



Merchant Banking |PCG Equity Broking| PMS

New Berry Capitals Private Limited

A 602, Marathon NextGen Innova G.K. Marg, Lower Parel (West), Mumbai – 400013.

Tel: +91 22 48818442 www.newberrycapitals.in

CIN NO.: U67190MH2007PTC174445

SEBI REGISTRATION NO.: NSE/BSE: INZ000004838

SEBI (PMS) REGISTRATION NO: INP000005323

SEBI MERCHANT BANKING REGISTRATION NO: INM000012999

NEW BERRY CAPITALS PRIVATE LIMITED

SURVEILLANCE POLICY FOR STOCK BROKING AND DEPOSITARY PARTICIPANT OPERATIONS

1. Applicability:

The policy is framed in accordance with the provisions of SEBI Circular No. SEBI/HO/ISD/ISD/CIR/P/2021/22 dated 01.03.2021, NSE Circular No. NSE/SURV/48818 dated September 01, 2021, BSE Circular 20210701-30 dated September 01, 2021, and CDSL communique No. CDSL/OPS/DP/SYSTM/2021/309 dated July 15, 2021.

2. Surveillance Policy for Stock Broking:

- 2.1. The Stock Exchanges viz. NSE and BSE are providing alerts based on predefined criteria to all the stockbrokers, including NEW BERRY CAPITALS PRIVATE LIMITED through their portals. As per applicable Circulars, NEW BERRY CAPITALS PRIVATE LIMITED is reviewing these alerts and taking appropriate actions after carrying out due diligence viz. either disposing off alerts with appropriate reasons/findings recorded or filing Suspicious Transaction Report (STR) with FIU-India in accordance with provisions of PMLA (Maintenance of records) Rules, 2005.
- 2.2. In addition to the same, NEW BERRY CAPITALS PRIVATE LIMITED has framed its Surveillance Policy for Stock Broking to generate alerts as per guidance provided in the following criteria:
 - 2.2.1. Trading activity in a single day by one client or group of clients who contributed more than 25% in a single scrip or a single derivative contract.
 - 2.2.2. A client or a group of clients who are either new client/ clients or who have reactivated their trading account after significant time gap and who have contributed more than 50% of the total trading volume of a single scrip or derivative contract in a single day.
 - 2.2.3. Client or a group of clients dealing frequently in small quantities in a scrip.
 - 2.2.4. Trading activity of a client found to be disproportionate considering a reported income range detail or net worth.



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- 2.2.5. A client who has submitted modification request for changes in his/her/its demographic details of address, email id, mobile number, bank details etc. at least twice in a month.
- 2.2.6. A client or a group of clients who have been found to have direct or indirect connection with a listed company and who have executed any transactions prior to any dissemination of any price sensitive information by such listed company.
- 2.2.7. A client or group of clients having more than 20% volume of any scrip listed in for 'information list' or 'current watch list'.
- 2.2.8. A client or group of clients which persistently earn or incur high amount of loss through their trading activities or clients who appear to have executed trades with the objective of transfer of profits or losses.
- 2.2.9. A client who is holding more than 5% of paid-up capital of a listed company and has pledged 100% of his/her/it's such holding for margin purpose and who has also significant trading volume in the same scrip which he/she/it holds.
- 2.2.10. In case of a client or a group of clients who have been identified as per any of the above 9 criteria and whose orders are placed through a dealing office which is far from such client's address as per his/her/its KYC.
- 2.2.11. A client having demat account with NEW BERRY CAPITALS PRIVATE LIMITED and who has holding in a scrip of more than 5% of paid-up capital of a listed company which has received the same shares through off-market transfer.
- 2.2.12. A client who has received shares of a listed company through multiple off-market transfer and has pledged such shares.
- 2.2.13. Identification of IP addresses of clients to identify multiple client codes trading from same IP address.



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- 2.2.14. Clients who are connected with each other as per key KYC parameters of the clients as updated by respective client.

- 2.3. The stock broking operation shall review the alerts provided by Stock Exchanges on an ongoing basis and shall ensure to process the same as early as possible. In any case, these alerts will be processed within 45 days from the date of generation of the alert by the Stock Exchanges.
 - 2.3.1. In case of any delay in disposing off any alerts, reasons for the same shall be recorded.

- 2.4. The stock broking operation shall identify suspicious/ manipulative activities undertaken by any client through monitoring of order(s) and trade(s).

- 2.5. The stock broking operation shall, in case of reporting of any transaction as STR to FIU-India, shall evaluate whether any further action including suspension of the trading activity of the suspect client(s), reporting to Stock Exchanges/SEBI and/or other Regulatory Authorities.

