

Risk Management Policy

Reference: Exchange Circular NSE/INSP/24301 dated August 29, 2013, SEBI Circular CIR/MIRSD/5/2013

Exposure Setting

Daily morning without any request from customer, system by default will give exposure to customers account as mentioned below;

Clear ledger balance & Margin Pledge amount after appropriate haircut.

Exposure For Delivery:

- Client need to have 20% minimum margin to place order in delivery product in Cash Segment
- Client need to have SPAN+Exposure Margin to place order in delivery product in Derivative segmen

Exposure For Intraday:

- Client will get upto 10 times exposure on their available margin in Cash Segment. This exposure times are reduced in accordance with Exchange new guidelines & from September 2021 onwards maximum 5 times exposure will be allowed for Intraday in Cash Segment.
- Client need to have SPAN+Exposure Margin to place order in delivery product in Derivative segment

Additional Exposure Fine:

Since Company is giving additional exposure and if the customer takes delivery for full exposure and not settling (i.e. sell or pay additional margin) before T + 2 (Trading day plus 2 days), then there will be a fine of .044% daily (i.e. 16%+ GST Annually) on the amount due which is in addition to the delivery brokerage to be paid by the customer.

Forced auto Squaring:

If customer has taken delivery using additional exposure, and if the customer does not sell or pay the amount due within 7 days, then on the 7th day system will auto square off their position irrespective of the loss/profit in the scrip. In such situations, customer incurs delivery brokerage plus fine plus the trading loss.

Margin

Margin shall be paid through Online Mode provided in our Trading Portal/Customer Care login. ATOM Payment Gateway and UPI platform are integrated to our Trading platform/Customer care login & client using this transfer amount online instantly & get credit in their Trading account. In case customer transfer margin through NEFT/RTGS mode directly from their registered bank account they need to provide transfer receipt in which their account details to be mentioned mandatory & same will be cross checked & accounted. In case client submits cheque for margin purpose amount will be credited to Trading account after clearance of cheque. Client need to provides us cheque copy before presenting to our account. Client may place margin pledge request in their Customer Care login to pledge their DP holding for getting margin & after successful authorisation, margin will be credited after applying applicable haircut as laid down by Clearing Corporation.

Client need to transfer required MTM margin and Additional margin on same day of Trading/next day depending on requirement. In case of client sells their shares from their DP account held with us, early payin will be generated and credited to clearing corporation. In such cases client need not keep 20% upfront margin for selling.

2.Settlement

The system of settling the trades, executed through Web app, Mobile app, Exe app and terminals, on a pre stipulated date is known as settlement. The period of trades, date of actual transfers ie payin/payout, auction etc will be given in advance as a schedule.

Eg : For Settlement No.2019/001, trades takes place on 01st January, 2019 (Single Day) and settling of trades takes place on 03rd January, 2019.

2.1 Funds Payin

Payin/Payout amount and date will be mentioned in the Client Bill. Pay-in amount should be cleared the next working day after trade date.

2.2 Securities Payin

Any sale of share must be preceded by a purchase or the scrip which the client sold has to be in his stock account or DP Account with UAE Exchange. If it is in the the customer's own demat account with other DP's he has to submit signed delivery slip to that DP and transfer the shares to UAE Exchange DP for selling. If it is in the customers own demat account with UAE Exchange he need not submit the delivery instruction slip provided he has given POA in favour of UAE Exchange. DP charges will be debited to the client's account at prevailing rates.

- Please ensure that the Delivery Instrcuton Slip (DIS) collected for share transfer **or** the demat account to which the request for share transfer is given by the customer is updated

in our back office, or else the client master of the corresponding demat account should be collected and updated. A copy of the duly filled & submitted DIS should be filed.

- If the shares purchased by a customer is not credited on the settlement date , the same or its cash equivalent as calculated by the exchange will be credited only on the auction payout date as specified in the settlement schedule.
- Shares purchased can be sold only after confirming its actual credit, however these can be sold at clients risk, and it is advisable to explain the details of the auction Procedure to the customer.
- If the customer is having shares in own DP the monetary corporate benefits such as Dividend warrant, fractional proceeds etc will be credited to the bank account which is updated in DP.
- Care should be taken while trading in the BE/BT Category(Trade for Trade). It is not permissible to do intraday for these scrip's. Only Delivery buy & sell is possible. If by mistake any intraday trade takes place then that will result in Auction and the loss has to be incurred by the client.

2.3 Funds Payout

Pay-out of funds can be released on the second day after trading at the discretion of the client [He can either retain it for future exposure or withdraw the amount] and the same can be obtained by account payee name printed crossed cheque or as fund transfer to the client's bank account updated in Back Office.

2.4 Securities Payout

Pay-out of securities shall be made after the second working day of trading and the same will be credited to the clients demat account with UAE Exchange if the payin amount is cleared. Otherwise the same will be kept in the CUSA until the amount is paid by the customer. If the client wishes to transfer the shares to his Demat account with other DP he/she can give signed delivery instruction slip for transfer.

Notes: -As per SEBI guidelines, the shares purchased by a customer is to be transferred out from the pool account within 24 hours. Therefore if the payin amount is transferred in full, the shares purchased will be credited to the client's dp account with UAE Exchange and else the same will be credited CUSA.

So in both cases, the shares has to be transferred back to the pool account on selling, for which a transaction cost is incurred and the same is reimbursed from/debited to the Client in his client ledger account.

Customer has the option to get the shares purchased by him transferred to his Demat account with UAE Exchange or to his demat account with other DP Settlement

Exception Handling

1. If a client fails to make payment of clear fund on the stipulated day:

The company shall allow a grace period of 7days including trading day and on 7th day the shares will be sold off from AO.

When the market value of shares' positions held by a client comes down below a certain percentage of the debit balance, the client has to pay margin. The minimum amount of margin so payable will be communicated over email/sms. In the event of any client failing to pay the same, his/her holdings/positions will be sold off, with out further notice, at an almost break-even price, so that company doesn't lose.

2. If a client fails to make delivery on the next day of trading:

Auction takes place when the clients fail to give delivery of the shares sold. The Exchange buys the shares from the open market and delivers it to the buyer. If the Exchange is not able to get the required shares from the market, they will calculate an amount and credit it to the buyer. The cost incurred for the same and penalty charges are debited from the defaulter.

3. If our client is the counter party to instance no. 2 above:

In this case, the client will not receive shares purchased by him, on the settlement date, but he will receive the shares or funds equivalent as calculated by the Exchange, only on the auction payout date, which will be shown in the settlement schedule. Therefore, it is not safe to sell the shares purchased recently before confirming its actual credit.

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