

Risk Management Cell – RRB Master Securities Delhi Ltd

Introduction

RRB Master Securities Delhi Ltd (RRBMSDL) is a Trading Member (TM) in Capital Market & Future & Option segment of National Stock Exchange of India Limited.

Presently, RRBMSDL has 1 centralized branches spread across the country. Normally 50 (approx.) clients trade on daily basis in RRBMSDL network.

RRBMSDL is a leading stock broking outfit in the country providing an efficient trading platform for on-line (NOW) & off-line (CTCL based) stock broking to its retail clients through its offices spread across the country.

Trading Network & setup

RRBMSDL has CTCL based stock broking business. At present, the major volumes of RRBMSDL stock broking business take place through its CTCL based trading network.

Operation & Settlement

The activities related to settlement of funds & securities are performed by the BO software namely Expert, provided & maintained by M/s Synergy Software Pvt. Ltd. Noida, which at present, is considered as one of the best software available in this industry for this purpose.

All back office related activities like client registration, account opening, settlement of funds & securities including maintenance of financial ledger of the client, issuance of contract notes etc. are taken care by the BOS.

All the required reports/ information are generated by the BOS and made available to concerned persons.

Risk Based Approach

RRBMSDL adopts risk based approach as per PML Act, 2002 while exercising due diligence processes for

- a. Policy for acceptance of clients
- b. Procedure for identifying the clients
- c. Transaction monitoring and reporting especially Suspicious Transactions Reporting (STR)

Customer Due Diligence:- The customer due diligence ("CDD") measures comprise the following:

- (a) Obtaining sufficient information in order to identify persons who beneficially own or control securities account. Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party should be identified using client identification and verification procedures. The beneficial owner is the natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement.
- (b) Verify the customer's identity using reliable, independent source documents, data or information;
- (c) Identify beneficial ownership and control, i.e. determine which individual(s) ultimately own(s) or control(s) the customer and/or the person on whose behalf a transaction is being conducted;
- (d) Verify the identity of the beneficial owner of the customer and/or the person on whose behalf a transaction is being conducted, corroborating the information provided in relation to (c); and
- (e) Conduct ongoing due diligence and scrutiny, i.e. perform ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the registered intermediary's knowledge of the customer, its business and risk profile, taking into account, where necessary, the customer's source of funds.

Policy for acceptance of clients:

Registered Office should develop customer acceptance policies and procedures that aim to identify the types of customers that are likely to pose a higher than the average risk of money laundering or terrorist financing. By establishing such policies and procedures, they will be in a better position to apply customer due diligence on a risk sensitive basis depending on the type of customer business relationship or transaction. In a nutshell, the following safeguards are to be followed while accepting the clients:

- a) No account is opened in a fictitious / benami name or on an anonymous basis.
- b) Factors of risk perception (in terms of monitoring suspicious transactions) of the client are clearly defined having regard to clients' location (registered office address, correspondence addresses and other addresses if applicable), nature of business activity, trading turnover etc. and manner of making payment for transactions undertaken. The parameters should enable classification of clients into low, medium and high risk. Clients of special category (as given below) may, if necessary, be classified even higher. Such clients require higher degree of due diligence and regular update of KYC profile.
- c) Documentation requirement and other information to be collected in respect of different classes of clients depending on perceived risk and having regard to the requirement to the Prevention of Money Laundering Act 2002, guidelines issued by RBI and SEBI from time to time.

- d) Ensure that an account is not opened where the intermediary is unable to apply appropriate clients due diligence measures / KYC policies. This may be applicable in cases where it is not possible to ascertain the identity of the client, information provided to the intermediary is suspected to be non genuine, perceived non cooperation of the client in providing full and complete information. The market intermediary should not continue to do business with such a person and file a suspicious activity report. It should also evaluate whether there is suspicious trading in determining in whether to freeze or close the account. The market intermediary should be cautious to ensure that it does not return securities of money that may be from suspicious trades. However, the market intermediary should consult the relevant authorities in determining what action it should take when it suspects suspicious trading.
- e) The circumstances under which the client is permitted to act on behalf of another person / entity should be clearly laid down. It should be specified in what manner the account should be operated, transaction limits for the operation, additional authority required for transactions exceeding a specified quantity / value and other appropriate details. Further the rights and responsibilities of both the persons (i.e the agent- client registered with the intermediary, as well as the person on whose behalf the agent is acting should be clearly laid down). Adequate verification of a person's authority to act on behalf the customer should also be carried out.
- f) Necessary checks and balance to be put into place before opening an account so as to ensure that the identity of the client does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide .

