



ELIXIR EQUITIES PRIVATE LIMITED

RISK MANAGEMENT & SURVEILLANCE SYSTEM

RISK MANAGEMENT

Elixir Equities Pvt. Ltd. (EEPL)

Elixir Equities Pvt. Ltd. (EEPL) is a SEBI-registered professional broking house. With a strong focus on compliance and prudent risk containment practices, EEPL has implemented a comprehensive Risk Management and Surveillance System aimed at averting client defaults and ensuring the integrity of its trading operations.

1. Client Admission Policy

EEPL strictly adheres to SEBI-prescribed **Know Your Client (KYC)** norms. Clients are onboarded only after:

- Personal identification and verification.
- Review of antecedents and references provided in the Client Registration Form.
- Internal approval post-scrutiny of submitted documentation.

2. Margin Collection and Exposure Management

With the introduction of T+1 settlement and the depository system, market risks have significantly reduced. EEPL aligns with these regulatory enhancements by ensuring:

- **Exposure Limits:** Determined based on each client's financial capacity and risk appetite.
- **Settlement Discipline:** Full payment for purchases or share delivery is collected on a upfront basis.

- **Daily Traders:** Must maintain adequate margin in cash or in approved securities with strong fundamentals.
- **Discretionary Margin Exemption:** Permitted only by the Designated Director, based on the client's track record.
- **Margin Pledge:** we have taken higher of the price on both exchanges for margin pledge.

3. Mark-to-Market Monitoring

- Continuous online monitoring of client positions.
- Immediate margin calls are triggered if **MTM losses exceed ₹25,000**.
- Clients may be advised to reduce exposure in such scenarios.

4. Control on High-Risk Segments (Odd Lot & Z Category)

- Trades in **Odd Lot, Z, and T/TS** group scrips are allowed only after approval from the **Risk Management Department / Compliance Officer**.
- Client trading history and financial capability are reviewed before permitting such trades.

5. Strengthened Surveillance Mechanism

Recognizing the evolving risks in the capital markets, EEPL formed a **Surveillance Committee** in early 2025, comprising senior staff and software vendors, to strengthen its mechanisms. Based on the committee's recommendations, a robust **online and offline surveillance system** has been implemented.

Surveillance Team Composition

- **Led by:** Chief Executive Officer – *Mr. Dipan Mehta*
- **Team Strength:** 2 dedicated surveillance personnel
- **Scope:** Both Scrip-wise and Client-wise surveillance

SCRIP-WISE SURVEILLANCE

A. Online Surveillance

1. **Real-Time Trade Monitoring**
Any unusual volume or activity in a scrip/client is immediately flagged. Sub-brokers/branches are contacted, and historical client data is reviewed.
2. **Group-Wise Trading Limits**
Conservative group-wise limits are imposed (A, B1, B2, T, TS, Z).

- **Z group trading** is completely disabled across the network.
 - **T/TS groups** have strict default limits. Additional limits are granted only after detailed investigation.
3. **Pattern Monitoring**
Recurring patterns in trades or exposure requests are logged weekly and reviewed by the Director.

B. Offline Surveillance

1. **Post-Trade Volume Analysis**
Large trade volumes, especially with abnormal profit/loss, are examined.
2. **Market Comparison**
Volumes are benchmarked against daily exchange volumes for the scrip.
3. **Price Movement Tracking**
Price behavior over 3–6 months is evaluated to detect manipulative trends.
4. **Disabling Scrips**
After a thorough 2-week review, the Surveillance Team may recommend disabling trading in suspicious scrips at client/branch/network level.

CLIENT-WISE SURVEILLANCE

1. **Client Pattern Analysis**
Clients trading in scrips with abnormal volume compared to averages are further scrutinized for their broader trading behavior.
2. **Quality-Based Review**
The quality of scrips traded is assessed. Clients trading in speculative or risky scrips may be flagged for review by the CEO/Director, with possible disconnection from trading services.
3. **Intra-Day Volume & MTM Loss Monitoring**
EEPL's back-office system tracks intra-day losses. Reports are analyzed for:
 - High volumes without delivery.
 - Abnormal trading patterns.

