

CORUM SECURITIES PRIVATE LIMITED

50/6A, Harish Mukherjee Road, Kolkata - 700 025

Tel.: 033 2454 0021 / 10 / 44, Fax : 033 2454 8177

E-mail : ID for Investor Grievance : info@corumsecurities.com, jiteshgandhi@corumsecurities.com

CIN - U67120WB2002PTC094505

CORUM SECURITIES PVT LTD

INTERNAL CODE OF CONDUCT POLICY

Policy created by	Compliance Team
Policy reviewed by	Jitesh Dineshchandra Gandhi
Policy reviewed on	02/01/2024
Policy Approved by	Board of Directors
Policy approved on	02/01/2024

Version - 1.3

CORUM SECURITIES PVT. LTD.

J.D. Gandhi
Authorised Signatory/Director

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1. Background

The SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Markets) Regulations, 2003 are wide enough to cover transacting in any way in any security by any person as principal, agent or intermediary. While carrying on stock broking activities or executing orders for clients, or dealing with clients, or transacting on proprietary account, certain conduct is expected of all the officers and employees of the Company. The company or the employees shall not buy, sell or deal in securities in a fraudulent manner. 'Fraud' includes any act, expression omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include:

- ✓ Knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;
- ✓ Suggestion as to a fact which is not true by one who does not believe it to be true
- ✓ an active concealment of a fact by a person having knowledge of belief of the fact;
- ✓ A promise made without any intention of performing it
- ✓ A representation made in a reckless and careless manner whether it be true or false;
- ✓ Any such act or omission as any other law specifically declares to be fraudulent;
- ✓ Deceptive behavior by a person depriving another of informed consent or full participation
- ✓ A false statement made without reasonable ground for believing it to be true
- ✓ Nothing in this clause shall apply to any general comments made in good faith in public or in private, regard to
 - ✓ the economic policy of the government
 - ✓ the economic situation of the country
 - ✓ trends in the securities markets
 - ✓ any other matter of a like nature

The company or the employees shall not deal in securities in an unfair manner:

- ✓ Indulging in an act which creates false or misleading appearance of trading in the securities markets
- ✓ Dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;
- ✓ Any act or omission amounting to manipulation of the price of a security.
- ✓ Entering into a transaction in securities without intention of performing or without intention of change of ownership of such security.
- ✓ Promising a certain price in respect of buying or selling of a security to a client and waiting till a discrepancy arises in the price of such security and retaining the difference in prices as profit for himself.
- ✓ Providing clients with such information relating to a security as cannot be verified by the clients before dealing in such security.
- ✓ Reporting trading transactions to clients entered into on their behalf in an inflated manner in order to increase his commission and brokerage.

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- ✓ Not disclosing to client transactions entered into on his behalf including taking an option position.
- ✓ Circular transactions in respect of a security entered into between intermediaries in order to increase commission or to provide a false appearance of trading in such security or to inflate, depress or cause fluctuations in the price of such security.
- ✓ Encouraging the clients to deal in securities solely with the object of enhancing his brokerage or commission
- ✓ Predating or otherwise falsifying records such as contract notes.
- ✓ Buying or selling securities in advance of a substantial client order or whereby a futures or options position is taken about an impending transaction in the same or related futures or options contract.
- ✓ Planting false or misleading news which may induce sale or purchase of securities.
- ✓ Taking part in or entering into either directly or indirectly transactions with the intention of artificially raising or depressing the prices of securities and thereby reducing the sales or purchases of securities by any person.
- ✓ Indulging in any act which results in reflection of prices of securities based on transactions that are not genuine trade transactions.
- ✓ Indulging in falsification of books of accounts and records whether maintained manually or in computer or in any other form.
- ✓ Counseling any person to deal in securities on the basis of unpublished price sensitive information.
- ✓ Indulging in manipulative, fraudulent or deceptive transactions or schemes or spread rumors with a view to distorting market equilibrium or making personal gains.
- ✓ Creating false market either singly or in concert with others or indulge in any act detrimental to investors interest or which leads to interference with the fair and smooth functioning of the market.
- ✓ Disclosing or discussing with any other person or make improper use of the details of personal investments and other information of a confidential nature which he comes to know in his business relationship.
- ✓ Deal or transact business knowingly, directly or indirectly or execute an order for a client who has failed to carry out his commitments in relation to securities with another stock broker.
- ✓ Make a recommendation to any client who might be expected to rely thereon to acquire, dispose of, and retain any securities unless she has reasonable grounds to believe that the recommendation is suitable for such a client upon the basis of the facts, by such a client as to his own security holdings, financial situation and objectives of such investment. He should seek such information from clients whenever he feels it is appropriate to do so.
- ✓ Front-running and dealing on the back of (piggybacking) customer or proprietary orders.
- ✓ Employees may not pre-arrange any transaction between their Personal Accounts and an account of a client.
- ✓ Dealers/Employees should be careful not to make any reckless comments to clients on phone or otherwise while interacting with them.

