

## **RISK MANAGEMENT SYSTEM POLICY**

### **1. Definitions: in this Policy, unless the context requires otherwise,**

- 1.1 RMS: RMS means Risk Management system. Risk management is to manage risk of company and clients from volatility of capital market/Currency/Commodity Market.
- 1.2 Adjusted Ledger Balance: Adjusted Ledger balance means clear balance in client's ledger account in company books. For example, proceeds of shares sold but not delivered will be reversed if credited in the ledger and debited Var Margin will be ignored.
- 1.3 COMMODITIES in On-Behalf: COMMODITIES in on-behalf means the COMMODITIES of the client lying in the Company pool account. COMMODITIES given by the client in margin and COMMODITIES held by the Company till full payment is received are kept in On-behalf.
- 1.4 COMMODITIES in Margin: COMMODITIES in margin means those COMMODITIES which are approved for this purpose by the Exchange given by the Client to the Company. These are transferred by clients to the Company and may further be pledged by the Company to the Exchange towards the Company's margin obligations for the client.
- 1.5 Exposure of client: Exposure of Client means a client's obligation arising out of (i) Buy and Sale entered into on behalf of the client in cash segment which are yet to be settled and (ii) open position in F O segment.
- 1.6 Total Deposit: Total Deposit means aggregate of ledger balance, value of commodities after hair cut in on behalf, value of commodities after hair cut in margin and cash margin, if any, received from the client.
- 1.7 Concentration: Concentration means the number of each scrip arrived at application of the percentage fixed by the Company from time to time on the basis of average daily volume of trade on the exchange in that scrip during the last 30 Days.