

RISK MANAGEMENT POLICY

Analyzing exposure to risk and determining on handling of the same forms the basis of our Risk Management Policy.

- Limits are set automatically whilst taking into consideration the client's ledger balance, collaterals (POA Stocks), after due haircut on stocks. As a norm we require a minimum margin of 20% in cash segment.
- Dealers are vigilant in executing the client trades and the client saudas are confirmed over phone at the end of the day. The dealers' communication with the client is carried on through voice loggers.
- Margin Policy – For Cash segments we require a minimum margin of 20%
For futures and options margin requirement is as per the exchange norms.
- As per our internal policy, we have bifurcated the clients under 3 categories of risks.
 1. High Risk – The clients mapped under this category are not given the delivery of their shares till their debits are cleared and a fresh exposure is allowed only till T+5 days after which the limits are blocked till a confirmation of clearance of the debits is received from the client. The clients of the branches which are located outside Kolkata are by default put under High Risk Category., which is reviewed every 3 months.
Clients who do not want the shares to be delivered to their demat account and utilize the same for limit / exposure by keeping the shares in our holdback account are also mapped under this category.
 2. Medium Risk – The clients falling under this risk group are given the share delivery wherein the maximum ledger debit is up to Rs 20000. Exposure given on the basis of margins.
 3. Low Risk – These clients are well known to the company on the basis of their track record. Hence their debits up to a maximum of Rs 50000 are allowed. Simultaneously exposures granted to them are a bit flexible in nature (2 times more the normal exposure norms) on the basis of available margins.
- Trades in Z category stocks are not allowed across all segments, unless permission for the same is taken and allowed after due consideration.
- The exposure with respect to every sub-broker & dealer's terminal is controlled through the office risk management team. In case of sub-brokers having direct terminals the exposure limit is defined to control the maximum risk exposure of the client. Additionally, the company has also installed CTCL / IML software with the help of which the company is expanding the reach and due to the control features existing in the CTCL / IML software along with the RMS software controls are maintained on the overall operations vide every client code and every terminal / branch / sub-broker location.
- Contracts being traded in options are not allowed beyond the first 3 months.
- None of the clients are being entertained without the collection of upfront margin. The clients position is reviewed and daily and accordingly collection is done on a daily basis by our deputed risk management executives which are in turn overlooked by the risk and surveillance manager who in turn reports to the Director.
- Holdings in DP accounts registered with Abira along with POA are considered while setting the client limits.

ABIRA

- For debit balance client's purchase stock will be transferred to CUSA (Client Unpaid Securities Account)
- We will sale out at stock from CUSA on T+2+5 days.
- We will release shares from CUSA first after the completion of CUSA a/c, and then after POA stock will be release for security payin to exchange.
- After T+2+5 no fresh exposure will be allotted to client.
- We will square off client's position on reach of 70% on available collateral.
- As a policy we have specified a single sauda limit, which is 5000 in maximum quantity which can be placed for trade and a maximum order value of Rs 5 lacs across all clients registered with Abira.
- As per our RMS policy mention below exposure details provide to clients as per his/her available Collateral (Ledger Balance + Stock (Include POA)). Share valuation will be after haircut.

EQ- 10 times on Intraday on available collateral

2 times on delivery on available collateral

ED & CD- Future Intraday 2 times on available collateral

Future Carry 1 times on available collateral

Options 1 times intraday on available collateral

Option Carry 100% on available ledger credit.

Commodity - Future Intraday 2 times on available collateral

Future Carry 1 times on available collateral

Objective

- ✓ To ensure none of the clients have exposures unless adequate margin is available. This ensures control of abnormal volumes which is not supported by margin.
- ✓ Maximum risk is in F&O segment. Hence monitoring of F&O is done with utmost diligence.
- ✓ To ensure monitoring of square up transactions in cash segment on daily basis.
- ✓ Prevention of punching transactions beyond the stipulated ranges.
- ✓ Prevention of trade in ill-liquid / Z category shares.
- ✓ To ensure timely collection of overdue so as to enable an efficient RMS system

N.B – The Exposure of client's may change as per scenario of Markets to reduce the risk