



# Risk Management System Policy

Dear Patron,

We are glad to have you in our association and are working with heart and soul to deliver you the best and seamless system of operations. In our endeavor for the same, we have hereunder laid down our **Risk Management System (RMS)**. You are requested to understand each and every aspect before commencing your trading.

S. NO.	PROCEDURES	EXPLANATION
1	EXPOSURE – INTRA DAY	3 times of Deposit.
2	EXPOSURE – CARRYOVER	One time of Deposit.
3	LIMITS BEYOND WHICH POSITION CARRY-OVER NOT PERMITTED	If MTM loss reaches 50% of Deposit during the day, then: 1. Account would be marked in square off mode, i.e. only existing open positions would be allowed to close and no fresh bids would be accepted. 2. If time is > 11:00 PM, open positions would either be squared off or reduced such that MTM loss level shows below 10%.

4	<b>INTRA-DAY AUTO SQUARE OFF</b>	All trades executed in <b>*'INTRA-DAY'</b> product are automatically squared off daily at 11:15 PM. After this time, no trades are permitted in <b>*INTRA-DAY'</b> product.
5	<b>MTM AUTO SQUARE OFF</b>	If MTM loss reaches 80% of Deposit, all outstanding positions will be squared off.  However in case of unpredictable or volatile market conditions, company holds the right to square off all outstanding positions at any level.
6	<b>**CONVERSION OF INTRA-DAY TO DELIVERY/CARRY- OVER</b>	Before daily auto square off of Intra-day trades at 11:14 PM, intra-day positions can be converted into carry-over position by a user based option. It is possible only if there is sufficient Deposit in client's account.
7	<b>T+1 BASED SQUARE OFF</b>	If the payment for Scripts bought/sold, is not received by next day, then Scripts (by random choice) to the extent of shortfall in payment would be squared off.
8	<b>AFTER MARKET MCX- AGRI</b>	If client has a position in Mcx-AGRI then after 5 p.m., 50% of the agri margin will be reduced from deposit for the remaining day and MTM will be calculated accordingly.
9	<b>SHORT MARGIN</b>	Any short margin in account whether in carryover or intraday will be squared off by 11 p.m.

**Please note the following points carefully:**

1. Trading is allowed in three months contracts and rest **far-month contracts**( would be blocked by default).
2. Trading in **illiquid contracts** would be blocked by default. Special permission would have to be attained to permit it.
3. **Request for adjustment** in exposures or other RMS permissions would be accepted through Branch-in-charge only.
4. **\*\*Clients are advised to conduct their conversions before 11:10 PM** to avoid last minute hassles and no position conversion will be accepted if accounts are in squared off mode( 11.14 p.m) .

Please feel free to enquire anything you have not been able to understand. You may contact your branch-in-charge for best information.

Assuring you of best services.

Sincerely,

**Merits Comrade Pvt. Ltd.**

## Dear Client,

As a continuous endeavor of introducing innovative products as per our client's needs, we are pleased to inform you about our new **Margin Plus Product**.

The validations and features of this product are briefed below for your reference:

- This product is available only for trading in GOLD , SILVER,NIFTY & BANK NIFTY and if wants to trade in particular scripts then special permission is required .
- The normal order cannot be submitted unless accompanied by stop loss bid. Both orders will be submitted on single click.
- The Client has to consult his relationship manager for the minimum deposit requirement for the product in which he/she wishes to trade.
- A minimum specified amount out of client's deposit would be blocked for dealing in this product and the balance amount shall be available for rest of trading exposure.
- The Client availing this product cannot convert his position for carry forward.
- Merits will not be responsible for any bad debt or additional loss arising through this product. The client shall be liable to pay the whole loss whatsoever.
- Merits reserve the right to change the terms and conditions related to this product at anytime and will intimate the same to the clients.
- Also, Merits reserves the right to accept or reject request of any client for availing this product, without assigning any reason whatsoever.

The client who wishes to avail this product shall send their confirmation through e-mail and our relationship manager will approach you for detailed explanation and procedure.

Disclaimer: Margin Plus product is a service worked out for aggressive traders in order to facilitate them to utilize their funds optimally. Any technological lapse, or loss exceeding the preset loss limit or additional loss due to any reason beyond control shall be the sole liability of the client and Merits shall not be held responsible for any such reason/s. Dealing in stock market is subject to market risk and therefore the clients are requested to go through the Risk Disclosure Document displayed at our website.

# Points to remember

1. All Intra-day trade **squared off** automatically at 11:15 PM.
  2. All accounts that reach a loss level of 80% of their Deposit are **squared off** automatically.
  3. If loss level reaches more than 50% of Deposit, either exposures are reduced up to 10% or account is **squared off**.
  4. If debits are not cleared within T+1 day of buying scripts, those would be **squared off**.
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