RISK MANAGEMENT POLICY

5Paisa Capital Limited

INDEX Abbreviations

- LB - Ledger balance
- ALB - Adjusted ledger balance
- GHV - Gross holding value
- AGHV - Adjusted gross holding value
- AHV - Adjusted holding value
- ZHV - Zero holding value
- THV - Total holding value
- GHVC - Gross holding value cover
- AGHVC - Adjusted gross holding value cover
- AHVC - Adjusted holding value

- SPAN - Standard portfolio analysis of risk
- NFDC - Non funded category clients
- RAA - Running account
- NRAA - No running account
- MTF - Margin trading funded
- VAR - Value at risk
- MTM - Mark to market
- DPC - Delay payment charges
- GSM - Graded surveillance measure
- ASM - Additional surveillance measure
- ASD - Additional surveillance deposit

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1. INTRODUCTION

Investment in securities is susceptible to market risks which cannot be predicted. The Account Opening Document contains an explanation of different types of risks our Customers are likely to face in the market. While the risk of loss is inherent in the market, we as your Broker seek to minimize the risk of loss through a dynamic risk management policy which is an essential feature of our operations. As our customer, it is important for you to be aware of our Risk Management Policy and how the Policy would operate to regulate your transactions. It is also important that the Risk Management Policy is not an insurance against losses; these are measures and precautions that are adopted to contain risks to the minimum. The Policy is subject to change according to our risk perceptions of the market and SEBI/Exchange regulations for the time being in force.

2. CONCEPTS IN RISK MANAGEMENT:

A) **Ledger Balance (LB)** is derived by totaling the values of debit entries and the value of credit entries. If the total value of debit entries is higher as compared to the total value of credit entries, then the difference is said to be the debit balance of the ledger, and vice versa.

B) **Adjusted Ledger Balance (ALB)** is the balance that is derived after making some deductions in the Ledger Balance.

ALB = Ledger balance Less SPAN Less 1.5 times value of undelivered stock Add FDR / BG Pledged with exchange

C) **Gross Holding Value (GHV)** is the total value of all stocks which are classified as category A, B, C, D, E stocks for those clients who have provided power of attorney/DDPI as per policy of 5 Paisa and the shares which are in pledge in favour of 5paisa.

D) **Adjusted Gross holding Value (AGHV)** is the total value of all stocks which are classified as category A, B, C, E, plus 40% of D category stocks for those clients who have provided power of attorney/DDPI and the shares which are in pledge in favour of 5paisa.

E) **Adjusted Holding Value (AHV)** is the total value of all stocks after applying haircut percentage for category A or B or C or D or E stocks for those clients who have provided power of attorney/DDPI and the shares which are in pledge in favour of 5paisa

F) **Zero Holding Value (ZHV)** is the total value of Z category stocks. This is the value of all shares held by the client for which 100% hair cut is given

G) **Total Holding Value (THV)** is the total value of all stocks.

H) **AGHVC%** is Adjusted Gross Holding Value Cover It can be calculated as AGHVC% = (ALB+AGHV) / AGHV x 100

I) **AHVC%** is Adjusted Holding Value Cover i.e. AHVC = (ALB+AHV) / AHV * 100

J) **Standard Portfolio Analysis of Risk** (SPAN) is the system for the purpose of margining system for derivative segment used by exchange.

3. Clients need to comply with the following requirements:

- Clients having debit balance & risk cover is above 20% GHVC can settle their pending dues on or before 5th day till 3pm after settlement posting, either by way of pay-in or selling the holdings. In case of failure to do so Risk will sell the position to the extent of debit balance of clients.

4. MTF (Margin Trading Funded)

5Paisa gives funding to the aforementioned category clients on net buy basis in exchange approved group 1 securities and further classified in 5Paisa approved stocks. Client needs to pay the upfront margin as per exchange guidelines. Non -maintenance of the required margin leads to margin call and liquidation from risk. Interest is charged by 5Paisa on these clients for the funding provided. 5paisa Capital Ltd even provides broker margin funding facility to clients. To avail this facility client needs to give consent for the funding facility. 5paisa give funding to clients on delivery purchase and trading ledger debit basis in 5Paisa approved category of stocks. 5Paisa risk team monitors margin requirement and unrealized losses on daily basis. Any shortfall in the client's account gets liquidated. Risk team liquidates in hierarchy of funded stock, Collateral stock and free stock.

