

RMS POLICY

The Company has proper RMS department at its registered office situated at 6-3-652 “Kautilya”, 4th floor, Amrutha Estates, Somajiguda, Hyderabad-500082

1 RMS: RMS means Risk Management system. Risk management is to manage risk of company and clients from volatility of capital market/Currency/Commodity Market.

1.1 Adjusted Ledger Balance: Adjusted Ledger balance means clear balance in client’s ledger account in company’s books. For example, proceeds of shares sold but not delivered will be reversed if credited in the ledger and debited Var Margin will be ignored.

1.2 Securities in On-Behalf: Securities in on-behalf means the securities of the client lying in the Company’s pool account. Securities given by the client in margin and securities held by the Company till full payment is received are kept in On-behalf.

1.3 Securities in Margin: Securities in margin means those securities which are approved for this purpose by the Exchange given by the Client to the Company to meet his margin obligations in F&O segment. These are transferred by clients to the Company and may further be pledged by the Company to the Exchange towards the Company’s margin obligations for the client.

2. Transaction offered to clients:

2.1 Intraday trades: Intraday transactions are sale – Purchase in any scrip which are reversed by contra transaction of Purchase- Sale in the same scrip and in the same quantity, so that net quantity carried is NIL on a particular trading day.

2.2 Delivery Trades: This is net Purchase or Sale of particular scrip in client’s account which is settled by Delivery on T+2 Days.

In case of sale transactions client has to give securities to company in demat form before pay- in, else he will bear auction debit.

2.3 Sell Against unsettled Buying: This is sale against unsettled buying in particular scrip. Under this kind of transaction a client can buy particular scrip in particular quantity on day one and can sell the same scrip in same quantity on the immediately next trading day.

Note; In this case BNRATHI will not be responsible for any short pay out of security received from Exchange resulting in short delivery in clients account.

3. Risk Management:

We are having margin based Risk management system, in which total deposit of client is uploaded in system. Now client can take exposure in any scrip(s) and his deposit will be utilized on the particular scrip(s).

Exchange for Pay-In. Otherwise he will be liable for consequences of square off.

Example:

A client with following position intends to trade

Particulars Amount Rs

Ledger balance Credit 50000

Margin Shares before hair cut 100000

Margin Shares after hair cut (Var Margin20%) 80000

Total deposit (50000+80000) = 130000

Intra day limit of 4 times of the margin available is given to the client.

Delivery day limit 1 time of the margin available is given to the client

The Company has the system to provide limits for trading based on the margin of the client available with the company in the form of funds / securities.

Full value of the funds of the clients available with the company is considered for the purpose of opening of the trading limits.

Sometimes limits are given to the clients on the basis of unclear cheques on case to case basis depending on the financial health / previous track record of the client.

The company takes proper margin from clients as per stock exchange norms in the form of funds/Securities and reports the same to the exchange in due course

For online monitoring of transactions Protector Software is installed, which gives clear indications of the M to M losses client wise

Trading M to M and Margin on the outstanding positions are informed to the clients on daily basis through SMS / E-mail

Clients will be intimated as soon as MTM loss reaches 50% of the available funds. In this case company demands the additional margin from the client failing which it may reduce the position.

The Company has separate RMS dept to online monitor all M to M profits / losses of the client. If the RMS head sees that the M to M losses of the client are 80% or more of the Fund / Securities of the clients, the F & O position/s of the client is/are squared off with proper intimation to the client.

Contract Notes / margin statements for the transactions executed by the clients are sent to them through e-mail on daily basis.

All the outstanding positions of the previous day are taken in back office & we are providing the online back office to the clients where clients can see financial ledgers, contract notes statement at the end of the day

As a Policy we do not allow trades without margins in F&O segment.