

SHARE INDIA SECURITIES LIMITED

PROCEDURE FOR RISK MANAGEMENT & SURVEILLANCE DEPTT.

The objective of this process notes is to explain the Surveillance Process and systems used for Risk management by Surveillance Department. The key points are following:

Surveillance

- It is ensured that all the dealers have got prescribed NISM/MCCP/NCFM Certifications.
- Trading is done through NEAT / BOLT / TWS / CTCL / IML / NEXTRA / NOW / GREEK terminals. Trading terminals are mapped with respective Admin Terminal which are being used to set margin limits for retail clients.
- NEAT/BOLT/TWS access is restricted only to few branches/sub-brokers, rest are having only CTCL/IML Ids.
- Trading limits for exposure/turnover is not granted any CTCL/IML Terminal, rather the limits are assigned to individual clients on the basis of margins deposited by them.
- Margins are collected from clients at a rate which is equivalent to margins prescribed by NSE/BSE/MCX/NCDEX/ICEX.
- The RMS Department keeps track of the accounts of all clients on a regular basis
- Margin Limit is set as zero by default for Retail Clients and dealers and is changed on the basis of recommendations of RMS Department that works in close co- ordination with payment collection department.

General Points

- Margin is collected in the form of Cash and/or Securities. The valuation of securities is done as per prescribed haircuts and market conditions.
- In case of dealings on Futures & Options / Currency Derivatives / Commodity Derivatives Segment, trading is not allowed unless the client has deposited with us collateral equivalent to initial margins.
- In case of buying, the shares bought are not transferred to the respective clients before actual realization of their payments.
- Before making the payments to the clients, the department issuing the cheques duly ensures that the securities sold by him/her have been actually received.
- Business Partners, who introduces clients to us, have been clearly informed that they shall be wholly and unconditionally held liable for defaults, if any, committed by the their respective clients.

This updated policy & procedure document was taken note of and approved by Board of Directors of the Company in their meeting held on 03.04.2019.

Sd/-
Director
Share India Securities Limited