M/S NOKHA COMMODITY SERVICES

Member : National Commodity & Derivatives Exchange,
Member : Multi Commodity Exchange of India Limited
Ph. 01531-222022, 220809 Fax 222022
Mo. No. 9414147141, 9414416642
e-mail : ncsnkh@gmail.com

Near Navali Gate,
Bikaner Road,
Nokha-334803
Bikaner (Rajasthan)

Ref :-

Date :- 24-07-2020

Risk Management Policy

Nokha Commodity Services have only few clients which are in relation to the partner. Clients were known individual to the partners. Hence client defaults risk is minimized. Nokha Commodity Services framed its risk management policy in view of margin requirement of the exchanges.

We have a documented policy for positions and margins and clients and a dedicated RMS Team which is responsible for setting up Trading Limits for Pro and Clients.

Margin Collection & Maintenance

A proper assessment is made of the available margin, applicable margin and rate of margin. No cash transaction is done with the clients for bringing in margin and only cheques or funds transfer are accepted. Clients are not allowed to make fresh positions in case of margin shortage and are allowed only to square off existing positions till the margin level is brought within applicable limits. Margins are collected upfront from all clients in leveraged segments. In case of margin shortfall due to Mark to Market, same is collected latest by T+2. Margins shall be demanded on intra-day basis during volatile market conditions and Client should be able to replenish margins on immediate basis when demanded to avoid square off. Where market conditions so warrant, Organization may demand payment by electronic transfer and refuse to accept payment by cheque. Nonpayment of margins shall also result in penalty as per exchange on open position towards margin shortage. In case of ledger debit, collateral stocks as provided by client shall be liquidated to the extent of ledger debit.

Debit Square Off

It is client’s obligation to clear his/her outstanding dues by T+2 (T indicates Trading day). The client shall ensure timely provision of funds so as to meet exchange obligations. Nokha Commodity Services reserves the right to close the positions to the extent of ledger debit and /or to the extent of margin obligations. Selling will be done in clients account on T+3 days for the ledger debit which is more than T+2 days on ageing basis. Nokha Commodity Services shall close positions to the extent of ledger debit.

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Surveillance

Apart from monitoring the availability of margins and recovery of Debit balance we also identify the incidents which in our opinion, require to be scrutinized.

We keep check on the list of commodities/securities provided by exchange as illiquid. No business center is allowed to transact in these commodities/securities. Further, we identify the commodities/securities that are having very few transactions on regular basis in the market and categorized them as illiquid commodities/securities. The approval to execute transactions in such commodities/securities is given on a case to case basis and we charge 100% margin on these.

At the end of the day we process the transactions through our offline surveillance system. We monitor the concentration of volume in various contracts executed through us. In case where it is identified that we have executed more than 50% of the market volume in any commodity, the instance is scrutinized in detail.

We also identify the incidents of trades which are executed in less liquid securities to identify whether the same are used as a mechanism to execute transactions like circular trading, profit transfer incidents etc.

For Nokha Commodity Services

Partner / Authorized Signatory