

J. G. Shah Financial Consultants Pvt. Ltd.

Point No. 12. Document Prudent Risk Management System

Our company, as a matter of policy exercises abundant caution and due diligence in matters related to risk management and has identified two areas for the same.

Client Related Risk Containment.

We enlists clients after comprehensive details of the client's background are obtained. Details of clients as per Know Your Clients forms are rigorously adhered to. Independent efforts are made to assess client's financial strength.

Further trades are executed on behalf of clients commensurate to their financial strength. Margins are collected from clients whose volumes are at variance with normally traded volumes.

Pay out of funds/securities are released subsequent to receipt of Securities/funds from the client.

As on date, we have no record of bad debts, more over we have recovered old bed-debts.

Dealing Related Risk Containment

Dealing related steps include a centrally administered dealing set up which monitors online the orders executed across all terminals. Further individual terminals are assigned preset limits to prevent overtrading. Due caution is also taken to prevent exposure in illiquid/ undesirable securities. Trading in Z group securities is permissible after taking prior consent of the management.

Further clients are prohibited from executing trades in the upper and lower circuits of the price band, if it looks suspicious.

As regards capital adequacy, efforts are made to provide adequate cushion to ensure that capital adequacy requirements are not breached beyond the 80% level.

Back Office related Risk Containment

As far as accounts are concerned, we ensures that all payments released go through systematic levels of checking. Further all cheque books are kept in safe

custody with director and released as per requirements. Bank reconciliation is done on a daily basis to monitor flow of funds.

Payin/payout of shares is monitored continuously and confirmation of receipt of shares are obtained from clients. Further pay out of securities or funds is released only after confirmation of receipt of shares in our account or receipt of funds in our bank account, as the case may be.

Cash dealings are strictly prohibited by the company.

We don't entertain shares/ cheques received from third party nor do we transfer shares or issue cheques in favour of third parties.

In conclusion, we takes utmost care and caution to ensure that the rules, regulations of the exchanges, SEBI, and other regulatory bodies are adhered to in entirety.