

POLICIES AND PROCEDURES FOR RISK MANAGEMENT– ALL EXCHANGES

Ina Stock Broking Co Pvt Ltd (ISBCPL) has risk management policies for all the clients of ISBCPL. These policies have been adopted to minimise the risk to ISBCPL from possible defaults of the clients who deal with it. The policy attempts to achieve balance between business needs to ISBCPL vis a vis risk management policies, realising that risks can be managed, not avoided. The Primary risk management control is at the Branch level, and the secondary control is at the client level.

Branch (including sub-broker/remisier/ Authorised Person) level control

The primary means of risk management is of ISBCPL is the branch level control. The following limits are set for each branch.

1. Gross exposure
2. Net exposure
3. Quantity limits per order
4. Value limits per order

The limits given to the branch is on the following parameters.

1. Past track record of the branch
2. Margins/ deposits of the branch lying with ISBCPL.

Further, clients codes are mapped to the branch IDs. The Branch stands guarantor to all the client trades of that Branch.

Client level control (for branch clients)

In case of clients who are in continuous debit for more than 10 days, the buying for that client code is stopped on non BSE BOLT TWS frontends till such time the debit is cleared. Dealers who are allotted BSE BOLT TWS are permitted to allow clients to make further purchases after ensuring that the account is a routine running account with sufficient margins with ISBCPL.

Client level control (for internet trading clients)

Limits to internet trading clients is set by the Head Office in consultation with the Branch Head based on the track record of the client and the margins deposits with ISBCPL.

Exceptional circumstances

All exceptional circumstances are escalated to Director Hitesh Fozdar for immediate resolution. This policy has been adopted by the trading member and may have been revised over time.