Risk-based Approach

It is generally recognized that certain customers may be of a higher or lower risk category depending on circumstances such as the customer's background, type of business relationship or transaction etc. As such, the registered intermediaries should apply each of the customer due diligence measures on a risk sensitive basis. The basic principle enshrined in this approach is that the registered intermediaries should adopt an enhanced customer due diligence process for higher risk categories of customers. Conversely, a simplified customer due diligence process may be adopted for lower risk categories of customers. In line with the risk-based approach, the type and amount of identification information and documents that registered intermediaries should obtain necessarily depend on the risk category of a particular customer. Accordingly the company RRBMSDL would categorized the clients to High Risk having the Turnover exceeding of Rs. 100 Crores per quarter.

Clients of special category (CSC):

Such clients include the following

- a. Non resident clients
- b. High networth clients,
- c. Trust, Charities, NGOs and organizations receiving donations
- d. Companies having close family shareholdings or beneficial ownership
- e. Politically exposed persons (PEP) of foreign origin

- f. Current / Former Head of State, Current or Former Senior High profile politicians and connected persons (immediate family, Close advisors and companies in which such individuals have interest or significant influence)
- g. Companies offering foreign exchange offerings
- h. Clients in high risk countries (where existence / effectiveness of money laundering controls is suspect, where there is unusual banking secrecy, Countries active in narcotics production, Countries where corruption (as per Transparency International Corruption Perception Index) is highly prevalent, Countries against which government sanctions are applied, Countries reputed to be any of the following – Havens /sponsors of international terrorism, offshore financial centers, tax havens, countries where fraud is highly prevalent.
- i. Non face to face clients
- j. Clients with dubious reputation as per public information available etc. The above mentioned list is only illustrative and the intermediary should exercise independent judgment to ascertain whether new clients should be classified as CSC or not.

Risk Management System

Need for RMS:

Risk is an integral part of any business & it need not necessarily lead to an adverse result. In stock market, not only shares and securities are traded; in the process, RISK and RETURN are also traded; and, there is a trade off between the risk and the return.

Risk taking is essential to an active stock market and legitimate risk taking should not be unnecessarily or unduly avoided, therefore, a good stock broking outfit necessarily requires a robust & efficient risk management system as an integral part of its effective business model with an objective to meet the competition & the expectation of its clients yet it should be able to control the business risks effectively including statutory & regulatory compliances. Considering these objectives in mind RRBMSDL has framed its risk management policy which is reviewed & revised from time to time & is reproduced as under -

Risk Management System-Process

- a) Identification of area of risk
- b) Analysis of factors/reasons causing risk
- c) Planning for control of risks associated with the business
- d) Strategic decision making for risk management tools and its implementation
- e) Measuring results
- f) Continuous Improvement

Risk Management Cell- Structure

RRBMSDL has created a risk management setup which is operational and controlled and administered by the HO. The risk management policies are decided by a committee headed by the senior most official of the company. The risk management cell works under the superintendence & control of Mr. Ashish Kapoor, MD, has more than 23 years of experience at middle & top level positions in the industry. The detail about the members of RMC team is given as under: -

Name	Designation	Qualification	Experience
Mr. Ashish Goel	Manager	MBA-Finance	10 years experience in Risk profiles.

Risk Management Mechanism

In capital market segment, the regulator i.e. SEBI has entrusted the trading members with the discretion/power to put in place a prudent system of risk management for margining to protect themselves from the client default. As regards derivative segment every trading member is under obligation to collect upfront margins (as prescribed by the exchange from time to time) before allowing trading to its clients.

IBT Based (NOW)

Since, NOW is a fully automated internet based trading platform, therefore, the risk management function is also fully automated & controlled by the system on real time basis. Trading is allowed to Investor clients based on upfront margining concept (both in Capital Market & derivative segments) where margining validation happens at order level & no manual intervention is required for risk management.

CTCL Based

As a matter of policy in CTCL, RRBMSDL follows Var Margin based margining system, where in the trading / exposure is allowed to the client by comparing his exposure & resultant margins required with his total assets/deposits/margin available with RRBMSDL. This validation is being done at order entry level that means if the exposure taken by the client results into margin requirement in excess of his available capital with RRBMSDL the order shall be rejected by the system & will not get through.

Risk containment measures also include capital adequacy requirement, monitoring of client performance and track record, margin maintenance requirements, limits based on margin, online monitoring of client positions and restriction in cases of margins are breached etc.