- 2.6. The stock broking operation shall maintain records for such period as is prescribed under PMLA (Maintenance of Records) Rules, 2005, and Securities Contracts (Regulation) Rules, 1957 and any other directions as may be issued by SEBI/ Stock Exchanges from time to time.

3. Surveillance Policy for operations as Depository Participant:

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. In order to achieve this and to create safer markets, New Berry Capitals Private Limited would have in place adequate surveillance policies and system in order to monitor suspicious/manipulative transactions and curb such activities, if any.

Objective:

In order to facilitate an effective surveillance mechanism to monitor the transactions in DP of the CDSL Depository where the Firm is registered as a Depository participant this Surveillance Policy is being formulated in compliance



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and/or as mandated by Securities and Exchange Board of India and Depository.

Responsibility:

The Compliance Officer shall be responsible for the implementation and supervision of this Policy. The DP Executives, Compliance Executives, Surveillance executive and back office executives shall assist and report to the Compliance Officer on a daily basis in respect of the alerts generated for the surveillance mechanism in the Company.

The Compliance Officer shall take all necessary steps to analyze, monitor, document and report the findings of the alerts generated under surveillance mechanism in the DP and manner as stated below and/or as per the Compliance Manual and/or regulatory bodies.

The Compliance Officer shall take adequate precautions to ensure independence of the entire surveillance mechanism, timely reporting of any activities of the clients, general market information and the facts and circumstances.

The management of the firm, shall review the Policy, its implementation, operationally, effectiveness and review the alerts reported during the period and shall take corrective measures wherever required during the Internal Audit Report and Statutory Audit Report.

The Designated Director / Partner / Proprietor shall peruse, review and provide necessary guidance with regard to the “Surveillance Policy”, periodically, for strengthening the processes.

Obligation to generate Surveillance Alerts:

DP to generate appropriate surveillance alerts at their end, to enable them to effectively monitor the transactions of their clients. The indicative themes on which DP may formulate their own alerts are as under. The DP also need to analyses patterns and trends with respect to different themes. DP shall put in place system to generate these alerts and obtain the approval of its Board in next meeting.

Sr. No.	Indicative themes
1	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 DP.



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2	Alert for communication (emails) letter sent on registered Email id/Address of clients are getting bounced.
3	Major changes in details of demat account such as, address, email id, mobile number, Authorized Signatory, POA holder etc.
4	Frequent Off-Market transfers by a client in a specified period of time.
5	Off-market transfers not commensurate with the income/Net worth of the client.
6	Pledge transactions not commensurate with the income/Net worth of the client.
7	Off-market transfers (High Value) immediately after modification of details in demat account.
8	Reversal of series of off-market transfers provided by client for off-market transfers vis-à-vis profile of the client eg. transfers with reason code Gifts (With no consideration), Transfer between own accounts, Donation to unrelated parties, Frequent transfers etc.
9	Alert for newly opened accounts wherein sudden increase in transactions activities in short span of time, or for dormant account where account becomes zero or account becomes dormant after some time.
10	Any other alerts and mechanism in order to prevent and detect any type of market manipulation activity carried out by their clients.

The above-mentioned alerts may be generated based on some threshold/parameters and are illustrative and not exhaustive. DP need to review these alerts based on risk factors and verification of relevant documents including income/net worth as provided by client. Further, DP are required to exercise their independent judgment and take appropriate action in order to detect any abnormal or suspicious transactions.

Obligation of DPs to generate additional surveillance alerts

Sr. No.	Indicative themes
1	Due diligence and BO verification of client before executing transaction in BO's demat account of BO of certain age i.e. more than 75 years
2	Alert for high value transaction (debit/credit) in BO's account which does not seem in accordance to his / her income as may be represented by the BO.
3	Flagging client as High risk client where Owner of Demat account is permanent of Demat account and there is blend of different personnel such as Corporate, LLP/partnership firm
4	Yearly evaluation client's Risk profile based on activity in its demat account i.e. pledge, selling, debit-credit, off market transaction, margin funding etc.
5	Marking demat account under high risk category where such account is operated through POA holder



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Obligation regarding Client due diligence:

The following activities shall be carried out by DP for client due diligence.

DP shall to carry out the Due Diligence of their client(s) on an on-going basis.

The Alerts provided by the Depositories and internally generated shall be forwarded to “the compliance Team” on a regular basis and the same shall be monitored and recorded.

