

# BAY SECURITIES PRIVATE LTD

## Risk Management System Policy

- 1 The Firm has RMS department at its REGD Office
- 2 The Company has the system to provide limits for trading based on the margin of the client available with the company in the form of funds / securities.
- 3 For the purpose of opening of trading limits, 20 -50 % haircut is taken on the value of securities according to the group of securities.
- 4 Full value of the funds of the clients available with the company is considered for the purpose of opening of the trading limits.
- 5 Sometimes limits are given to the clients on the basis of uncleared cheques on case to case basis depending on the financial health / previous track record of the client.
- 6 In cash segment an intra day limit of 1 times of the margin available is given to the client.
- 7 In case of delivery transactions, funds is required to be deposited by the client equal to the amount of delivery on T+1 basis.
- 8 For F & O transaction, the company takes proper margin from clients as per stock exchange norms in the form of funds/Securities and report the same to the exchange in due course
- 9 In F& O Segment trading M to M and Margin on the outstanding positions are informed to the clients on daily basis through SMS / E-mail.
- 10 Clients will be intimated as soon as MTM loss reaches 50% of the available funds. In this case company demands the additional margin from the client failing which it may reduce the position.
- 11 The Company has dedicated staff to online monitor all M to M profits / losses of the client. If the RMS head sees that the M to M losses of the client are 80% or more of the Fund / Securities of the clients, the position/s of the client is/are squared off with proper intimation to the client.
- 12 Contract Notes / margin statements for the transactions executed by the clients are sent to them through e-mail on daily basis.
- 13 All the outstanding positions of the previous day are taken in back office
- 14 Payment control Report for debit recovery from the clients is made on daily basis and follow-up for the payment on regular basis done by RMS department.
- 15 All sticky client codes are brought in the knowledge of management regularly.
- 16 The employees who are directly involved in trading activities of the company are not allowed to trade on his/her own account. But sometimes if an employee wish to take delivery of security, he/she is allowed only after prior approval of the management.

