

ELITE WEALTH LTD

SURVEILLANCE POLICY

(As per NSE Circular No. NSE/SURV/48818 dated July 01, 2021 and subsequent Exchange Surveillance Circulars)

1. Objective

The objective of this Surveillance Policy is to ensure that **Elite Wealth Ltd** (“the Company” or “the Member”) maintains a robust framework to detect, prevent, and report any market manipulation, fraudulent or unfair trade practices, insider trading, or other suspicious activities, in compliance with the applicable laws, circulars, and guidelines issued by **NSE**, **SEBI**, and other regulatory authorities.

2. Regulatory Framework

This policy has been framed in accordance with:

- NSE Circular No. **NSE/SURV/48818** dated **July 01, 2021**;
- SEBI Master Circular on Surveillance and Risk Management;
- Other relevant circulars and notifications issued by SEBI and the Exchanges from time to time.

3. Scope

This policy applies to all surveillance-related functions, including trade monitoring, KYC verification, employee dealing, and reporting obligations across all segments in which Elite Wealth Ltd operates.

4. Surveillance Mechanism

The surveillance framework at Elite Wealth Ltd aims to:

- Monitor trading activity of clients and proprietary accounts on a continuous basis.
- Identify and prevent instances of market manipulation, circular trading, synchronized trades, and any other form of suspicious activity.
- Ensure compliance with regulatory requirements and timely reporting to the Exchange.

5. Monitoring and Alert Generation

Elite Wealth Ltd shall employ system-based monitoring tools to generate alerts based on parameters prescribed by NSE/SEBI. The key surveillance alerts include, but are not limited to:

- Abnormal price or volume movement;
- Concentration of trades in specific securities;
- Client concentration or significant position buildup;
- Possible front-running, insider trading, or circular trading patterns;
- Unusual profit/loss patterns and repeated self-trades.

6. Investigation and Escalation Procedure

1. Preliminary Review:

All alerts generated by the system will be reviewed by the surveillance team for *prima facie* evidence of suspicious trading behavior.

2. Detailed Investigation:

If initial scrutiny indicates possible irregularities, a detailed analysis of client trades, related accounts, and communication records shall be undertaken.

3. Escalation:

Confirmed suspicious activities shall be escalated to the Principal Officer/Compliance Officer, who will determine further actions including reporting to the Exchange/SEBI as per prescribed timelines.

4. Reporting:

All alerts identified as suspicious must be reported to the Exchange within **48 hours**, in compliance with Exchange requirements.

7. Specific Surveillance Areas

In accordance with the Exchange Surveillance Circulars, the Exchanges have established comprehensive standards that all stock brokers are required to follow and implement as part of their surveillance policy. However, the following provisions are **specifically included** to ensure full compliance:

i. Internet-Based Trading:

Surveillance of internet-based trading systems to ensure identification of unusual logins, multiple user access, and trading pattern irregularities in line with indicative guidelines prescribed by NSE.

ii. Staff Certification:

Mid and senior-level staff handling KYC and surveillance activities must obtain the prescribed **NISM e-learning certification** by **December 31, 2025**, as mandated by the Exchange.

iii. Employee Training:

The Company shall conduct **ongoing training programmes** for employees on anti-money laundering (AML) and surveillance obligations to ensure continuous skill enhancement and regulatory awareness.

iv. Related Party Account Analysis:

Regular monitoring of trading accounts belonging to relatives of the entity, directors, and key managerial personnel shall be undertaken to identify any form of **synchronized or coordinated trading**.

v. Proprietary Account Usage:

Systems shall be in place to ensure that **proprietary accounts are used strictly for proprietary trades** only and not for client or third-party transactions.

vi. Trading Terminal Surveillance:

Surveillance obligations related to **trading terminals** shall be observed to prevent misuse, unauthorized access, or irregular trading from specific terminals.

vii. Timely Submission of Alerts:

Any suspicious activity or alert identified must be **submitted to the Exchange within 48 hours** from the time of detection, as per Exchange guidelines.

8. Record Maintenance

All surveillance-related records, including alerts, investigation notes, communications, and reporting details, shall be maintained for a minimum period as prescribed under SEBI/Exchange regulations.

9. Review and Policy Update

The Surveillance Policy shall be **reviewed at least once every financial year** or earlier, as and when required, to ensure alignment with the latest regulatory changes and market developments.

Approved By:

Board of Directors
Elite Wealth Ltd

Last Review Date-25.07.2025

Next Review Due:24.07.2026

