



Surveillance Policy

Addition to be made with reference to Point 7 of Anti Money Laundering (AML) and Know Your client Policy (KYC) of the Company.

In order to facilitate effective surveillance mechanisms in all segments, Exchange will generate transactional alerts based on scenarios defined below and other alters recommended in the exchange circulars from time to time.

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

On receipt of alters from Exchanges, an action has to be will be taken within from 7 days from the date of generation of alter and if there is any delay in disposition a reason/explanation for delay has to be documented. The process of identifying the Suspicious / Manipulative activity identification and reporting process/approvals will be followed as per the Companies AML Policy. All the alters /action taken /suspicious Transactions will reported to Exchange and will be documented

A quarterly MIS will be put up to the Board 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 will be discussed and appropriate action taken. The Board will be apprised of any exception noticed during the disposition of alerts.

The surveillance process will be conducted under overall supervision of the Compliance Officer of the Company.



***Rosy Blue Securities
Private Limited***

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As on date, Company has not received any alters.

Apart from above, Companies will carry out the Due Diligence of its client(s) as per the approved policy of the Company and ensure that key KYC parameters are updated on a periodic basis as prescribed by SEBI and latest information of the client is updated in UCC database of the Exchange. Company statements are sent to clients to verify whether the funds / securities for the settlement of trades actually belongs to the client for whom the trades were transacted. After analyzing the documentary evidences we will record its observations for such identified transactions or In case adverse observations are recorded, We Trading Member shall report all such instances to the Exchange within 45 days of the alert generation. We may seek extension of the time period from the Exchange, wherever required.

For Rosy Blue Securities Pvt. Ltd.

SD/-

Shilpa Hirani

Director



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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF DIRECTORS OF ROSY BLUE SECURITIES PVT. LTD. HELD ON 25th JUNE, 2013 AT 154/C MITTAL COURT, NARIMAN POINT, MUMBAI - 400 021 AT THE REGISTERED OFFICE OF THE COMPANY.

ADOPTION OF SURVEILLANCE POLICY ON PREVENTION OF MONEY LAUNDERING ACT

The Chairman placed before the Board, the draft of Surveillance policy that required to be adopted by the Company as per the BSE/NSE Circular dated 05th June, 2013 to enhance market integrity and safeguard interest of investors, initialed by the Chairman for the purpose of identification. After discussions, the following resolution was passed:

“RESOLVED THAT the Draft of Surveillance policy placed before the Board be and is hereby approved and accordingly the policy has been adopted by the Company in compliance with circular issued by BSE/NSE.

RESOLVED FURTHER THAT any director of the Company do hereby take all such measures as are necessary to comply with the guidelines issued by SEBI.

RESOLVED FURTHER THAT any directors of the Company be and is hereby authorized to take necessary steps in this regard and make necessary communication with stock exchange.”

Certified True Copy

For Rosy Blue Securities Pvt. Ltd.

SD/-

**Shilpa Hirani
Director**