As a matter of policy trading is allowed to the clients only after receipt of adequate capital/assets/margins from the client.

Daily Applicable Margins

Presently following margins are charged to the trading members by the exchanges i.e NSE in the capital market -

Exchange Margins in Capital Market Segment

Daily margin, comprising of the sum of VaR margin, Extreme Loss Margin and mark to market margin is payable which is computed at client level. The exchanges charge these margins on upfront basis from the TM. However collection of these margins by the TM from its clients have been left to the discretion of the TMs & the TM have been advised by the regulator to put in place an appropriate margining policy in place in order to safeguard itself against market risk & client default . The pay-in of MTM loss/profit is effected on T+1 day.

Action by Exchange in case of Short fall in Margins & Pay in of funds

a. Margin Shortfall

In case of any margin shortfall, the trading terminals of the brokers shall be deactivated by the exchanges.

b. Pay in Shortfall

In case of pay in short fall the trading facility of the member shall be withdrawn & the security pay out if any due to the TM shall also be withheld. Upon recovery of shortage the TM may be permitted to trade subject to his providing deposit equivalent to his cumulative funds shortage, which shall not be adjustable against any margin obligation & would be released after 10 rolling settlements. The exchange would levy the penal interest at such rate which may be decided by it from time to time.

Exchange Margins in Derivative Segment

The following margins are being charged by NSE in derivative segment on upfront basis except the settlement obligations in the form of day end MTM losses -

Initial Margin

The most critical component of a risk containment mechanism for NSCCL (clearing corporation of NSE) is the online position monitoring and margining system. The actual margining and position monitoring is done on-line, on an intra-day basis. NSCCL uses the SPAN[®] (Standard Portfolio Analysis of Risk) system for the purpose of margining, which is a portfolio based system. Initial margin is upfront charged for all the open positions of derivative contracts which are computed based on NSCCL-SPAN[®] parameters which are defined by the exchange from time to time. At present, during intra day trading session the exchange sends four span files based on which the initial margins are charged/blocked upfront on real time basis.

Initial Margin shall include SPAN margins, premium margin, assignment margin and such other additional margins, that may be specified by Clearing Corporation from time to time.

Premium Margin

In addition to Initial Margin, Premium Margin would be charged to clients. The premium margin is the client wise margin amount payable for the day and will be required to be paid by the buyer of the option till the premium settlement is complete, the seller of the option would receive the premium margin. The premium margin is also blocked on upfront basis against the capital of the TM but is released immediately upon the pay in of premium on T+1.

Special Margins

Considering the market volatility & the quantum of open positions in different contracts the exchange also levies special/ Adhoc margins from time to time which are required to be deposited by the TM immediately to the exchange.

RRBMSDL Margining System

RRBMSDL has adopted exposure/Var Margin based risk management / margining system the detail of which is reproduced as under -

RRBMSDL follows Var Margin/Span+Exposure based margining system in capital market & derivative segments where in the Delivery exposure is allowed to the client at Var Based available capital with RRBMSDL, which effectively works out % of margin requirement irrespective of the fact that in which scrip/contract the client takes position & Exposure/trading for Intraday as per VAR Margin and in Derivatives as per Span + Exposure. Further such validation is being done at order entry level that means if the exposure taken by the client results into the margin requirement in excess of his available capital with RRBMSDL the order shall be rejected by the system & will not get through.

Mode of receipt & payment of margins

The clients may deposit the required margins/capital/asset for taking exposure in the form of Cheque, Bank Transfer, Bank Guarantee etc., the financial ledger balance of the client is also considered for this purpose as deposit. The value of securities for this purpose is calculated with its last closing price, which is further discounted with applicable haircuts in order to arrive at the net value of these securities & the value thus arrived at is considered for the purpose of margining.

Margin Report

A client wise daily (net available margin / capital / asset) report is prepared by consolidating/netting all the assets & liabilities of the concerned client. This report gives the client wise break up of net available margin, & span Margin requirement in derivative segment, if any.

This report is prepared on a daily basis to give the effect of day's buy and sell position as well as the margin percentage level of a client in order to understand whether the client is maintaining the required margin % with RRBMSDL or not so that necessary actions may be initiated by RMC in time to bring the client within the required margin level.

Basically, this margin report is a tool of control for the RMC officials who refer to this report for tracking & allowing positions/exposures to the RRBMSDL clients. Further the net available margin as reflected in this margin report is uploaded in the trading software in the beginning of the day as deposit of the client based on which the client is allowed to take trading exposure during the day.

