

PRUDENT RISK MANAGEMENT SYSTEM:

The operations of the company are on small scale and the company has a very strict system of analyzing the clients and only if the client meets the various parameters, then only an account is opened. The risk management systems considering the current operations of the company are:

1. The clients are given application forms for being appointed as a client only after they have met the director through whom the client has approached us for opening an account.
2. The client registration team of the company personally meets the clients and assesses the financial position, risk appetite, investment objectives, past credentials, qualification, current working position, etc. The feedback of the same is made and given to the managing director for his clearance. After the same is found to be proper by the managing director, the permission for forwarding the Know Your Client form along with the agreements and various requirements is give to the client.
3. The completed form is then received and only after proper verification of the documents and checking the genuineness of the person, the account is opened.
4. Every client is designated a proper dealer/s, and the dealer/s before accepting the order for the client is given the background of the client so that the dealer is in a proper position to analyse the capability, the risk appetite and the investment pattern of the client so that proper risk assessment can be made considering the client.
5. The clients are personally known to the director and the overall exposure is determined for the person on the basis of the financial capability and on the money lying with us in the client ledger account.
6. The risk with respect to the trades done by the client is regularly assessed by the dealer. The dealer being regularly interacting with the client is aware of the trading pattern and thus in a position to determine the risk vis a vis every trade done by the client.
7. In case of large value transactions, the clients are at times insisted on giving advance money / securities as may be required.
8. The client shares are tracked to have been received only from the designated DP account only so as to nullify the risk due to receipt of money from other persons DP account. In case if any shares are given by any person on behalf on the client, then a letter signed by the beneficial owner and the client is taken specify that the shares are given on behalf of the client and the owner does not have any right / obligation from the member.

9. The exposure with respect to dealer's terminal is controlled through the office Risk Management team.
10. The risk management team regularly assesses the trades being executed by the clients to check the trades in illiquid / risky stocks. The past operations are also tracked, to assess the risk level of the company in dealing with such clients. The trades in Z category stocks as specified by BSE are not allowed, unless a special permission has been taken & only after due consideration, the RMS head will allow temporarily a specific exposure limit for dealing in Z group stocks.

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