

**GHANSHYAM SHARES & STOCK BROKERS PVT. LTD.**  
**Risk Management System for Capital Market & Derivatives**

**Segments BACKGROUND:**

As per the requirements of SEBI and the Stock Exchange(s), the company has designed a Risk Management System for open positions of its clients and proprietary in the Capital Market and Derivatives segments.

**POLICY:**

The company shall on its discretion and as per the requirements of governing and regulatory bodies, collect Initial Margins and Mark to Market (MTM) margins from the clients. In addition, the margins so collected can be topped up as required and exposures of the clients so be adjusted that can vary from client to client basis.

The company shall on its discretion maintain the non-cash component of the client as a percentage of the cash component and the same may vary from client to client basis.

The Directors of the Company are allowed to take the above decisions and the same shall be monitored on a regular basis by automated software or otherwise.

The automated software shall compute the capital available towards the exposure, the policy for such exposure shall be entered into the system by the directors or the compliance officer.

**RISK CONTROL:**

The trading rights of the clients shall cease once the client utilizes 100% of the allocated exposure or is @50% of loss to the capital computed for exposure calculation.

Upon 75% of the clients' capital loss, 50% ransom position of the client shall be squared off, if the client does not infuse clear funds to its margin requirements and/or to cover its loss.

Upon 100% of the clients' capital loss, the entire position of the client shall be squared off.

The loss is a percentage of the capital computed for exposure calculation as per the company's policy or as per the policy framed by the Directors or the Compliance Officer.

**SYSTEMIC CONTROL:**

The clients shall be classified as high, medium and low risk, based on their trading patterns and their funds flow system. The same shall be at the discretion of the Directors.

**DISCLAIMER:**

These are the Risk Management Systems in place, but the clients' liabilities shall be as it is, if the above parameters cannot be executed.