



**TRIMBHAK INVESTMENT AND FINANCE SERVICES .PVT.LTD**

Share & Stock Broker

(Member : National Stock Exchange Ltd)

803/804, Unique Tower, Gaiwadi Street, Near Kamat's Club,

Off. S.V Road, Goregaon (West) Mumbai 400 062,

Tel.:022-4056 6800 / 2876 3962 / 2876 4353 Fax : 022-40566801

## **RISK MANAGEMENT POLICY**

### **M/S. TRIMBHAK INVESTMENT AND FINANCE SERVICES PVT.LTD.**

**Document Owner :- M/s. TRIMBHAK INVESTMENT AND FINANCE  
SERVICES PVT.LTD.**

**Prepared by :- Mr.**

**Reviewed by :- Mr.**

**Authorized by :- Mr.**

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### **Objective :-**

The management of **TRIMBHAK INVESTMENT AND FINANCE SERVICES PVT.LTD.** commits to put in place a Risk Management system to recognize, assess and mitigate the risks that the organization maybe exposed to. The risk management function shall be modified and improved as business changes and improved processes and procedures become available. The objective of the Risk management function is to ensure that all risks, which threaten the business, are recognized, controlled and reduced to an acceptable level and all applicable regulatory requirements of the various regulatory authorities are complied with.

### **Capital Adequacy And Margin Release:**

Maintenance of the Capital adequacy of the member with the exchanges is very essential for trading in the equities and derivatives segment. Capital is maintained with the exchange in the form of Bank guarantees, Cash, Securities and Fixed deposit in consonance with the norm prescribed by the Exchange from time to time.

### **Process:**

- Every day, the transaction files received from the Exchange are uploaded on the Back Office software registering the transactions to respective Client codes.
- On the basis of above, the Contract Notes and Bills are generated and sent to the respective clients.
- During the day cheques received from the clients for their pay-in obligations and cheques issued to the clients for pay-out obligations are accounted in the Accounting system. Cheques received from the clients are checked with the bank details provided by the clients and updated in the software in order to reject the payments by third party. The cheques issued by the company to clients are always crossed and marked as 'Account Payee'.
- Back Office processes the reports giving details of balances in the clients account, which are used for co-coordinating with clients for debit recovery. All cheques received from the clients are banked and details of the cheques like cheque No., bank name, branch, amount are updated in our software.
- Further, Client wise debit-credit summary is generated considering short sale of stocks, if any. The same is uploaded in our RMS System enabling the clients to trade within their available limits.



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- In house Reports are also generated giving details of clients who have not paid their obligations and the outstanding amount in order to liquidate their positions to the extent of debit balances in their accounts. If the client is having debit balance, he will be allowed to trade only with the prior approval of the director.
- Exposure for any client at any point of time shall be commensurate with the VAR margin and margin available with us Eg. For Rs 1 lakh credit , exposure can be Rs 10-lakh with VAR margin of 10% and 1 lakh credit exposure can be 4 lakh with VAR margin of 25%
- Margin System: In Cash segment, the company has categorized scrips into 4 categories for upfront margin requirement. All scrips under 'Trade to Trade' need 100% upfront margin. The other scrips are categorized in A, B, C and D categories with margin rate of 25%, 33.33%, 50% and 100%, respectively. Margin requirement rate is reset every week on the basis of VAR Margin rate provided by the Exchange. In extreme volatile market conditions, margin is scaled up internally by some adhoc percentage.
- Square up is done once in a week as per the discretion of the director and on the basis of the credential of the client. Square up is done to the extent of debit balance in the respective clients' accounts.

Please note that
1. The Compliance Officer shall generate Risk Report and Combined Risk report at the EOD.
2. The Compliance Officer shall ensure that the Risk Reports are prepared on timely basis.
3. For the purpose of assessing and managing the risk, the Compliance Officer shall take into account a variety of factors including but not limited to the following: <ul style="list-style-type: none"><li>a. Past trading patterns</li><li>b. The group of securities dealt in, specifically if the trades are in penny stocks or Z or T category securities, illiquid stocks, etc</li><li>c. Period of holding</li><li>d. Whether delivery is taken / given or not</li><li>e. Past history related to settlement of trade (dues) and / or defaults</li></ul>



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- f. Instances of suspicious transactions or irregular trades
- g. Value and / or volume of trade vis-a-vis trades executed in the past
- h. Net-worth of the client

Basis the assessment, the Compliance Officer will determine the appropriate margin and whether the same will be collected in full or in part or whether it will be collected up front.

4. The total Gross Exposure and Turnover limits of Clients shall be reviewed and appropriate action shall be taken in case the risk exposure exceeds the limits as laid down by the management.
5. The Compliance officer shall be directly reporting to the Director.
6. The Risk personnel shall ensure that SPAN margins are collected upfront.