Being a stock broker, the company is also a 'deemed connected person' under the SEBI (Prohibition of Insider Trading) Regulations. The company and the employees shall;

- ✓ Not to deal in securities either on own behalf or on behalf of any other person when in possession of any unpublished price sensitive information;

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- ✓ Not communicate, counsel or procure directly or indirectly any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities;

2. CODE OF CONDUCT SPECIFIED BY SEBI IN THE SEBI (STOCK BROKERS AND SUB-BROKERS) REGULATIONS, 1992

GENERAL

- ✓ **Integrity:** A stock-broker, shall maintain high standards of integrity, promptitude and fairness in the conduct of all his business.
- ✓ **Exercise of Due Skill and Care:** A stock-broker, shall act with due skill, care and diligence in the conduct of all his business.
- ✓ **Manipulation:** A stock-broker shall not indulge in manipulative, fraudulent or deceptive transactions or schemes or spread rumors with a view to distorting market equilibrium or making personal gains.
- ✓ **Malpractices:** A stock-broker shall not create false market either singly or in concert with others or indulge in any act detrimental to the investor's interest or which leads to interference with the fair and smooth functioning of the market. A stock-broker shall not involve himself in excessive speculative business in the market beyond reasonable levels not commensurate with his financial soundness.
- ✓ **Compliance with Statutory Requirements:** A stock-broker shall abide by all the provisions of the Act and the rules, regulations issued by the Government, the Board and the stock exchange from time to time as may be applicable to him.

DUTY TO THE INVESTOR

- ✓ **Execution of Orders:** A stock-broker, in his dealings with the clients and the general investing public, shall faithfully execute the orders for buying and selling of securities at the best available market price and not refuse to deal with a Small Investor merely on the ground of the volume of business involved. A stock-broker shall promptly inform his client about the execution or non-execution of an order, and make prompt payment in respect of securities sold and arrange for prompt delivery of securities purchased by clients.
- ✓ **Issue of Contract Note:** A stock-broker shall issue without delay to his client a contract note for all transactions in the form specified by the stock exchange.
- ✓ **Breach of Trust:** A stock-broker shall not disclose or discuss with any other person or make improper use of the details of personal investments and other information of a confidential nature of the client which he comes to know in his business relationship.
- ✓ **Business and Commission:**
 - A stock-broker shall not encourage sales or purchases of securities with the sole object of generating brokerage or commission.
 - A stock-broker shall not furnish false or misleading quotations or give any other false or misleading advice or information to the clients with a view of inducing him to do business in particular securities and enabling himself to earn brokerage or commission thereby.

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- ✓ order for a client who has failed to carry out his commitments in relation to securities with another stock-broker.
- ✓ **Fairness to Clients:** A stock-broker, when dealing with a client, shall disclose whether he is acting as a principal or as an agent and shall ensure at the same time that no conflict of interest arises between him and the client. In the event of a conflict of interest, he shall inform the client accordingly and shall not seek to gain a direct or indirect personal advantage from the situation and shall not consider clients' interest inferior to his own.
- ✓ **Investment Advice:** A stock-broker shall not make a recommendation to any client who might be expected to rely thereon to acquire, dispose of, retain any securities unless he has reasonable grounds for believing that the recommendation is suitable for such a client upon the basis of the facts, if disclosed by such a client as to his own security holdings, financial situation and objectives of such investment. The stock-broker should seek such information from clients, wherever he feels it is appropriate to do so.