4.1. Method of Placing Orders – The Client can place the orders either online or can connect with our trading desk for the assistance of placing the order.

4.2. Method of communication for confirmation of orders/trades – The order and trade confirmations are given to the clients via SMS, E-mail Communication and Contract Notes

4.3. Timelines for identifying, shifting trades to MTF – Trades are identified and get shifted to MTF at end of trading day.

4.4. Risk management - 5paisa Capital Ltd takes clear margin on upfront basis. Before giving funding 5paisa adjust debit in trading ledger before purchase, derivative segment margin and losses from available stocks and give funding from balance available margin.

4.5. Margin Call – 5paisa risk team monitors margin requirements and MTM losses on daily basis. Any shortfall in the margin is communicated to the clients via SMS at end of the day. In case of volatility margin call is given on real time basis. **Positions will be liquidated when (whichever is earlier)**

a) Margin shortfall is not being met

b) The positions are under Risk post reaching 50% MTM loss

C) If GHVC % <20

d) On T6 days Ageing Debit for non-funded debit.

4.6. Process of liquidation of collateral/security/position - In case the client fails to provide require margin, 5paisa risk reduce client's position to the extent of margin shortfall.

4.7. Bifurcation of the stocks purchased under MTF and the stocks kept as collateral

- Once funding is granted based on available margin in the client's account, the purchased stock gets marked as funded stock and the margin stock gets marked as collateral stock against margin funding debit.

Note – As per defined MTF approved list by 5 Paisa Capital Ltd. for non FNO scrips haircut will be charged VAR + 5 times of ELM and scrips which belong to FNO haircut will be charged VAR + 3 times of ELM.

5. SCRIP CATEGORIZATION

For the purpose of risk management we categorize scrips listed on NSE and BSE into six different categories. I.e. E, A, B, C, D, & Z on the basis of their fundamentals, volatility, liquidity, trading pattern and overall concentration with individual clients along with the below mentioned parameters:

A) Scrip should be in exchange approved Securities which is acceptable as margin

B) Approved Securities should have been traded at least 80% of the days for the previous six months.

C) Other parameters

I) Market capitalization

II) 3 months daily average trade volume

III) VAR Margin

D) In case of scrip are not in exchange approved securities for margin purpose than Risk Committee should approve the categorization only on considering Company's Management and performance.

F) Trade to Trade and Illiquid scrip are classified as Z category

G) Risk team will upgrade the category of scrip post joint approval of committee comprising of Risk Head, Research Head, and Sales Head.

5.1. SCRIP CATEGORY REVIEW

Risk team reviews scrip categorization on monthly/quarterly basis or as and when there is a requirement for the review. Risk team reviews scrips based on exchange approved list, liquidity, market capitalization, VAR & etc. After review, risk team does changes in the category of the scrip. Stocks can be down grade from the respective category in case of high volatility, adverse news, high promoter pledge stocks etc.

Haircut will be charged as follow while giving the collateral benefit to the clients:

1) VAR+ELM+Adhoc are used for applying the haircut on E, A, B, C and D category of scrips defined by 5 Paisa capital ltd.
2) For MT stock, the haircut will be charged as per margins defined by exchanges i.e. VAR+5 times of ELM and for scrips which belong to FNO haircut will be charged VAR + 3 times of ELM.
3) For Z category stocks, haircut will be 100%.
4) For Mutual funds, haircut will be charged 10% as default.

<u>6. TRADING LIMITS</u>

Trade Station (TS) is a margin based product. Common margin is provided for Cash and derivative segment

6.1. Margin = (ALB+AHV+ sell value of carry forward long options- Realised MTM Loss)

Note – In trader station we do not block real time unrealized MTM loss which is occurring on client's open position during the day. Also buy premium value of squared off carry forward short options position is not getting debited during the day in trader station for available trading limit.

In derivative segment Margin & premium is charged as per NSE SPAN parameters. Margin is charged as per scrip haircut policy of 5paisa Capital Ltd. Margin multiplier for cash segment is mentioned in the below table. Please note the multipliers are subject to change according to the market conditions & other parameters.

