RISK MANAGEMENT POLICY

ProfitMart Securities Pvt. Ltd. has risk management policies for all the clients of **ProfitMart.** These policies have been adopted to minimize the risk to **ProfitMart** from possible defaults of the clients who deal with it. The risk management systems considering the current operations of the company are:

RMS Policy F&O market

1. For F&O trading, Client have to give initial margin deposit in the form of Cash / Collateral

2. On their deposit client will get exposure, exposure given is differ from client to client. The exposure provided here may be changed if required based on the Market condition existing on a particular day.

3. Those clients who want carry forward position in F&O segment they have to pay initial margin (as per NSE rule) of total carry forward amount.

4. For future trading, client has to pay mark to market loss next day before 10.00 A.M, if client fail to pay required obligation within the given time his position will be squared up. If client fails to pay his outstanding debit payment on 2nd day, his holding Security or collateral security will be sold on third day.

5. Client will be given credit as capital available as per the following formula –
    Capital Available = Ledger Balance + Margin Deposit + Collateral (Permissible stock after hair-cut) + POA Stocks (Permissible stock after hair-cut)

Order receipt, Execution of Trade and collection of Margin

*   The risk with respect to the trades done by the client is regularly assessed by the dealer. The dealer being regularly interacting with the client is aware of the trading pattern and thus in a position to determine the risk vis a vis every trade done by the client.
*   The exposure with respect to every AP & dealers terminal is controlled through the office risk management team.
*   The risk management team regularly assesses the trades being executed by the clients / Authorized Person / sub-brokers client to check the trades in illiquid / risky stocks. The past operations are also tracked, to assess the risk level of the company in dealing with such clients.
*   Order is received directly from client or person authorized by client only.

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- In case of large order qty./Script name and rate is reconfirmed before placing the order.
  Upfront margin is collected from clients with applicable haircuts as listed below:

Item	Haircut
Cash	0
Bank fixed deposits	0
Bank guarantees	0
Securities Deposit for the Cash Segment	As per Exchange VAR Margin.

Note

That Valuation of the Securities for Deposits is done on the basis of the closing Price.

- Limits are first set for the Branch for buying & selling then limits are set for the NEAT terminals. Both the Limits are set in corporate Manager, once the above exercise is done the Limits are set for the CTCL Terminals for individual clients.

  Trade Limits is set for all users/dealer and clients on a daily basis as stipulated by the Risk Management desk. Exposures shall be allowed on the clear credit balance in the clients Ledger +Stocks lying in beneficiary account + Margins (securities and Cash with M3 Multiple). However ProfitMartMay at its own discretion allows additional exposure as per the Track Record of the clients.
- All trading terminals have Order, Value, Quantity and price Limits to avoid the big losses from punching errors at dealer, branch level.
- Client is allowed to take positions based on permissible limits based on upfront margin collected.

Review
- The RMS Team regularly reviews the clients Position, the review is carried in the Light of The MTM, O/s Balance in their Ledger Account.
- The Team also ensures the 25 % Hair cut will be maintain in all the clients for their Outstanding Balances.
- In case there are debit beyond a particular period or old debit the Buying Limits are blocked
- Further Daily follow up is done for the debits in client's ledger.