Investment Advice in publicly accessible media -

- ✓ A stock broker or any of his employees shall not render, directly or indirectly, any investment advice about any security in the publicly accessible media, whether real - time or non-real-time, unless a disclosure of his interest including the interest of his dependent family members and the employer including their long or short position in the said security has been made, while rendering such advice.
- ✓ In case, an employee of the stock broker is rendering such advice, he shall also disclose the interest of his dependent family members and the employer including their long or short position in the said security, while rendering such advice.]
- ✓ **Competence of Stock Broker:** A stock-broker should have adequately trained staff and arrangements to render fair, prompt and competent services to his clients.

3. STOCK-BROKERS VIS-A-VIS OTHER STOCK-BROKERS

- ✓ **Conduct of Dealings:** A stock-broker shall co-operate with the other contracting party in comparing unmatched transactions. A stock-broker shall not knowingly and willfully deliver documents which constitute bad delivery and shall co-operate with other contracting party for prompt replacement of documents which are declared as bad delivery.
- ✓ **Protection of Clients Interests:** A stock-broker shall extend fullest co-operation to other stock-brokers in protecting the interests of his clients regarding their rights to dividends, bonus shares, right shares and any other right related to such securities.
- ✓ **Transactions with Stock-Brokers:** A stock-broker shall carry out his transactions with other stock-brokers and shall comply with his obligations in completing the settlement of transactions with them.
- ✓ **Advertisement and Publicity:** A stock-broker shall not advertise his business publicly unless permitted by the stock exchange.

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. Corum Securities Pvt. Ltd
CORUM SECURITIES PVT. LTD.


Authorised Signatory/Director
(Jitesh Dineshchandra Gandhi)

Designated Director

Dated: - 02/01/2024

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CORUM SECURITIES PVT LTD

SURVEILLANCE POLICY

Policy created by	Compliance Team
Policy reviewed by	Jitesh Dineshchandra Gandhi
Policy reviewed on	02/01/2024
Policy Approved by	Board of Directors
Policy approved on	02/01/2024

Version - 1.3

CORUM SECURITIES PVT. LTD.

Jitesh Gandhi
Authorised Signatory/Director

1. Background:

Surveillance is the process of collecting and analyzing information concerning markets in order to detect unfair transactions that may violate securities related laws, rules and regulations. Trading Members & Depository Participants have the responsibility of monitoring the trading activity of their clients. Trading Members have been advised by the Stock Exchanges, Depository & extant Regulators to set-up monitoring of the Trading Activity and Movement of securities of their clients including intra-day activity and proactively report to the Exchanges/ Depository/ Extant Regulators observations/ findings, if any. In order to achieve this and to create safer markets, an adequate surveillance policies and system to be put in place in order to monitor suspicious/manipulative transactions and curb such activities, if any.

2. Objective:

In order to facilitate an effective surveillance mechanism to monitor the transactions in Cash, Equity - Derivative, Currency Derivative Market Segments and Commodity Derivative Market Segment of the Stock Exchange(s), where the Company is registered as a Trading Member, this Surveillance Policy is being formulated, in compliance and/or as mandated by Securities and Exchange Board of India, The Stock Exchanges & The Depositories.

