

# **MANUAL ON RISK MANAGEMENT**

**RATNAKAR SECURITIES PRIVATE LIMITED**

## **Purpose**

This document highlights the general risks that are carried by the company and the Risk Management Mechanism to bring the risks to acceptable levels of functioning.

## **Client registration**

This is first stage of approach with the client where RSPL obtains all required details & documents as prescribed by the SEBI and Exchanges before opening an account. Different types of checks are performed and due diligence will be conducted before opening an account like, cross verification on IT site, cross verification with the list of debarred entities and other sites to know the actual back ground of the client.

## **Execution of risk disclosure document**

Trading in securities market involves risks of various natures. Clients need to be educated and informed about the risks involved and the company as a policy will issue the RDD to all its clients and obtain a signature on the copy.

## **Client wise limits**

For any client continuously in debit for more than T+7 Working Days 10, day, further buying is to be stopped immediately. In case of clients in debit for more than 15 days, total operations to be stopped and the accounts to be squared off. In case of further debit, notices to be issued and thereafter arbitration to be filed

In case of debits, commission payment of the remisiers / AP to be withheld to the extent of loss debit and released on recovery

## **Branch wise limits**

Limits to be set branch wise. The default branch limit would be an exposure of Rs. 25 lakh. Any further exposure or reduction in the exposure limit to be decided by Officer (Risk Management) in consultation with Chairman and Managing Director

### **Client mapping**

Codes to be mapped to the respective dealers only and not to any other entity

### **Internet trading clients**

Limits to internet trading clients to be set by Officer (Risk Management) in consultation with the Branch Head/ Remisier/ AP

### **Margin**

The Company is required to pay the Margin to the Exchanges for execution of the trades. Also, in case clients doing trading in F&O segment, adequate margin in form of funds and or securities is required to be collected on upfront basis i.e. in their ledger balance before punching the order in to the exchange trading system.

It shall be the responsibility of the Dealers to confirm that the Company has adequate deposits with the Exchanges This shall be done in co-ordination with the Accounts department. In case of insufficiency of funds deposited with the Exchanges, the Accounts Department shall lodge adequate funds that shall be required for execution of the Trades of the Clients.

### **Contract notes & Daily margin report:**

The Contract Notes and daily margin report shall be sent to all the clients as their trade acknowledgement & further position to be taken next day by the client.

SEBI debarred entity list shall be checked on everyday basis to verify whether any existing client falls under such list & stopping its trading and or demat activities as required.

### **Exceptional circumstances**

All exceptional circumstances to be escalated to CMD