

**MSE FINANCIAL SERVICES LTD.
NO.25 ABHIRAMAPURAM 3RD STREET
CHENNAI 600 018**

POLICY FOR SURVEILLANCE

OBJECTIVE

The objective of this policy is to have in place an effective market surveillance mechanism to ensure investor protection and to safeguard the integrity of the markets. The goal of surveillance is to spot adverse situations in the markets and to pursue appropriate preventive actions to avoid disruption to the markets. The fairness of the markets is closely linked to investor protection and, in particular, to the prevention of improper trading practices. This monitoring is required to analyse the trading pattern of the clients in order to observe whether any transaction (buying / selling) done intentionally, which will have an abnormal effect on the price and / or volumes of any share, which is against the fundamental objective of the Securities Market.

BACKGROUND

National Stock Exchange / BSE / MCX, intimated that the Exchanges would be downloading alerts based on the trading activity of the client for facilitating the effective surveillance mechanism and directed the stock brokers to frame a surveillance policy for the same. The surveillance policy shall cover the maintenance and disposition of alerts received from exchanges / generated at our end on a periodical basis and placed before the Board of Directors of the company.