

MSE FINANCIAL SERVICES LIMITED

POLICY OF THE COMPANY WITH REGARD TO RISK MANAGEMENT SYSTEM

1. PRIMARY RESPONSIBILITY:

The Primary responsibility for Risk Management at client level shall vest with sub-broker / Authorised Person.

MSEFSL shall manage the risks of clients of a subbroker / Authorised Persons by formulating and implementing a Risk Management System at subbroker / Authorised Person level and in exceptional cases MSEFSL may monitor the risks at client level.

2. CAPITAL ADEQUACY:

Sub-broker / Authorised Persons shall maintain Deposit as prescribed by the company from time to time.

3.ONLINE RISK MANAGEMENT AT CLIENT LEVEL

Trading exposure / margin limits of a client shall be based on the client's ledger balance and collateral balance, client track-record, client payment history, etc.

4. PAY-IN OF FUNDS :

In case of settlement dues by the clients, the company would allow upto T+4 day and beyond which the clients would be advised through the sub-brokers / authorized persons to close the pending positions and clear the debit, failing which penalty will be levied at applicable rates. The shares of such clients will be transferred to the House account of MSEFSL. Only if the clients account get credit, the shares will be transferred to the clients.

5. CLIENT CHEQUE BOUNCING:

A penalty of Rs.250/- or 1% of the value of the amount of cheque bounced would be charged to the clients., if the cheques deposited by clients towards pay-in dues are returned due to insufficient funds.

6. COLLECTION OF MARGIN:

Subbrokers / Authorised persons are required to deposit additional capital by way of Cash/ FDR/approved securites for the trades done on behalf of the clients, depending on the trading pattern of the clients affiliated to them.