

Dealmoney - Risk Management Policy
Commodities - Offline & Online

1. Preamble / Objective: -

Risk management is an integral part of the DESTIMONEY approach to decision-making and accountability. The objective of the Risk Management is to manage the risk without hurting the normal & routine business and its growth. It is also to be continuously updated / reviewed based on the market scenario / market feedback / competition within the objective of managing risk along with potential threats to the organization and profitable growth. The objective is also to give clear-cut direction and communication at all relevant levels i.e. business acquisitions & servicing and business management (support group) to cut the time-lag / delays in decision making and to provide better & personalized services to our esteemed customers.

Trading time: It starts at 10.00 am and continues till 11.30 / 11:55 pm

2. Risk Management Policy:

Exposure Limit

Client Category	Futures Position with M2M Square off (Intraday) of Span + Additional Margin	Futures Position with M2M Square off (Carry Over) of total applicable Margin
A	5 to 10	1
B	3 to 5	1
C	2 to 3	1
PCG	5 to 10	1

Single Order Limit

In order to prevent / limit untoward incidents of wrong price punching / away from market price punching, there will be a single order limit in terms of quantity and amount.

The maximum single order would be restricted to Rs.2,00,00,000/- or 30/- units.

3. **Categorization of the clients.**

Categorization of the clients is to be done on monthly basis

A – Category

- i) Clients with intraday / position trades with a deposit of Rs.2 Lacs + with no previous track record of cheque bouncing during last 3 months and/or last 3 chq pay-in's.
- ii) Clients opting for Subscription Scheme of Rs 25000/- or above.

B – Category

- i) Clients with intraday / position trades with a deposit of Rs.1 Lacs+ with no previous track record of cheque bouncing during last 3 months and/or last 3 chq pay-in's.
- ii) Clients opting for Subscription Scheme of Rs 5000/-or above but less than Rs 25000/-.

C – Category

- i) Clients with intraday / position trades with a deposit of Rs. 0.50 Lacs+ with no previous track record of cheque bouncing during last 3 months and/or last 3 chq pay-in's.

PCG :

- i) Clients with intraday / position trades with a deposit of Rs.5 Lacs + with no previous track record of cheque bouncing during last 3 months and/or last 3 chq pay-in's.

4. Position Square off

Intraday Square off (Time Based)

All Intraday positions will be squared up on or after 11.10 pm / 11:30 p.m. for non-agri commodities and at 4:30 p.m. for Agri Commodities on weekdays and at 1:30 p.m. on Saturdays for both Agri and Non-Agri Commodities or on M2M loss of 70% whichever is earlier.

M2M Losses based:-

All clients have to be subject to square off mode at m2m loss reaching 70% (or such

other percentage as decided from time to time based on the leverage provided) of the capital available (opening + during the day) and all positions shall be squared-off as soon as m2m loss reaches 70% (or such other percentage as decided from time to time based on the leverage provided) of the capital available.

The currently applicable m2m loss percentages are as follows:

Sr. No.	Multiplier	MTM Sq-off initiation %
1.	Where intraday multipliers are upto 5x.	70%
2.	Where intraday multipliers are between 6x and 9x.	60%
3.	Where intraday multipliers is 10x.	50%

The MTM square-off percentages would change and continue to become lower as the leverage provided increases.

The MTM square-off would also consider a nominal amount of brokerage and other taxes and charges which are levied. These charges would not be exact but be levied on an ad-hoc basis so as to cover a part of the actual amounts.

Margin square-off:

In all cases wherein there is a margin erosion of 70% during a trading day, the client would not be allowed to carry forward their positions to the next trading day. All carry forward positions would be squared-up after 11.20 p.m. / 11.45 p.m. (based on market closing timings) wherein the margin erosion of the client is 70% or above.

Deposit / Capital Available Calculation:

The client will be given credit as capital available as per the following formula:-

Capital Available = Ledger Balance + Margin Deposits + Collateral (permissible stocks after hair-cut).

5. Computation of Capital Available: -

The following files will be imported from backoffice: -

a.) F&O Net Position= Opening position for the day.

b.) Deposit / Net Available Margin= Available Margin for trading

Formula: -

Capital Available / Net Available Margin = Financial Balance + Collateral – Bill Margin – F&O Notional.

Parameters considered for Net available margin of the client: -

Financial Balance = Ledger balance – outstanding settlements.

- a.) Beneficiary Stock = Stock lying in Pool A/c
- b.) POA stock = Stocks lying in the DP account with POA
- c.) Collaterals = Stock of client in Margin account
- d.) Cash Margin = Funds received against margins.
- e.) Bill Margin = Margin due in F&O segment
- f.) F&O Notional = F&O loss/Option loss to be settled
- g.) F&O Exposure = Gross exposure of F&O
- h.) Gross Exposure = Beneficiary Stock + Collateral + Cash Margin + F&O Exposure + Outstanding Sales – Net Available Margin.