3. Responsibility:

- ✓ The Compliance Officer shall be responsible for the implementation and supervision of this Policy.
- ✓ The Risk Management Officer, Settlement Officer & PMLA Officer shall assist and report to the Compliance Officer on a daily basis in respect of the alerts generated for the surveillance mechanism.
- ✓ The Compliance Officer shall take all necessary steps to analyze, monitor, document and report the findings to the Board Members as well as the relevant Stock Exchanges and/or regulatory bodies, in a time bound manner, as detailed hereunder and/or as mandated by the Stock Exchanges and/or regulatory bodies.
- ✓ The Compliance Officer shall exercise their independent judgment and take adequate precautions to ensure implementation of an effective surveillance mechanism, based on the day-to-day activities of the clients, general market information and the facts and circumstances.
- ✓ The Internal Auditor of the Company, shall review the Policy, its implementation, documentation, effectiveness and review the alerts generated during the period of audit and shall record the observations with respect to the same in their Internal Audit Reports.
- ✓ The Board of Directors shall peruse, review and provide necessary guidance with regard to the "Surveillance Policy", periodically, for strengthening the processes.

4. Policy Procedures for Disposition of Alerts:

- ✓ **Downloading of Transaction Alerts:** The Transaction Alerts provided by the Stock Exchanges and internally generated by the Back-Office Software shall be downloaded by "The Risk Management Team" on a regular basis and the same shall be forwarded to the Designated Directors, Compliance Officer and the KYC Officer.
- ✓ **Client(s) Information:** The "KYC- Officer" shall carry out the necessary Due Diligence of the client(s), whose name appears on the Transaction Alerts. The said officer shall ensure that the KYC parameters are updated on a periodic basis as prescribed by Securities & Exchange Board of India (SEBI) and latest

Information of the client is updated in UCC database of the respective Exchanges. Based on the Client Information, the said officer shall establish Groups/Association amongst clients to identify multiple accounts/ common account/group of clients.

✓ **Documentation:** The Risk Management Team in order to analyze the trading activity of the Client(s)/Group of Client(s) or scrips identified based on the Transaction Alerts, shall do the following:

- Seek explanation from such identified Client(s)/Group of Client(s) for entering into such transactions.
- Seek documentary evidence such as Bank Statement/Demat Transaction Statement or any other documents to satisfy itself.
- In case of Funds, Bank Statements of the Client(s)/Group of Client(s) from which Funds pay-in have been met, to be sought.
- In case of Securities, Demat Account Statements of the Client(s)/Group of Client(s) from which Securities pay-in have been met, to be sought.
- The period of such statements mentioned in point (c) & (d) may be at least
- +/- 15 days from the date of transactions to verify whether the funds/ securities for the settlement of such trades actually belongs to the client to whom the trades were transacted.

✓ **Analysis:** Upon receipt of the above-mentioned documents, the Compliance Officer and the Risk Management Team shall analyze the documents sought from the Client as well as the KYC & KRA of the Client and shall record the observations for such identified transactions or Client(s)/Group of Client(s). In case adverse observations are recorded, the Compliance Officer shall report all such instances to the Exchange within 45 days of the alert generation.

5. Steps to be taken for analysis of each alert by Compliance Team:

✓ **Alert Generation System:** The Risk Management Team generates alert reports at the end of each day from the Back-Office Software which is analyzed to identify suspicious transactions. Alerts from Stock Exchanges and Depositories are also collated.

- **Quality of Dealing:**

- Identify scrips in BE, T and TS having 50 % of Exchange volume.
- Segregate the scrip volume based on the security category (e.g., EQ and BE in case of NSE and A, B, T, etc., in case of BSE).
- Identify the clients and check the bonafide of transactions.

- **High Value Deals:**

- Review the deals above Rs. 25 Lacs in single scrip.
- In case of buy deals, check whether sufficient margin is available.
- In case of sale deal, check whether the shares are available.
- Identify scrips where deals are persistently contributing higher volumes.
- Identify clients, who have taken high value positions, review their ledger accounts in order to verify whether there is sudden increase in.

