

RISK MANAGEMENT POLICY OF ARIHANT CAPITAL MARKETS LIMITED:

Limit Setting and Auto Square off rules:

- We have margin based 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 upto 80% value of sell amount as per NSE circular.
- All scrips falling under **GSM** and **Stock falling under unsolicited SMS** as per NSE/BSE notifications are restricted to trade on trading system at client level and branch level.
- Further, following shall be considered for computation of margin and offering limits to clients:
 - Ledger credit balance available.
 - DP pledge collateral after haircut.
- **Details of Limit on trading system is per chart below:**

Segment	Stocks	Margin/Intraday (With timer auto Sqoff)	Delivery/Carryforward
Cash segment	NSE 500 Approved stocks	6.66 X	As per VaR margin
	All Other Stocks	As per VaR margin	
Derivative segment	Future	1.33 X	1X
	Option	1X (1.33 X selling in Index on DMA)	1X

Buy Today, Sell Tomorrow (BTST Trades): Upfront margin equivalent to VAR +ELM (minimum of 20%) shall be required for stock selling.

Timer & MTM Based Auto Square off & Position Conversion:

1. All "Margin/Intraday" positions will be square off after 3.17 PM.
2. All Position will be auto Square off at 80% MTM Loss through trading system.
3. Client can carry position only in "Delivery/CarryForward" Product type.
4. Client can convert his "Margin/Intraday" positions before 3.15 PM. After timer trigger position conversion will not be allowed.
5. "Margin/Intraday" product not allowed after 3.15 PM. Client can trade only in "Delivery/CarryForward" product.

MARGIN TRADING FACILITY:

We allow margin trading facility on All the equity shares classified as 'Group I security' as per Section 1.1.3 of Chapter IV of SEBI Master Circular No. SEBI/HO/MRD/DP/CIR/P/117 dated October 25, 2019 are eligible for margin trading facility.

Further margin as prescribed for MTF is duly collected upfront and required to be maintained till the position is not squared off. Details are as under:

- VaR + 3 times of applicable ELM in case of F & O Stocks (i.e., stocks available for trading in the F&O Segment).
- VaR + 5 times of applicable ELM in case of stocks other than F & O Stocks.

Margin Collection and Reporting:

Margin Collection:

Margin is collected upfront as prescribed by clearing corporation from all clients in Cash and Derivative segment.

Daily Mark to Market losses shall have to be paid latest by T+1 day and any shortages in respect of Margin shall be payable forthwith.

In case of default to provide Mark to Market losses or Margins accordingly, Arihant Capital shall be entitled to square off the open market positions without further reference or notice to the Clients.

In case of extreme market volatility, margins may be demanded on intra-day basis and Clients should be able to replenish margins on immediate basis to avoid square off. Where market conditions so warrant, Arihant Capital Markets Limited may demand payment by electronic transfer and refuse to accept payment by cheque. Shortage in Margin shall attract penalty as may be levied by the Exchange. All losses from daily settlements and losses from square off which are not paid shall be recovered by selling available collateral shares of the Client and Client shall be liable to pay the remaining balance forthwith.

Margin in form of shares are allowed only as per the NSE Clearing monthly file, scrips which are allowed for further re-pledge to Arihant Capital Markets Limited.

Margin Reporting:

For any day margin requirements, clear ledger balance as on same date will be considered including cheques which are cleared before T+5 reporting day.

Ledger balance calculation will be done by netting off balances across segments i.e. Cash, F&O, Currency and Commodity excluding balance in MTF segment.

Across all segments, shares in Margin pledge / Client unpaid securities account with previous day's valuation, after prescribed haircut, will be considered.

Post valuation/calculation of the above, shortage if any will be reported to Exchange and margin shortfall penalty will also be levied on shortfall amount.

Important Information:

Arihant Capital Markets Limited may from time to time impose and vary limits on the orders that the client can place through the Arihant Capital Markets Limited's trading system (including exposure limits, turnover limits, limits as to the number, value and/or kind of securities in respect of which orders can be placed etc.). The client is aware and agrees that Arihant Capital Markets Limited may need to vary or reduce the limits or impose new limits urgently on the basis of Arihant Capital Markets Limited's risk perception and other factors considered relevant by Arihant Capital Markets Limited including but not limited to limits on account of exchange / SEBI directions/limits (such as broker level / market level limits in security specific / volume specific exposures etc.), and Arihant Capital Markets Limited may be unable to inform the client of such variation, reduction or imposition in advance.

The client agrees that Arihant Capital Markets Limited shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through Arihant Capital Markets Limited's trading system on account of any such variation, reduction or imposition of limits. The client further agrees that Arihant Capital Markets Limited may at any time, at its sole discretion and without prior notice, prohibit or restrict the client's ability to place orders or trade in securities through Arihant Capital Markets Limited, or it may subject any order placed by the client to a review before its entry into the trading systems any may refuse to execute /allow execution of orders due to but not limited to the reason of lack of margin /securities or the order being outside the limits set by stock broker / exchange / SEBI and any other reasons which Arihant Capital Markets Limited may deem appropriate in the circumstances. The client agrees that the losses, if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.