



COMPANY POLICY

Goodwill Wealth Management Pvt Ltd.

SEBI Reg. No - INZ260006739

CAPITAL MARKET

Trading Member ID - MSEI - 11240 | NSE. - 90097 | BSE - 6648

CDSL DP ID - 12084200, IN - DP - CDSL - 309 – 2017

COMMODITY

Trading Member ID - MCX - 11095 | ICEX. - 2035

Ver .2.1
01.06.2019

RMS POLICY

Definition:

RMS stands for Risk Management system. Risk management is to manage risk of company and clients from volatility of Capital Market and Currency Market.

The goal of a risk management system is “to measure and manage a firm's exposure to various risks identified as central to its clients”.

RMS works on the following concepts:

- The positions taken for intra-day should be cleared before 3.20 PM on the same day.
- MTM Loss beyond 80% or ledger debit whichever is earlier the position will be squared off.
- Payments from clients can be accepted in the form of Cheque or Fund Transfer, only after the fund has been cleared, Exposure will be provided.
- Everyday morning All Debit Clients are monitored and Informed to the Client
- Debit balances are monitored on Daily basis
- The Balance and trade Confirmation are sent via SMS on Daily Basis on EOD
- For Old Debits which are lying more than 1 year we send Legal Notice Via Email/SMS

Payin/Payout Funds and Securities

Pay-in funds and securities must be complete by the close of the working hours on the day next to the trading. However, securities can be paid in maximum by 10.30 AM on the (T+2) in day i.e., that is on the second day from the trading day. If not, they go for auction and the auction loss has to be borne by the customer. In case of non pay-in of funds, we do make the pay-in but securities are not released until the client makes the pay-in. The local clients give us their cheques at the corporate office. For remote clients we have opened accounts with HDFC/ICICI/SBI Bank. These account numbers are notified to clients, who deposit their cheques in these accounts and send us intimation comprising the cheque number and the bank where they have deposited the cheque. The clients also send us through courier counter-foil of the pay-in slips which they have used to deposit the cheque.

The Bank reconciliation of the client bank accounts happen on a daily basis. If the cheque is found to be dishonored, we levy a penalty on the client.

Clients are given the cheques for their dues on the very day the pay-out is received from the Stock Exchange. However, clients maintaining their account on a running basis do not take their pay-out on a transaction-to – transaction basis. Whenever they want the pay-out, they inform us through Branch (or a direct client will inform the Accounts Department in Corporate Office) and the credit balance (which has become due – a credit balance for which the exchange pay-out is not received is considered not due) is released to the client. Further we have a mechanism in place to make settlement of funds and securities for all our clients once in a month/quarter as consented by the client

Pay-in/Pay-out Confirmations are Auto Generated and sent via Email/SMS to the Registered Email Address and Mobile No

POLICY FOR SETTING THE LIMIT

EXCHNAGE	<= 10 TIMES	> 10 to 15 TIMES	Above 15 BUT <=20 TIMES
NSE/BSE/MSE/CDSL MCX/ICEX .	•	or ○	△ ❖ or ✨

Symbol – Person Responsible for

- - Default
- - Branch Managers
- △ - Regional Manager
- ❖ - Head – Operations
- ✨ - Vice - President

Note:

- Based on the concern person’s mail confirmation, limit will be provided

Setting the Limit based on the PAYIN:

The limit will be provided based on the amount that gets credited in the account from the client. It may be Fund Transfer or Cheque.

- If the Mode of Transfer is **Cheque**, then it will be accepted in the form of Collateral only.
- The Branch Manager, Regional Managers has to take the responsibility for it.

Note: The limit will be provided will be based on the confirmation of the Collateral.

- If the Mode of Transfer is through **Fund Transfer** then the following process will be carried out,
 1. If it is within **the same bank** ,and if the amount gets credited Limit will be provided.
 2. If it is from **other Bank**, Print Screen has to be sent and the Branch Manager has to provide confirmation, only then limit will be provided.

Note: After 80% Square Off, if there is any Pay in, the limit will be provided after the amount gets credited.

Position Carry:

- ❖ If the client wants to carry the position, it will be permitted upto Max of 2 times with the responsible of the Manager. (Provided the available margin is available for the respective clients.)
- ❖ If the risk is high, then either fund has to be increased or the position has to be reduced.

