

INTER OFFICE MEMO

Dear All,

Sub: RISK MANAGEMENT POLICY

This has reference to the captioned subject.

Please be informed pursuant to Regulations each trading Member should have an effective 'Risk Management Policy'.

Enclosed, Risk Management Policy for information and dissemination to all clients.

Kindly ensure compliance.

By Order

COMPLIANCE OFFICER

Date: 01/04/2013

RISK MANAGEMENT POLICY

- Client should have sufficient Clear Margin to trade in both Securities (Capital and Deriavitives) and Commodity Exchange
- In case of Shortfall of Margin we have a right to sqaue off the trades

- Intraday limit for Capital Market will be 7 times and carry forward limit will be 3 times.
- Unapproved stock limit will not be provided –NFO approval.
- Intraday Limit for Deriavitives will be allowed two to three times subject to square up for MTM crossing 70-80% Limit, Further the percentage decreases with increase in exposure

- Agro trade will be allowed only with payment of full contract value.

- Dealers should be vigilant in executing the orders of the client. They are expected to execute the order on confirmation of client identity and also should check & report to senior authorities if any client is giving order of abnormal quantity or rates.

- All client trades be confirmed over phone at day end and should be requested for payments and delivery of securities before settlement date.

- All the payments of funds/delivery of securities received from client should correspond with the details available with us. This should be checked on daily basis.

- Reviewing of Clients position should be carried on daily basis and client should be followed up seriously for overdue of 5 days.

- As a matter of policy clients are mostly introduced through existing clients who have standing credibility or ISBL Management.

- Financial Strength of clients should be updated at regular intervals e.g. IT returns, balance Sheet , Bank Statement, DP Holding , Salary Sheet etc.,

- Clients with turnover Rs.5 crore & above should be monitored on monthly basis.

BY ORDER

COMPLIANCE OFFICER

