

Risk Management Policy

Risk management is an integral part of every organization. The management keeps a continuous process of reviewing the system of controlling the risk management as per changing scenario of trade. The management has developed a system as detailed below to minimize the risk from various areas.

The management think that first step of controlling risk is started from KYC Registration department. Hence a dedicated department is there to handle new account opening cases under the guidance of senior executives and Directors. The decision to add new client is based on strong reference from existing client or reference from Directors. The employee is advice not to entertain unknown person strictly.

Another area of risk management is allocating trading limit to clients. The management has advice the KYC department to collect margin from every new clients based on feedback from senior person after accessing the risk bearing capacity of client. And set an exposure up to 5 to 8 time for intraday trade and 2 to 5 time for Delivery trade (Case to Case basis). This will help automatically help to control excess exposure position. The revision in the exposure limit during the day is totally based upon decision of senior executive/Directors based upon the category of client. The person in surveillance is requested to follow this guideline strictly.

The exposure limit in case of volatility will be continuously reviewed by senior executive/Directors and quick and appropriate decision will have to be taken to control the risk by reducing the exposure limit after adjusting MTM loss / outstanding Debit position from deposit with TM or such other decision as they think good.

The account department is advice to keep a strong monitoring in collection of cheques from clients having debit balances. They have been advised not to keep any balances lying in the Dividend Account as we suitably follow to Pay-out dividend to our client account immediately or on same day. They are advice to report on daily basis the posing of collection and outstanding dues to the department head or senior executive. The credit or debit must be in accordance to the detail provided in KYC. In case of any alert they are advice to contact the department head or senior executive.

The delivery department personal is advice not to release shares received in payout to clients until they get confirmation of cheque clearance. Till that time they are advice to keep the shares in holdback/margin a/c. They are further advice to keep a strict monitoring of shares received from client's own DP a/c that must be as per record in KYC. In case of any alert they are advice to contact the department head or senior executive.

The compliance office is advice to monitor on a daily basis all such alerts which come under NSE/SEBI/PMLA rules and guidelines and take such appropriate action and reporting as he deemed fit.

All the departments are advice to update the management on a regular basis about the deficiencies and development to achieve the goal of Risk management.