RISK MANAGEMENT AND SURVELLANCE POLICY (Version 2.0)

- **Introduction**

To manage the risk in the security Market for the better survival of clients as well as company, we present our RMS Policy which also plays important roles for better and effective Compliance and Comprehensive Management of risk and effective branding of the company in the Market.

- **About Risk (What is Risk)**

To understand risk management, you must become familiar with the term "risk." Risk is defined as anything which poses a threat to an organization. Risk management is the process of dealing with these threats. Talking about the Risk is basically variability in possible outcomes, usually in reference to the possibility of negative results. One thing that all organizations must understand is that every one of them will face risks in one way or another. Whenever an organization or individual has objectives to meet, they will risk their resources when trying to reach these objectives. This is especially true when it comes to commercial organizations, and risk management is a tool which will allow these risks to be managed in an environment which is uncertain.

- **About Risk Management**

Risk management is an important concept that many employees, managers, and stakeholders refer to when they are concerned about the effects of a certain move on reaching key objectives.

Risk management is important because it gives the ability to figure out methods for which events can be managed, especially those events that may have an adverse impact on the financial or human capital of the organization. By being able to assess and identify risk, it becomes easier for one to prevent it from occurring, or to quickly address adverse events if and when they do occur.

- **Limit Settings**

Exposure Limits

The client agrees and confirms to abide by the exposure limits, if any, set by Pratibhuti Vinihit Ltd., or by the Exchange or Clearing Corporation or SEBI from time to time. The Stock Broker / Trading Member may from time to time, at its sole discretion, impose and vary limits on the orders that the client place (including but not limited to exposure limits, turnover limits, limits as to number, value and / or kind of securities / contracts in respect of which buy or sell orders can be placed etc.) The client is aware and agree that the stock broker/ trading Member may need to vary or reduce the limits or impose new limits urgently on the basis of Member's risk perception and other factors considered relevant by Member and Stock Broker/ Trading Member may be unable to inform to the client of such variation, reduction, imposition in advance. The client agrees that the Pratibhuti Vinihit Ltd. shall not be responsible for such variation, reduction and imposition of limits.

- **Credit and Settlement**

Trading and Exposure Limit if any set for the client is based on the Funds/Securities lying in the client's account from time to time. In case of non fulfillment of margin bligations/settlement obligation, Pratibhuti Vinihit Ltd may squared off whole or part of the positions at its discretion. In case of any outstanding dues arising out of square off of open positions/ settlement obligation, Pratibhuti Vinihit Ltd may initiate legal proceedings. **For institutional trades:** All trades are settled through Custodian

- **Margin Requirement**

We hereby classify the risk as under In Cash Segment

Margin Requirement in cash segment is at the sole discretion of the Pratibhuti Vinihit Ltd. Further, Pratibhuti Vinihit Ltdmay grant limit in cash segment on a case to case basis. Also Dealer is in direct touch with the client and he is well versed with the client's Financial Position and hence Pratibhuti Vinihit Ltd may or may not rely upon the Dealer's decision on limit setting in Cash Segment. Refusal of Order Pratibhuti Vinihit Ltd shall have the absolute discretion to accept, refuse or partially accept any buy or sell order for execution from a client, in respect of penny stocks, illiquid stocks, stocks having low liquidity, stocks in category and any other contacts which as per the perception of Pratibhuti Vinihit Ltd. are extremely volatile or subject to market manipulation. Pratibhuti Vinihit Ltd. may permit restrictive acceptance of orders in such scrips in controlled environments like orders received from clients being forwarded by branches to centralized desk at HO instead of allowing trading in such scrips / contracts at branch level. Pratibhuti Vinihit Ltd. shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to client. Pratibhuti Vinihit Ltd. may cancel orders in such scrips received from clients before execution or after partial execution without assigning**. For institutional trades:** All trades are settled through Custodian

- **Systemic Management**

We ensure to provide uninterrupted trading to the client though in case of any technical fault, there is back up line and further we are also having Branch Network and Network through which transaction can be routed. We have transparent dealing mechanism for the trades done by the clients are confirmed through voice recoding lines.

- **Role of Risk Manager**

For the better survival of organization as well as clients, the Risk Manager plays important roles and provides co- operation for better Risk Management and Surveillance so as to provide maximum transparency while dealing with the client.

In brief The Risk Manager has to perform following functions:

1. Identify Risk

2. Analyzing Risk

3. Verify the Limit Setting and Exposure Limit

4. Monitoring Member Wise Margin Limit

5. Generating Alert on reaching maximum% of loss in the client credit balance.

6. Co-ordinate with other Department for Collection/Recovery

The above RMS Policy is designed for better function and investor safe guard which intelligently helps to take decision based on various logics and parameters whether the company is exposed to Risk or not.

Sd/-
Omprakash Damani
Director DIN. 00393350
Pratibhuti Vinihit Ltd
The above revised policy was approved by Pratibhuti Vinihit Ltd at the Board meeting held on 30-Sep-2021