Margin uploading

The margin available with every client for trading is arrived at by taking into consideration his total assets with RRBMSDL which is netted against the financial ledger balance of the client. The valuation of non cash assets available with the client is arrived at by applying the applicable haircut which is prescribed by the NSE from time to time. The daily available margin thus arrived at against which trading / exposures would be allowed to the client is uploaded in Odin with default margin multipliers in NSE (Cash) with Var Based & and in future segment as per Span+Exposure & in NSE (Option segment) with Credit balance in Ledger only.

The responsibility of updating & maintaining the trading platform on a day to day basis is entrusted on the Risk Management Cell.

Further RMC has to ensure that all the other required activities for ensuring the correctness of margin, position, client code, scrip master, scrip in ban period, adequate capital with exchanges etc. are carried out before the start of the trading

Position Uploading

All the outstanding contracts in derivative segment & value of stock available with the client is uploaded as position in the trading software odin as net position of the clients so that this positions may be considered as exposure against the deposit of the client.

Exposure

All such positions of client which are exposed to the market risk are included in the calculation of exposure/Margin in the trading server i.e. Odin for the purpose of validation against the total capital available as margin of a client. The system consider the following as exposure for this purpose :-

1. Value of client's brought forward net position
2. Stock position in CM segment
3. Value of all square off/ covered trades
4. + Value of day's net position
5. + Value of all pending orders
6. + Value of all unconfirmed orders
7. + Value of all frozen orders (i.e. Orders which are blocked by exchange but not cancelled because they are out of Price Range or in improper Quantity range in (F&O).

The trading software blocks the applicable exposure margin against such exposure of all the clients at all point of time.

Exposure limits to clients

Those clients whose margin is less than the prescribed maintenance margin would not be allowed to take fresh exposure by the system itself because the deposits & exposures of the clients are uploaded simultaneously.

However, the following deviations / leverages are allowed based on the specific request/ approvals for certain branches. In such cases the branch heads/RMs/dealers/RMC have to ensure that before the end of trading session such cases are brought within the required margin level otherwise actions are initiated by RMC to bring them at the required margin level.

Further No Order can/ should be allowed to be executed away from the normal Market Price without prior approval from Risk Management Cell.

Margin Report

The margin report is a main tool of information & controlling and the detailed contents of the margin report are given & explained as under -

- A) Branch Code:** Numeric codes to represent the branches through which a client registered with RRBMSDL.
- B) Code:** The alpha- numeric RRBMSDL unique client code assigned to the client who is used in all the transaction placed and entries passed on the behalf of the client.
- C) Client Name:** Name as mentioned in the UCC details/KYC of the client.
- D) Financial:** Represents the current ledger balance of the client A Positive financial balance figure indicates a credit in the financial ledger while a Negative indicates a debit balance. This balance is updated up to the trades done in the last trading day.
- E) Stock Position after Haircut:** Represents the current valuation of marginable securities of the client lying in RRBMSDL bene, where marginable securities refer to the securities.
- F) Stock Position before Haircut:** Represents the current valuation of all the securities lying in the RRBMSDL bene, whether approved or unapproved. This figure is given for reference only and the difference between stock position and stock before hair cut represents the margin in the form of unapproved scrips, for which no benefit is given to the client.
- G) Net Available Margin (NAM) :** Refers to the net value of the approved stocks held by the client which is netted against the financial ledger or margin obligation of the client, The balance thus arrived at is uploaded on our trading server as deposit for the purpose of allowing exposure to the client.
- H) Span Margin :** SPAN Margin as charged by the exchange as against the open position in the Future and option segment. The client wise margin report is provided by the exchange in MG 13 file. Span Margin has two components i.e. initial margin and mark to market volatility margin MVM.

I) Net Available Margin After Span: This is the available margin after reducing the value of SPAN charged by the exchange on the open position in future and option segment. This amount is the deposit available for trading in cash segment.

J) Margin % : Represents the net available margin expressed as a % of the gross exposure, i.e.,

Order Validation

Orders entered into the Trading System shall be subject to Various validation requirements as prescribed by the RRBMSDL including adequacy of required margins. Orders that do not meet the validation checks will not be accepted by the Trading System & would get rejected.

Trade Modification : As Per Policy

Trading Procedure

A client is allowed to trade only upon payment of deposit to RRBMSDL in the form of Cheque, BG, Pay order, or non cash collaterals like scrip.

