



RISK MANAGEMENT POLICY

Capital Adequacy:-

1. Capital adequacy monitor on T-1 basis & more frequently when terminal running on 80% and more.
2. It is maintained on timely manner after keeping a cushion for 25% increase in trade volumes for the next day.

Margin:-

1. Client level margin will be at management discretion subject to the rules and regulations of the SEBI / Exchange.
2. Margin collected must be on all EOD exposure including gross margin.

Trading:-

1. Trading is not allowable to client having uncovered debit balance
2. Buy exposure must be covered.
3. Generally trading in illiquid scrip should not be permitted. But while allowing trades in such illiquid shares, necessary permissions are obtained by Risk Management Department to avert the possibility of synchronized / circular trading. The client's track record with regard to his financial capability and dealing in such scrip is looked into.

Limit Setting:-

1. Limits shall monitor on daily basis, taking following criteria's: Turnover, Exposure, past trends, of client
2. Limit set vis-à-vis utilized must be monitored on a weekly basis.

Pay-in of fund & Stock:-

1. Third party pay-in of securities & fund not accepted.
2. Cash should not be accepted.

Collection:-

1. Collection of cheque from client must be done by T+2 days except from client who have authorized us to maintain their running account.
2. Uncovered debit balance shall not be permitted for any client. Such instances shall be escalated to director for approval / action taken

Exposure:-

1. Management shall allocate intraday exposure of the client.
2. The client will meet trading losses by way of fresh cheques or by selling shares.