

## RMS POLICY

### Objective:

The objective of the margin policy is to have an internal control on the margin requirements in the cash segment for new clients as well as the existing ones.

### Department In charge:

The Risk Management Department

### Procedures:

The following are the guidelines framed for different categories of clients for payment of margins for the trading activity undertaken on their behalf:

#### New clients:

- All clients are required to pay 20% of the gross turnover in their account on a particular trading day as upfront margin.
- For the clients availing the Internet Based Trading Facility the limits would be set in the Admin machine by the risk management department. A specific procedure is followed for calculating the limits of various clients depending upon the deposits and collaterals given by the client. If the limit is exhausted the client would call the risk management department. The risk management department in consultation with the senior management would then re set the limits for the particular client.
- For other clients the shortfall in the margin at the end of the day has to be compensated by the client by transferring the funds by next day morning before the commencement of the market.
- The trading activities in the newly opened accounts would be monitored by the Risk Management Department for a period of 6 months from the commencement of operations in the account. Depending on the operations in the account the risk management department in consultation with the senior management may increase or decrease the limit of a particular client.



### Existing Clients:

- In case of unsatisfactory operations in the existing clients account or due to any other reason the management may deem fit, the management may at its discretion decrease the limit of a particular client depending on the deposits, collaterals available.
- In case of client having POA demat account with Stock Broker's DP, Stock Broker in his absolute discretion shall transfer the securities to such POA demat account despite non-payment/ partial payment by client. The client has to meet-up with his pay-in / dues / funds obligation in prescribed time limit as per prevalent RMS policy of Stock Broker. In all other cases of non-payment or partial payment, Stock Broker in its absolute discretion shall decide on case to case basis whether to retain full value of securities (in case of non-payment/ partial payment) or to transfer such unpaid client securities to client's demat account despite the client having debit balance or to transfer such unpaid client securities to client's demat account by creating pledge towards Client Unpaid Securities Pledge Account (CUSPA) or dispose-off the securities (in case of non-payment) within 5 trading days from the date of pay-out. Stock Broker may sell securities lying in client's demat account based on client's specific instruction and can consider the same towards such unpaid securities provided clear funds are received within such 5 trading days. Stock Broker shall, on a demand made by client, release the securities to the client to the extent of the amount received or lying to the credit of the client.
- Stock Broker may take such decision w.r.t. transfer of securities from Pool to Clients' own demat Account / Clients' own demat Account and create pledge towards CUSPA on case to case basis. In case where Securities are transferred to Clients' own demat Account and create pledge towards CUSPA then Stock Broker shall be at liberty to sell such client's securities as per prevalent market rate of such securities from time to time to the extent of unpaid amount. Stock Broker shall not be held responsible if it is unable to sell the unpaid securities within 5 days from pay-out date due to reasons such as inactive/suspended shares/securities, lower circuit, litigations, regulatory enforcement / court directions, other trading restrictions like GSM or any other reason specified from time to time.
- If any intraday position or an MIS trade is not squared off on the same day due to any reason, it shall be treated as a Cash and Carry ("CNC") or NRML position and carried forward to the next trading day. In case such a situation arises, the onus of squaring off the position will be on the Client.
- The clients can place request to freeze/block & unfreeze / unblock the trading account for online access by sending email from registered email id

to [stoptrade@hpmgshares.com](mailto:stoptrade@hpmgshares.com) or by calling us from registered mobile number on 02262317666.

Below timeline will be followed as prescribed by the exchange.

<b>Scenario</b>	<b>Timelines for issuing acknowledgement as well as freezing / blocking of the online access of the trading account.</b>
Request received during the trading hours and within 15 minutes before the start of trading.	Within 15 minutes
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

\*Trading hours shall be as follows: Capital Market Segment: 9.15 a.m. to 3.30 p.m., Equity Derivatives Segment: 9.15 a.m. to 3.30 p.m.

#### **Applicability:**

The risk management department in consultation with the Senior Management of HPMG Shares & Securities Pvt. Ltd. would follow this policy statement.

**For HPMG Shares & Securities Pvt. Ltd.**

**Director.**