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## Policy on Surveillance Mechanisms:-

Sr. No. :

8219

Date:

### Policy Approved by:

Mr. Atul M Thakkar (Managing Director)

Mr. Jatin K Palan (Compliance Officer)

On board meeting held at 20<sup>th</sup> day of December 2015, on 701,P.J Tower, Dalal Street, Fort Mumbai-400001.

**Registered office:** 701, P J Tower,  
Dalal Street,  
Fort,Mumbai – 400 001

It's a Master Policy of the Company for Surveillance Mechanisms. This policy is Subject to the rules and regulations of the Exchange from time to time.

**Title:** Surveillance Mechanisms

**Coverage and Objective:** To facilitate effective Surveillance Mechanisms

### **Review of Alert:**

In order to facilitate effective surveillance mechanisms at our level, we would consider following parameter for generating alerts:

1. Type of alert downloaded by the Exchange.
2. Financial details of the client.
3. Past Trading pattern of the clients/ client group.
4. Bank / Demat transaction details (The period for such statements may be at least +/- 15 days from the date of transactions).
5. Other connected clients in TM's UCC (common email/ mobile number/ address, other linkages, etc.).
6. Other publicly available information.

 Deep rooted relationships.

 Timely Ideas.

 Immutable Ethics.

 Efficient Execution.

**PM Securities is the trade name of Pankaj Mangaldas Securities Pvt. Ltd.**

**Registered Office :** 701, PJ Tower, Dalal Street, Mumbai - 400001.

**Corporate Office:** 411, Atlantic Commercial Tower, R.B Mehta Road, Ghatkopar (E), Mumbai - 400077 .

Transactional Alerts to be provided by the Exchange:

Sr. No.	Transactional Alerts	Segment
1.	Significantly increase in client activity	Cash
2.	Sudden trading activity in dormant account	Cash
3.	Clients/Group of Client(s), deal in common scrips	Cash
4.	Client(s)/Group of Client(s) is concentrated in a few illiquid scrips	Cash
5.	Client(s)/Group of Client(s) dealing in scrip in minimum lot size	Cash
6.	Client / Group of Client(s) Concentration in a scrip	Cash
7.	Circular Trading	Cash
8.	Pump and Dump	Cash
9.	Wash Sales	Cash & Derivatives
10.	Reversal of Trades	Cash & Derivatives
11.	Front Running	Cash
12.	Concentrated position in the Open Interest / High Turnover concentration	Derivatives
13.	Order book spoofing i.e. large orders away from market	Cash

Apart from above transactional alerts we consider below mentioned parameter for generate alerts:

The following activities are also carried out by us based on UCC parameters:

#### Client(s) Information:

We will carry out the Due Diligence of its client(s) on a continuous basis and ensure that key KYC parameters are updated on a periodic basis as prescribed by SEBI and latest information of the client is updated in UCC database of the Exchange. Based on this information we will establish groups / association amongst clients to identify multiple accounts / common account / group of clients.

#### Analysis:

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

- Ask for explanation from such identified Client(s) / Group of Client(s) for entering into such transactions.

b. Ask for documentary evidence such as bank statement / demat transaction statement or any other documents to satisfy it.

1. In case of funds, 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, demat account statements of the Client(s) / Group of Client(s) from which securities pay-in has been met, to be sought.

2. The period for such statements may be at least +/- 15 days from the date of transactions to verify whether the funds / securities for the settlement of such trades actually belongs to the client for whom the trades were transacted.

c. After analyzing the documentary evidences, including the bank / demat statement, we will record its observations for such identified transactions or Client(s) / Group of Client(s). In case adverse observations are recorded, we will report all such instances to the Exchange within 45 days of the alert generation. Further we may ask for further extension of the time period from the Exchange, wherever required.

On the basis of above alert 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 taken. Also, the Board shall be apprised of any exception noticed during the disposition of alerts.

The surveillance process shall be conducted under overall supervision of its Compliance Officer Mr. Jatin K Palan.

Designated directors & Compliance Officer would be responsible for all surveillance activities carried out by us and for the record maintenance and reporting of such activities.

These policy is approved by all Boar Of Directors.

For PANKAJ MANGALDAS SEC PVT LTD

Atul M Thakkar(Director)

