

Risk Management System Policy

1. The Firm has RMS department at its Corporate office situated at GHAZIABAD.
2. The Company has the system to provide limits for trading based on the margin of the client available with the company in the form of funds / securities.
3. For the purpose of opening of trading limits, haircut of VAR + 10% is taken on the value of securities according to the group of securities.
4. Full value of the funds of the clients available with the company is considered for the purpose of opening of the trading limits.
5. Trading Limits may be given to the clients on the basis of uncleared cheques on case to case basis depending on the financial health / previous track record of the client.
6. In cash segment an intra day limit of 8-10 times of the margin available is given to the client.
7. In case of delivery transactions, funds is required to be deposited by the client equal to the amount of delivery on T+2 basis.
8. For trading in F & O and Currency Derivatives Segment, applicable initial margin is required to be deposited upfront. Client shall be required to deposit applicable margin on upfront basis as per stock exchange norms in the form of funds/FDRs/BGs/ approved Securities. For this purpose the value of approved securities lying in client`s demat account for which client has given POA to us may be considered.
9. For online monitoring of transactions, we have installed online RMS software which gives online indications of the applicable margins and MTM losses for each client who is having positions in the market.
10. In F& O Segment trading MTM and Margin requirements on the outstanding positions are informed to the clients on daily basis through SMS / E-mail.
11. Clients will be intimated as soon as MTM loss reaches 50% of the available margin. In this case RMS may either demand additional margin or the client may be asked to reduce the outstanding position. In case client does not provide additional margin or reduces the outstanding position RMS may close out excess position to regularize the account on best effort basis and any loss arising on close out shall be borne by the client.
12. In case the MTM Loss exceeds the 80% of the available margin, the outstanding positions shall be closed out without any further notice.
13. In terms of Exchange / SEBI requirements, if a client fails to clear outstanding settlement debits by T+2, shares purchased by the client shall be transferred to Client Unpaid Securities Account (CUSA) on pay-out from exchange.

Further if client fails to provide clear funds against the outstanding debit by 12.30 p.m. on 5th working day from the date of pay-in, the securities held in CUSA account shall be sold in the market on best effort basis and any loss arising on close out shall be borne by the client. Further the decision of RMS team for closing out of the securities shall be final and binding on the client.

In case where client pays the fund obligation before the pay-in deadline, the shares received on pay-out from the exchange shall be transferred to client`s demat account directly from the Pool Account within 24 hours from exchange pay-out.

In case client clears debit on or before 5th working day from the date of pay-in, shares shall be transferred from CUSA account to client`s demat account. However we reserves the right to close out the client`s unpaid securities even before the 5th working day if the value of securities after haircut falls short of outstanding debit balance or can demand additional margin / collaterals for continuing the positions till stipulated time.

We further reserve the right to transfer the securities to clients on pay-out irrespective of debits on case to case basis considering the previous track records and standing of the client.

14. The Company has dedicated staff to online monitor all M to M profits / losses of the client. If the RMS head sees that the M to M losses of the client are 80% or more of the Fund / Securities of the clients, the F & O position/s of the client is/are squared off with proper intimation to the client.
15. Payment control Report for debit recovery from the clients is made on daily basis and follow-up for the payment on regular basis done by RMS department.
16. All sticky client codes are brought in the knowledge of management regularly.
17. The employees who are directly involved in trading activities of the company are not allowed to trade on his/her own account. But if an employee wishes to take delivery of security, he/she shall be allowed only after prior approval of the management.

Compliance Officer: