

Giriraj Stock Broking Private Limited
Standard Operating Procedure (SOP) for Processing
Surveillance Alerts

Policy created by	Compliance Team
Policy creation date	05-07-2024
Policy reviewed by	Compliance Officer
Policy reviewed on	30.09.2025
Policy Approved by	Board of Directors
Policy approved on	08.10.2025

Version - 1.2

Objective:

To establish a structured approach for the identification, monitoring, processing, and reporting of surveillance alerts generated by us and those provided by Depository. The SOP aims to ensure compliance with regulatory requirements, timely disposal of alerts, and effective monitoring to prevent and detect suspicious activities.

Scope:

This SOP applies to all surveillance alerts generated within the system and those received from Depository. It is applicable to all staff involved in surveillance, compliance, and reporting activities.

Responsibilities:

- ✓ **Compliance Officer:** Responsible for periodic review of the SOP and ensuring adherence to regulatory requirements.
- ✓ **Surveillance Team:** Responsible for the day-to-day handling of alerts, investigation, and reporting.

Alert Generation Parameters:

Alerts are triggered based on predefined as mentioned below

<u>S No</u>	<u>Parameters of Alerts to be generated</u>	<u>Alerts to be reported</u>	<u>Base for reporting of Alerts</u>
1	Alert for multiple demat accounts opened with same demographic details	All instances	Demographic Detail Wise
2	Alert for communication sent on Email id/address of clients are getting bounced.	All instances	Client ID wise
3	Frequent changes in details of demat account	All instances	Client ID wise
4	Frequent Off-Market transfers by a client in a specified period	All instances	Client ID wise
5	Off-market transfers not commensurate with the income/Net worth	All instances	Client ID wise
6	Pledge transactions not commensurate with the income/Net worth	All instances	Client ID wise
7	Off-market transfers (High Value) immediately after modification	All instances	Client ID wise
8	Review of reasons of off-market transfers provided by client for off-market transfers visa-vis profile of the client	All instances	Client ID wise
9	Alert for newly opened accounts wherein sudden Increase in transactions activities in short span of time	All instances	Client ID wise

Processing of Alerts:

- ✓ **Initial Review:**
 - The Maker will review all generated alerts within 24 hours of their generation.
 - Each alert is assessed for potential risk, and relevant information is gathered for further review.

✓ **Second Level Review:**

- The alert is thoroughly investigated to determine if there is any suspicious activity.
- The second level review includes reviewing account history, transaction details, and any other relevant data.

✓ **Documentation:**

- All findings and actions taken during the investigation are documented.
- The reason for any delay in processing the alert is recorded.

✓ **Escalation:**

- If an alert is found to be of high risk or suspicious, it is escalated to the Compliance Officer immediately.
- The escalation procedure includes notifying senior management and taking preventive actions.

✓ **Disposal of Alerts:**

• **Disposal Timeline:**

- All alerts must be processed and disposed of within 30 days of their generation.
- The status of each alert (closed, pending, or escalated) must be updated in the system accordingly.

• **Maker-Checker Process:**

- The Checker reviews the actions taken by the Maker, ensuring all procedures have been followed.
- The Checker approves the closure or further escalation of the alert.

✓ **Reporting:**

• **Quarterly Reporting:**

- A quarterly report is generated, including all alerts processed, their status, and any pending alerts.
- The report follows the format prescribed by Depository and includes the ageing analysis of pending alerts.

• **Submission:**

- The report is submitted to Depository by the required deadline, ensuring all fields are accurately filled out.

✓ **Review and Update:**

• **Periodic Review:**

- The SOP is reviewed annually or as required by changes in regulatory guidelines.
- The Compliance Officer is responsible for ensuring the SOP remains current and effective.

• **Compliance and Disciplinary Actions:**

- Any non-compliance with the SOP, including delays in processing alerts or reporting, may lead to disciplinary actions as per the SEBI and Depositories guidelines.

The policy is reviewed annually and approved by the Board and any change in the Policy will be adopted as and when required by the company and is binding on all the Staff/Employees/and Directors of the Company.

For M/s. Giriraj Stock Broking Private Limited