If customer margin/obligation falls short of the required amount in the respective exchange, then the balance amount would be considered from the other exchange/s ledger if available.

Stocks in DESTIMONEY Collateral A/c:

These stocks can be imported in frontend and considered for deposit computation of the client.

Hair Cut of the Collateral / POA Shares

The Shares in Collateral / POA would have a haircut as specified by the RMS department. However, certain stocks would have a haircut of 100% as decided by the Risk Department.

Control on Debit Balances

A) Covered by Collateral :

To ensure that the clients do not carry the debit balances (covered by Collateral with us) permanently, the following Policy will be adopted:-

- a) Debit balance shall be permitted against available collateral for not more than T + 5 days.

B) Uncovered / Likely to get Uncovered:

Debit balance of any client shall not exceed 70% of the value of the collateral with us. On reaching 70% RMS team shall liquidate the said stocks / positions the moment the M2M loss reaches 70%.

A daily DSR (debit balance vs. collateral value report) will be provided to all branches each day in the morning latest by 9:00 am by HO RMS team. Such report is / shall be computed by backoffice software.

C) Cheque Entry and credit to the client

- The cheque / instrument showing under clearing in the bank account. The exposure would be provided once the cheque has been cleared and credit received in our bank account. Exposure against uncleared cheques would be provided only on approval of the Departmental Head.
- We should also make online fund transfer facility (Other than payment Gateways) available to the clients with designated banks to transfer online funds to us. In such case we would be giving credit within 30 minutes of its reflection in our bank account as it is being presently done for online clients transferring online funds.

D) Cheque issuance and payment to the client

All such requests shall be centrally processed and the client's ledger account would be debited at the time of issuance. However, all such payments would be made in consultation with the RMS team so that no exposures / limits in lieu of such credit is utilized by the client. At the time of issuance of the pay-out cheque exposures / limits would be reduced accordingly by the RMS team.

E) Collateral Shares as a margin

- Company will accept shares as collateral towards margin subject to appropriate haircut. All such credits shall be given only after receipt of shares in the company's designated DP Account. Also, such shares must come to the designated DP ID from the respective client's defined DP ID, only, else it shall be treated as third party and no credit shall be given against the same. The RMS team shall update the value of such collateral on the daily basis (BOD) and accordingly deposits / capital available shall be updated to the respective client(s) towards margin / exposures.

- Margin by way of shares / collateral shall not normally exceed 50% of the capital available / applicable margin to take care of daily m2m losses, if any.

- In case client asks for such shares back, then these shares would be transferred only to the respective clients designated DP ID only, after reducing the capital available / exposure / limits for the respective client.

F) Enhancement of limit during the day shall be prerogative of the RMS – Head and all such authorizations shall be based on recorded requests from the Branch Manager / sub-broker, subject to no chq bouncing / default track record, etc :-

- i) Based on the photocopy of the DD received (*all DDs must be in the name of the Company and must mention the client code in which the proceeds of the DD are to be credited.*) (for example : Destimoney Commodities Pvt Ltd – client code no MUM2348)
- ii) Based on the scan copy of the cheque
- iii) Based on the physical chq instrument at the branch / sub-broker
- iv) Based on the assurance / confirmation from the branch manager / sub-broker, that cheque will be deposited on T+1, morning.

This enhancement shall be applicable upto next day evening (T+1). If the cheque does not show under clearing T+1 day evening, such enhancement will not be considered from T+2 day morning onwards (preferably from 7pm of T+1 day itself) and excess positions have to be squared up by the Branch and otherwise by HO RMS.

4. Deviations Recording, Authorization and Reporting :-

- Recording of deviations and authorization in a separate register and reporting to the Board on monthly basis.

5. Review Audits of the RMS functioning:

- Review / Audits of the RMS functioning shall be conducted / undertaken by Management and/or external agencies from time to time, preferably every quarter and/or on the basis of the volume / feedback received from branches / franchisee.

Operational Compliance:-

- a.) Strong Compliance at the client registration like in-person verification, KYC calling, welcome letter, mobile and email id verification.
- b.) Contract Notes :
 - Digital Contract Notes
 - Physical Contract Note
- c.) All bounced mails shall be verified and corrected.
- d.) Daily Obligation Confirmation segment wise via SMS.
- e.) Quarterly /Monthly Physical Statement of A/c would be sent to the clients. Efforts would be made to provide daily SMS about the day's trade result summary/m2m profit/loss & Ledger balance
- f.) All communications would be made preferably on recorded telephone lines and thru messenger chat for which the backup will be kept for a year. All requests will come from the branch designated email id for this purpose.

Delayed Payment Charges:-

The delayed payment charges @21% shall be calculated on outstanding financial obligations of the clients on pay-in day (EOD). Delivery financial obligation and/or mark-to-market loss financial obligation of any client outstanding on pay-in shall be charged with the said delayed payment charges.

However, span margin obligation shall continue to be at T-1 day, i.e. upfront / advance collection.

