



ABans Group of Companies

Surveillance Policy

(Reviewed on 21st day of Mar'2017)



Abans Securities Private Limited
Abans Commodities (I) Private Limited
Abans Broking Services Private Limited

These measures are based on BSE Notice No. 20130307-21 dated 07 Mar 2013, NSE Circular Ref.No.: 831/2013 Download Ref.No.: NSE/INVG/22908 dated March 7, 2013 & MCX-SX Circular No. MCX-SX/ID/1053/2013 dated March 8, 2013 and guidelines issued by regulatory authorities from time to time.

The following activities are required to be carried out:

Transactional Alerts:

Exchange provides various alerts to monitor the trading activities of the clients in addition to internal transaction reports available in the back-office software. Compliance Department analyzes those alerts & reports and takes necessary action (if any). All such alerts are required to be closed within 9 months from the date of generation of such alerts/transactions.

However, in case adverse observations are recorded, inform the same to Exchange within 45 days of the alert generation or extended time period allowed by Exchange. Alerts include significantly increase in client activity, Sudden trading activity in dormant account, Clients/Group of Client(s), deal in common scrips, Client(s)/Group of Client(s) is concentrated in a few illiquid scrips, Client(s)/Group of Client(s) dealing in scrip in minimum lot size, Client / Group of Client(s) Concentration in a scrip, Circular Trading, Pump and Dump, Wash Sales, Reversal of Trades, Front Running, Concentrated position in the Open Interest / High Turnover concentration, Order book spoofing i.e. large orders away from market etc. and reports based upon volume, value etc.

UCC Information of Clients:

Due Diligence of client(s) on a continuous basis is required to be carried out by updating client details on a periodic basis (at least yearly) as prescribed by SEBI and latest information of the client is updated in UCC database of the Exchange. This can be done by requesting / informing the clients to update their registered details via monthly/quarterly statements/website/SMS. Based on this information Compliance Department takes all practical & possible steps to establish groups /association amongst clients to identify multiple accounts / common account / group of clients to the extent possible.



Analysis:

In order to analyze the trading activity of the Client(s) / Group of Client(s) or scrips identified based on above alerts / information, the Compliance Department is required to:

- a. Seek explanation from such identified Client(s) / Group of Client(s) for entering into such transactions
- b. Seek documentary evidence such as bank statement / demat transaction statement or any other documents to satisfy itself.
 - 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, the compliance department shall record its observations like Suspicious / Manipulative activities for such identified transactions or Client(s) / Group of Client(s) and also, actions if any. All such alerts are required to be closed within 9 months from the date of generation of such alerts/transactions. However, in case adverse observations are recorded, inform the same to Exchange within 45 days of the alert generation or extended time period allowed by Exchange.

Reporting & Record Maintenance:

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 and 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.

Designated directors / Compliance Officer would be responsible for all surveillance activities carried out by the company and for the record maintenance and reporting of such activities. Further, based on facts and circumstances, the Compliance Officer / Designated Directors are required to exercise their independent judgment and take adequate precaution on case to case basis. The above guidelines are not exhaustive and can be amended (within in the regulatory guidelines/framework) by Management on case to case basis.