The net financial ledger balance of the client is also considered as deposit for this purpose. On the basis of the deposit given, a client is allowed to take such exposure on which the margin requirement is equal to or less than such deposits at order level validation.

Similarly, if a client has paid additional deposit or margin, the system allows him exposure up to such level i.e. up to which the margin requirement on such exposure is equal to or less than total deposit i.e. (initial deposit + additional deposit / margin) of the client. As soon as a client crosses such allowed exposure limit, his orders are rejected by the system.

The calculation of margin at order level is carried out, which implies that with every order placed by the client, his allowable exposure limit is correspondingly reduced to the extent of limit exhausted towards placing of such order. However, if the new order results into reduction in his outstanding position, his available exposure limit increases correspondingly because of overall reduction in his outstanding position by virtue of such offsetting orders.

At end of day, the margin requirement is recalculated in F&O segment based on the client level margin file received from the exchange in respect of the derivatives net outstanding position of a client.

Besides this, the settlement due is also calculated which would be the Mark-To-Market Margin, Premium Margin, Assignment Margin and the profits or losses actually sustained.

The obligation of a client thus arrived at towards his margin and pay-in is blocked out of his available deposit i.e. NAM for the purpose of his trading limit and only the balance amount is made available towards his fresh exposures/trading/MTM loss at commencement of next day trading session.

RRBMSDL may, if it so desire, square-off position of such client in case of non-payment of margins/MTM losses as stated above. Before Square up of position of clients or branches are informed through the admin messages flash on their ctcl ids and for the time given is 10-15 min

given for the liquidation of securities, if they intimate us through mails of any deposit then we will leave them otherwise position is liquidate in market and confirmation of position square off is also give them through admin messages or via email.

A client can anytime during the trading session pay additional security deposit by depositing funds/securities with RRBMSDL. The credit for payment received from the client in the following mode shall be given immediately

1. Cheque of RRBMSDL specified Bank
2. Bank Transfers from RRBMSDL specified Banks

In case a client is required to pay to RRBMSDL any amount towards pay in or margin obligation including debits outstanding beyond T+5 day and the client fails to pay the same, RRBMSDL is at liberty to square off his position either on the same day or on subsequent days. However, a client cannot take shelter & plea for any subsequent liability resulting from an existing open position. In order to square off positions of a defaulting client, the RRBMSDL may feed such offsetting transactions on account of and on behalf of such defaulting clients as limit order or market orders, for the existing open positions, either in full or in part and all differences and loss arising out of such squaring off shall be paid by such defaulting client.

In case square off trades of open positions of such defaulting client could not take place due to lack of liquidity or otherwise, the defaulting client would be responsible for final settlement of those contracts.

In case a client fails to pay margin obligation payable at beginning of the trading session and such payment is not received even till end of day, such unpaid margin amount will not be carried forward to the subsequent day's obligation, because the margin obligation at end of day will be calculated afresh depending upon the closing price at end of that date.

User Creation

The responsibility of creating dealers & client code in the ODIN server lies on the Risk Management Cell. The procedure being adopted for creation of dealer & client is given as under :-

User Type – Client (Client Code)

- a) Retail: Clients are those who trade in securities market through RRBMSDL dealers by placing orders through branches of RRBMSDL.
- b) Investor Clients who trade through NOW from desired place.

Process: After receiving the confirmation of creation of clients in the back office software (BOS) RMC take necessary actions to create these client codes by uploading a client code detail file on the ODIN servers. Each client code generated by the BOS is a unique Client code for which proper validation checks are in built in the BOS to ensure the uniqueness of clients created in the system.

User Type – Dealers (CTCL id)

Dealers are the professionals who are authorized by the RRBMSDL to punch buy/sell orders at the request of clients on their behalf. In technical term in CTCL network a dealer id is called a CTCL id (TWS) through which the dealer can punch trade orders.

Process: For creation/deletion of CTCL id RRBMSDL upload the following details through Connect2Nse interface to NSE, the exchanges after validating the data accept or reject the CTCL request, if accepted/approved by the exchanges the approval reference number is generated by the system same day .

After receiving the exchange confirmation/approval for CTCL id from the RMC creation and deletion of CTCL id. RMC create/ delete such CTCL id on the ODIN server.

Following details are uploaded to the exchange for creation/deletion of CTCL ids

- a) Location address where id required
- b) Name of authorized person/user for the CTCL id
- c) Particulars of authorized person
- d) Relation of authorized person with the TM
- e) Status of location whether own branch or sub broker office etc.