The “Compliance Team” shall carry out the necessary Due Diligence of the client, whose name appears on the Alerts. The process of Due Diligence shall include review and examination of data as provided and maintained with the Securities & Exchange Board of India (SEBI) and also information of the client available on the websites (database, search engines, public records, court judgments) as available in internal systems, if any. The participants shall assess group / association amongst clients, inter-alia, to identify multiple accounts / common account / group client clients.

Obligation w.r.t. Processing of Alerts:

DP shall maintain register (electronic/physical) for recording of all alerts generated.

While reviewing alerts, DP shall obtain transaction rationale, verify demat account statement and also obtain supporting documents as required from the client.

After verifying the documentary evidences, Participants shall record its observations for such identified transactions of its Client.

With respect to the transactional alerts to be provided by Depository, DP shall ensure that all alerts are reviewed and status thereof (Verified & Closed / Verified & Reported to Depository) including action taken is updated within 30 days, on the CDSL portal.

With respect to the alerts generated at the DP end, DP shall report instances with adverse observation, along with details of action taken, to CDSL within 7 days of the date of identification of adverse observation.

Obligation of Compliance officer and Internal Auditor/Concurrent Auditor:

The surveillance activities of DP shall be conducted under overall supervision of Compliance Officer. A quarterly MIS shall be put up to the Board on the number of alerts processed and the beginning of the quarter, generated during the quarter, pending at the end of the quarter and cases pending at the end of the quarter along with reasons for pendency and action plan for closure. Also, the Board shall be apprised of any exception noticed during



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the disposal of alerts.

Internal auditor of Participant shall review the surveillance policy, its implementation, effectiveness and review the alerts generated during the reporting period. Internal auditor shall record the observations with respect to the said report.

Internal Auditor shall verify that the quarterly MIS is prepared and placed before the Board of the DP.

Obligation of Quarterly reporting of status of the alerts generated:

In order to comply with the SEBI & Depositories circular, DP are required to provide duly approved status of the alerts on a quarterly basis(MIS), in the prescribed format to CDSL within 15 days from end of the quarter by the designated compliance team in accordance with depositories circular CDSL - CDSL/DP/DP/SYSTEM/2021/3099 dated 15 Jul 2021.

DP who do not have anything to report, need to submit 'Nil' Report within 15 days from end of the quarter.

Reporting to respective depositories and other authorities as applicable, in case of any abnormal activity

The above details shall be uploaded by the DP on respective DP Portal.

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 DP team and the Risk Management Team for the surveillance activities and shall have the necessary access/assistance/help from any professionals, vendor for software / systems solution to enable online surveillance activities and for discharging the accountability and responsibility of the Compliance Officer.

Each alert received from Depository shall be handled with necessary supporting documentation / evidence collected from clients, KYC records and documents as may be deemed fit may be captured and placed before the Board of Designated Director / Partner / Proprietor and filed.

The records of the findings beyond prescribed period shall be filed with corporate file. The Designated Director / Partner / Proprietor, by the Compliance Officer, may direct and demand that the Compliance Officer report the status of the files from time to time, and the Depositories whenever required, under intimation to the Board of Designated Director /



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Partner / Proprietor.

Further, the records mentioned in above can be maintained and preserved for a period of eight years from receiving such alert from the exchanges.

Framework of appropriate actions as per obligations under Prevention of Money Laundering Act (PMLA):

Depository activity involves transfer of securities which have monetary value. As such, Depository activity has been brought within the purview of the PML & CFT Policy. KYC norms for opening accounts shall be followed in depository. In order to ensure monitoring of alerts the procedures as laid and standing in "Procedure & Process Flow Manual for Prevention of Money Laundering Surveillance & Risk Assessment" shall be adhered and strictly implemented.

- Clients whose identity verification seems difficult.
- False identification documents.
- Identification documents which could not be verified within reasonable time.
- Doubt over the real beneficiary of the account.
- Client appears not to co-operate.
- Sudden activity in dormant accounts.
- Clients having suspicious background or links with known criminals.

Review Procedure:

In order to measure the effectiveness of the policies and procedures on the Surveillance Obligations, it shall be reviewed once in every year and as and when required to incorporate the additions, changes, modifications etc., as directed by regulator and such changes shall take place from their effective date.

The Compliance Officer shall be responsible to ensure that as and when the policy is reviewed or updated, the same is consistent with the applicable laws and rules of the exchanges and to bring it to the significant changes if any for approval to the notice of Designated Director / Partner / Proprietor and place the reviewed policy before the Board for its adoption.

For

New Berry Capitals Private Limited

Last Reviewed on 01st November 2024

Adopted by Board on 18th December 2024