

Standard Operating Procedure (SOP) for processing of DP surveillance alerts

(Made in compliance with CDSL Communique CDSL/OPS/DP/SYSTM/2024/341 dated 20-June-2024 on Surveillance Obligation of Depository Participants, read with subsequent amendments, communiqués and operational guidelines issued by CDSL from time to time)

Applicability

This policy is applicable to alerts generated at DP end as well as alerts generated by CDSL.

Alert generation parameters

1. 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 the DP.
2. Alert for communication (emails/letter) sent on registered Email id/address of clients are getting bounced.
3. Frequent changes in details of demat account such as, address, email id, mobile number, Authorized Signatory, POA holder etc.
4. Frequent Off-Market transfers by a client in a specified period
5. Off-market transfers not commensurate with the income/Networth of the client.
6. Pledge transactions not commensurate with the income/Networth of the client.
7. Off-market transfers (High Value) immediately after modification of details in demat account
8. 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
9. 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.
10. Any other alerts and mechanism in order to prevent and detect any type of market manipulation activity carried out by their clients.

Timelines for response

All alerts generated at the DP end as well as alerts received from CDSL shall be disposed of within **30 days** from the date of generation/receipt.

Escalation procedures/ Other essential processes related to alert handling.

Maker–Checker Mechanism

The DP shall ensure that a Maker–Checker mechanism is followed during the processing and disposal of all surveillance alerts. The Maker shall investigate and document the alert, and the Checker shall independently review the findings and approve the closure or escalation of the alert.

In case the alerts case concern, the same would be escalated to Designated Director Shri Uttam Bagri for exercising independent judgment and take appropriate action to detect any abnormal or suspicious transactions and thereafter reporting to CDSL and other authorities as applicable in case of any abnormal activity, within 7 days of the date of identification of adverse observation.

Review

The SOP and alert generation parameters shall be reviewed on a periodic basis by the Compliance Officer and, in any case, at least once every year, or earlier if required due to any regulatory changes, amendments, or operational requirements.

Policy last reviewed on 09-September-2025