

POLICIES AND PROCEDURES FOR RISK MANAGEMENT– ALL EXCHANGES
JUNE 30, 2010

SKI Capital Services Limited (SKI) has risk management policies for all the clients of SKI. These policies have been adopted to minimise the risk to SKI from possible defaults of the clients who deal with it. The policy attempts to achieve balance between business needs to SKI vis a vis risk management policies, realising that risks can be managed, not avoided

The Primary risk management control is at the Branch level, and the secondary control is at the client level

Branch (including sub-broker/remisier/ Authorised Person) level control

The primary means of risk management is of SKI is the branch level control. The following limits are set for each branch

1. Gross exposure
2. Net exposure
3. Quantity limits per order
4. Value limits per order

The limits given to the branch is on the following parameters

1. Past tract record of the branch
2. Margins/ deposits of the branch lying with SKI

Further, clients codes are mapped to the branch IDs. The Branch stands guarantor to all the client trades of that Branch

Client level control (for branch clients)

In case of clients who are in continuous debit for more than 7 days, the buying for that client code is stopped on non BSE BOLT TWS frontends till such time the debit is cleared. Dealers who are allotted BSE BOLT TWS are permitted to allow clients to make further purchases after ensuring that the account is a routine running account with sufficient margins with SKI

Client level control (for internet trading clients)

Limits to internet trading clients is set by the Head Office in consultation with the Branch Head based on the track record of the client and the margins deposits with SKI.

Exceptional circumstances

All exceptional circumstances are escalated to Director Narinder Wadhwa for immediate resolution

This policy has been adopted by the trading member as on June 30, 2010 and may have been revised over time. Latest version of the policy is available at the trading members' website www.skicapital.net