

RISK CATEGORIZATION POLICY

ADOPTED BY

R.B.K. SHARE BROKING LTD

MEMBER :- BSE LTD. / NSE LTD

FOR

BSE CASH SEGMENT

NSE CASH SEGMENT

Risk based approach:-

Classification of both the new and existing clients into high, medium or low risk category depending on parameters such as the customer's background, type of business relationship, transactions etc. Application of each of the customer due diligence measures on a risk sensitive basis and adoption of an enhanced customer due diligence process for high risk categories of customers and vice-á-versa. The Client's parameters are done on their financial status i.e. upto 5 lacs it is put under Low category and above 5-10 lacs under Medium and above 10 lacs under High category.

Limit Setting:-

Limits shall be monitored on daily basis, taking following criteria's: Turnover, Exposure, Past trends, Location, Deposit/Collateral.

Margins:-

Client level margin will be at management discretion in cash segment.

Criteria to collect margin will be on the basis of volume of client and brokerage earned from clients.

Same client should not figure in default list in more than 5 days in a month

Trading:-

Trading in illiquid scrip shall not be permitted. On detection of such trading, the risk manager shall use his discretion to shutdown the terminal after intimating branch manager and sub broker

Pay-in Of Fund & Stock:-

Third party pay-in of securities & fund will not be accepted. Same way pay out of shares and fund will be directly done to client account only. No securities belonging to one client be used/transferred for Own purpose or for other client.

Collections:-

Cash will not be accepted under any circumstances except cheque bouncing.

Collection of cheques from clients must be done by T+2 days except clients who have authorized us to have running account balance.