M/s. O.J. Financial Services Ltd. (Member of NSE).

Risk Management Policy

The objective of this note is to lay down Company's Risk Management Policy. By nature, Stock Markets are risky. Greed and fear drive stock market. Company's policy in this regard, on segmentwise basis, is as under:-

1.0 **Capital Market Segment**: **(CM)**

1.1 Since company does not entertain walk-in clients and settlement is on daily basis, no margin will be taken from clients up to order value of Rs. 10 lac in a single day. (Purchase as well as sale)

1.2 Margin @ 10% will be taken for purchase order value exceeding Rs. 10 lac in a single day.

1.3 For purchase orders executed exceeding Rs. 50 lac in a single day, additional margin @ 25% will be given by the clients on T day (Trading Day) to enable the broker to make early payin. (EPI).

1.4 For sale orders exceeding Rs. 50 lac in a single day, clients will be required to deposit 100% delivery on the date of trade. (T day) to enable broker to make early payin (EPI).

1.5 In order to ensure smooth settlement on T + 2 day, client has to ensure that entire balance payment against purchase and entire delivery against sale orders reaches the broker's specific bank and DP a/c on T + 1 day or latest by 9.30 a.m. on T + 2 day.

1.6 In case of clients' failure to deposit funds against their purchases by above mentioned time schedule, penal action against the clients at the discretion of the stock broker will be taken, which will include non-delivery of shares to them, sale of shares in the market, payment delayed charges @18% p.a. for delayed period, difference between purchase and sale amount.

1.7 In case of clients' failure to deliver shares against their sale orders by the above time schedule, penal action will be taken by the stock broker at his discretion which will include penalty for short delivery as imposed by the Exchange, auctioning of shares by the Exchange, debiting on account of internal shortage.

All clients are requested to adhere to the above schedule of settlement so that broker is able to complete payin in time and the Stock Exchange does not impose any penalty on the broker and also does not disrepute him.

2.0 F & O Segment

2.1 Setting up Client's Exposure Limit:

The Exchange may from time to time fix client exposure limits in the interest of orderly working of the markets. Within that overall ceiling, a client can trade within the exposure limit set from time to time by the Broker for the client. Exposure Limit is fixed on the basis of the funds and value after hair cut of the securities provided by the client for margin. Clients are requested to adhere to the exposure limits as crossing the limit may involve either a call for margin or restriction on further position / exposure. The Stock Broker may need to vary or reduce or impose new limits urgently on the basis of risk perception, risk profile of the client and other factors considered relevant 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.). Sometimes the Stock Broker may be unable to inform the client of such variation, reduction or imposition in advance. The Stock Broker shall not be held responsible for such variation, reduction or the client's inability to route any order through trading system on account of any such variation, reduction or imposition of limits. In the sole discretion of the Stock Broker, a client may be allowed to trade beyond exposure limit or the limit may be increased. A client having availed such indulgence shall not be heard to complain about his trades only on this account and shall meet the margin shortfall at the earliest without waiting for reminder. The golden rule is Limit your exposure so as to limit your risk to your means.

2.2 Right of Sale of client's securities or closing the client's open position without giving notice:

The Stock Broker maintains specific banking and depository accounts, informed to the clients from time to time, for handling clients' funds and securities. The clients shall ensure timely availability of funds / securities in required form and manner, within stipulated time and in the designated bank and depository account(s) for meeting their liabilities and obtaining proper credit thereof. The Stock Broker does not undertake responsibility for any delay or other consequences arising from payment to any other account or non receipt in time and manner in the designated account(s).

The Stock Broker does not believe in selling clients' securities or closing out their positions without sufficient notice to them. On the other hand, the Stock Broker expects esteemed clients to be regular and punctual in meeting their fund obligations. The requirement of margin and the value of any given security as margin varies with market volatility.

e.g – If the market goes down by 10%, not only an additional margin would be required equal to this 10%, but further margin would also be required to meet the erosion of value of the securities forming the margin. Higher is the margin deficit, shorter would be the time to make it up. However. In case the available margin fails below the given percentage, say 80%, informed in advance, the Stock Broker reserves the right to sell a client's securities or to close out his all or some open positions to prevent escalation of risk.

The Stock Broker would have the discretion to square off the position of Client's where the margin or security placed by the Client falls short of the requirement of where the limits given to the Client have been breached or where the Client has defaulted on his existing obligation within the stipulated time.

The client may, however, have no grievance if the Stock Broker does not take such action and waits for the client's margin / response.

2.3 Conditions under which a client may not be allowed to take further position or his existing position may be closed:

Subject to client's KYC verification and his meeting initial margin and other margin requirements, a client may take positions. However, he may not be allowed to take further position under any of the following circumstances:

a. SEBI or Exchange imposing restrictions on further exposures in cases of extreme volatility in the market or in a security or group of securities.

b. Client or the Broker exceeding or touching exposure limits set by the Exchange in the particular scrip.

c. Reasonable doubt as to bonafide of the transaction or identity of the client in the light of the financial status and objectives as disclosed in the KYC form.

d. Reasonable doubt as to the transaction being cross trade, circular trade, fraudulent practice or connected with price manipulation or market rigging.

e. SEBI or other competent authority issuing a debarment order against the client from buying, selling or dealing in securities, unless the order is vacated.

3.0 Currency Derivative Segment (CD Segment)

The above policy in the case of F & O Segment will equally hold good in the case of Currency Derivative Segment (CD Segment).

Note: Above policy is subject to change without prior notice Depending on instructions from authorities like SEBI, NSE etc.