



## RISK MANAGEMENT POLICY

<b>Regulatory Reference</b>	Regulation 17(9) & Regulation 21 SEBI (LODR) 2015   Companies Act 2013
<b>Additional Reference</b>	RBI Guidelines for NBFCs   SEBI Risk Management Framework for Stock Brokers

### 1. Preamble

PCSL, being a SEBI registered stock broker and a Non-Deposit Taking Non-Systemically Important NBFC, is exposed to various risks in the conduct of its business. This Risk Management Policy has been framed to enable the Company to proactively manage risk and uncertainty to enhance stakeholder value and ensure business sustainability. The Policy has been formulated pursuant to Regulation 17(9) of the SEBI LODR Regulations and applicable RBI guidelines.

### 2. Risk Management Framework

#### 2.1 Market Risk

Risk of losses arising from changes in market prices, interest rates, exchange rates and commodity prices. PCSL shall maintain appropriate position limits, margin requirements and hedging strategies.

#### 2.2 Credit Risk

Risk of default by counterparties including clients, banks and other financial institutions. PCSL shall assess creditworthiness, establish exposure limits, and monitor concentrations in its NBFC lending book.

#### 2.3 Liquidity Risk

Risk that PCSL may not be able to meet its short-term financial obligations. Adequate liquidity buffers shall be maintained at all times.

#### 2.4 Operational Risk

Risk of loss arising from inadequate or failed internal processes, people, systems or external events. This includes technology risk, cyber risk, compliance risk and conduct risk.

PROMPT CORPORATE SERVICES LTD.

*Shalini Singhaia*  
Director



### **2.5 Regulatory and Compliance Risk**

Risk arising from failure to comply with applicable laws and regulations of SEBI, RBI, ROC, Stock Exchanges, and other regulatory bodies.

### **2.6 Concentration Risk**

Risk arising from undue concentration of exposures to single clients, sectors or geographies in NBFC lending operations.

## **3. Key Risk Indicators (KRIs)**

PCSL shall develop and monitor Key Risk Indicators including:

- Capital Adequacy Ratio (CRAR) for NBFC operations (minimum 15% as prescribed by RBI).
- Gross and Net NPA ratios.
- Liquidity Coverage Ratio.
- Client concentration ratios for broking business.
- Operational loss incidents and near-miss events.
- Cyber security incident frequency.

## **4. Risk Reporting**

Material risks shall be disclosed in the Annual Report under the Management Discussion and Analysis section.

PROMPT CORPORATE SERVICES LTD.  
*Shalini Singhaia*  
Director