- **Significant increase in client activity:** Client(s)/Group of Client(s) who have been dealing in small quantities/value suddenly significantly increase their activity. In such cases the following shall be examined:

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- Transaction Turnover more than Rs. 10.00 Lacs.
 - Delivery Turnover more than Rs. 1.00 Lacs.
 - Deal size more than 2 times of the average deal size.
 - Whether such volume is justified given the background of the client and his past trading activity.
 - Cumulative amount of funds that was brought in by the Client(s)/Group of Client(s) for the purchases made during the period.
 - Whether such inflow of funds is in line with the financial status of the client.
 - Whether the transactions of such Client(s)/Group of Client(s) are contributing to concentration or impacting the price.
- **Sudden trading activity in dormant accounts:** This refers to such cases where the client has not traded more than 3 months and suddenly starts/resumes trading in stocks or low market capitalized scrips or enters into transaction which is not in line with his financial strength. In such cases following shall be reviewed and examined:
 - Trade Gap Analysis for more than 90 days.
 - Reasons for trading in such scrips/contracts.
 - Whether the client is only placing the order or is it some third party.
 - Whether there is any concerted attempt by a Client(s)/Group of Client(s) to impact the prices of such scrips/contracts through use of such dormant accounts.
 - **Whether there is any concerted attempt by a Client(s)/Group of Client(s) to indulge in movement of profit/loss from one client to another through use of such dormant account**
 - **Clients/Group of Client(s), dealing in common scrips:** Such dealing is contributing significantly to the volume of the scrip at broker level and at the Stock Exchange level. The following shall be reviewed and examined:
 - Reasons for trading in such scrips.
 - Whether there is any concerted attempt by a client(s)/Group of Client(s) to impact the prices of such scrips.
 - Whether there is any concerted attempt by a client (s)/Group of Client(s) to indulge in movement of profit/loss from one client to another.
 - In case a client/ group of clients contributed more than 40% volume at Exchange level, repeatedly in the same scrip in last fifteen-day, client(s) is / are accumulating the scrip.
 - Check if client(s) is/ are transferring the same to third party Demat accounts through off-market transactions.
 - **Client(s)/Group of Client(s) concentrated in a few illiquid scrips:** The following shall be reviewed and examined:
 - Typically, the Risk Management Team shall block trading in scrips which are listed as Illiquid Scrips by the Stock Exchanges through its circulars.
 - Any trading in such scrips are done on specific request by client, and the same is allowed by the Compliance Officer only upon scrutiny of the beneficial ownership of the selling, pre-pay-in of funds by the buying client and trades are executed at the last traded price.
 - Activity concentrated in illiquid scrips.

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- Sudden activity in illiquid securities.
- Reasons for trading in such scrips.
- Whether there is any concerted attempt by a Client(s)/Group of Client(s) to impact the prices of such scrips.
- Whether there is any concerted attempt by a Client(s)/Group of Client(s) to indulge in movement of profit/loss from one client to another.
- Percentage of Client(s)/Group of Client(s) activity to total market in the scrip/contract is high.
- Identify clients who have traded in these scrips more than 25% of Exchange volume.
- **Client(s)/Group of Client(s) dealing in scrip in minimum lot size/Concentration in scrip: The following shall be reviewed and examined:**
 - Reasons for such trading behavior.
 - Whether the transactions of such Client(s)/Group of Client(s) are contributing to concentration or impacting the price.
 - Whether such transactions indicate towards probability of illegal trading at the clients' end.
- **Synchronized Trades/Cross Trades/Circular Trading:**
 - Scrutinize Synchronized/Cross Trade Report generated by the system as well as the data published by the Stock Exchanges on their official website. Identify clients having cross or synchronized trades.
 - Typically, any request for Block Deal is to be handled by the Risk Management Team directly under the guidance of Compliance Officer at the Head Office Level. Trades are to be executed only upon scrutinizing/ obtaining - proof of beneficial ownership of the selling client, proof of availability of funds by the buying client, pre-pay-in of shares of the selling client, pre-pay-in of funds by the buying client. Upon complying the same, trades are to be executed at the last traded price to avoid any price distortion. The executions of such trades are to be reported to the Designated Director as a routine compliance.
 - Continuous trading of client/group of clients in particular scrip over a period of time.
 - Client/group of clients contributing significant volume (broker and exchange level) in particular scrip - especially illiquid scrip.
 - Possible matching of trades with a specific group of clients (like same trade number on both buy and sell side and/or immediate execution of order in illiquid scrip etc.).
 - Possible reversal of trades with the same group of clients (like same trade number on both buy and sell side and/or immediate execution of order in illiquid scrip)
- **Pump and Dump:**
 - Risk Management Team to disallow trades for being executed at prices significantly away from the market and later on squaring off to earn significant profits.
- **Wash Sales or Reversal of Trades:**
 - Same Client(s)/ Group of Client(s) on both sides of the transaction. (i.e. same trade number on both the buy and sell side).
 - Reversal of transactions by same Client(s) or within same Group of Client(s) at significantly different trade prices within a short period of time says 3-4 days.
 - One client makes significant profit and other suffers a loss or apparent loss booking transactions in

