



RATNAKAR
SECURITIES PVT. LTD.

CIN NO : U67120GJ1994PTC099563

MANUAL ON RISK MANAGEMENT

Revised on 10th September, 2019

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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

Limit of every client set as per the income data given by client and internal policy of Ratnakar Securities Pvt. Ltd.

"As per the SEBI circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated 20.06.2019 on Handling of Client's Securities Ratnakar Securities Pvt Ltd (Now known as "RSPL") shall transfer the securities purchased by the client to client's demat account within 1 working day of the pay out if clear payment is received from the client and if the client fails to make the payment in full then RSPL shall transfer the securities to the "client unpaid securities account (CUSA)". The securities kept in the CUSA shall either be transferred to the demat account of the client upon fulfillment of its funds pay-in obligation or in case of the payment is not received by the client it shall be disposed off in the market by RSPL within 5 trading days after the date of pay out without any notice to the client to the extent of debit balance of the client and/or as per Ratnakar Securities Private Limited's Risk Management policy and balance securities shall be transferred to the respective client's demat account."

Any profit/loss occurred on such sale transactions of unpaid securities, will be borne by client and transferred to/ adjusted in client ledger. If any such stock will remain in CUSA due to client default, RSPL may charge a fine/penalty as levied by the exchange/depositories to client .



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 Equity derivatives segment and Currency derivative 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