

# Motisons Shares Pvt. Ltd.

MEMBER - NSE, BSE, MCX'SX, NSE-CDS, USE, DP-CDSL

## RISK MANAGEMENT SYSTEM (RMS) POLICY

We, at Motisons Shares Pvt. Ltd. follow certain steps to prevent our clients & us from unexpected/ abnormal financial losses .

As the time is seeing voluminous transactions & high volatility in the stock market, we have to be more updated & keen to know the exact position of each & every client during the trading hours.

With the above background and after discussing the matter with, the following norms/standards have been finalized.

1. "FOLIVE" is being used to have constant view/on-line monitoring on position of the client.
2. We have a practice of taking up-front margin from client and its clearance before providing exposure/limit to them for trading.
3. In cash segment of the Exchange settlement is done next day of the transaction & for Futures & Options settlement is done on the basis of MTM.
4. In case, shortfall of margin, we ask client telephonically to liquidate the position or otherwise the already set "cut-off" position automatically do the process of liquidation.
5. **Pre-Trade Risk Controls & Order-level checks :-** We have made some bifurcation of orders level checks Quantity wise rather it is value wise. Now we have fixed the limits of order level quantity for all users as per SEBI Circular. The order size whether big or small depends entirely on the Exposure limit. If the order of the client exceeds the exposure limit available to him then the order is rejected. In case the client wants to punch an order exceeding his exposure limit then either he has to send a cheque for the respective amount or if he omits to pay the amount in due course of time then his limit is increased, depending upon his credit worthiness/referrals and past transaction history with us and thus his order is accepted.

As a part of our risk management system, We have inducted our separate team who is monitoring the exposures of clients / sub-brokers on run-time basis. During market fall, We observe the position of respective client as well as sub-brokers like his credit balance available with us, securities lying with us etc. and depending upon the same, we allow them to transact or create the position or to extend / subtract their position. At the same time, we have to consider respective client's trade history/experience with us, his financial capacity and/or credit worthiness and referrals. In case there is debit balance, We request client to provide sufficient margin/securities/funds to carry out his request for fresh buying or to create.

All responsible persons/staff/employees concerned and or handling surveillance are strictly ordered to abide by the rules/norms/standards stringently.

For Motisons Shares Pvt. Ltd.  
For Motisons Shares Pvt. Ltd.

  
**Authorised Signatory**  
(Authorized Signatory)

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