illiquid contract/securities including options

Front Running:

- Trading, by Client(s)/ Group of Client(s)/employees, ahead of large buy/sell transactions and subsequent square off have to be identified and such transactions have to be reviewed for determining front running.
- There is a consistent pattern of Client(s)/ Group of Client(s)/employees trading ahead of large buy/sell transactions.
- **Concentrated position in the Open Interest/high turnover concentration:**
 - Client(s)/Group of Client(s) having significant position in the total open interest of a particular scrip.
 - Client(s)/Group of Client(s) not reducing/closing their positions in spite of the scrip being in ban period.
 - Client(s)/Group of Client(s) activity accounts for a significant percentage of the total trading in the contract/securities at the Trading member and exchange level.
 - Monitor the trading pattern of Client(s)/Group of Client(s) who have Open Interest positions/concentration greater than equal to the thresholds prescribed.
 - Identify the scrips where there is sudden increase in volume or rate by comparing the Exchange volume.
 - Check whether Broker has contributed substantial volume (more than 25 %) in such scrips. Identify clients who have contributed more than 25 % of the volume at the Exchange. Check for intimation letter uploaded by the Stock Exchange for the purpose of Additional Margin.
 - Identify the clients who are trading frequently in the scrips (more than 3 times in last five days).
- **Order book spoofing i.e. large orders away from market**
 - Consistent placement of large orders significantly away from the market with low trade to order trade ratio or canceling orders within seconds after placing them thereby creating a false impression of depth in a particular scrip/contract
 - Repeated pattern of placement of large buy orders which are away from the market price and simultaneous placement of sell orders to benefit from price rise or vice-versa.
- **Impact of Trading Pattern on Price and Volume of the Scrip**
 - Identify the days on which the client has taken concentrated positions in the scrip and Compare price and volume on the Exchange on said dates to ascertain whether:
 - Increase in price or volume beyond 20%.
 - Client has taken positions at day's high or low rates.
- **Review of Client Receipts/ Payments**
 - Review of Receipts/Payment details of the Client having unusual pattern of funds movement. Analyze the Receipts & Payments of the client on daily basis and on Q-to-Q basis. Daily Bank Reconciliation on a Maker-Checker basis to be conducted to scrutinize Dishonor of Cheques.
- **Relation of Client with the Management/ Promoters of the Company**
 - Check whether the client is related to management or promoters of the company in whose scrip client is trading.

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- Also check whether the client is holding more than 1% of the shares of the company.

Review of KYC & Turnover Vis-à-vis Financial Income Submitted by Client

- Review the KYC and supporting documents submitted by the client.
- Validate volume done by the client with his financial net worth and margin provided.
- Identify the clients whose turnover is disproportionate with the Annual Income provided in KYC.
- Review the Risk categorization of the client and categorize the client based on the validation done.
- Scrutinize the Transactions of the clients and follow up with the concerned branches for collection of the latest financials. Seek details from Branch on the occupation, social and financial status of client. If Branch feedback on client is not satisfactory, refer the case to the Principal Officer.

• Graded Surveillance Measures (GSM):

In continuation with the various measures implemented above to enhance market integrity and safeguard interest of investors, the Compliance Officer and Risk Management Team shall also implement the Graded Surveillance Measures (GSM) on securities that witness an abnormal price rise that is not commensurate with financial health and fundamentals of the company.

