

# NVS Brokerage Private Limited

## MARGIN AND LIMIT SETTING POLICY

This policy has been adopted to minimize the risk to NVS Brokerage Private Limited from possible defaults of the clients who deal with it. The risk management systems considering the current operations of the company are:

### **Margin Requirement and Exposure**

Exposure to the clients will be given on the basis of available ledger balance and available margin pledge holding after deducting VAR margin as haircut.

(Clear Ledger Balance + Margin Pledge holding after deducting VAR Margin as haircut)

In capital segment need to maintain VaR & Extreme loss margin (ELM) of flat 20% on an upfront basis.

In Cash Segment other margins such as Mark to market margin (MTM), delivery margin, special/additional Margin or such other margins as may be prescribed from time to time.

It is mandatory to maintain Peak Margin or OED margin whichever is higher in all exchange and segments.

In case of stock sold and early pay-in of shares is done, 80% of Sale value is considered as collateral for trade in cash segment.

Further exposure shall not be granted to the clients when debit balances arise out of client's failure to pay the required amount and such debit balances continues beyond the fifth trading day, as reckoned from date of pay-in

### **Limits**

The limits are setup after assessing the risks of the corresponding client and no clients have user id for direct trades execution.

The limits are setup for clients on basis of their ledger balances.

All the limits are reviewed regularly.