

RISK MANAGEMENT POLICY
ADOPTED BY
ALACRITY SECURITIES LIMITED
FOR
CASH , F&O AND CDS SEGMENT

Risk based approach:-

Classification of both the new and existing clients into high, medium or low risk category depending on parameters such as the customer's background, type of business relationship, transactions ,payment promptness etc. Application of each of the clients due diligence measures on a risk sensitive basis and adoption of an enhanced customer due diligence process for high risk categories of customers and vice-á-versa.

Limit Setting:-

Limits shall be monitored on daily basis, taking following criteria's: Turnover, Exposure, past trends, Location, Deposit/Collateral.

Margins:-

Margin must be collected from client before entering into any transaction by way of either cash or collateral securities.

Client level margin will be at management discretion in cash segment.

Every day margin statement has to be reviewed and prompt follow up has to be done in case of shortage of margin

No further transaction will be allowed till short of margin make good

If the margin shortage remain for longer time then client account will be cleared by sale of securities lying with the company

Trading:-

Trading in illiquid scrip shall not be permitted. On detection of such trading, the risk manager shall use his discretion to shutdown the terminal after intimating branch manager and sub broker

Pay-in Of Fund & Stock:-

Payout of fund to the client should be made only after receiving the same from the exchange. Payout of securities to the client should be done only after receiving the payment from the clients.

Payment should be made in the name of client name only i.e. no cheque will be issued to third party. Similarly payment should be received from the clients account only i.e. no third party cheque should be accepted

Third party pay-in of securities & fund will not be accepted. Same way pay out of shares and fund will be directly done to client account only. No securities belonging to one client be used/transferred for Own purpose or for other client.

Collections:-

Cash will not be accepted under any circumstances. Collection of cheques from clients must be done by T+2 days except clients who have authorized us to have running account balance.