

SURVEILLANCE POLICY

INTRODUCTION:

As per SEBI & Exchange have directed the trading members to frame the a surveillance policy for effective monitoring of Trading Members and monitoring the alerts based on trading activity on the Exchange. Trading members are directed to have proper mechanisms and to ensure that proper checks and balances are in control, and Motisons Commodities Private Limited is framing this policy accordingly.

Staff strength: Company has appointed following person for surveillance & compliance purpose:

Surveillance Team: Mr. Rajeev Jain, Mr. Samar Soni, Mr. Pawan Yadav

Compliance Team: Mr. M.K. Sharma, Mr. Rajendra Kumar Yogi

SCOPE:

The company shall implement the following policy:-

1) Transactional Alerts provided by the Exchange:

In order to facilitate effective surveillance mechanisms, the Company would download the below mentioned alerts based on the trading activities on the Exchanges.

Sr. No.	Transactional Alerts
1	Significantly increase in client activity
2	Sudden trading activity in dormant account
3	Clients, deal in common contracts
4	Clients) is concentrated in a few illiquid contracts
5	Clients dealing in scrip in minimum lot size
6	Clients Concentration in a contract
7	Circular Trading
8	Pump and Dump
9	Wash Sales
10	Reversal of Trades
11	Front Running
12	Concentration position in the Open Interest / High Turnover Concentration
13	Order Book Spoofing i.e. large orders away from market

The company may formulate its own alerts in addition to above mentioned type of alerts are as following:

Motisons Commodities Private Limited

MEMBER : MCX, NCDEX, DP- COMTRACK & NERL

- a. **Internal Allert:** After opening a Client's trading account a limit of 70%- 80% according to client's fund, will be set, after crossing the limit there will be a margin deposit call will be made or position will be square off.
- b. Company is having 'Protector' surveillance software to watch Client's Position, MTM, Margin, Near Month Position, Post Trade Surveillance, OI Violation etc.
- c. Surveillance team of company will check NCFE & Extranet portal on daily basis for transaction alert or any violation.
- d. **SEBI Debarred:** Our compliance team will check the PAN number whether it is debarred by SEBI on SEBI website to SEBI order on daily basis and at the time of account opening to ensure that any debarred client does not trade and deactivated from the system.

2) Clients Information:

The Company will carry out the Due Diligence of its client(s) on a yearly basis. Further, company shall ensure that key KYC parameters are updated on a yearly basis and latest information of the client is updated in Unique Client Code (UCC) database of the Exchange. Based on this information the Company shall establish groups / association amongst clients to identify multiple accounts / common amount / group of clients.

3) Analysis:

In order to analyze the trading activity of the Client(s) or contract identified based on above alerts; the company will carry out the following procedure:

- a. To seek explanation from such identified Client(s) for entering into such transactions.
- b. To seek documentary evidence such as bank statement transaction statement or any other documents as below:
 - a. In case of funds, Bank statement of the Client(s) from which funds pay-in has been met, to be sought.
 - b. The period for such statements 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 for whom the trades were transacted.
- c. The Company shall review the alerts based upon:
 - a. Type of the alerts downloaded by the Exchange
 - b. Financial details of the clients

Regd. Office: 2nd Floor, Chandwani Smariti Bhawan, Jwalapur-Kankhal Main Road, Haridwar-249403 (Uttarakhand)

Corporate Office: "Motisons Tower" 6th Floor, SB-110, Lal Kothi, Tonk Road, Jaipur-302015, Rajasthan Tel.: 0141-4054545 Fax: 0141-4054550

E-mail : commodity@motisons.com, moticommodity@gmail.com Website : www.moticommodity.com CIN U74999UR2003PTC000348

Motisons Commodities Private Limited

MEMBER : MCX, NCDEX, DP- COMTRACK & NERL

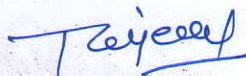
- c. Past Trading pattern of the clients / client group
 - d. Bank transaction details
 - e. Other connected clients in UCC (common email / mobile number / address, other linkages, etc.)
 - f. Other publicly available information.
- d. After analyzing the documentary evidences, including the bank statement, the Company will record its observations for such identified transactions or 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. The Company may seek extension of the time period from the Exchange, wherever required.

4) Monitoring and Reporting:

For effective monitoring, the Company;

1. Within 30 days of alert generation shall dispose off the alert, and any delay in disposition, reason for the same shall be documented.
2. In case of any Suspicious or any Manipulative activity is identified, the same will be mentioned in the Register to be maintained for the purpose and will be reported to the Stock Exchanges within 45 days of the alert generation.
 - a. The company shall prepare quarterly MIS and shall put to the Partners on the number of alerts pending at the beginning of the quarter, generated during the quarter, disposed off during the quarter and pending at the end of the quarter. Reasons for pendency shall be discussed and appropriate action shall be taken. Also, the Board shall be apprised of any exception noticed during the disposition of alerts. The surveillance process shall be conducted under overall supervision of its Compliance Officer. Compliance Officer would be responsible for all surveillance activities carried out by the Company and for the record maintenance and reporting of such activities.
 - b. Internal Auditor of the Company shall review the surveillance policy, its implementation, effectiveness and review the alerts generated during the period of audit. Internal Auditor shall record the observations with respect to the same in their report.

For Motisons Commodities Private Limited


Director