

SURVEILLANCE POLICY

This policy shall come in to force with effect from 1st April, 2013

Object of the policy:

This policy is made in compliance with BSE Notice No. 20130220-23 dated 20th February, 2013 and 20130307-21 dated 07th March, 2013

In connection with transactional alerts by beta version of e-BOSS
(Member Surveillance System)

Though S.A.DESHPANDE & CO (“SADCO”) had risk management policy and policies & procedures for surveillance in place but for further effective monitoring this policy is framed

BSE will download following Transactional alerts

Sr. No.	Transactional Alerts
1	Significant increase in client activity
2	Sudden trading activity in dormant account
3	Clients/Group of Client(s), dealing in common scrips
4	Client(s)/Group of Client(s) concentrated in a few illiquid scrips
5	Client(s)/Group of Client(s) dealing in scrip in minimum lot size
6	Client / Group of Client(s) Concentration in a scrip
7	Circular Trading
8	Pump and Dump
9	Wash Sales
10	Reversal of Trades
11	Front Running
12	Order book spoofing i.e. large orders away from market

Client Information & analysis:

Though SADC0 is continuously carrying out the activity of due diligence of its clients & continuously updating database of clients in Back office and in UCC of exchange but on receiving any of the above Mentioned transactional alerts from exchange, SADC0 will further try To establish groups/association amongst the clients to identify multiple Accounts/common account/group of clients and will seek explanation from such identified clients/ group of clients for entering in to such transactions

Further SADC0 will seek financial details of clients/group of clients. SADC0 will also seek documentary evidence such as bank statement/demat transaction statement or any other documents from such identified clients/group of clients, such statements may be at least +/- 15 days from the date of transaction to verify whether the funds/securities for settlement of such trades actually belongs to the client for whom the trades were transacted

After analyzing the documentary evidence and taking in to consideration of past trading pattern of clients/group of clients SADC0 will record observations of such Identified transactions or clients/group of clients, incase of adverse observations SADC0 will report all such instances to the exchange within 45 days of the alert generation, however if analysis could not be concluded in time for any reason whatsoever SADC0 will record the reason for delay & seek extension of time period from the exchange

SADC0 will maintain such record for a period required under the rules/circulars

Monitoring & Reporting:

For effective monitoring partners of SADC0 will discuss on a quarterly basis about number of alerts pending at the beginning of the quarter, alerts generated during the quarter, alerts disposed off during the quarter & what appropriate action taken for generated alerts

All the partners of SADC0 will be responsible for all surveillance activities carried out by SADC0 & for the record maintenance & reporting of such activities

Overall surveillance process of SADC0 shall be conducted under the supervision of SADC0'S compliance Officer

Aforesaid policy & its method of implementation shall be modified/amended/altereD/reviewed by SADC0 as required from time to time so as to comply with the relevant notices/circulars which may be Issued in this regard & also to give more effectiveness to this policy

APPROVAL BY THE PARTNERS OF THE FIRM:

We the undersigned partners of the SADC0 have approved this surveillance policy as reasonably designed to achieve & monitor our firm's ongoing compliance with the requirements of the exchange

For S.A.DESH PANDE & CO

**sd/
B.L.SHAH**

**sd/-
N.B.SHAH**

**sd/-
P.B.SHAH**

**sd/-
C.B.SHAH**