

## **RISK MANAGEMENT SYSTEM**

### **Capital Market Segment**

- Limits/Exposure to be given to on the basis of risk perception of the client by the concerned branch
- Basic limit of Rs 50000 may be given to small clients
- For Any limit/exposure in excess of Rs 50000/- a request from branch is required
- For Any limit/exposure above 5 lakhs a confirmation from Compliance Officer is required
- For Any limit/exposure above 10 lakhs a confirmation from Director is required
- No further limit/exposure to be given to clients if previous debit is cleared or sufficient margin given by the client to cover the risk.
- Buy blocking for client having continuous debit for more then three months
- No pay out of shares are given to client unless they clear their debit balance
- Pay out of funds given to client on the basis of request and depending upon their margin situation
- All limit settings rights lie at Head office and not delegated at branch level
- Cheques for pay-in collected on T+1 basis from clients
- Debit balances to be monitored on daily basis and response taken from branches for each and every debit balance lying at their branch.
- For continuous debit balance clients position is sq off after giving due notice to client.

### **Derivative Segment (Equity and Currency)**

- Client codes are activated only after receipt of sufficient initial margin from clients
- Limits/Exposure allowed which can be properly covered by the margin provided by client
- MTM loss recovered on T+1 basis from client. In case of few client weekly settlement is done.