

12.04.2013

UPSE SECURITIES LIMITED

Risk Management / Margin Collection

There is on-line check on the trading limits and no order is accepted by system if it is beyond permissible trading limit to a Sub-Broker.

The deposits of the sub-brokers, viz. Base Minimum Capital and Additional Capital are being treated as Capital Deposits for purpose of trading limits.

The total margin obligations for the day of the respective sub-brokers are deducted from total Capital Deposits of the sub-brokers.

The remaining Capital Deposits of the respective sub-brokers, after such deduction, are treated as available Capital Deposits in the same manner, as stated above, for the next day trading of the sub-broker.

As a risk management measure, VAR margin, special margin and extreme loss margin and mark to market margin are calculated client wise, scrip wise, across all the settlements for which pay-in has not been affected, as per BSE/NSE/SEBI norms.

Pay-in is collected on T+2 day, before the scheduled time for pay-in of BSE / NSE , and pay-out is also made on T+2 day after receipt from BSE/NSE.

The Company collects margins only from sub-brokers, not from clients in Capital Market segment. This is in line with SEBI Circular No. 7 dated 23.02.2005 regarding comprehensive risk management for cash market.