

## **RISK MANAGEMENT SYSTEM (RMS) POLICY**

SSAT Consultants (P) Ltd. has designed the following Policy for trading in Equity /Derivatives/ Currency Derivatives Segments. The Policy shall be applicable to all the clients trading through SSAT in Equity/ Derivatives/ Currency Derivatives Segment of NSE / BSE / MCX-Sx as the case maybe.

### **1. COMPUTATION OF FREE BALANCE :**

The Company has the system to provide trading limits based on the Total **Available Margin** and the same shall be computed as under :

<b>SI</b>	<b>PARTICULARS</b>	<b>Total Available Margin</b>
<b>(i)</b>	Net Credit Balance in Running A/c	100%
<b>(ii)</b>	Margin Deposit (Funds)	100%
<b>(iii)</b>	Margin Deposit (Shares lying with us / shares lying in POA Account after applicable haircut) to be considered upto 100% of clear balance equal to (i) and (ii) above	100%
<b>(iv)</b>	Under Clearing Cheque / DD**	Amount equal to the Cheque value or 1.5 times of the sum of (i) to (iii) above whichever is lower.

\*\* However all the Cheques/ DD must clear within 3 working days otherwise same will be reversed and the client / Sub Brokers will be treated as defaulters and no commitment will be accepted in future.

### **2. TRADING LIMITS :**

<b>INTRA DAY TRADING (Margin Tag)</b>	<b>LIMITS</b>	<b>LIMIT MULTIPLIER CM</b>	<b>LIMIT MULTIPLIER F&amp;O/CD</b>
On Total Available Margin		4 – 6 Times	As per Applicable Margin

**CARRY FORWARD TRADING LIMITS  
(Delivery Tag)**

In case daily MTM till 03.00 p.m. is less than 25 % of Total Available Margin	2-3 Times	1 times
In case daily MTM during the day is more than 25 % of but less than 75 % of Total Available Margin till 03.00 p.m.	2 Times of Total Available Margin less MTM during the Day	1 times of Total available Margin less MTM during the Day
In case daily MTM during the day is more than 75 % of Total Available Margin till 03.00 p.m.	1 Times of Total Available Clear balance (Uncleared cheques will not be considered) less MTM during the Day	1 Times of Total Available Clear balance (Uncleared cheques will not be considered) less MTM during the Day

**3. MARGIN CALLS :**

**First Margin** call will be given as soon as the MTM Loss reaches 50 % of the **Total Available Margin** and client will be asked to submit fresh margin or reduce the positions and the client will be in square off mode until he provides fresh margin or his MTM comes below 40% of Free Balance.

**Second Margin** call will be given when MTM Loss exceeds 65% of Available Clear Balance and if client does not bring in fresh margin or reduces his exposure himself before MTM reaches 80% of clear balance, his positions will be squared off without further notice.

For this purpose calls to be made on registered Mobile No / emails sent to registered email addresses/ fax sent to registered fax number shall be treated as valid delivery of margin calls.

In case of Squaring off the positions, best efforts to be made to leave open positions to the extent that could ordinarily be carried forward as per Exchange norms on the available free balance after setting aside the MTM Loss for the day till 3.00 p.m.

While closing out, the positions with highest margin/highest MTM Loss will be closed off first.

For Margin Tag the time limit will be 3:15 pm for squaring off outstanding positions and after 3.15 pm Square Off mode will be activated and no fresh orders will be allowed in Margin Tag.

**4. LIST OF FAKE COMMITMENTS / DEFAULTS :**

All the cheques once committed for carry forward / intra day limits of the position must be deposited and cleared irrespective of margin requirement during / on subsequent days.

RMS Department shall maintain the list of all the fake cheque commitments and ensure due clearance of the same.

In case any cheque returned dishonored or not deposited after commitment the client/sales person will be treated as defaulter and no future commitment will be accepted from him in future and limits will be allowed on the basis of available balance only.

5. In equity Segment all debits must be cleared off latest by T+2, else RMS will sell deliveries on T+3 by 02.30 p.m. to regularize the account. However in case market value of outstanding stock less debit balance in the account remains less than 25% of debit balance client will not be allowed to wait till T+2 and asked to reduce the outstanding position or deposit fresh margin same day by 2.30 p.m. else proportionate position will be squared of same day by 3.15 p.m. by RMS. If client does not deposit fresh margin and or does not himself reduce the outstanding position, the same will be squared off as soon as market value of outstanding stocks less debit balance in accounts remains less than 15% of debit balance.
6. All the new listings in T 2 T settlement will be disabled for selling by the RMS Department and only the clients who transfer their share in advance to the pool account will be able to sell on the listing day.
7. Defaulter List shall be prepared and brought to the notice of Management on monthly basis. The Management reserves the right to remove any person from defaulter list in consultations with concerned VPs.
8. Payment control Report for debit recovery from the clients is made on daily basis and follow-up for the payment on regular basis done by RMS Department.