



Prarup Shares & Stock Brokers Pvt. Ltd.

Share & Stock Brokers • Member : Bombay Stock Exchange Ltd.

CIN NO: U67120MH1997PTC110642

Margin & Limit

Setting Policy

This policy has been adopted to minimize the risk to Prarup Shares & Stock Brokers PVT. Ltd (PSSBPL) from possible defaults of the clients who deal with it. The risk management systems considering the current operations of the company are:

Margin Requirement and Exposure

- Exposure to the clients will be given on the basis of available Ledger balance and available Margin Pledge Holding after deducting VAR Margin as haircut.

(Clear ledger Balance + Margin Pledge holding after deducting VAR Margin as hair cut)

- In capital segment, need to maintain VaR & Extreme loss Margin (ELM) or flat 20% on an upfront basis.
- In Cash Segment other margins such as Mark-to-market margin (MTM), delivery margin, special/additional Margin or such other margins as may be prescribed from time to time, need to pay within 'T+1' / 'T+2' working.
- It is mandatory to maintain Peak Margin or OED margin whichever is higher in all exchange and Segments.
- In case of stock sold and early pay-in of shares is done, 80% of Sale value is considered as collateral for trade in cash segment.

Limits

Cash Segment

Delivery : Maximum 2 time of available Deposit in NRML and 1 time in CNC Product

MIS Trade (Intraday): 2 time of available collateral

MIS (Intraday) product is available for CASH segment only.

Illiquid and Unsolicited SMS Stocks: PSSBPL blocks all illiquid and Unsolicited SMS Stocks, RMS may provide limit on clear credit Ledger Balance subject to screening of Stock.

Further exposure shall not be granted to the clients when debit balances arise out of client's failure to pay the required amount and such debit balances continues beyond the fifth trading day, as reckoned from date of pay-in.

Margin Shortfall Penalty: In case of margin shortfall, penalty and other actions levied as per exchange rules and regulations.

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Liquidation:

Clients having outstanding debit ledger balance/ margin obligations/ other dues, PSSBPL as per SEBI directives Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated 20th June 2019 shall transfer the securities in the CUSA (Client unpaid securities account).

If any client fails to fulfill the required funds' obligation and/or Margin Obligations/ other dues, the securities may be liquidated on or before T+2+5 days (T indicates Trading day) as per regulation.

It is the clients' obligation to settle the dues on T+1 days in cash segment segment and also maintain sufficient margin towards margin obligation.

In case the client fails to fulfill his/her/it's margin obligation, fund obligation, securities pay in obligation till pay-in day, PSSBPL has the right to sell the clients securities to the extent of shortfall amount and/or settlement dues and other dues.

Review

- RMS Team regularly reviews the Liquidity and volatility of Stocks and we may block particular stock as per Risk Alert
- RMS Team reviews the policy on regular interval and makes changes as per regulatory requirement and Internal Risk assessment

 

(Mahendra A Shah- Designated Director)