

RMS POLICY

Back ground:-

The LLP has proper RMS department at its corporate office situated 1701, One Lodha Place, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

RMS means Risk Management system. Risk management is to manage risk of LLP and clients from volatility of capital market/Currency/Commodity Market. The ageing balance is calculated by considering NSE and BSE Exchanges and CAPITAL MARKET, DERIVATIVES, CURRENCY Segments ledger Balance.

With reference to SEBI circular reference no. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated 20th June 2019 and further NSE circular reference no. NSE/INSP/42052 dated 04th September 2019 and BSE circular reference no, 20190904-38 dated 04th September 2019, the shares are to be transferred to CUSA (Client Unpaid Securities Account) and debits are to be cleared within 5 days of trading i.e.T+5 days. In case the debit is not cleared, the broker has to sell the shares on 5th day if payment is not received.

1.1 It is client's obligation to clear his obligations on T+2 days (T indicates Trading day). The client shall timely provide funds / securities to the member Neo Apex Share Broking Services LLP for the purchase / sale of securities for meeting his obligations to the Exchange. In case of client falling short of providing fund / securities, Neo Apex Share Broking Services LLP has the right to close the positions / sell the clients securities with to the extent of ledger debit and / or to the extent of margin obligations. Neo Apex Share Broking Services LLP can liquidate the securities bought or collaterals given or any other securities given by client in any other form for clearing the clients obligations.

The Neo Apex Share Broking Services LLP will transfer from pool account to client's individual demat accounts registered with Neo Apex Share Broking Services LLP and keep the debits beyond T+5 days with 30 % margin lying in the client demat account. However no fresh exposure will be allowed for debits beyond T+5 days.

The client will not have any right to raise any claim in case the debit is not cleared and member dispose off the shares at client's risk. In case of margin falls short, the member shall have the right to sell the shares at client's risk. Neo Apex Share Broking Services LLP Management will have discretion to alter/change any of selling parameter defined in this policy on the basis of prevailing market conditions with prior intimation and can use their discretion to grant any kind of exemption/permission in case they deem fit on case to case basis. In case of any disagreement and/or ambiguity, Management reserves the right to make the decision, which shall be final and binding. Any loss/ damage arising out of

compulsory square-off of trades towards outstanding debits from clients, the same will be debited to the clients account for which the clients will have to make the full payments.

- 1.2 **Adjusted Ledger Balance:** Adjusted Ledger balance means clear balance in client's ledger account in LLP's books. For example, proceeds of shares sold but not delivered will be reversed if credited in the ledger and debited Var Margin will be ignored.
- 1.3 **Securities in On-Behalf:** Securities in on-behalf means the securities of the client lying in the LLP's pool account. Securities given by the client in margin and securities held by the LLP till full payment is received are kept in On-behalf.
- 1.4 **Securities in Margin:** Securities in margin means those securities which are approved for this purpose by the Exchange given by the Client to the LLP to meet his margin obligations in F&O segment. These are transferred by clients to the LLP and may further be pledged by the LLP to the Exchange towards the LLP's margin obligations for the client.

2. Transaction offered to clients:

- 2.1 **Intraday trades:** Intraday transactions are sale – Purchase in any scrip which are reversed by contra transaction of Purchase- Sale in the same scrip and in the same quantity, so that net quantity carried is NIL on a particular trading day.
- 2.2 **Delivery Trades:** This is net Purchase or Sale of particular scrip in client's account which is settled by Delivery on T+2Days. In case of sale transactions client has to give securities to LLP in demat form before pay- in, else he will bear auction debit.
- 2.3 **Sell Against unsettled Buying:** This is sale against unsettled buying in particular scrip. Under this kind of transaction a client can buy particular scrip in particular quantity on day one and can sell the same scrip in same quantity on the immediately next trading day.

Note; In this case Neo Apex Share Broking Services LLP will not be responsible for any short pay out of security received from Exchange resulting in short delivery in clients account.

3. Risk Management:

The LLP is having margin based Risk management system, in which total deposit of client is uploaded in system. Now client can take exposure in any scrip(s) and his deposit will be utilized on the particular scrip(s).

Example: A client with following position intends to trade

Particulars Amount Rs

Ledger balance Credit 50000
Margin Shares before hair cut 100000
Margin Shares after hair cut
(Var Margin 20%) 80000
Total deposit (50000+80000) = 130000

Intraday limit of 4 times of the margin available is given to the client. Delivery day limit 1 time of the margin available is given to the client.

The LLP has the system to provide limits for trading based on the margin of the client available with the LLP in the form of funds / securities.

Full value of the funds of the clients available with the LLP is considered for the purpose of opening of the trading limits.

Sometimes limits are given to the clients on the basis of unclear cheques on case to case basis depending on the financial health / previous track record of the client.

The LLP takes proper margin from clients as per stock exchange norms in the form of funds/Securities and reports the same to the exchange in due course.

For online monitoring of transactions Protector Software is installed, which gives clear indications of the M to M losses client wise.

Trading M to M and Margin on the outstanding positions are informed to the clients on daily basis through SMS / e-mail.

Clients will be intimated as soon as MTM loss reaches 50% of the available funds. In this case LLP demands the additional margin from the client failing which it may reduce the position.

The LLP has separate RMS dept 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 F & O position/s of the client is/are squared off with proper intimation to the client.

Contract Notes / margin statements for the transactions executed by the clients are sent to them through e-mail on daily basis.

All the outstanding positions of the previous day are taken in back office & providing the online back office to the clients where clients can see financial ledgers, contract notes statement at the end of the day

As a Policy we do not allow trades without margins in F&O segment. However in case of CASH Segment margin collection from client is discretionary.

Revised RMS Policy has been approved by the Board of Partners.

Date: 30.05.2024 Place: Mumbai