Category	Intraday buy	Intraday Sell	Delivery buy (higher of 5P var or Exc. Var)

A	5	5	5
B	5	3	3
C	5	2	2.5
D	5	1	2

E	5	5	5
Z	1	1	1

6.2.1 Square off criteria for single scrip concentration more than 50%

If single scrip concentration is more than 50% against ledger debit, In such situation client has to clear the debit within T+2 days from purchase date irrespective of GHVC % i.e. client whose GHVC % is more than 20 & have single stock concentration more than 50% against ledger debit then client has to clear the ledger debit within T+2 days from stock purchase date. If client fails to do the same then 5Paisa Capital Ltd will take appropriate action against it. 5Paisa Capital Ltd will start liquidation from T+3 days onwards to the extent of ledger debit.

6.3 Penny / illiquid category scrip Trading

In order to monitor the trading activity of the clients, trades in Penny, illiquid category stock and any other stock which seems suspicious are allowed to sell only. Risk team reviews this list on quarterly basis and takes necessary action based on periodic circular given by the exchanges for addition of the stocks in Z group.

7. BLOCK AND SELL

For all Clients, 5Paisa risk team blocks & initiates square off process below 20% GHVC to the extent of maintains sufficient Risk cover. 5Paisa risk squares off proportionately from each stock.

Post square off unblocking is done.

Exceptions to Block and Sell selling are given below:-

In case debit balance is less than Rs.100

8. AGEING DEBIT

5Paisa Risk team initiates three types of Ageing Debit square off:

8.1. T+6 Debit Square off (Daily)

8.2. T+6 (T being Trading Day) square off is initiated for all clients who have purchased NONAPPROVED Stocks. All stocks which are categorized as E, A, B, C & D are approved stocks. All other stocks are categorized as NON APPROVED stocks. Any debit balance arising because of purchase in Non-Approved stocks will be square off on 6thWorking day from the date of purchase. Clients who have not opted MTF facility for them square off is initiated on T+6 days who have purchased APPROVED and NON-APPROVED stocks. Square off happens only on Weekdays and working Days.

Exceptions to Block and Sell selling are given below.

In case debit is less than 1000

The square off will be done only up to the debit balance. Risk team has the discretion to select the stocks which can be sold.

9. MARGIN & POSITION MONITORING WITH EXCHANGE

5paisa risk team monitors real time margin & position limits with exchange & clearing members. In case of any shortfall in margins, Risk team informs treasury team to add margin. Risk team also monitors cash & non cash margin component kept with exchanges. In-case of any additional margin is available with exchange Risk team informs treasury to withdraw the same. Risk team checks if any client's security lying in the pool account can be transferred to exchange as a collateral security within the scrip level norms specified by exchanges

10. INTEREST ON DELAYED PAYMENT CHARGES (DPC)

10.1. Please note the following logic for DPC calculation

Debit Bill	Credit Bill	Credit for Cheque / ATOM transfer
Cash Segment DPC is calculated after settlement	Cash Segment credit is calculated on settlement	Credit is considered as per Bank clearance date
SPAN-DPC is calculated on Tday	SPAN - Credit is considered on T day	-

12. DEALING IN RESTRICTED SCRIPS (Client Level investment)

GSM, Unsolicited SMS – Scrips belongs to GSM, Unsolicited SMS are blocked for trading.

12.1. GSM

Securities and Exchange Board of India (SEBI) and Exchanges in order to enhance market integrity and safeguard interest of investors, have introduced Graded Surveillance Measures (GSM) wherein certain identified securities shall be subjected to enhanced monitoring and surveillance actions. GSM framework is applicable to stock exchanges where the shortlisted companies are traded. In other words, it will be imposed in a coordinated manner across the stock exchanges. The list of such securities identified under GSM and with their respective stages of GSM shall be published on time to time on BSE / NSE website.

The main objective of these measures is to:

1. Alert and advice investors to be extra cautious while dealing in these securities

2. Advice market participants to carry out necessary due diligence while dealing in these securities.

FAQ'S regarding GSM are mentioned on exchange website (BSE/NSE)

12.3 Unsolicited SMS – Scrips which fall under current watch list, historical watch list, information scrip list on NSE and BSE are blocked for trading. In case client wants to trade we need a written or email communication from exchange side.

12.4. ASM

Securities and Exchange Board of India (SEBI) and Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures such as reduction in price band, periodic call auction and transfer of securities to Trade to Trade category from time to time.

In continuation to various surveillance measures already implemented, SEBI and Exchanges, pursuant to discussions in joint surveillance meetings, have decided that along with the aforesaid measures there shall be Additional Surveillance Measure (ASM) on securities with surveillance concerns viz. Price variation, Volatility etc.

