

Risk Management Policy

M/s Ganpati Derivative Services Pvt. Ltd. a Trading Member of National Stock Exchange of India Ltd. As per the requirement of Exchange & SEBI, Company has designed a "Risk Management Policy" for extending trading facility to its clients and in the respective segments of exchanges.

RMS works on the following concepts:

1. **Cash:** The clear balance available in the customer's ledger account in our books.
2. **Margin:** The underlying stake provided by the customer in the form of cash, FDR and/or stock to mitigate market (price) or settlement (auction) risk
3. **Exposure:** The aggregate of the customer's obligations arising out of buy + sell trades awaiting settlement in the cash segment and profit/ loss amounts that are yet to be settled on the closed positions.
4. **Exposure multiple:** The number of times that exposure is allowed on the underlying margin sales on the cash segment would have to be made either on the availability of cash margin or on the availability of the stocks (which are to be sold) in our margin account, by executing a transfer before the sale order is initiated.
5. **Stock qualifying for margin in cash segment transactions:** Securities in the approved list of Stock Exchange as per SEBI guidelines.
6. **Total Deposit:** The aggregate of client deposit available with us in the form of cash, Shares (After Applicable Hair Cut) and FDR.

POLICIES & PROCEDURES UNDER RMS

1. **Policy for Penny Stock:** The stocks, which are appearing in the list of illiquid securities issued by the Exchanges every month. These stocks are generally considered to be highly speculative and high risk because of their lack of liquidity, large bi-ask spreads, small capitalization and limited following and disclosure. Depend on the market condition and RMS Policy of the company RMS reserve the right to refuse to provide the limit in Penny stocks and losses if any on account of such refusal shall be borne by client only.

2. **Setting up client's exposure limits:** The 'Ganpati Derivative Services' may from time to time impose and vary limits on the orders that the client can place through the our trading system (including exposure limits, turnover limits, limits as to the number, value and/or kind of securities in respect of which orders can be placed etc.). The client is aware and agrees that the 'Ganpati Derivative Services' may need to vary or reduce the limits or impose new limits urgently on the basis of the 'Ganpati Derivative Services' risk perception and other factors considered relevant by to us including but not limited to limits on account of exchange/SEBI directions/limits (such as broker level/market level limits in security specific/volume specific exposures etc.), and the 'Ganpati Derivative Services' may be unable to inform the client of such variation reduction or imposition in advance.

The client agrees that the 'Ganpati Derivative Services' shall not be responsible for such variation, reduction or imposition or the client's inability or route any order through the 'Ganpati Derivative Services'' trading system on account of any such variation, reduction or imposition of limits. The Client further agrees that the 'Ganpati Derivative Services' may at any time, at its sole discretion and without prior notice, prohibit or restrict the client's ability to place orders or trade in securities through the 'Ganpati Derivative Services', or it may subject any order place by the client to review before its entry into the trading systems any my refuse to execute/allow execution of orders due to but not limited to the reason of lack of margin/securities or the order being outside the limits set by us/exchange/SEBI and any other reasons which the 'Ganpati Derivative Services' may deem appropriate in the circumstances. The client agrees that the losses, if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

We have margin based 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 security as per VAR based margining system of the stock exchange and/or margin defined by RMS based on their Risk Perception. Client may take benefit of "credit for sale" i.e. benefit of share held as margin by selling the same by selection Delivery option through order entry window on the trading platform, the value of share sold will be added with the value of deposit and on the basis of that client may take fresh exposure.

3. **Applicable Brokerage Rate:** Exclusive of Stamp duty, Service tax, STT (Securities Transaction Tax) and any other statutory levies Brokerage will be charged within the limits prescribed by SEBI/Exchange. It is hereby further, clarified that brokerage on option contract shall be charged on the premium amount at which the option contract was bought or sold, not on the strike

price of the option contract. Subject to revision at our sole discretion and as informed by a circular sent by ordinary post/courier services/email.

It would be the duty of client to note the said charges regularly and periodically and shall not raise any dispute or claim in respect to said charges at any later stage. Further it is clarified that the above mentioned charges could vary from client to client at the sole discretion of SIL and No client would have any right to compare or claim charges charged from other client by SIL

4. **Imposition of penalty charges:** The Client agrees that the 'Ganpati Derivative Services' may impose fines / penalties for any orders / trades / deals / actions of the client which are contrary to this agreement / rules / regulations / bye laws of the exchange or any other law for the time being in force, at such rates and in such form as it may deem fit. Further where the 'Ganpati Derivative Services' has to pay any fine or bear any punishment from any authority in connection with / as a consequence of /in relation to any of the orders / trades / deals actions of the client, the same shall borne by the client.

5. **Shortages in obligations arising out of internal netting of traders:** 'Ganpati Derivative Services' shall not be obliged to deliver and securities or pay any money to the client unless and until the same has been received by the 'Ganpati Derivative Services' from the exchange, the clearing corporation/clearing house or other company or entity liable to make the payment and the client has fulfilled his/her/its obligations first:
 - ❖ Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client.

 - ❖ We have margin based RMS system. Client may take exposure up to the amount of margin available with us. Client may not be allowed to take position in case of non-availability/shortage of margin as per our RMS policy of the company. The existing position of the client is also liable to square off/close out without giving notice due to shortage or margin/non making of payment for their paying obligation/outstanding debts.

6. **Temporarily suspending or closing a client's account at the client's request:** On the request of the client in writing, the client account can be suspended temporarily and same can be activated on the written request of the client only. During the period client account is suspended, the market transaction in the client account will be prohibited. However client shares/ledger balance settlement can take place.

On the request of the client in writing, the client account can be closed provided the client account is settled. If the client wants to reopen the account in the case client has to again complete the KYC requirement.

7. **Inactive Client account:** - Client account will be considered as inactive if the client does not trade for period of six month. Calculation will be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive, the shares/credit ledger balance if any will be transferred to the client within one week of the identifying the client as inactive. The client has to make written request for reactivation of their account.

Trading in Exchange is in Electronic Mode, based on VSAT, leased line, ISDN, Modern and VPN, combination of the technologies and computer systems to place and route orders. I/we understand that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any break down in our back office/front end system, or any such other problems/glitch whereby not being able to establish access to the trading system/network, which may be beyond your control and may result in delay in processing or not processing buy or sell Orders either in part or in full. I/We shall be fully liable and responsible for any such problem/fault.

8. **Client Acceptance of Policies and Procedures stated here in above:** I/We have fully understood the same and do hereby sign the same and agree not to call into question the validity, enforceability and applicability of any provision/clauses this documents any circumstances what so ever. These Policies and Procedures may be amended/changed unilaterally by the broker, provided the change is informed to me/us with through any one or more means or methods, I/we agree never to challenge the same on any grounds including delayed receipt/ non receipt or any other reasons whatsoever. These Policies and Procedures shall always be read always be read along with the agreement and shall be compulsorily referred to while deciding any dispute/difference or claim between me/us and "**Ganpati Derivative Services Pvt. Ltd.**" before any court of law/judicial/adjudicating authority including arbitrator/mediator etc.