EEPL's comprehensive risk management and surveillance system reflects its commitment to client safety, regulatory compliance, and market integrity. With a proactive approach led by senior leadership and supported by technology and trained personnel, EEPL ensures that both clients and the organization are safeguarded against potential market misuse and operational risks.

Surveillance Policy

Here is a professionally revised and structured version of the **Surveillance Policy** for **Elixir Equities Pvt. Ltd. (EEPL)**, incorporating your detailed inputs with improved language, formatting, and clarity while maintaining regulatory tone:

Surveillance Policy

Elixir Equities Pvt. Ltd. (EEPL)

Objective

To ensure the integrity of trading operations, prevent market manipulation, and mitigate the risk of regulatory violations or financial losses, Elixir Equities Pvt. Ltd. (EEPL) has adopted a comprehensive **Surveillance Policy** comprising both online and offline mechanisms.

Background

At the beginning of the current year, the management of EEPL identified the growing need for a **robust surveillance framework** to detect and deter potential misuse of trading systems. In response, a **Surveillance Committee**—comprising senior management and technology partners—was constituted to design and recommend an effective surveillance model.

Based on the committee's recommendations, EEPL has implemented a dual-layered **Online and Offline Surveillance System**. The system is currently managed by a dedicated team of **two surveillance staff members**, under the direct supervision of the **Chief Executive Officer, Mr. Dipan Mehta**.

Scrip-Wise Surveillance

A. Online Surveillance

1. Real-Time Trade Monitoring

The surveillance team monitors trades as they are executed. Any **abnormal volume** or **suspicious activity** in a specific scrip or by a specific client is immediately investigated. The team reaches out to the concerned sub-broker or branch to obtain client details, and further reviews the client's trade history and ledger.

2. Group-Wise Risk Controls

EEPL has implemented strict **group-based trading limits** for scrips categorized under A, B1, B2, T, TS, and Z groups.

- **Z group scrips are completely disabled** across the trading network due to their speculative nature.
- Exposure in T and TS group scrips is limited by default and monitored closely.

3. Limit Approval Protocols

Requests for additional exposure in sensitive groups (T/TS) are subject to **prior investigation**. Limits are enhanced only after verifying the **bonafide nature of the trade** and the client's track record.

4. Weekly Pattern Reporting

Since the same team monitors trades daily, any repetitive or suspicious trading patterns

or frequent limit enhancement requests are compiled and reported to the Director on a **weekly basis** for further review.

B. Offline Surveillance

1. Post-Trade Volume Review

The surveillance team conducts a thorough check of unusually **large trade volumes**, especially in cases where the client has incurred **significant profit or loss**.

2. Market Volume Benchmarking

High client trade volumes are compared against the **overall exchange volume** in that particular scrip for the day. Any significant deviation is flagged and reported to the CEO.

3. Price Trend Analysis

3-month and 6-month price movements of active scrips are tracked to identify unusual or manipulated trends.

4. Trade Suspension Protocol

After a **two-week investigation period**, the surveillance team presents its findings to the Director. Based on the findings:

- The scrip may be **disabled for the client**, the **specific branch**, or even the **entire network**, depending on the severity of the concern.

Client-Wise Surveillance

1. Trade Pattern Scrutiny

Clients involved in trading scrips with **abnormal volume spikes** are further examined for their trading behavior across other scrips.

2. Scrip Quality-Based Evaluation

If a client is consistently dealing in **low-quality or highly speculative scrips**, the Surveillance Manager escalates the matter to the CEO/Director. The company may consider **discontinuing the trading relationship** with such clients to manage risk.

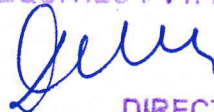
3. Intra-Day MTM Loss Monitoring

EEPL's back-office system includes a module to **track intra-day mark-to-market (MTM) losses** across all clients.

- The surveillance team reviews this data daily.
- Any **unusual volume or loss pattern** without corresponding delivery is flagged for further action.

The above stated policy may be modified at any time in accordance with the various rules, regulations, bye-laws and guidelines that may be prescribed by SEBI, Exchange or any other competent authority or as per the internal policy of the organization from time to time.

For ELIXIR EQUITIES PVT. LTD.


DIRECTOR

