CDSL Surveillance Alert SOP for Depository Participants (DPs) AMBALAL SHARES & STOCKS PRIVATE LIMITED

(POLICY CREATED ON 05.04.2025)

Ambalal Shares & Stocks(P) Ltd

#2, Kewalchand Plaza, Ambalal Green City,Old Bye Pass Road, Vellore - 632004.
Phone: +91 416 2227751-55

**SEBI Reg No : Ambalal Shares & Stocks (P) Ltd(ASSL) - INZ000219137;
Exchanges: NSE: 14329 / BSE: 6406 / MCX: 45965; CDSL - IN-DP-402-2019**

Prepared By

Mr. Jawarilal Karan
Compliance Officer

Approved By

Mr. Jawarilal Jain
Designated Director

CDSL Surveillance Alert SOP for Depository Participants (DPs)

A Standard Operating Procedure (SOP) has been prepared based on the CDSL circular no: CDSL/OPS/DP/SYSTM/2024/341

1. **Purpose**

    To outline the Standard Operating Procedure (SOP) for managing surveillance alerts, ensuring compliance with CDSL's guidelines, and effectively monitoring client transactions.

2. **Scope**

    This SOP applies to all surveillance alerts generated at the DP's end and those provided by CDSL.

3. **Alert Generation Parameters**

    a. Source of Alerts:
    - Alerts generated by the DP's internal systems.
    - Alerts received directly from CDSL.

    b. Types of Alerts:
    - Suspicious transaction patterns.
    - Multiple demat accounts linked to a common bank account.
    - Accounts are opened using multiple PANs by a single entity.
    - Frequent off-market transactions

4. **Alert Handling Process**

    a. Alerts are identified through automated systems or received directly from CDSL.
    b. Review the nature of the alert to determine its severity and potential risk.
    c. Record all details of the alert, including the time and date of generation, the client involved, and the nature of the transaction.

5. **Timeline for Response**

All alerts must be disposed of within 30 days of generation.

6. **Periodic Review**

The SOP and alert parameters should be reviewed annually by the Compliance Officer.

7. **Maker-Checker Mechanism**

● Ensure that the alert generation and disposal processes are conducted by different personnel to maintain objectivity and prevent errors.
● The Checker must verify all actions the Maker takes before closing any alert.

8. **Reporting Requirements**

Submit a report to CDSL in the specified format, including details such as:
a. Number of alerts generated, closed, and pending.
b. Ageing analysis of pending alerts.
c. Reasons for any delays in alert resolution.

9. **Compliance**

All alerts must be resolved within 30 days. Non-compliance may result in penalties.

10. **Review of Surveillance Policy**

The surveillance policy should be reviewed once a year to ensure it meets the latest regulatory standards and effectively mitigates risks.

11. **Vigilance Against Anomalous Activities**

Stay alert for patterns such as multiple accounts with a common bank account or accounts opened using multiple PANs by a single entity. Immediate action should be taken to freeze such accounts and report them to CDSL.

This SOP ensures that DPs adhere to CDSL's surveillance obligations, effectively monitor client transactions, and take prompt action on any suspicious activities.