BCB Brokerage Private Limited
SURVEILLANCE POLICY
(Applicable for all exchanges/segment)
Version 4.0

Background
BCB Brokerage Private Limited (BBPL) is a member of BSE and NSE (SEBI Registration Number INZ000200633) and Depository Participant of CDSL (SEBI Registration Number IN-DP-438-2019).

This policy has been issued in compliance with the requirements of:
1. SEBI Act, 1992.
2. Securities Contracts (Regulation) Act, 1956.
3. SEBI (Stock Brokers) Regulations, 1992.
4. SEBI Master Circular for Stock Brokers dated 17-Jun-2025, as amended from time to time.
5. SEBI Master Circular on Surveillance of Securities Market, as amended from time to time.
6. SEBI Master Circular for Depositories dated 03-Dec-2024, as amended from time to time.
7. Circulars, notices and directions issued by BSE, NSE, CDSL and other Market Infrastructure Institutions (MIIs) from time to time relating to surveillance, monitoring and client due diligence.
8. Prevention of Money Laundering Act, 2002 and rules made thereunder, wherever applicable.
9. Any other circulars, guidelines or directions issued by SEBI, Stock Exchanges, Depositories or other competent authorities from time to time.

Supervision of the policy
The surveillance activities of BBPL shall be conducted under overall supervision of Mr. Uttam Bagri, Designated Director.

ALERTS GENERATED BY MARKET INFRASTRUCTURE INSTITUTIONS (MIIs)
The alerts generated by the MIIs consisting of the exchanges (BSE /NSE) and the Depository (CDSL) shall be the primary source of alerts.

ADDITIONAL ALERTS GENERATED BY BBPL
In addition to the alerts downloaded by Exchanges, BCB Brokerage Private Limited will also be generating appropriate surveillance alerts on its own to enable to effectively monitor the trading activity of clients as per this surveillance policy.

ADDITIONAL ALERTS GENERATED BY BBPL – BROKING
The following additional alerts will be generated by the broking division of BBPL:
- Client/ group of clients, as identified by the trading member, accounting for a significant percentage of the total trading activity in a scrip / contract as compared to the market
- Client / group of clients with new account or clients dealing after a significant time gap, as identified by the BBPL trading member, accounting for significant value/ percentage of total trading activity in a scrip/ contract as compared to the market.
- Client/ group of clients dealing frequently in small quantities/minimum market lot in a scrip/ contract.
- Disproportionate trading activity vs reported income/ Net worth.
- Frequent changes in KYC submitted by clients.
- Based on an announcement by a listed company, identify Client/ group of clients, having possible direct / indirect connection with a listed company, who have undertaken any suspicious trading activity prior to price sensitive announcement by said listed company.
- Client/ group of clients having significant selling concentration, in the scrips, forming part of 'For Information list' or 'Current Watch list'.

- Consistency in profit/ loss at client/ group of clients' levels, rationale for such trading activities
- Significant trading activity in scrips by client who has pledged the shares of same scrip.
- In case of concerns of trading activity of a client or a group of clients in a scrip, monitoring whether the orders are being placed by respective clients or their authorized representatives and monitoring client's address as per KYC vis a vis the dealing office address.
- Surveillance / monitoring of IP addresses of clients (including identification of multiple client codes trading from the same location)

Threshold criteria for the same shall be decided by the Designated Director from time to time.

ADDITIONAL ALERTS GENERATED BY BBPL – DP

The following additional alerts will be generated by the Depository division of BBPL:

- Significant trading activity in scrips where client has pledged shares or has significant holding or has frequent off-market transactions.
- Alert for multiple demat accounts opened with same demographic details: Alert for accounts opened with same PAN /mobile number / email id/ bank account no. / address considering the existing demat accounts held with BBPL.
- Alert for communication (emails/letter) sent on registered Email id/address of clients are getting bounced.
- Frequent changes in details of demat account such as, address, email id, mobile number, Authorized Signatory, POA holder etc.
- Frequent Off-Market transfers by a client in a specified period
- Off-market transfers not commensurate with the income/Networth of the client.
- Pledge transactions not commensurate with the income/Networth of the client.
- Off-market transfers (High Value) immediately after modification of details in demat account
- Review of reasons of off-market transfers provided by client for off-market transfers vis-à-vis profile of the client e.g. transfers with reason code Gifts with consideration, frequent transfers with reason code Gifts/Donation to unrelated parties, frequent transfers with reason code off-market sales
- Alert for newly opened accounts wherein sudden Increase in transactions activities in short span of time and suddenly holding in demat account becomes zero or account becomes dormant after some time.

