

PROGRESSIVE SHARE BROKERS PVT. LTD.

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SEBI Registration No:

| BSE CM: INB010856137 | BSE F & O: INF010856137 | NSE CM: INB230856132 | NSE F & O: INF230856132 |
| NSE CURRENCY: INE230856132 |

Risk Management Policy

Progressive Share Brokers Private Limited has risk management policies for all the clients of PSBPL. These policies have been adopted to minimize the risk to PSBPL from possible defaults of the clients who deal with it. The risk management systems considering the current operations of the company are:

Client Registration

- The clients are given application forms for being appointed as a client only after they have met the director / sub-broker through whom the client has approached us for opening an account.
- The client registration team of the company/Staff of the Sub Brokers personally meets the clients and assesses the financial position, risk appetite, investment objectives, past credentials, qualification, current working position, etc. The feedback of the same is made and given to the managing director/ Sub Broker for his clearance. After the same is found to be proper by the managing director/Sub Broker, the permission for forwarding the Know Your Client form along with the agreements and various requirements is given to the client.
- Client is registered only after receiving KYC, Member Constitution Agreement & risk disclosure documents duly completed and filled up with all supporting.
- Client is registered only after verification of PAN from the website of Income Tax Department. Also verify that the prospective clients name do not appear in SEBI ban list entity.
- Documents given by the clients is verified from original documents.
- In person verification is done before account opening.
- Financial detail is compulsory filled in KYC to know the soundness of client backed by relevant documents as far as possible.
- Account opening letter is sent directly to the registered mailing address of the client to verify client address.

Order receipt, Execution of Trade and collection of Margin

- Every client is designated a proper dealer/s, and the dealer/s before accepting the order for the client is given the background of the client so that the dealer is in a proper position to analyse the capability, the risk appetite and the investment pattern of the client so that proper risk assessment can be made considering the client.
- The risk with respect to the trades done by the client is regularly assessed by the dealer. The dealer being regularly interacting with the client is aware of the trading pattern and thus in a position to determine the risk vis a vis every trade done by the client.
- The exposure with respect to every sub-broker & dealers terminal is controlled through the office risk management team.
- The risk management team regularly assesses the trades being executed by the clients / sub-brokers / sub-brokers client to check the trades in illiquid / risky stocks. The past operations are also tracked, to assess the risk level of the company in dealing with such clients. The trades in Z category stocks as specified by BSE are not allowed. The Trades in Z category scrip are executed at the end of Head Office Only; the Franchisees are not allowed such rights to execute Trade in such Z category Srips.
- Order is received directly from client or person authorized by client only.
- In case of large order qty./Script name and rate is reconfirmed before placing the order. Upfront margin is collected from clients with applicable haircuts as listed below:

Item	Haircut
Cash	0
Bank fixed deposits	0
Bank guarantees	0
Securities Deposit for the Cash Segment	30% except for the Z group securities where there is 100 % Hair Cut
Securities Deposit for F & O Segment	As per Var Margin File generated by the Exchange daily

Note

That Valuation of the Securities for Deposits are done on the basis of the closing Price.

- Limits are first set for the Branch for buying & selling than, limits are set for the NEAT terminals. Both the Limits are set in corporate Manager, once the above exercise is done the Limits are set for the CTCL Terminals

Trade Limits is set for all users/dealer and clients on a daily basis as stipulated by the Risk Management desk. Exposures shall be allowed on the clear credit balance in the clients Ledger +Stocks Lying in beneficiary account + Margins (securities and Cash with Progressive). However Progressive May at its own discretion allow additional exposure as per the Track Record of the clients.

- All trading terminals have Quantity and price Limits to avoid the big losses from punching errors.
- Client is allowed to take positions based on permissible limits based on upfront margin collected.

Review

- The RMS Team regularly reviews the clients O/S Position, the review is carried in the Light of The MTM, Margin, O/s Balance in their Ledger Account.
- The Team also ensures the 30% Hair cut in all the clients for their Outstanding Balances.
- In case there are debit beyond a particular period or old debit the Buying Limits are blocked after considering the track record of the clients.
- Further Daily follow up is done for the uncovered clients.
- Daily files for O/S beyond a particular are sent across to the respective Franchisee.

Sending Contract Notes, Margin statement, Account statement

- Contract notes is delivered to clients within stipulated time limits to avoid any disputes.
- Daily Margin Statement is sent to client.
- We allot Login ID and Password to each & every client on our website www.progressiveshares.com so that they can view Bill, Ledger, Transaction, Holding, Outstanding and Confirmation Note.

Margin collection, pay-in/Pay out of funds and securities

- The PAY IN of shares /funds from client comes only from their Demat Account and Bank Account declared in the KYC form. In case the share are received for the Account other that designated Account then such shares are returned to the clients.
- PAY OUT of funds is made to clients only after PAY IN of securities from clients and after adjusting all types of Margins.
- PAY OUT of Securities is made to clients only after PAY IN of funds from clients.
- The company has received authority from clients to maintain shares on their behalf to avoid trouble of receiving / giving shares on daily basis. And in most of case we deliver the share in clients demat a/c directly from exchange (Direct Pay out). Proper record for securities received / given to the clients is maintained.
- The company receives the deliveries of securities from the clients in the pool accounts / or Exchanges early pay-in account which intimated to the clients.
- POA is also given by clients, but POA is only used for pay-in Purpose of Shares or delivery of securities company has activated auto payout facility in clients demat account, for which daily report is been sent to the Clearing House / Clearing Corporation.
- The company also reconciles its pool, principle, CISA and client beneficiary account on a daily basis.
- Cash payment is not made to client / accepted from client
- Further some of the clients have given consent to the company to maintain running accounts on their behalf to avoid trouble of receiving / paying funds on daily basis.

- We accept the cheque only from specified bank account of client. Our Branches / Franchises deposited the Cheques in our account at their local branch and make entry in the system. Payment to client is centralized through CMC system and local Cheques. Cheque issue authority is not given to branches / franchises.
- The accounts department keeps proper co-ordination with settlement Department regarding Pay-in of shares by clients and then releases the Pay-out cheques to the client.
- Company releases payments of the clients either by hand delivery to the authorized persons intimated by the clients or by courier to the client's address. In some cases cheques are directly deposited into client's account.

Business Continuity Planning

- Daily backup of important data is taken on backup server and on external hard disk and it stored at safe place out side the office premises.
- Incase of power failure USP system is there as backup with capacity of 3 to 4 hours so that trading will not be suffered.
- Back-up server of all critical system is there i.e. back office server, IML server, CTCL manager, Leased Line, Trading terminal and other servers to handle the unforeseen circumstance.

For Progressive Share Brokers Pvt. Ltd.

Director/ Authorised Person