In view thereof, short listing of securities for placing in ASM is based on an objective criteria covering following parameters and shall be reviewed on bimonthly basis for the applicability of ASM:

- High Low Variation

- Client Concentration

- No. of Price Band Hits

- Close to Close Price Variation

- PE Ratio

- Market Capitalization

The aforementioned criteria are dynamic in nature and subject to change from time to time.

12.4. The surveillance actions applicable for the shortlisted securities is as under

1. Securities shall be placed in Price Band of 5% or lower

2. Margins shall be levied at the rate of 100%

3. The shortlisted securities shall be further monitored on pre-determined objective criteria and would be moved into Trade for Trade segment once the criteria get satisfied.

For further Information, kindly refer to the link below:

https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20180817-39https://www.nseindia.com/invest/content/equities_surv_actions.htm

ASM framework is in conjunction with all other prevailing surveillance measures being imposed by the Exchanges from time to time and as may be applicable.

Further, it may also be noted that the short listing of securities under ASM is purely on account of market surveillance and it should not be construed as an adverse action against the concerned company.

12.5 Does ASM framework have any stages like in GSM

Unlike GSM which has stages ranging from 0 to 6, securities shortlisted under ASM have 4 stages: Initially, Securities shall be placed under Price Band of 5% or lower as applicable & VAR Margins shall be levied at the rate of 100% Subsequently the shortlisted securities monitored on a predetermined objective criteria and would be moved into Trade for Trade settlement once the criteria gets satisfied.

The list of such securities identified under ASM shall be published on time to time on exchange website BSE/ NSE.

For FAQ'S regarding ASM please refer below link:
https://www.bseindia.com/downloads1/FAQs_on_ASM.pdf

13. ILLIQUID CONTRACTS/BONDS

Minimum 10 lots should be in open interest & to be traded current trading session, those do not fulfil this criteria are not permitted for trading.

14. AUTO SQUARE OFF PROCESS*

14.1. Net Worth of Client = Opening Ledger Balance + Payin Today – Payout processed today Realized MTM loss + Realized gain + Premium realized during trading day + Current net value of holding available with 5paisa excluding Z category stock's valuation i.e. stocks which have 100% haircut as per 5Paisa policy.

14.2. Risk Based Square off (Daily 9.15 a.m. onwards)

- Risk Team will initiate square off of debit balance for all customers where GHVC (Gross Holding Value Cover) is <20%.

- Gross Holding Value is the value of your Holdings excluding Z Category Stocks. A customer can check his GHVC % in the mobile App or Trade Station Web in Funds Section.

Note: In case the debit Balance is because of Margin shortage in derivative segment then square off will be initiated to the extent of margin shortage.

14.3 Intraday Square off (Daily 3.20 pm onwards)

All positions (Cash and derivatives) which are created in as INTRADAY product will be squared off after 3.20 pm. This includes all types of Intraday i.e. Cover Order, Bracket Order and Stop Loss Orders.

Every day at 3.19 pm system automatically stops allowing any further intraday order. Risk system first removes all pending orders and then square off all Intraday Orders. Customers can see all squared off orders on their Mobile app or Trade Station Web.

14.4 Real time Risk based Square off (Anytime during the Day)

Markets are volatile and price movements can be very erratic because of some events. Events can be pertaining to a particular stock or stock market as a whole.

5paisa Risk Management system monitors volatility on real time. If the losses arising out of Intraday trades in Cash and Derivative segment erodes more than or equal to 50% of the Net worth of customer, then the Risk team squares off all open position. Open Position includes all Intraday Trades in Cash and Derivative segment and all Overnight Open Position in Derivative Segment.

Note: This is an automated system and excludes all delivery holdings held by customer.

14.5 FNO (Currency and equity derivatives) Shortage

RMS liquidation will be done on T+1 basis for the Mark to Market (MTM) debit/margin shortfall. Even if due to sudden scrip volatility during the day if shortfall arises during the day due to MTM loss or FNO margin increased RMS liquidation will be done on same day.

14.6 DPR based Square Off - For intraday scrips, the auto-square off threshold would be set based on the exchange defined Circuit Filter. This would be applicable for only Intraday Short selling.

All the Intraday positions in equity segment will be auto squared off from RMS when the script reaches the following threshold.

