

ELITE WEALTH LIMITED

Surveillance Policy for Depository Participant Operations

1. Objective

This policy aims to establish a robust surveillance framework for detecting, monitoring, and preventing suspicious or abnormal activities in client demat accounts in compliance with the SEBI/Depository guidelines.

The objective is to safeguard market integrity and ensure that transactions through Elite Wealth Ltd. (hereinafter “the Participant”) are legitimate and in compliance with applicable laws.

2. Scope and Applicability

This policy applies to all demat accounts maintained with Elite Wealth Ltd. and covers:

- Client onboarding and KYC information;
 - Monitoring of transactions and activities;
 - Reporting of suspicious or abnormal activities;
 - Periodic internal and regulatory reporting obligations.
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3. Governance and Approval

- The Surveillance Policy shall be approved by the **Board of Directors** of Elite Wealth Ltd.
 - The **Compliance Officer** shall oversee its implementation and review.
 - The policy shall be **reviewed annually** or earlier if required by regulatory changes.
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4. Surveillance Alerts – Generation and Monitoring

Elite Wealth Ltd. shall generate and monitor alerts based on the following **indicative themes**. These are not exhaustive and may be expanded as necessary:

Sr. No.	Indicative Alert Theme
1	Multiple demat accounts with identical PAN, mobile number, email ID, bank account, or address.
2	Client communication (emails/letters) repeatedly returned/bounced.
3	Frequent modifications in client details (address, mobile, email, POA, authorized signatory, etc.).
4	Frequent or large-value off-market transfers by a client.
5	Off-market or pledge transactions not commensurate with client's income/net worth.
6	Off-market transfers of high value soon after modification of client details.
7	Off-market transfers citing reasons inconsistent with client profile (e.g., repeated "gift" transactions).
8	Sudden surge in transaction activity in newly opened accounts followed by dormancy.
9	Any other alerts suggestive of potential market manipulation or misuse.
	<ul style="list-style-type: none">• System-generated alerts shall be maintained electronically.• Alerts must be reviewed within 30 days from the date of generation.• Each alert must be properly verified, documented, and disposed of as "<i>Verified & Closed</i>" or "<i>Verified & Reported to NSDL</i>".

5. Processing and Documentation of Alerts

- A **register (electronic or physical)** shall be maintained for all generated alerts.
 - For each alert, the Compliance Officer or designated staff shall:
 - Review account statements and obtain client explanation and supporting documents;
 - Record observations and final disposition of the alert;
 - Escalate any adverse findings to NSDL, CDSL and competent authorities within **7 days** of identification.
 - Any delay in disposal must be documented with valid justification.
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6. Client Due Diligence

- Ongoing due diligence shall be conducted for all clients to ensure current and accurate KYC information.
 - Client details including PAN, address, email, mobile, and financial information shall be periodically updated in line with SEBI, NSDL&CDSL requirements.
 - Transactions shall be periodically reviewed vis-à-vis client's profile, income, and declared financial status.
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7. Reporting Requirements

- A **Quarterly MIS Report** shall be placed before the Board containing:
 - Number of alerts pending at beginning of the quarter;
 - Alerts generated, processed, and reported during the quarter;
 - Pending alerts at the end of the quarter with reasons;
 - Any exceptions or observations.
 - A **Quarterly Status Report** shall be submitted to NSDL & CDSL within **15 days** of quarter end (including NIL reporting, if applicable).
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8. Roles and Responsibilities

- **Compliance Officer:**
 - Ensure implementation of surveillance framework;
 - Supervise timely review and reporting of alerts;
 - Submit quarterly reports and certifications to NSDL&CDSL;
 - Present quarterly MIS to the Board.
 - **Internal/Concurrent Auditor:**
 - Review policy implementation and alert-handling effectiveness;
 - Verify quarterly MIS and record observations in the audit report;
 - Ensure that the policy review and implementation meet regulatory expectations.
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9. Record Maintenance

All records related to alerts, client communications, reviews, supporting documents, and reports shall be maintained for a period as stipulated under applicable laws (minimum 5 years or as per PMLA/NSDL & CDSL guidelines, whichever is higher).

10. Non-Compliance and Disciplinary Action

Failure to comply with surveillance obligations—including delay in alert disposal or non-submission of reports—may attract penalties and disciplinary action by NSDL &CDSL or SEBI as per Business Rules and Bye-laws.

11. Policy Review

The Surveillance Policy shall be reviewed **annually** by the Compliance Officer and presented to the Board for approval. Any interim regulatory amendments shall be incorporated promptly.

Approved By:

**Board of Directors
Elite Wealth Ltd. (Depository Participant)**

**Last Review Date-25.07.2025
Next Review Due:24.07.2026**