At present, there are 6 stages defined under GSM framework viz. from Stage I to Stage VI. Surveillance action has been defined for each stage. Once the security goes into a particular stage, it shall attract the corresponding surveillance action. Stage wise Surveillance actions are listed below –

Stage	Surveillance Actions
I	Transfer to Trade for Trade with price band of 5% or lower as applicable.
II	Trade for Trade with price band of 5% or lower as applicable and Additional Surveillance Deposit (ASD) of 100% of trade value to be collected from Buyer.
III	Trading permitted once a week (Every Monday) and ASD of 100% of trade value to be collected from Buyer.
IV	Trading permitted once a week (Every Monday) with ASD of 200% of trade value to be collected from Buyer.
V	Trading permitted once a month (First Monday of the month) with ASD of 200% of trade value to be collected from Buyer.
VI	Trading permitted once a month (First Monday of the month) with no upward movement in price of the security with ASD of 200% of trade value to be collected from Buyer.

The Risk Management Team has to be extra cautious and diligent while dealing in such securities as they have been placed under higher level of surveillance. A file containing stage wise GSM details is available on the website of NSE and BSE at the following link:

- ✓ https://www.nseindia.com/invest/content/equities_surv_actions.htm
- ✓ https://www.bseindia.com/markets/equity/EQReports/graded_surveil_measure.aspx

GSM framework shall work in addition to existing actions undertaken by the Exchange on the company's securities.

• Additional Surveillance Measure (ASM)

The Compliance Officer and Risk Management Team shall also implement Additional Surveillance Measure

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ing with the aforesaid measures on securities with surveillance concerns based on objective parameters viz. Price variation, Volatility etc.

The shortlisting of securities for placing in ASM is based on objective criteria covering the following parameters:

- High Low Variation
- Client Concentration
- No. of Price Band Hits
- Close to Close Price Variation
- PE ratio

The surveillance actions applicable for the shortlisted securities are as under:

- Securities shall be placed in Price Band of 5% or as directed by the Stock Exchange(s) from time to time
- Margins shall be levied at the rate of 100%.

ASM framework shall be in conjunction with all other prevailing surveillance measures being imposed by the Exchanges from time to time.

6. Unsolicited Messages (SMS Stocks):

- ✓ Clients are advised to remain cautious on the unsolicited emails and SMS advising investor to buy, sell or hold securities and trade only on the basis of informed decision.
- ✓ Investors are also requested to share their knowledge or evidence of systemic wrongdoing, potential frauds or unethical behavior through the anonymous portal facility provided on Exchange website and mail at the following addresses:
 - invg@nse.co.in
 - investigation@bseindia.com
- ✓ Clients to exercise caution towards unsolicited emails and SMS and also request their clients to buy, sell or hold securities and trade only on the basis of informed decision. Clients are further requested not to blindly follow these unfounded rumors, tips etc. and invest after conducting appropriate analysis of respective companies.
- ✓ In view of above & as a part of surveillance measure to protect investor's interest and maintain market integrity, Exchange has advised members to exercise greater caution with respect to tips / rumors circulated via various mediums such as analyst websites, social networks, SMS, What's App, Blogs etc. while dealing in the securities listed on the Exchange on behalf of their clients.
- ✓ The Securities identified by Exchange(s) in which unsolicited SMS are circulated shall be kept suspended and barred from further buying & selling by us and shall be monitored on regular basis.
- ✓ The Clients shall remain cautious on the unsolicited emails and SMS advising to buy, sell or hold securities and trade only on the basis of informed decision.
- ✓ Broker may in exceptional circumstances, where the Client has dealt in "SMS Stocks, shall withhold the pay-out of funds and/or securities of the Client and/or suspend the Demat Accounts for Debits, without assigning any reasons, to adjust the Traded Value of Trades in such SMS Stocks with retrospective effect and transfer the same to the Designated Bank Account earmarked for this purpose as mandated by Stock Exchange(s)/SEBI from time-to-time and retain the same till directed by the Stock Exchange(s)/SEBI for

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such release.

