exchange  
Clearing Member : MCXCCL, NCCL, ICCL

Tel +91-11-30412345 (30 Lines) • Fax +91-11-23720883

E-mail : [customercare@globecapital.com](mailto:customercare@globecapital.com) • Visit us at : [www.globecapital.com](http://www.globecapital.com)

CIN : U74899DL1993PLC055179

## **2. Monitoring of transactions**

Surveillance department monitors and analyze trading activities of client(s) on ongoing basis with the help of alerts provided by Exchanges and generated through department's surveillance software. Team has defined the various parameters for generation of alerts in surveillance software and also reviews the parameter on periodic basis. If required, revised parameters incorporated in software time to time. Generally, team monitors the following alerts to review trading activities and other information of clients.

| S. No. | Transactional Alerts                                                      |
|--------|---------------------------------------------------------------------------|
| 1      | Synchronized Trading                                                      |
| 2      | Dormant account trading activities                                        |
| 3      | Significant increase in client activity                                   |
| 4      | Concentration position in the open interest / High turnover concentration |
| 5      | Disproportionate trading activities Vs Annual Income/ Financial Strength  |

## **3. Analysis of Trading activities of clients**

On the basis of alerts, team analyzes the trading activities of client(s) and scrip(s) identified based on the above alerts. Team is required to:-

- a) Seek explanation from such identified client(s) / group of clients for entering into such transactions and also ask about their investment and/or trading strategy.
- b) Seek documentary evidence such as latest ITR, Networth Certificate, latest Balance Sheet, bank statement or any other document to conclude the genuineness of the transactions.
  - In case of fund, bank statements of the client (s) / Group of Client (s) from which funds pay-in have been met, to be sought.
  - The period for such statements may be at least +/- 15 days from the date of transactions to verify whether the fund / securities for the settlement of such trades actually belongs to the clients for whom the trades were transacted .
  - In case of insufficient networth/ financial, client(s) / Group of client(s) shall have to provide details about source of fund / shares etc.



Trading Member : MCX, NCDEX, ICEX, NCDEX Spot Exchange  
Clearing Member : MCXCCL, NCCL, ICCL

Tel +91-11-30412345 (30 Lines) • Fax +91-11-23720883

E-mail : [customercare@globecapital.com](mailto:customercare@globecapital.com) • Visit us at : [www.globecapital.com](http://www.globecapital.com)

CIN : U74899DL1993PLC055179

#### **4. Reporting and recording**

After analyzing the documentary evidences and other information submitted by client(s)/ Group of client(s), Surveillance team shall record its observations for such identified transactions and client(s)/ group of client(s). In case of adverse observation is recorded, team shall have to inform all such instances to the exchange within 45 days of the alerts generation. Team may seek extension of the time period from the exchange, wherever required. If, there is any delay in disposition, reason for the same shall be documented. Team shall maintain the records.

#### **5. MIS**

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 also be discussed and appropriate action taken.

Surveillance team is required to provide duly approved status of the alerts on a quarterly basis to the Exchange within 15 days from end of the quarter.

#### **6. Responsibility**

Surveillance process shall be conducted under overall supervision of compliance officer. Surveillance team, designated directors as well Compliance officer would be responsible for all surveillance activities carried out by the team, record maintenance and reporting of such activities.

#### **7. Review by Internal Auditor**

Surveillance policy, its implementation, effectiveness, alerts generated and record observations during the period under audit shall also be reviewed by internal auditor. Internal auditor shall record the observation with respect to the same in their report after discussion with surveillance team.

**RAJIV MEHTA** Digitally signed by RAJIV MEHTA  
Date: 2024.12.02 12:54:15 +05'30'



Trading Member : MCX<sub>4</sub> NCDEX, ICEX, NCDEX Spot Exchange  
Clearing Member : MCXCCL, NCCL, ICCL

Tel +91-11-30412345 (30 Lines) • Fax +91-11-23720883

E-mail : [customercare@globecapital.com](mailto:customercare@globecapital.com) • Visit us at : [www.globecapital.com](http://www.globecapital.com)

CIN : U74899DL1993PLC055179