RISK MANAGEMENT POLICY

Registration of Clients:

Clients are allowed to trade only after the KYC duly filled in and with all necessary enclosures is collected. The KYC form is scrutinized thoroughly and UCC details uploaded to the respective exchange. As far as possible, clients are entertained only if they are introduced by an existing client, employee or acquaintance.

Receiving, validating & entering the orders of clients in the trading platform:

All orders commensurate to the financial standing, margins and deposits (if any) given by the client are put through directly. The dealers and terminal operators are briefed regularly on clients whose positions are to be closely monitored or fresh exposure to be curbed or only square offs to be allowed.

Collection and Release of payments to clients:

In case of purchases the clients are asked to send in the payments at the time of trade confirmation itself. In case of clients who are new or are perceived as risky the deliveries are held back and released only after the payments are clear.

In case of sales, the receipt of deliveries is monitored by the back office for clients who have their demat account with some other DP. Once the delivery is received and payin to the exchange is through the back office intimates the accounts department and only then the payments are released. In case of shortages, after the payout process is over an ad-hoc debit is posted to the clients account for the shares delivered short.

Collection and maintenance of margins:

Shares held back on behalf of clients are also considered as margins and exposure after haircut is given to clients on their basis.

Collection and delivery of Securities to the clients:

In case of sales the back office calls the client to arrange for the delivery before the scheduled pay in to the exchange. In case clients have their DP accounts with us then they are reminded to send in the Delivery Instruction Slip. All shortages are continuously monitored till the time of pay in to the exchange.

In case of delivery of shares to the client the same depends on the credit worthiness on a case to case basis. For some clients the shares are held back and released only after payments are clear. In case of some clients who trade regularly shares are released periodically and in some cases shares are directly credited to the clients demat account by direct payout.

Monitoring of Branches / Sub-brokers

Regular monitoring of trades and payment positions of branches and sub-brokers is done by a Senior Official of the company. Centralised accounting and CTCL helps in effectively monitoring positions and funds at client level.

Monitoring of DP Operations:

Day to day DP operations are overseen by a Senior official of the company. High value transactions, dormant accounts and off market transactions are monitored. Audit of DP Operations is done by an independent auditor on a monthly basis and report is submitted to CDSL and the management.

Operations & Compliance Requirements:

The compliance officer and the management meet regularly to discuss new provisions or changes made by the exchanges or SEBI. The circulars / notices issued are read on a daily basis and action as required is taken.

Payment of Dividend and other Corporate Benefits:

Dividend and other Corporate Benefits received on shares held on behalf of the clients are promptly credited to the clients account and a proper accounting and audit trail is maintained in the back office software.

Continuity Planning / Alternate plan in case of disasters:

We invest in the best and update the hardware regularly so that we operate with the latest equipment. ISDN backups for vsat / lease lines are in place. Data backup of the back office software is taken on the local hard disk and copied to a LTO Ultrium tape drive and is stored in a Godrej Fire proof safe on a daily basis. The data is restored in a backup server on a periodic basis.

Our registered office is in Kolkata which has live connectivity with NSE, BSE & CDSL. In case of a major problem we can always divert our trading there.