It is clarified that for on market transactions where the demat account is with BBPL and the trading is done at BBPL, such transactions will be monitored by the Broking division only to avoid duplication.

ALERT PROCESSING

All Alerts (including internal alerts generated) will be processed within 30 days from the date of alerts downloaded by the Exchanges/Depository or generated by the system. In case of any delay in processing of any of the alerts, reasons for the same will be documented

APPROPRIATE ACTIONS

In addition to the obligations under Prevention of Money Laundering Act (PMLA), actions may include suspension of the trading activity of the suspect client, or any other action as may be deemed appropriate by BBPL.

SUSPICIOUS/ MANIPULATIVE ACTIVITY IDENTIFICATION

When the alert is found commensurate with the income, networth and trading pattern of the client, the same would be closed. In case the same not the same, investigation shall be carried out by the Compliance Officer for identifying suspicious/ manipulative activity. The investigation will include obtaining trading/ transaction rationale and necessary documentation including bank statements, demat statements for analysing/ processing the alerts. After analysing the documentary evidences, BBPL shall record its observations for such identified transactions.

Transactions seen as suspicions/ manipulative will be reported to relevant authorities.

RECORD MAINTAINANCE

Records will be maintained for a period of 5 years, or any additional period as stipulated under applicable statutes.

CLIENT DUE DILIGENCE:

The following activities will carried out by BBPL for client due diligence:

i. BBPL will carry out the Due Diligence of the client(s) on an on-going basis.
ii. Based on available information, the Trading member shall establish groups / association amongst clients, inter alia, to identify multiple accounts / common account/ group of clients.
iii. BBPL shall ensure that key KYC parameters of the clients are updated on a periodic basis as prescribed by SEBI and latest information of the client is updated in MII systems

Obligation of Depository Participants to frame Surveillance Policy.

I. DPs shall frame a surveillance policy based on nature of DP business (i.e., Bank, Stockbroker, Custodian etc.), type of clients, number of demat accounts, number of transactions etc. and which shall, inter alia, cover the following:
II. Generation of suitable surveillance alerts which may be guided by indicative themes (the list is inclusive and not exhaustive) .
III. Review and disposal of transactional alerts provided by CDSL (Transactional alerts provided by CDSL will be based on some thresholds. DPs may have their own different thresholds or own parameters to generate additional alerts of their own in point I above, so as to detect any suspicious transaction activity).
IV. Disposal of alerts within 30 days from the date of alerts generated at DP end and alerts provided by CDSL.
V. Reporting to CDSL and other authorities as applicable, in case of any abnormal activity
VI. Documentation of reasons for delay, if any, in disposition of alerts.
VII. Framework of appropriate actions that can be taken by the Participant as per obligations under Prevention of Money Laundering Act (PMLA)
VIII. Record maintenance for the period as stipulated under applicable statutes
IX. The surveillance policy of the DPs shall be reviewed once in a year.
X. The surveillance process shall be conducted under overall supervision of the Compliance Officer/ Designated Director.

Internal auditor shall review the surveillance policy, its implementation, effectiveness and review the alerts generated during the period of audit. Internal auditor shall record the observations with respect to the same in their report.

MIS

A quarterly MIS shall be put up to the Designated Director on the number of alerts pending at the beginning of the quarter, generated during the quarter, processed and acted upon during the quarter and cases pending at the end of the quarter along with reasons for pendency and action plan for closure. Also, the Designated Director shall be apprised of any exception noticed during the disposition of alerts.

Designated Directors would be responsible for all surveillance activities carried out by the Trading member.

REPORTING OF ALERTS TO MIIs

BBPL will provide duly approved status of the alerts to the MIIs as per the timelines as intimate from time to time.

The above policy was originally approved by BBPL at the Board meeting held on 31-Jul-2021 and reviewed with revisions at its Board meeting held on 09-Sep-2025