7. Surveillance in respect of Depository Participant

- ✓ Generation of suitable surveillance alerts which may be guided by indicative themes given in point no. 2 below (the list is inclusive and not exhaustive).
- ✓ Review and disposal of transactional alerts provided by NSDL/CDSL (Transactional alerts provided by NSDL/CDSL are based on certain thresholds).
- ✓ Disposal of alerts within 30 days from the date of alerts generated at Participants end and alerts provided by NSDL/CDSL.
- ✓ Reporting to NSDL/CDSL and other authorities as applicable in case of any abnormal activity.
- ✓ Documentation of reasons for delay, if any, in disposal of alerts.
- ✓ Framework of appropriate actions that can be taken by the Participant as per obligations under Prevention of Money Laundering Act (PMLA).

Indicative themes based on which alert should be generated and maintained and reported as per the requirement:

- ✓ 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 Participant.
- ✓ 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.
- ✓ Any other alerts and mechanism in order to prevent and detect any type of market manipulation activity carried out by their clients

8. Time Frame for Disposition of Alerts:

The above procedure should be completed within 15 calendar days from the last trading day of the month. In case the matter prolongs beyond 15 days the same should be reported to the Board of Directors, by the Compliance Officer, citing reasons for such delay. The Compliance Officer may seek extension of the time period from the Exchange, whenever required, under intimation to the Board of Directors.

9. Management Information System (MIS):

- ✓ A Monthly MIS Report shall be put up by the Compliance Officer to the Board of Directors on the number of

Alerts pending at the beginning of the month, generated during the month, dispensed off during the month and pending at the end of the month.

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50/8A, Harish Mukherjee Road, Kolkata - 700 025

- ✓ Internal Auditor shall verify the compliance of the "Surveillance Policy" on a monthly basis and the actions taken in respect of the Compliances made and pending actions, if any.

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 CIN - U67120WB2002PTC094505

10. Record Maintenance & Reporting:

- ✓ The Compliance Officer shall be responsible for all surveillance activities carried out by the Company and for the record maintenance of such activities.
- ✓ The Compliance Officer shall be assisted by the Risk Management Team and the KYC & KRA Officer for the surveillance activities and shall have the discretion to take assistance/help from any professionals and/or software for the better implementation of the surveillance activities, without diluting the accountability and responsibility of the Compliance Officer.
- ✓ Each alert received from the exchange shall be backed by necessary supporting documentary evidence collected from clients, any other additional details as may be deemed fit may be captured and placed before the Board of Directors for review.
- ✓ Trading Member shall report duly approved status of the alerts on a quarter basis to the Exchange/Depository within 15 days from the end of the quarter in the prescribed format.

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. Corum Securities Pvt. Ltd
CORUM SECURITIES PVT. LTD.

J D Gandhi

Authorised Signatory/Director

(Jitesh Dineshchandra Gandhi)

Designated Director

Dated: - 02/01/2024

- ✓ With respect to Depository's Circular dated July 15th, 2021 regarding "Surveillance Obligations for Depository Participants", We as Depository Participant with discussion with management has defined an internal criterion to identify the nature of alerts and process the necessary verification on the same. The alerts will be identified on the basis of below mentioned criteria as follows -

S No	Parameters of Alerts to be generated	Alerts to be reported	Base for reporting of Alerts
1	Alert for multiple demat accounts opened with same demographic details	Demographic details is in more than 5 demat accounts	Demographic Detail Wise
2	Alert for communication sent on Email id/address of clients are	All instances	Client ID wise

	getting bounced.		
3	Frequent changes in details of demat account	Changes is executed more than 5 times	Client ID wise
4	Frequent Off-Market transfers by a client in a specified period	Off Market Transfers executed more than 5 times	Client ID wise
5	Off-market transfers not commensurate with the income/Net worth	All instances - Limit given up to 10 times	Client ID wise
6	Pledge transactions not commensurate with the income/Net worth	All instances - Limit given up to 10 times	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

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J D Gude
 Authorised Signatory/Director