- 4.%Tier (for Scrips with 5% Circuit),
- 8% Tier (for Scrips with 10% Circuit), 16%Tier (for Scrips with 20%

Circuit), Default tier would be set as 1% of the circuit limit for scrips not covered in the above 3 categories. Once breached, no fresh short sell position will be allowed for that scrip in the current DPR threshold.

14.7. Any Other Square Off

5Paisa Capital Limited may initiate square off of a particular client without prior intimation due to market volatility, debarred by SEBI or as prescribed in any other rules or regulation

14.8 Commodity Risk Policy and Square off process

14.8.1 .Intraday Square off process

a)Intraday Square off At 04:30 P.M. (Market closes at 05:00 P.M.) For Agri Commodities other than those open for trading till Evening.

b)Intraday Square off At 08:30 P.M. or 09:00 P.M. incase of sun-outage. (Market closes at 09:00

P.M. or 09:30 P.M. respectively)
For Agri Commodities those which remain open for trading till Evening.

c)Intraday Square off At 11:00 P.M. or 11:25 P.M in case of sun-outage. (Market closes at 11:30 P.M. or 11:55 P.M. respectively) For All Other Commodities.

14.8.2. Auto Square off System (MTM based)

All positions (Intraday &\or Delivery) shall be squared-off as soon as MTM Loss reaches 50% of the available Networth (excluding Z category stocks having 100% haircut)

14.8.3.Margin Squared off (Shortage)

Positions which do not have sufficient funds can be squared off any time at the discretion of our RMS desk. There may or may not be a margin calls or intimation from our RMS desk. Positions would be squared off proportionally by the risk team to bring down your margin shortfall.

14.8.4.Physical delivery

Commodities with compulsory delivery will be closed a day before their respective tender period / delivery intention. We do not allow clients for Physical Delivery Positions. All the deliverable contracts of MCX enter "Tender Period positions" as mentioned by exchange from time to time. Clients positions will be Squared OFF one day prior to the start of the "Tender Period" of the contract. No positions will be allowed to carry over in Tender Periods. Please note, the contracts will be blocked for creating a fresh position 1 day prior to Tender/devolvement period starts.

14.8.5. Commodity Delivery Options Blocking Before Devolvement Period

Based on the criteria specified in the SEBI circular Exchange shall identify option commodities which shall be settled through devolvement of future contract. Commodity delivery option contracts pertain to devolvement will be blocked for further trading from T-4 days before current month expiry day. (only squared off allowed for current month expiry options). Positions which are open in commodity options to those client's intimation being sent before T-5 days regarding square off of the same. If square off is not done before 2 working days of the devolvement period of current expiry of month risk team will initiate square off from next day onwards on best effort basis and on available liquidity irrespective of the client margin deposited with 5Paisa Capital Ltd.

Note – Currently: COPPER, CRUDEOIL, GOLD, SILVER, ZINC commodity options will be blocked before devolvement period.

∗Please note the process to square off is the right but not the obligation of 5Paisa Capital Limited

14.8.6. Levy of Additional Margin for Certain Commodity Contracts under exceptional situations

In case of exceptional market movements triggered on account of any factors prevalent in the country or in view of any global events, situations or circumstances impacting Indian markets and its volatility, thereby leading to erratic price movements in the prices of any commodities, 5paisa Capital reserves its right to levy such additional margins, as it deems fit, to safeguard its interest as well as the interest of the clients and market as a whole.

Intimation of the levy of these additional margins shall be duly communicated to the clients via email / SMS / app notifications and the clients are expected to keep themselves updated of the same on a regular basis.

15. INTIMATION TO CLIENTS

Intimations are sent to the clients at the morning prior markets hours before 9 am and at the end of the day basis post billing is done after 8 pm. Intimation to maintain adequate margin is sent to the client if GHVC % is between 20% to 30% and ledger debits. Intimation with regard to square off is sent to the client if there is FNO shortfall, GHVC ≤20% and ledger debits (T+6). Intimations regarding MTM losses are even sent to the client. The medium through which intimation is sent is via TT surveillance notification & SMS. *****

***Please note 5paisa Capital Limited may fail to notify the clients during the market hours and when there is volatility in the market**

16. PRODUCTS: DELIVERY/INTRADAY

16.1. Delivery: Margin will be blocked as per categorization of stocks. For FNO margin will be charged span plus exposure as per exchange requirement.

16.2. Intraday: Margin will be blocked as per categorization of stocks; leverage will be given in multiplier. For FNO one time limit will be provided as SPAN + exposure margin + delivery margin will be charged.

