

SAURIN INVESTMENTS PVT. LTD.

Risk Management Policy

The Risk management policy is developed by us considering the rules and circulars as issued by the SEBI/Exchanges time to time. The said policy is subject to change as per rules/regulation issued by SEBI/Exchange and also as per the ruling market environment. Salient features of the policy are as follow.

Exposure limits

Exposure limits are allotted to the clients on the basis of his available ledger balance and/or margin pledge securities with us. For this purpose, available securities are valued using previous days closing price. Haircut is then applied, VaR margin rate, to this value. Sum of available ledger balance and residual securities value, after applying haircut, is the Exposure limit of the client for Cash segment. In case of F&O segment, besides the aforesaid items. We accept only those securities which are accepted by the exchange against margin obligation of F&O segment. These securities are also valued after applying proper haircut as instructed by the exchange. If the value of margin-pledged securities exceeds Rs. 5,00,000, only Rs. 5,00,000 is considered for the purpose of calculating the exposure limit. Any excess value of the securities, post-haircut, may be considered on a case-to-case basis after evaluating and understanding the client's specific requirements.

Margin limits:

Aforesaid exposure limit, allotted to client, is subject to VAR, Extreme loss margin and other margins as charged by the exchange. If the available exposure limit is not sufficient as per the VAR margin and Extreme loss margin requirement the order gets rejected. RMS team on its own discretion can impose additional Margin or increase the margin and can also increase the haircut on script on its risk preparations.

Discretions on limits:

- (i) Saurin Investments Private Limited has discretion to change the limits on the basis of risk perception and other factors Considered relevant (such as broker level/exchange level limits in specific securities or Income declaration or volume Specific exposures based on surveillance measures)
- (ii) Saurin Investments Private Limited shall not be able to inform the client of such variation, reduction or imposition in advance.
- (iii) Saurin Investments Private Limited shall not be responsible for client's inability to execute any order on account of any such variation, reduction or imposition of limits.

Pay-in / Pay-out of funds and securities

Pay-in amount of clients is collected at regular basis. If there is debit ledger balance the securities purchased by the clients may not be transferred to his Demat account. If client fulfills his funds pay-in obligation; such held securities are then transferred to Demat account of the client.



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Clients are required to deposit deliveries against their securities pay-in obligation at our pool a/c. In case the deliveries are margin pledged with us, against margin obligation, same are released. There is a facility at our DP division; through which the client executes the Power of Attorney in favour of us to the DP for transfer of the shares from his account to our pool a/c. If the shares are lying at the DP account of the client and the client has executed the power of attorney in our favour, DP transfers the shares from the client demat account to our pool a/c. In case of short deliveries, short amount is immediately debited to the client account.

Monitoring

Risk management department monitors obligation positions of the clients. Concerned group executive contacts the Authorised Person ('AP') for collection of overdue debits. In such cases either the client fulfills his obligation or else square off his outstanding position. In case if there is debit balance in client account and no securities are available with us as margin, concerned group executive informs the AP for collection of the overdue within a time limit. After that the Account department adjusts the default amount of client from the Ap's commission account. As per the recent circular we do not carry forward the client position in cash segment over 7 days of trading. In case debit continues to the extent of debit balance securities are sold out in the market on any day after T+1 days and for all the debits outstanding for more than T+1 days the company may charge delay penalty.

Delay Penalty shall be chargeable @18% p.a. on outstanding debit from the date of debit.

In the market event, Saurin Investments Private Limited has the risk perception that further trading in the securities /contracts may not be allowed to its clients and/or the market for trade or further position.

The right to sell clients securities or close client's positions, without giving notice to the client, on account of non-payment of Clients dues

Saurin Investments Private Limited shall have the right to sell client's securities, both unpaid securities as well as collaterals deposited towards margins, or close out client's open positions, without giving notice to the client where there is a delay /failure of the client to the pay-in obligations and/or there is a failure of the client to bring Margins and/ or additional margins to cover the increase in risk in the market conditions.

Saurin Investments Private Limited shall not be responsible for any losses and penalties / charges levied by exchanges(s) caused on such square off.

Saurin Investments Private Limited therefore not be under any obligation to compensate / or provide reasons of any delay or omission on its part to sell clients securities or close open positions of the client.

Illiquid Contracts.

RMS shall have absolute discretion to accept, refuse or partially accept any buy or sell order for execution from a client in respect of penny stocks, illiquid stocks, stocks having low liquidity, illiquid "options", far month "options", writing of "options", and any other contracts which are extremely volatile or subject to Market manipulation. Exchange launches contracts from time to time for trading in derivatives and further



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the liquidity of these contracts is monitored time to time on the basis of their trading volume and availability of buyers and sellers. Trades of the clients on these contracts are blocked /unblocked at our trading /RMS software accordingly. The Concerned officer will be made responsible to monitor every new launched contract and will be responsible to block the same from its back end immediately. When liquidity comes to these contracts the responsibility of the executive will be to unblock the same for trading purpose and/or if any client willingly to trade in these illiquid contracts, he will immediately refer the matter to its RMS Head. RMS head will permit client after monitoring his trades and volumes and will permit the client to further trade in these contracts with caution. The client itself will be liable for the loss incurred done in such trades and Saurin Investments Private Limited shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to the client. Saurin Investments Private Limited shall have the prerogative to place such restrictions, notwithstanding the fact that the client has adequate credit balance or margin available in his account and/or the client had previously purchased or sold such securities/contracts through Saurin Investments Private Limited itself.

Penalty Levied By Clearing Corporations On Short/Non-Collection Of Upfront Margins

As per the Exchange Circular, penalty levied by clearing corporations on short/non-collection of upfront margins may be passed on to the client, if short/non collection of upfront margins is on account of following reasons attributable to client:

- I. Cheque issued by client to trading member is dishonoured
- II. Increase in margins on account of change in hedge position by client/ expiry of some leg(s) of the hedge positions of the clients.

