

RISK MANAGEMENT POLICY

INTRODUCTION:

This is a policy document for guiding the operations of the organization. This Document is for internal use and not for circulation.

CLIENT REGISTRATION:

This is first stage of contact with the client. It is very important to take adequate details from the clients to maintain a record of the details of the clients.

1. Company registers client by obtaining the Client Registration Form which is foremost requirement of exchange. In this form the basic details of the clients are obtained i.e.

- a. Name of client: Which is used to identify the client.
- b. Residential Address is taken with the address proof which are the document specified by exchange i.e. Ration Card, Pass Port, Voters ID or Driving License.
- c. Also taking photo identity proof of Pass Port, Voter Ids, Driving License Copy.
- d. Photograph of client in case of Individual.
- e. For Corporate client Board Resolution, Memorandum of association & article of association of company, Share holding pattern, Details of Authorised Persons and Directors.
- f. Pan card of all Clients.

All these document form part of KYC Norms, which is, will be taken from all the clients

- g. Bank Details of the client along with the proof of the same i.e. Xerox of the bank pass book Or Cancel Cheque with sign the bank so that company can keep track of the third party payment i.e. amount paid through other persons account.
- h. DP accounts details which is to giving & taking delivery of securities. Proof of the DP Account holder name will be taken. This is also for not third party delivery of the security i.e. security of client given to other persons or taking delivery of other persons.



CLIENT BROKER AGREEMENT:

Client broker agreement is executed at the time of client registration. It is as per the format prescribed by the exchange. This will cover all the responsibilities, Rights & Liabilities of client & member.

RISK DISCLOSURE DOCUMENT:

Trading in securities market involves risks of various nature. Clients need to be educated and informed about the risks involved and the company as a policy will issue the RDD to all its clients and obtain a signature on the copy. A client may not be allowed to take further position or the Company may close the existing position of a client during certain circumstances such as and when felt appropriate & necessary by the company.

BANK ACCOUNTS:

Client Bank Account will be used only for the purpose of receiving and paying funds from the clients. For the payments of expenses the business account will be used. Fund Transfers between all the bank accounts will be allowed as per requirements.

RECEIPT FROM & PAYMENTS TO THE CLIENTS:

The cheques from the clients will only be accepted from the accounts for which the client has submitted the proof to the company. In case of any receipt from the accounts for which the proof is not available the same will be demanded from the clients.

Payments for the payouts will only be made to the clients and not to any third party. The company may charge penalties on any delayed payments received / pending from clients after obtaining prior approval from the Management. Also, the company will possess the right to sell clients' securities or close clients' positions, without giving notice to the client on account of non-payment of client's dues.

BROKERAGE RATE:

The Company will charge such brokerage rates to the clients as considered appropriate by the company but within the limits as prescribed by the Governing Authorities.

DEMAT ACCOUNTS:

The company will maintain client's securities in a designated account called the Client Beneficiary Account. The securities of the company will be kept in a separate demat account termed as Own Beneficiary Account. The clients and own securities will not be mixed with each other.



INACTIVE ACCOUNTS:

The company will put the running account of any client into Inactive – Category if there are no trades recorded for a continuous period of 6 months. Such Inactive Clients will have to give confirmation for Re-Activation of their accounts in order to trade in any future date.

CONTRACT NOTES:

Company will issue contract notes to its clients on the next working day from the day of trade takes place.

STATEMENT OF ACCOUNTS:

The statement of accounts will be sent to the clients on a quarterly basis within one month of the end of the relevant quarter, as it will help avoid discrepancies in future.

EXPOSURE TO THE CLIENTS:

The company will allow exposure to the clients keeping in mind the payment capacity of the client. As all the clients are known to the dealers the dealers will decide whether to allow the exposure and if allowed then to what extent.

MARGIN COLLECTION:

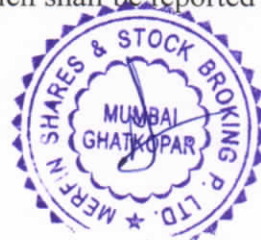
For the currency trades Merfin Shares & Stock Broking Pvt. Ltd. provides exposure based on the multiple of fund put on hold for both buy and sell orders. Leveraged exposures are provided to the clients at the sole discretion of Merfin Shares & Stock Broking Pvt. Ltd. and is subject to change based on the market conditions and client profile.

INVESTOR COMPLAINTS

A Complaint Register shall be maintained at B-103, Bhaveshwar Plaza, L.B.S Marg, Ghatkopar-W, Mumbai 400 086 containing the details of all the complaints and the status and action initiated by the Member containing the following details.

Date
Client Code
Client Name
Nature of Complaint
Action Taken
Signature of Member
Signature of Client

The company shall also have an exclusive email id for receipt of client complaints which shall be reported to the Exchanges and prominently displayed on the company's website (if any):



The compliance officer shall verify the designated id for client complaints/query v.i.z mayur24solanki@rediffmail.com on a daily basis and report to the management as and when any complaint is received.

CLIENT DEREGISTRATION / TEMPORARY SUSPENSION:

Company deregisters / temporary suspends the client account by obtaining the Client's Letter requesting for the same. In this form the basic details of the clients are obtained i.e.

- a. Name of client: Which is used to identify the client.
- b. For Corporate client Board Resolution, Memorandum of association & article of association of company, Share holding pattern, Details of Authorised Persons and Directors.
- c. Reason of Deregistration / Temporary suspension of account.
- d. Any other detail as may be asked for by the company.

