Matalia
Stock Broking Pvt. Ltd.
Member : NSE ● BSE ● NSDL ● MCX-SX ● MCX* ● ICEX*

RMS POLICY

RMS stands for Risk Management System - To manage the risk of the company from the volatility of the market.

(1) RMS works on the following concepts:

1.1) Cash: The clear balance available in the customer's ledger account in our books.

1.2) Margin: The underlying stake provided by the customer in the form of cash, FDR and/or stock to mitigate market (price) or settlement (auction) risk

1.3) Exposure: The aggregate of the customer's obligations arising out of buy + sell trades awaiting settlement in the cash segment and profit/ loss amounts that are yet to be settled on the closed positions.

Exposure to be provided in Derivative trading on availability of initial margin (SPAN + Exposure) in the form of cash and approved securities (with appropriate hair cut).

1.4) Exposure multiple: The number of times that exposure is allowed on the underlying margin on particular segment would have to be made either on the availability of cash margin or on the availability of the stocks (which are to be sold) in our margin account, by executing a transfer before any order is initiated.

1.5) Stock qualifying for margin in transactions: Securities in the approved list of respective stock exchanges.

1.6) Total fund availability: The aggregate of client deposit available with us in the form of cash, shares (after applicable hair cut) and FDR.

(2) NATURE OF CUSTOMER TRANSACTIONS

2.1) Intraday - Cash segment: The amounts of purchase (or sale) in a scrip on any trading day that is reversed by the end of the day by making a contra sale (or purchase) of the exact same quantity, thereby nullifying the original position.

2.2) Delivery Trades: The net purchase or sale of a scrip in a client account that is settled by way of a delivery on T+2 (or as per settlement schedule). Delivery in respect of sale transactions in the cash segment has to be settled by the client by tendering securities in demat form before the pay-in deadline. Else the client faces the risk of auction.

2.3) Sell against Buying: A purchase order executed on the Exchange today and the (undelivered) purchased stock sold in its entirety on the next trading day. In this case the first transaction would be settled on T+2 while the sale would be settled on the third business day after the purchase transaction

2.4) Derivative trading: Trading in a forward, future, option or any other hybrid contract of pre determined fixed duration, linked for the purpose of contract fulfillment to the value of a specified real or financial asset or to an index of securities. Further Mark to Market debit/ credit is settled by way of a collection/ payment on T+1 basis.

Note – MSBPL will not be responsible for any Short payout of security from exchange

(3) MANAGEMENT OF RISK

We have margin based automated RMS system. Total deposits of the clients are uploaded in the system and client may take exposure on the basis of margin applicable for respective security as per VAR based margining system of the stock exchange and / or margin defined by RMS based on their Risk perception. Client may take benefit of "credit for sale" i.e, benefit of share held as margin by selling the same by selecting delivery option through order entry window on the trading platform, the value of share sold will be added with the value of deposit and on the basis of that client may take fresh exposure.

In case of exposure taken on the basis of shares margin the payment is required to be made before the exchange pay in date otherwise it will be liable to square off after the pay in time or any time due to shortage of margin.

For Example:

Client Mr. P trade and having: -

Ledger Balance (LB)	:	Rs.1,00,000/- Cr.
Stock Before Hair Cut	:	Rs.3,00,000/-
Stock After Hair Cut	:	Rs.2,00,000/- (approx.)
Total Deposit	:	Rs.3,00,000/- Cr.

VAR margin on XYZ Ltd is 14.3%, Mr. P can take position in XYZ Ltd up to Rs. 21,00,000/-. Margin on position is Rs.3,00,000/- (21,00,000X 14.3%) and he has to make payment of Rs. 18,00,000/- (exposure less Ledger credit balance) before the T+2 Days in case of Capital segment.

SPAN margin on ABC Ltd. is 15%, Mr. P can take position in ABC Ltd. up to Rs. 20,00,000/-. Margin on position is Rs.3,00,000/- (20,00,000X 15%) (exposure less Ledger credit balance).

(4) PAYMENT OF MARGIN

The client is required to pay all the applicable margins within the stipulated time prescribed by Exchanges/ SEBI. Client is advised to monitor the adequacy of the collaterals and the market value of such securities given as collaterals on a continuous basis more particularly in volatile markets. If due to price fluctuations, there is erosion in the value of securities given as margins, the client is required to replenish shortfall in the value of margins immediately.

Further for trading T to T group segment client has to pay 100% advances (up front basis) for any creation of position. Client can not take benefit of shares as collaterals but only the credit Ledger balance will be considered.