RISK MANAGEMENT POLICY

RMS stands for Risk Management System - To manage the risk of the company/client from the volatility of the market.

RMS works on the following concepts:

Cash: The clear balance available in the customer's ledger account in our books.

Margin: The underlying stake provided by the customer in the form of Cash, FDR, BG, Stock &/or Commodities.

Stock qualifying for margin: Securities in the approved list of Stock Exchange as per SEBI guidelines.

Commodities qualifying for margin: Commodities in the approved list of Commodity Exchange as per SEBI guidelines.

Total Deposit: The aggregate of Client Deposit available with us in the form of Cash, BG, FDR, Shares & Commodities (After Applicable Hair Cut)

Setting up client's exposure limit:

-In Futures segment, exposure limit of each client is set, based on Margin money given by the client, as per the

- Exchange Regulations.

- Upfront margin is collected from client.

The Company has right to sell client's securities or close client's position, without giving notice to the client on account of non payment of dues. In case of any such sale, the client will not be given any notice.

Conditions under which a client may not be allowed to take further position

Under the following conditions a client may not be allowed to take further position,

1. The client has a due / debit balance – Such clients are allowed to close out his open position but is not allowed to take any new position.

2. The client has not able to meet his pay-in obligation in cash by the schedule date of pay-in.

3. The client has not met Market to Market loss in cash.

4. The "open" positions in a contract exceed or are close to market wide cut-off limits.

5. The client's position is close to client-wise permissible "open" positions

6. The client had defaulted in meeting cash obligation leading to compulsory close out of the position.

7. If the exchange is not allowing any further position in that contract.

8. Based on happening of the event, company has the risk perception that further trading in the contracts may not be interest of its clients and/or the market.

Conditions under which client open position may be squared off by RMS

Under the following conditions client open position may be squared off by RMS,

1. Any client with MTM loss of over 70% of the capital.

2. In case market is extremely volatile RMS may square off partial position if client MTM loss over 50.

NATURE OF CUSTOMER TRANSACTIONS

Intraday - The amounts of purchase (or sale) in a contract on any trading day that is reversed by the end of the day by making a contra sale (or purchase) of the exact same quantity, thereby nullifying the original position.

Carry Forward Trades: The net purchase or sale of contract in a client account that is settled by way of MTM on T+1.

MANAGEMENT OF RISK (Online)

Company's Risk Management System will monitor the risks at client level. We have margin based automated RMS system. Total deposits of the clients are uploaded in the system and client may take exposure on the basis of margin applicable for respective Commodity as per VAR based margining system of the Commodity Exchange and / or margin defined by the RMS team based on their risk perception.

In case of exposure taken on the basis of shares margin the payment is required to be made before the Exchange pay in date otherwise it will be liable to square off after the pay in time.

As a part of our risk management system, we observe the position of respective client as well as his credit balance available with us, securities lying with us etc. and depending upon the same, we allow them to transact or create the position or to extend / subtract their position.