17. Physical Settlement in Equity Derivatives: (Current month expiry)

SEBI circular no. SEBI/HO/MRD/DOPI/CIR/P/2018/161 dated December 31 , 2018 mandates physical settlement for all stock derivatives. Consequently, for any outstanding position in the derivatives segment and subject to availability of adequate margins in your account, the same will be physically settled on the date of expiry, if not squared off by you before expiry or squared off by RMS for want of adequate margins.

However, if you wish to opt for physical delivery and have adequate margins in their account, you will have to provide your upfront consent through call. Dial 8976689766 and Select option 2 (Trading Desk) on or before 11.00 am on the expiry day, clients can also mark intention through trading system if sufficient margin/delivery is available, your intention to opt for physical delivery failing which all your current expiry position (Future, OTM and ITM) will be squared by RMS on best effort basis. If, however, the position is not squared for any reasons whatsoever, beyond our control, you shall be solely responsible for the losses and penalties, if any, leviable thereon.

If you wish to opt for delivery please note that for calculation of delivery obligation, all futures and only ITM options having current expiry would be considered and netted. Further, in case of a sale delivery obligation, you will have to ensure the availability of shares for delivery failing which the position may get auctioned and applicable auction penalty may be levied. Also POA is mandatory in case of sale delivery obligation, failing which the position may get squared off by RMS.

18. Margin Requirement in case of long option physical equity derivatives since T-4 days for current expiry contracts

Clients can trade in physical settlement option (buy) derivatives by blocking of 10%, 25%, 45%, 70% and 100% margin until 4 days before current month expiry and physical settlement future or option(sell) derivatives as per exchange applicable margin. In case FNO shortfall is arised due to delivery margin charged 5Paisa Capital may initiate square off from T-3 days till current month expiry day.

Day	Margin Requirement for long options physical equity derivative
T-4	10%
T-3	25%
T-2	45%
T-1	70%
T	100%

19. Policy to Mitigate Other Risks associated with the Business:

The Company realizes the importance of Risk Management framework and has taken early initiatives towards its implementation. The assessment and addressing of various risks shall be carried out considering the following key steps for clear understanding, reviewing, structured reporting and addressing.

19.1. Use of various risks assessment techniques/processes:

1. Questionnaire and checklist.

2. Sharing of ideas and discussion of the events that would drastically impact the objectives, stakeholder expectations or key dependencies.

3. Onsite verifications and periodic audit of compliances.

4. Process flow diagrams of the activities and dependency analysis.

5. Budgeting / Forecasting etc.

19.2 Risk Identification**:** if there is a material change in circumstances or a consequence that may occur, and whose occurrence, if it does take place, has significant harmful or negative impact on the achievement of the organization's business and goal.

19.3 Risk description: Understanding the nature and quantum of risk and its likely impact, both financial and non-financial, and plan for possible mitigation measures.

19.4 Risk Estimation: The process for estimating the cost of likely impact either by quantitative, semiquantitative or qualitative approach in terms of the probability or occurrence and the possible consequences.

19.5 Risk Reporting: Managers must report all new risks and changes to existing risks or probable risks in the respective functional areas to their immediate supervisor or vertical head or functional head, as soon as the manager has identified the risk. The supervisor or vertical head will in turn report all material and new risks and changes to existing risks with the plan to mitigate with the time line for implementation to the Internal Committee. The Internal Committee will have to update and seek advice to the members of Audit Committee and Board of Directors as well. The Internal Committee shall also monitor the mitigation process and ensure control and communicate to the stakeholders on regular basis as part of Corporate Governance.

19.6 Risk Mitigation: A well-defined and thorough reviewed strategic plan duly approved by the Internal Committee and the members of the Board of 5paisa Broking Pvt. Ltd. would then be prepared. This will be implemented in a structured way with the requisite changes in the existing system or practices within a time line to achieve the desired goal. The risk mitigation plan shall be reviewed and monitored by the Internal Audit of 5paisa Capital Ltd. in coordination with the Compliance Team and the progress of implementation shall be reported to the Audit Committee and Board Members on regular basis.

This risk assessment and management policy shall subject to change and modification, if needed, considering the dynamics of operations, business plans and strategy of managements from time to time. The Board of Directors before implementation shall approve all changes in this policy.
The amended policy has to be uploaded on the website of 5paisa Capital Ltd. from time to time.