

PRABHAT FINANCIAL SERVICES LIMITED

Member : National Stock Exchange of India Limited, Bombay Stock Exchange Limited
SEBI REGN. NO. INB 230885231, INF 230885231, INB 010885235, INE 230885231
D P : Central Depository Services (India) Limited. SEBI REGN NO. IN-DP-CDSL-216-2003



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POLICY ON LIMIT SETTING AND SURVEILLANCE

In order to ensure investor protection and to safeguard the integrity of the markets, we shall follow the following policy on limit setting and surveillance policy for operations of our company.

SCRIP-WISE SURVEILLANCE

A. Online monitoring of limit setting and Scrip-Wise Surveillance

1. The surveillance Team reports to and functions under over all control of the Whole time Director Mr. Ashok Kumar Sharma/Mr. Vinod Kumar Rathi sitting in Corporate Office at Jaipur where trading and back office operations are centrally situated. These Directors are authorized and responsible to take all decisions in respect of setting, increasing and decreasing trading limits of branches/clients and in respect of value wise /quantity wise surveillance of scrips traded by the clients.
2. The surveillance Team keeps online watch on trades executed during the trading hours. The surveillance team takes immediate and necessary steps if any extra ordinary volume is noticed in any particular scrip and in any client account. The surveillance team obtains necessary information from the concerned Branch/Sub Broker/Authorized Person and looks into client's past data.
3. The Surveillance Team gives limit in a very conservative manner, especially for trading in illiquid scrips. Trading in illiquid scrips is usually discouraged and is allowed on a case-to-case basis and based on the credentials of the clients. Request for increase in trading limits are first reviewed and investigated and then upon being satisfied with the bona fide of the trades as well as the client's/branch need, limit is increased. The Surveillance Team also decides to decrease trading limits of the client /branch.
4. The Surveillance Team, under over all control of the Director/s, monitors limit setting, the daily trades, any abnormal/new pattern in trading increase/decrease in volumes reported once a week to the Director/s for further investigation.

B. Offline Surveillance

1. Unusually large volume is checked especially if the client has incurred a loss or unusually high profit.
2. Where volumes in particular scrip/s are unusually high then, they are compared with the total volumes of the Exchange for that day and such report is submitted to the Director.
3. Price movement of volatile and illiquid scrip over a 1/2 months period is also tracked.
4. After due investigation (which normally takes one week), Surveillance Team reports to the Director its finding and thereafter such scrip is disabled for trading for that client / branch and in some cases on the whole network.

CLIENT-WISE SURVEILLANCE

Regular scrutiny is conducted for the clients who have traded in the scrips with unusual volume vis-a-vis Exchange total volume or have traded with abnormal quantity/monetary volumes as compared to their past average volume. Looking at the quality of scrips (illiquid/penny) that client deals in, the Surveillance Team reports to Director/s for further action whether to allow him to trade or not.

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