

# **Risk Management Policy**

## **BACKGROUND:**

**M/s Doogar & Associates Securities Pvt. Limited** a Trading Member of NSE. As per the requirement of Exchange & SEBI, Company has designed a “Risk Management Policy” for extending the trading facility to its clients and in the respective segments of exchanges.

### **RMS works on the following concepts:**

1. **Cash:** The precise balance available in our books on the customer's ledger account.
2. **Margin:** The underlying stake provided by the customer in the form of cash, FDR/Collaterals, and stock to mitigate market (price) or settlement (auction) risk.
3. **Exposure:** The aggregate of the customer's obligations arising out of buy + sell trades awaiting settlement in the cash segment and profit/ loss amounts that are yet to be settled on the closed positions.
4. **Stock qualifying for margin in cash segment transactions:** Securities in the approved list of Stock Exchange as per SEBI guidelines.
5. **Total Deposit:** The aggregate of client deposit is available with us in cash, Shares (After Applicable Hair Cut), FDR/Collaterals.

### **POLICIES & PROCEDURES UNDER RMS**

1. **Policy for Penny Stock:** The stocks appear in the list of illiquid securities issued by the Exchanges every month. These stocks are generally considered highly speculative and high risk because of their lack of liquidity, large bid-ask spreads, small capitalization, and limited following and disclosure. Depending on the market condition and RMS Policy of the company, RMS reserve the right to refuse to provide the limit in Penny stocks, and losses, if any, on account of such refusal shall be borne by the client only.
2. **Setting up client's exposure limits:** The Company may from time to time impose and vary limits on the orders that the client can place through our trading system (including exposure limits, turnover limits, limits as to the number, value, and kind of securities in respect of which orders can be placed, etc.). The client is aware and agrees that the Company may need to vary or reduce the limits or impose new limits urgently based on the Company risk perception and other factors considered relevant by to us, including but not limited to limitations on

account of exchange/SEBI directions/limits (such as broker level/market level limits in security-specific/volume-specific exposures, etc.). The Company may not inform the client of such variation reduction or imposition in advance.

The client agrees that the Company shall not be responsible for such variation, reduction, imposition, or the client's inability to route any order through the Company's trading system on account of any such variation, removal, or imposition of limits. The Client further agrees that the Company may at any time, at its sole discretion and without prior notice, prohibit or restrict the client's ability to place orders or trade in securities through the Company, or it may subject any order placed by the client to review before it entered into the trading systems any my refuse to execute/allow execution of charges due to but not limited to the reason of lack of margin/securities or the order being outside the limits set by us/exchange/SEBI and any other reasons which the Company may deem appropriate in the circumstances. The client agrees that the losses, if any, on account of such refusal or due to delay caused by such review shall be borne exclusively by the client alone.

We have margin based RMS System; total deposits of the clients are uploaded in the system, and clients may take exposure based on margin applicable for individual security as per the VAR-based margining system of the stock exchange and margin defined by RMS based on their Risk Perception.

3. **Applicable Brokerage Rate:** Exclusive of Stamp duty, Service tax, STT (Securities Transaction Tax), and any other statutory levies Brokerage will be charged within limits prescribed by SEBI/Exchange. It is further clarified that brokerage on the option contract shall be charged on the premium amount at which the option contract was bought or sold, not on its strike price. We are subject to revision at our sole discretion and as informed by a circular sent by ordinary post/courier services/email.
4. **Imposition of penalty charges:** The Client agrees that the Company may impose fines/penalties for any orders/trades/deals/actions of the client who are contrary to this agreement/rules/regulations/bye-laws of the exchange or any other law for the time being in force, at such rates, and in such form, as it may deem fit. Further, where the Company has to pay any fine or bear any punishment from any authority in connection with/as a consequence of /about any of the client's orders/trades/deals actions, the client shall bear the same.
5. **The right to sell client's securities or close client's positions, without giving notice to the client, on account of non-payment of client's due:** Without prejudice to our other rights (Including the right to refer the matter to arbitration), the Company shall be entitled to liquidate /close out all or any of the client's position without giving notice to the client for non-payment of margins or other amounts including the pay-in obligation, outstanding debts, etc. and adjust the

proceeds of such liquidation/closeout, if any, against the client's liabilities/obligation.

The client shall ensure timely availability of funds/securities in form and manner at the designated time and in designated bank and depository account(s) for meeting his/her/its pay in obligation of funds and securities. Any losses and financial charges on account of such liquidations/closing out shall be charged to & borne by the client. In case of deposits lying in margin account/client beneficiary account and having corporate actions like Bonus, Stock split, Right issue, etc., for margin or other purposes, the benefit of shares due to received under Bonus, Stock split, Right issue, etc. will be given when the claims are received in the Company designated Demat account.

In case the payment of the margin/securities is made by the client through a bank instrument, the Company shall be at liberty to give the benefit/credit for the same only on the realization of the funds from the said bank instruments, etc., at the absolute discretion of the Company. Where the margin/security is made available by way of securities or any other property, the Company has empowered to decline its acceptance as margin/security &/or to accept it at such reduced value as the Company may deem fit by applying haircuts or by valuing it by marking it to market or by any other method as the Company may think do in its absolute discretion.

6. **Shortages in obligations arising out of internal netting of traders:** Company shall not be obliged to deliver securities or pay any money to the client unless and until the Company has received the same from the exchange, the clearing corporation/clearinghouse, or other company or entity liable to make the payment and the client has fulfilled his/her/its obligations first. The policy any procedure for settlement of shortage in obligations arising out of internal netting of the traders is as under:
7. **Temporarily suspending or closing a client's account at the client's request:** On the client's request in writing, the client account can be suspended temporarily, and the same can be activated on the client's written request only. When the client account is broken, the market transaction in the client account will be prohibited. However, client shares/ledger balance settlements can take place.

At the client's request in writing, the client account can be closed, provided the client account is settled. If the client wants to reopen the report, the client has to complete the KYC requirement again.