

Gyandeeep Stocks Pvt Ltd.

E-164, Neelkanth Apartment, 2nd Floor,
Ramesh Marg, C-Scheme, Jaipur – 302001

Email ID: gyandeeepstocks@gmail.com

Ph. No: 0141-4036666

CIN: U74992RJ2004PTC018927

Risk Management System (RMS)/ Surveillance PROCESS

The purpose of RMS Policy is eliminating the risk of the Company /client from the volatility of the market for the F.Y. 2022-23.

6.1 RMS works on the following concepts:

a. **Cash**

The clear balance available in the customer's ledger account in our books.

b. **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

c. **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.

d. **Exposure multiple**

The number of times that exposure is allowed on the underlying margin sales on the cash 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 the sale order is initiated.

e. **Stock qualifying for margin in cash & F&O segment transactions**

Securities in the approved list of Stock Exchange as per SEBI guidelines after applicable hair cut as per exchange.

d. **Total Deposit**

The aggregate of client deposit available with us in the form of cash, Shares (After Applicable Hair Cut) and FDR.

e. **Mark to Market Losses**

Mark to market losses shall be collected in the following manner:



Mark to market loss shall be calculated by marking each transaction in security to the closing price of the security at the end of trading. In case the security has not been traded on a particular day, the latest available closing price at the exchange shall be considered as the closing price. In case the net outstanding position in any security is nil, the difference between the buy and sell values shall be considered as notional loss for the purpose of calculating the mark to market margin payable.

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- The mark to market margin (MTM) shall be collected from the member before the start of the trading of the next day.
- The MTM margin shall also be collected/adjusted from/against the cash/cash equivalent component.
- The MTM margin shall be collected on the gross open position of the Client.
- There would be no netting off of the positions and setoff against MTM profits across two rolling settlements i.e. T day and T-1 day. However, for computation of MTM profits/losses for the day, netting or setoff against MTM profits would be permitted.
- In case of Trade for Trade Segment (TFT segment) each trade shall be marked to market based on the closing price of that security.
- The MTM margin so collected shall be released on completion of pay-in of the settlement.

6.2 CATAGORY OF CUSTOMER TRANSACTIONS

a. **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.

b. **Delivery Trades**

The net purchase or sale of scrip in a client account that is settled by way of a delivery on T+1. 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. A purchase transaction in the cash segment would fall into one or more of the following categories:

c. **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+1 while the sale would be settled on the third business day after the purchase transaction.

e. **Execution of Orders – For Execution of orders define the limit as under as per the USER ID basis :-**

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- Quantity limit for each order.
- Value Limit for each order.
- User value limit for each user ID.
- Branch value limit for each branch ID.
- Security wise limit for each user ID.

6.3 Handling of client Securities

(A) The following demat account to deal with the client securities:-

- i. Pool account (Gyandeeep Stocks Pvt. Ltd. – Pool account)
- ii. Client Unpaid Securities Account
- iii. Early Payi-in Account
- iv. Client collateral Account (for holding client securities for margin purpose and onward transfer to Collateral Account for pledging with Clearing Corporation (“CC”) or transfer to Clearing Member (“CM”)
- v. Collateral Account (for pledging own & Client securities with CCs)

(B) As per normal practise to deal with the securities of the client which the client bought through their trading a/c or transfer to us, we used to transfer these securities of the client into their registered demat account except in the following circumstances:

- (i) **“Unpaid Securities”** (for which the client(s) not paid or partially paid) – In case of non-payment or partial payment, Securities are kept in **“Client Unpaid Securities Account”** (partial or fully) & shall be disposed-off (partially or fully based on their unpaid amount) with 5 days from the pay-out or;

Based on earlier record of the Client with us we Can be return to the client’s there unpaid securities (partially or fully) in case client given us the Power of Attorney “POA” to meet the client obligation in their registered demat account maintained with Gyandeeep Stocks Pvt. Ltd. (DP-CDSL).

- (ii) **“Client Collateral Account”** This Demat A/c for the purpose of holding client securities for margin purpose or for transferring to Clearing Members. Such securities shall be transferred to the “Collateral Account” for pledging with the clearing corporation and
- (iii) For transferring to Clearing corporation – for this purpose securities are kept in **“Collateral Account”** (for pledging own & Client securities with CCs)

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- (C) If there are multiple securities in the “Client unpaid securities account” then we may take following steps/ decision
1. Based on the unpaid amount of the securities we will try our level best to liquidate the higher price securities after comparing the previous close price at the time of liquidate the unpaid securities.
 2. The time of liquidation can be any time on day of liquidation.
 3. If there are no major difference in the price of the multiple securities then any of the securities can be liquidate or FIFO method to be followed.

DO: (also please refer above and exchange’s circulars for details)

- ✓ Client Securities kept in “Client Unpaid Securities Account” only be transferred to Respective client Demat A/c or to Pool A/c. (the quantify of securities based on the payment i.e. fully or partially)
- ✓ Securities can be transferred from “Client Collateral Account” or “Collateral Account” to Pool account for the purpose of making pay-in for settlement of respective client.
- ✓ Client Securities can receive in the “Client Collateral Account” and can be transferred to Clearing Member or “Collateral Account” for pledging with CCs.
- ✓ However, sale of securities lying in collateral account, based on client’s instruction, can be considered towards such unpaid securities provided clear funds are received within such 5 trading day.
- ✓ Based on earlier record of the Client with us we Can be return to the client’s there unpaid securities (partially or fully) in case client given us the Power of Attorney “POA” to meet the client obligation in their registered Demat account maintained with Gyandeeep Stocks Pvt. Ltd. (DP-CDSL).

DON'TS: (also please refer above and exchange’s circulars for details)

Securities cannot be transferred from “Client unpaid securities account” directly to the “Client Collateral account” or “Collateral Account”

Client Securities cannot be transferred from “Client Collateral Account” or Collateral Account to “Client unpaid securities account”

Securities kept in “Client unpaid securities account” cannot be considered towards client’s margin obligation.

Further exposure cannot be grant to such client having debit balances.

6.4. Offline Alert / Back Office Alert

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We are further investigated at the time of generation of billing by the Back Office Billing Department & the scrips are scanned for the quantity traded vis-a-vis exchange volume on that day, the frequency of trade done by the client & see if a trend is discernible.

The surveillance client wise takes cue from the alerts generated scrip wise. All the clients who have traded in the scrip placed in "SCRIP ALERT" are scrutinized for their other scrip dealings. Looking at the general quality of scrips that they are dealing in, Surveillance Officer reports to the Director for further action.

Further any big value transactions are checked for whether the client is not trading beyond ones known Income (i.e. Income declared in KYC)

Note – Gyandeep Stocks Pvt. Ltd. will not be responsible for any Short payout of security from exchange.

For Gyandeep Stocks Pvt. Ltd.
For Gyandeep Stocks Pvt. Ltd



Director

Gyandeep Khemka
(Director)

Dated: 23.03.2023