Penalty:

For the margin shortage penalty will be charged at ~~0.10 % or Rs 20 per day whichever is higher~~ as per the prescribed mechanism of the respective Exchanges.

Intercost Transfer:

- ❖ RMS has intimate summery of fund transfer to Accounts at the end of the Day.
- ❖ Accounts will do the Fund Transfer.

Password Policy:

- For ODIN - AP has to make a call from a registered Mobile Number to reset the Password to RMS then password will be reset.
- For Diet – client has to reset through forgot password option or send mail to RMS through client’s registered mail id.

Note:

1. Deviations from the standard policy, if any, will be carried out after getting approval from the Head – Operations.

2. Depending upon the Market conditions necessary changes would be made in the above policies.

Criteria for Position Square off

1. Intraday Square Off:

The positions taken for intra-day should be cleared within the time frame as mentioned Below.

NSE/BSE/MSE/CDSL | MCX/ICEX . : Cash & F&O : 3.20 Pm | MSE:4.50 Pm | MCX : 11.15 & 11.45 (Based on Commodities)

2. MTM Square Off

a) First Call = 60 %, b) Second Call =70 %, c) Final call/Square off =80%

Once the MTM loss of the intra-day positions reach 80% of the margin available, the positions should be cleared from the HO/branch concerned, failing which the positions taken for the intra-day will be cleared off from RMS & Surveillance dept, therein after only ATOM, or Fund Transfer is allowed to increase the exposure or limit.

In case client MTM loss reaches to 60-70% at the end of the day, client will have to reduce the position upto the level of 50% or need to enhance the limit by additional margin

3. Margin Square Off:

In case for any Margin shortfall/Pay-in Default an Margin Call are given to the client over the Recorded phone line.

Information of shortfall/Pay-in Default will be informed to client to make Required Funds on T+1 for FO and T+2 in case of Securities.

All the shortfall/Pay-in default the Positions will be squared off and intimated to the client via recorded phone line and the recordings are kept for 5 years in soft form for future reference.

4.5 Days Sq-Off :

- All 5 days or more debits has to be cleared by 2:30 PM.
- If the open position clearance not been initiated from branch, then same would be cleared from RMS department –Head office. In this regard, company shall not be responsible for any loss that incur to the client on individual basis
- Any NEFT/IMPS/RTGS is to be done, then it should be before 2:30 pm.
- Any probability or guarantee of client cheque receipt/fund transfer request will not be considered on 5th day. • At time of selling stocks, below method is followed: o Stock from

Beneficiary Account o Stock from Margin Account (If sufficient stocks are not found in Beneficiary A/c) o Stock from POA Account (If sufficient stocks are not found in Beneficiary A/c & Margin A/c).

- In case stock valuation falls below 20% of the total ledger debit, square off can be done even before T+4 days.

- In case at any point of time, if the client ledger arrived to debit due to whatever market volatile or higher position Values in Less margin or dishonor of Pay in. Client will be responsible to pay the Dues to clear the outstanding in his/her ledger.

- In any Circumstances client fails to pay the due amount, Company will switch to Legal activities to recover such amount from client.

- In case client carries commodity OR Derivatives position more than 1 times, then he needs to pay shortfall tomorrow before 1:30 p.m. or before MTM hits 80% of the total credit available. in case the same is not done, position will be squared off after 1:30 p.m i. *Note: T+1 day consideration shall not be given to any client, if any instances of cheque bouncing or cheque reversal have taken place in the account. ii. If intraday positions carried without margin on two occasion's then intraday limits will be permanently disable

- The MTM loss arising in F&O positions need to be paid on the same day (T day) so that MTM settlement can be performed properly, failing which the positions will be reduced to the available margin level

- RMS will Sq-off the position in case of:

- a. Script highly volatile

- b. Margin /MTM Shortfall

- c. chq bounce / third party chq deposit

- d. scrip is banned / not allowed for trading / withdrawal from F&O/ as per exchange

- e. Suspicious trade or transaction under PMLA Act

- f. Synchronized trading

- g. Regulatory body Prohibits or suspended the client