

## **SURVEILLANCE POLICY**

The company has laid down policy guidelines which have been framed in the light of National Stock Exchange (NSE) Circular No. : 831/2013 Ref. No. : NSE/INVG/22908. In pursuance of above said circular Flourish Fincap Pvt Ltd. is implementing this surveillance policy applicable to all clients of Flourish Fincap Pvt Ltd.

### **Objective of this policy**

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

### **Duties and Responsibilities**

This Surveillance policy is approved by the Board of Directors of **Flourish Fincap 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 alongwith 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 **Flourish Fincap Pvt Ltd**, maintenance of record and reporting of such activities.

Internal auditor of **Flourish Fincap 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**

**Flourish Fincap Pvt Ltd** surveillance desk shall download all the below mentioned alert based on the trading activity of client provided by the exchange vide Circular No. : 831/2013 Ref. No. : NSE/INVG/22908.

<b>S. No.</b>	<b>Transaction Alerts</b>	<b>Segment</b>
<b>1</b>	Significantly increase in client activity	Cash
<b>2</b>	Sudden trading activity in dormant account	Cash
<b>3</b>	Clients/Group of Client(s), deal in common scrips	Cash
<b>4</b>	Client(s)/Group of Client(s) is concentrated in a few illiquid scrips	Cash
<b>5</b>	Client(s)/Group of Client(s) dealing in scrip in minimum lot size	Cash
<b>6</b>	Client / Group of Client(s) Concentration in a scrip	Cash
<b>7</b>	Circular Trading	Cash
<b>8</b>	Pump and Dump	Cash
<b>9</b>	Wash Sales	Cash & Derivatives
<b>10</b>	Reversal of Trades	Cash & Derivatives
<b>11</b>	Front Running	Cash
<b>23</b>	Concentrated position in the Open Interest / High Turnover concentration	Derivatives
<b>13</b>	Order book spoofing i.e. large orders away from	Cash

### **Clients Due Diligence**

**Flourish Fincap Pvt Ltd** 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 scrips identified based on above alerts, the **Flourish Fincap Pvt Ltd** shall require to:

- 1. Flourish Fincap Pvt Ltd** shall require explanation from such identified Client(s) / Group of Client(s) for entering into such transactions as enclosed the **Format (Form No.- )**.
- 2. Flourish Fincap Pvt Ltd** shall require documentary evidence such as bank statement / demat transaction statement or any other documents .In case of funds, **Flourish Fincap Pvt Ltd** 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, **Flourish Fincap Pvt Ltd** shall require demat account statements of the Client(s) / Group of Client(s) from which securities pay-in has been met, to be sought.

**Note\*** 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.

3. **Flourish Fincap Pvt Ltd** shall analyze the documentary evidences, including the bank / demat statement, **Flourish Fincap Pvt Ltd** shall record its observations for such identified transactions or Client(s) / Group of Client(s).
4. In case adverse observations are recorded, **Flourish Fincap Pvt Ltd** shall report all such instances to the Exchange within 45 days of the alert generation.
5. In case of extension is required, **Flourish Fincap Pvt Ltd** 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 **Flourish Fincap Pvt Ltd** suspend the client from trading / report the instance to Regulators (if suspicious).