Freeze/Unfreeze of Trading Account (Equity & Commodity).

Freeze Process:

User can freeze the trading account through accessing of their account online portal if they notice any suspicious or they want to freeze trading account for any reasons.

How to Freeze the accounts?

Visit our portal via URL : <https://brokingbackoffice.dealmoneyonline.com>



Welcome

Sign In

User Name: MH798

Password:
Enter Text: Enter the captcha
ETLCUQ

Log In

Please log into the backoffice above to change /add Nomination, Bank details, 6 KYC Attributes -PAN, Address , mobile, email, Income range .
Bank details, Closure of account, Dormant re-activation , Adding funds

- Post Login navigate to Section Profile -> My Profile
- Below mentioned screen will appear.

Personal Bank **Upload Proofs** Commodity Declaration Freeze UnFreeze

Client Code	DDAMMH798
Name	MAHESH LAXMINARSAYYA ADDAGATLA
Address	BDD CHAWL NO-85 2ND FLOOR ROOM NO-48 DN WAKRIKAR ROAD NEAR SHRI RAMMILLS WORLI NAKA MUMBAI WORLI
Mobile	9325680534
Email	mahesh.addagatla@outlook.com

- Client should click on Freeze unfreeze tab. Resulting page will show the status of the account. If the status is active, Client can freeze the account by mentioning the reason and clicking the "Submit to Freeze" button. Post submission successful submission message will appear.

Personal Bank Upload Proofs Commodity Declaration **Freeze UnFreeze**

Status	<u>Active</u>
Date	22-07-2024
Reason	do not want to trade for sometime

Submit to Freeze

What Happens when a trading account is frozen?

- Clients will be logged out from all devices
- Client Trading account will be deactivated in all exchanges including commodities.

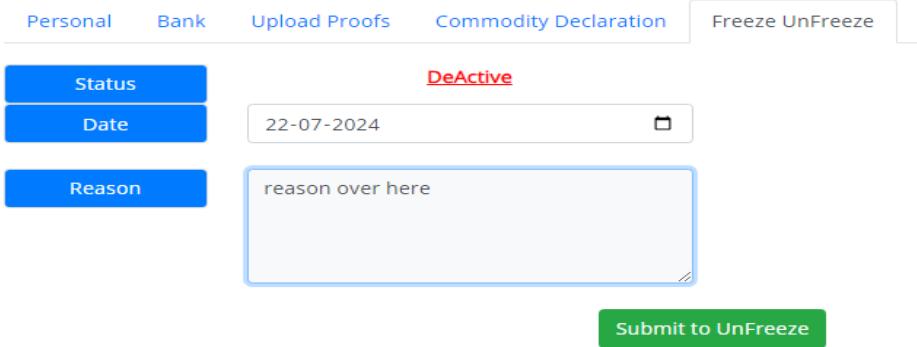
Point to be noted before Freezing the Account.

- Open Position if any won't be closed automatically. Client need to square off on his own or client can connect with the call & trade desk/customer Support and request for square off the position before freeze initiation.
- Freezing of account cannot be done if there is any buy or sell order for the day.
- Freeze can be done only post settlement of sell or buy order i.e T+1
- Dealmoney shall not be liable for any losses arising out of such auto square-off / failure to square-off of open position. Call & Trade desk charges will be applicable as per the offline order policy if any.

Timelines: Once validated, the trading account will be frozen within 15 minutes. Client will be notified via SMS or email immediately once the Trading account has been unfrozen.

Unfreeze Process.

- As client had frozen the account online due to some reason and now client want to unfreeze the account, client need to visit our website as per the URL :
<https://brokingbackoffice.dealmoneyonline.com>
- Follow the same steps as mentioned above for freezing the account to navigate to freeze unfreeze section. If account status is found as "Deactive" then after mentioning the reason to unfreeze client can click on "Submit to Unfreeze" button to unfreeze the account.
- Post submission message will appear for successfully submission.



The screenshot shows a web-based form for unfreezing a trading account. The top navigation bar includes tabs for Personal, Bank, Upload Proofs, Commodity Declaration, and a highlighted 'Freeze UnFreeze' tab. Below the tabs, there are three buttons: 'Status' (highlighted in blue), 'Date' (highlighted in blue), and 'Reason'. The 'Status' field shows 'DeActive'. The 'Date' field shows '22-07-2024'. The 'Reason' field is a large text area containing the placeholder text 'reason over here'. At the bottom of the form is a green 'Submit to UnFreeze' button.

Clients of Dealmoney can request to block and unblock their trading accounts through a dedicated email address: stoptrade@dealmoney.in. This option is available alongside other communication methods for addressing account security concerns, such as suspicious activities or unauthorized access.

Timelines: Once validated, the trading account will be unfrozen within 15 minutes. Client will be notified via SMS or email immediately once the Trading account has been unfrozen.

Any other queries/complaints please write to Dealmoney at customer.care@dealmoney.in.

=====End=====

Reviewed by Kulbhushan Vernekar

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