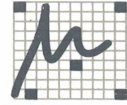


# Mesh Stock Brokers Pvt. Ltd.



701, Samrock Apartment, C. D. Barfiwala Marg, Andheri (W), Mumbai - 400 058.

Tel.: 022-4023 5454 ♦ www.mesh.co.in ♦ E-Mail : broking@mesh.co.in

CIN No.: U67120MH2006PTC228773

## **Surveillance Policy of M/s. Mesh Stock Brokers Pvt. Ltd.**

The below mentioned policy for Surveillance has been Reapproved/Change by the Board of Directors in their meeting held on 15<sup>th</sup> August, 2025. All the employees are required to follow the same and take due care for its proper implementation.

This policy is made to facilitate effective surveillance mechanisms in our organization. The Exchange will provide alerts to us based on the transactions traded on the Exchange. We have to analyze these alerts and seek client information and documentary evidence and submit the same to the exchange within the prescribed time limit.

### **Introduction**

Surveillance is the activity of closely observing certain transaction(s) of any particular person(s) or a group of persons on suspicion of certain illegal and/or manipulative activity. Such suspicion can be on receipt of any alerts or during random verification of the transactions. Surveillance is a part of the Risk Management System. It helps one to safeguard the whole system in which the activity takes place and to ensure its smooth functioning at all times, uninterruptedly. This policy describes the activities pertaining to such surveillance, and the action required to be taken when any manipulation is observed.

### **Definition**

- a. A “Client” is the person enrolled or registered with us for carrying on their purchase and sale activities on the stock exchanges through us.
- b. “Exchange” is the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Ltd. (BSE) wherein we; the Trading Member is registered.
- c. “Trading Member” is; M/s. Mesh Stock Brokers Pvt. Ltd. , an intermediary registered as a Stock Broker under the SEBI Act, 1992 with the Securities And Exchange Board of India (SEBI) for trading on the stock exchanges on behalf of its clients.
- d. “Compliance Officer” is the person designated under the guidelines of PMLA prescribed by SEBI, to ensure compliance of the procedures and operation of the securities market activity.

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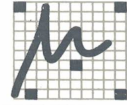
## **Purpose**

The purpose of this policy is to track down, identify and flush out the illegal and manipulative activities from the system of the stock market industry, thereby protecting the investments of our clients and market as a whole

## **Transactional Alerts To Be Provided By BSE & NSE:**

- List of transactional alerts are as below:
  - a. Significant increase in client activity.
  - b. Sudden trading activity in dormant account.
  - c. Client(s) / Group of Client(s) dealing in common scrip.
  - d. Client(s) / Group of Client(s) is concentrated in a few illiquid scrip.
  - e. Client(s) / Group of Client(s) dealing in scrip in minimum lot size.
  - f. Client(s) / Group of Client(s) concentration in a scrip.
  - g. Circular Trading.
  - h. Pump and Dump.
  - i. Wash Sales.
  - j. Reversal of Trades.
  - k. Front running.
  - l. Concentrated position in open interest/high turnover concentration.
  - m. Order book spoofing i.e. large orders away from market.
- The transactional alerts as mentioned above will be received on a daily basis and these alerts are to be verified by the trading member on each of the Member Portal provided by the Exchanges. Access to the Member portal has been restricted due to security reasons. Hence, specific employees are provided with the Login ID and password for accessing this portal. It is the responsibility of these employees to ensure that they log into the member portal of the exchange on a daily basis and find out if any alert has been generated or not.
- It is required to carry out the Due Diligence of the clients on a continuous basis. The key KYC parameters are to be updated on a periodic basis as prescribed by SEBI and the latest information is to be updated in the UCC database. This would help in proper understanding of the client whenever any alert is generated by the Exchange. In case any alert is generated on a particular day, first of all the same should be brought to the notice of the Management of the company. Thereafter, the contents of the alert received should be noted down for a thorough scrutiny of the same.

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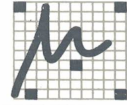
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- It is necessary that all the alerts received from the Exchanges are subjected to thorough scrutiny and satisfactory analysis to verify the authenticity of the same. If needed be, the matter should be suitably taken up with the concerned client(s)/Group of Client(s) and they should be asked to provide satisfactory explanation and clarification for entering into such transaction. Even the scrip in which the transaction has taken place should be properly analyzed for any malpractice in the same.
- Wherever required, documentary evidence like Bank Statement, Statement of holding of the demat account, etc., should also be obtained from the concerned client. The period for such statement may be +/- 15 days from the date of the transaction. It should be verified that the fund/securities, as the case may be, certainly belong to the said client himself only and not to any third person or any unknown person.
- Once it is established that the client(s) / Group of Client(s) as well as the transaction done by the client(s) / Group of Client(s) are genuine and that there is no malpractice or malicious intention in such transaction, the said alert can be closed. However, in case any adverse observation is noted, the same should be immediately informed to the respective Exchange through the Member Portal itself.
- The closure of an alert should be done only after taking on record all the observations in this regard and a register for the same is to be maintained. From this register, an MIS has to be generated on a quarterly basis, which is then to be put up before the Board of Directors of the Company, by the Compliance Officer for their appraisal of the alerts generated.
- It is the overall responsibility of the Compliance Officer to ensure proper surveillance of the transactions as well as other activities of the Company.
- The Surveillance activity shall be audited by the Internal Auditor.

## **Time Frame For Disposition Of Alerts**

- Analysis and scrutiny of alerts should be done within a prescribed time frame so as to protect the integrity of the stock market industry. In our case, it shall be completed with 45 days from the date of receipt of alert and reported to concerned Exchanges. If more time is required, the same can be obtained with a request from the concerned Exchange only.

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## **Record Maintenance**

- As per the company's Anti Money Laundering policy, the background including all documents / office records / clarifications sought pertaining to such transactions & purpose thereof shall be examined carefully & finding shall be recorded in writing. Documents & records should be made available to auditors & SEBI /Stock Exchanges / FIUIND etc. Records are required to be preserved for 5 years.

## **Review Procedure:**

- In order to ensure the effectiveness of the policies and procedures on the Surveillance Obligations, it shall be reviewed once in every year and as and when required to incorporate the additions, changes, modifications etc., as directed by regulator and such changes shall take place from their effective date.
- The Compliance Officer shall be responsible to ensure that as and when the policy is reviewed or updated, the same is consistent with the applicable laws and rules of the exchanges and to bring all the significant changes in the said policy to the notice of Designated Director/Partner/Proprietor and place the reviewed policy before the Board for its adoption.