



Risk Management Policy

Order receipt, Execution of Trade and collection of Margin

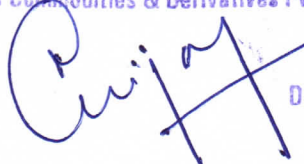
- Order is received directly from client or person authorized by client only.
- In case of large order quantity / Script name and rate is reconfirmed before placing the order.
- Upfront margin is collected from clients in the form of funds or Securities only and as prescribed by SEBI / Exchanges.
- Trade Limits is set for all users/dealer and clients on a daily basis as stipulated by the Risk Management desk.
- All trading terminals have Quantity and price Limits to avoid the big losses from punching errors.
- Client is allowed to take positions based on permissible limits based on upfront margin collected and based on the Risk Management desk.

Liquidation of client positions / collaterals

- Based on the orders placed by the clients and the trades executed by the client, the margin as stipulated by SEBI / Exchanges will be levied on such trades. Further, if required, the member may levy additional margins so as to cover the market and the security risks.
- Daily documents as stipulated by SEBI / Exchanges will be sent to the client (such as contract notes, daily margin statements, etc.)
- In case of shortfall in margin collection from the clients, the shortfall amount shall be reported to the Exchange in the margin reporting to the Exchange. Further, additional follow up shall be done with the client over telephone by our Risk Management Desk and the client shall be informed to immediately transfer additional margins or square off the excess positions.
- Even after reminders and follow ups, if the client has not taken any action i.e. not paid sufficient margins or not squared off excess positions, the risk management desk shall square off the client positions and the losses if any due to the above shall be recovered from the client. Such recovery can also be done by selling the client collaterals available with us.
- Further, the member shall follow all the SEBI / Exchange rules, regulations and circulars for all the above matters.

Collection and release of Fund

For Trade Winds Commodities & Derivatives Pvt. Ltd.


Director

- The PAY IN of funds from client comes only from their Bank Account declared in the KYC form.
- PAY OUT of funds is made to clients only after adjusting all types of Margins.
- PAY OUT of funds is made to clients only in the declared bank account of the client.
- Proper check of the pay-in and pay-out is carried out to avoid any future disputes.
- Cash payment is not made to client / accepted from client.

Business Continuity Planning

- Daily backup of important data is taken on backup server and on external hard disk and it stored at safe place out side the office premises.
- Incase of power failure USP system is there as backup with capacity of 3 to 4 hours so that trading will not be suffered.
- Back-up server of all critical system is there i.e. back office server, IML server, CTCL manager, Leased Line, Trading terminal and other servers to handle the unforeseen circumstance.

Regular Evaluation of client at frequent interval

All client account should be evaluated frequently and given a tag of LOW RISK, MEDIUM RISK and HIGH RISK client depending upon their outstanding balance. Low risk for less than 7 days, medium for 7-21 days and high risk for the outstanding amount of more than 21 days

Clients who have not traded with us for more than 365 days should be temporarily discontinued from the back office master. When the fresh trade of the said client comes, all papers should be checked and status of the client evaluated before punching the trade for the client.

