JOINDRE CAPITAL SERVICES LTD

RISK MANAGEMENT POLICY

INTRODUCTION

The Risk Management process basically involves in identifying risks, framing policies, provide guidelines to measure, report, control and mitigate the risks and periodic review of the policies. This policy is framed on the basis of requirement of Clause 49-VI of the Listing Agreement, to comply with the provisions of Section 134(3) and Section 177(4)of the Companies Act, 2013 and also various Rules, Regulations, Bye Laws and guidelines of the Stock Exchanges.

OBJECTIVES

The objective of Risk Management is to create and protect investors value by minimizing business threats or losses and maximize opportunities. It provides framework for future activities in planned manner thereby optimizing operational efficiency, improves decision making, efficient use and allocation of resources, protecting assets and image of the Company.

RISK MANAGEMENT PLAN

The Board of Directors/Risks Management Committee of the Company shall formulate the policy and its implementation will be done by the respective Head of Department/Compliance Head from time to time. At regular intervals, the Board/Committee will review Business Plan and develop appropriate Risk Mangement Strategy for identifying, analysing and mitigating all the material risks relating to its business, operation, finance etc.

The Head of the Department with the input from his team members/Department will identify the element of risk and his views and recommendation to mitigate it, suitably inform the Board/Committee.

The Risk may be classified:
a) Operational Risk
b) Financial Risk
c) Compliance and other risks

A) **Operational Risks**

The Company's activities are involved in trading in shares and hence considerable amount of risks is involved in day to day business operations. The Compliance Department will ensure that various existing policies regarding registration of clients, risks relating to Client level, dealing in penny stocks, exposure limit, brokerage rates, suspending/ closure of cleint's account etc. are in place in compliance with the exchange rules and regulations so that there are no penal action by the Regulatory Authority. In order to minimize risks in trading the following method is followed:

a) Admission of Client: The Company admits clients who are known to the Directors and or /their families/relatives and upon completion of Know Your Clients requirement and personal identification of clients.

b) Refusal of orders for penny stocks:
Generally Company does not entertain order from Clients for transaction in penny/illiquid stocks. In case client wants to sell penny stock already held by them , the same shall be allowed case to case basis at the discretion of the company.

c) Exposure limit:
Based on the financial details furnished by the Client, the Company will provide a fixed limit for their trading activities called exposure limit. Beyond the exposure limit, no order will be accepted by the dealer/system.

In cash segment: exposure limit is given on the basis of credit balance and/or collateral/securities of the client lying with the Company valued after hair cut. However, case to case basis, higher limit will be allowed.

In Derivatives segment**:** Limits will be given on the basis of free credit balance and/or collateral/securities of client available with Company valued after hair cut which will be done on the basis of nature of scrip, liquidity and volatility etc.

However, case to case basis excess limit may be allowed to be carried forward.

d) Right to sell clients securities or close client's position:
In case client fails to fulfill their obligation, Company shall have right to sell/liquidate/close out all or any of the clients position for non payment of margins, outstanding debits or other amount etc and adjust proceeds of sale/liquidate/against clients settlement/margin obligations.

Risk Management System: (Online and off line)
Regular update of Clients master data (financial statement and other information related to Client) helps to reduce risk. Monitoring on system and software based process ensures that all circumstance of risk with respect to dealing in securities are taken care in RMS & for compliance of SEBI/Exchange regulations. If any client is over-trading or making excessive losses, he is warned accordingly and in certain cases his terminal is blocked/disabled and open position squared off.

B) Risk to the Company Assets and Property:
The Head Of the Department shall ensure that there is adequate and proper maintenance, security and insurance coverage to replace assets of the Company with minimum disruption in operations.

C) Employee Related Risks:
The Board in consultation with the Head of the Department will review various existing policies relating to employee related risk including reduction in attrition rate, contractual liability on account of misconduct, errors, omission of employees etc and recommend to the Board any value addition

D) Financial Risks
The financial risks include risk relating to the manner in which the company raises and manages its finances and includes the risks arising due to frauds and errors. The Board ensures that the Company manages its finance effectively and there is a proper accounting, internal control and reporting of its finances.

The Action Plan: The Board shall approve the Risk Management strategy, control and policy guidelines and delegate authority and accountability to the respective Committees/Company's Executive Team/Head of Department/Compliance Officer.

The Board shall have discretion to deal with certain highly sensitive risks in the manner it may deem fit.

REVIEW OF POLICY

The policy shall be reviewed by the Committee/the Board from time to time as may be necessary.