Blocking of certain series of securities:

The Series which do not belong to the retail clients are blocked on the ODIN server for retail clients. The series mentioned below are blocked for the individual retail clients on the ODIN server.

- Z Category (non compliant scrips)
- BT Category (Institutional category)
- IL Category (Institutional category)
- Symbol starting with 6K (Institutional category)
- Symbol starting with 7k (Partly paid preference shares)
- Physical Shares

Action Taken By RMC for Ban Period

Blocking of scrips which are in ban period :

The limit of the clients blocked for trading in any specific Derivative securities as notified by the exchange though it's circular on the subject. Securities in Ban Fore Trade Date; clients are not allowed to trade, as per the RBI/Sebi directives.

Process Flow / Activities of Risk Management Cell

The entire process of RMC is bifurcated into four Sessions

- Pre Trading Session
- Trading Session
- Post Trading Session
- End of day activities

Pre Trading Session- Activities

- a) Updation of Scrip Master - On a daily basis RMC team updates the scrip master of NSE on all administrators, NEAT,ids with the purpose of effecting the new changes in the series, symbol

and corporate benefit of scrips. The master files uploaded on the servers are Security (CM) and Contract (FAO), which are received through exchange FTP, these files are uploaded by the IT team of RRBMSDL & morning team cross verify these updation.

The updation of scrip master is required on NEAT ids, Admin, Branch Id, Business Partner id. The required scrip master files for this purpose are made available on the FTP server of RRBMSDL & all the branches, The following master files are uploaded for this purpose in NSE

- 1) Security file (scrip master updation)
- 2) Contracts (Contract master updation)
- 3) Participant (custodian participant code updation for institutional clients)
- 4) FO Participants (Custodian participant code for NRI clients)

- b) Checking the available Capital (base capital & additional base capital) in NSE - To ensure sufficient capital with the exchange for day trading. For this purpose the files received from exchange NSE is MG-01 for Cash & MG-11 for F&O are seen which gives the details of total deposits of RRBMSDL available with these exchanges & also the balance available for trading after adjusting the capital for outstanding settlements / positions of RSL.
- c) Cross-Checking the Uploaded Margins - The uploaded margin and position file for the day is randomly cross-checked by RMC officials for authenticating its correctness. The uploading of the Margin and position is manually compared with the margin and stock position of the randomly selected client codes.
- d) Checking the rejection log - Any wrong uploading on the ODIN server result into rejections of data uploaded. In order to restrict the occurrence of the rejection, the reason of rejections like changed series, invalid client code, dealer does not exist etc. are seen & same is corrected.
- e) Blocking limit for scrip in ban period - All the derivative contracts which have crossed 95 % of the market-wide position limit and is currently in ban period are required to be blocked on the TWS to avoid any fresh exposure in the underlying which would result into disciplinary action against RRBMSDL.

Trading Session Activities

- a) Risk Monitoring - The prime responsibility of the risk management cell is to look upon all such potential threats which could act as risk hazards to the business, at the same time, RMC has to give leveraged products/ relaxations to certain set of clients having special approvals/waivers from the competent authorities. Therefore, the task of risk monitoring can be successfully accomplished by using various risk management tools so that it can ensure before the end of trading session that no one takes positions disproportionate to his/its deposits available with RRBMSDL.

Post Trading Session – Activities

- a) Branch related solutions: All queries and problems raised by the branches are resolved and updated by the RMC team. Most of the queries are related to transactions passed in the BOS or related to the net position of a client.
- b) Reviewing short margin replies: After the close of market all replies/remarks collected by the concerned RMC officials for the short margin cases are reviewed by other RMC officials. This reviewing allows the RMC team to point out those cases for which replies are not taken and enable the team to put such cases for next day immediate follow-up.
- c) Creation / Deletion of CTCL ID: After receiving an approval from the exchange related to creation and disablement of CTCL ids, the Risk department indicating the CTCL id with its twelve digit details for its creation on the Odin terminal.

End of Day Processing Activities

Process time: 5:00 pm – End of process

- a) Coordination with Back office & Payment Deptt.
- b) Generation of Margin Report
- c) Authentication of Margin Report
- d) Uploading of Margin Report on Website.
- e) Mailing of Margin report
- f) Creation of Position files
- g) Creation of ODIN margin uploading file
- h) Server wise splitting of ODIN Margin Uploading file
- i) Server wise splitting of Position files
- j) Uploading of server wise margin uploading file
- k) Uploading of position file and correction of rejection log

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