

## **Internal Risk Management Policy**

Of

### **M. B. Parikh Finstocks Ltd.**

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### **Contact Persons:**

Mr. Mahesh Parikh – Managing Director & Principal Officer (Mob: 98212 28730)

OR

Mr. Imtiyazul Hasan - Compliance Officer (Mob:93241 92103)

Mr. Santosh Patole - Chief Financial Officer (Mob: 93241 90434)

FOR

**NSE (CASH & F & O)**

NSE Cash Market Segment SEBI Reg. No. INB230776436

NSE Derivative Segment SEBI Reg. No. INF230776436

NSE Currency Derivatives SEBI Reg. No. INE230776436

Depository Membership(CDSL) SEBI Reg. No. IN DP-CDSL 486-2008

## **KYC & Client Registration**

Under the procedure we are obtaining detailed information of clients prior to commencement of any transaction for new clients by way of KYC and Client Registration Forms. We are following similar procedure for existing Clients. In case the client fails to furnish additional information the same is viewed seriously and the client's business is suspended.

## **Setting of Limits**

Limits shall be monitored on daily basis, taking following criteria's: Turnover, Exposure, past trends, Deposit / Collateral. For any transaction beyond normal quantity for purchase and sale advance payment / pre payin of delivery should be preferred.

## **Collection of Margins**

Margin must be collected on all derivative trades. Client level margin will be at management discretion in cash segment as settlement is on T + 2 days. Hence, better to collect full pay in cheque then only margin amount unless running account is maintained of client. Criteria to collect margin will be on the basis of Turnover Exposure of client & past dealing experience with client.

## **Trading in Securities**

Trading in illiquid scrip shall not be permitted. On detection of such trading, the risk manager shall use his discretion to shutdown the operations of the client in that particular script until valid reasons of transactions in that particular script is verified from internal / external sources.

## **Pay-in of Fund & Stock**

Third party pay-in of securities & fund will not be accepted. Same way pay out of shares and fund will be directly done to client account only. Additional Bank / DP account proof must be collected if client informs that the Bank / DP account belongs to him/her/it.

As far as possible auto pay out facility available through the Exchange should be adhered to unless there are doubts on clearance of clients cheque or receipt of pay-in funds.

## **Collections & payments**

Cash will be accepted under any circumstances except in case of cheque bouncing and the client not being capable to immediately have a pay order issued in settlement there of or incase of some abnormal loss due to volatile market movement, unpredicted leading to debit which may result into delayed payments including doubtful debts / bad debts in due course. Collection of cheques from clients must be done by T + 2 days except clients who have volatile opted for having a running account balance as per mandate provided in the KYC / separate letter for the account or may be for a particular transaction.

Payments of cheques made after confirming receipt of delivery in proper quantity and account and also cross checking client's current outstanding position & payment due thereon received or not / delivery status on sale transaction. Incase of running account voluntarily opted running account cheque issued as per clients verbal instructions.

## **Pay out of Funds and Securities**

No Third party pay out of Funds or Shares will be made under any circumstances. For funds / shares to be transferred as instructed by client, to account other than mentioned in Client Registration forms, additional proof of Bank Account / Demat Account must be obtained.

As far as possible auto pay-out facility available through the Exchange should be adhered to unless there are doubts on clearance of clients cheque or receipt of pay-in funds.

## **Resolving any disputes / query / complaint**

Any disputes / query in transaction should be reported to Managing Director immediately in person or over phone / sms and the same needs to be talked and reported back to client in maximum 48 hours from the receipt of complaint.