

Risk Management Policy

Risk Management Policy on compliance, financials, History/Back ground, firms positioning.

1. Compliance

For the new account opening the client should be introduced by the existing client any staff member of the company or that person should be known to the company.

2. Financials

In case of a new client care should be taken before entering the big amount of trade

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

Payout of securities to the client to be made 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

Clients should be categories as low, medium, and high risk clients based on their financial, past track record and top management recommendation.

Big/Large order from client should be accepted only after receiving the margin payment from clients except with the prior permission from the top management the company

3. History/ Back ground.

Existing and New Client back ground are check periodical by demanding financial statement of client

The concern employee have to ensure the adherence of the above procedure at the time of selecting the new clients.

4. Margin Collection

Margin is to be collected from client before entering in to any transaction by way of either cash or collateral securities.

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

Limit to the client should be given on the basis of the margin available with us either in the form of shares or credit in ledger balance except in the cases where the management permit for limit without margin in exception cases

For **Alacrity Securities Ltd.**

Director

Date: 01/01/2011

Place: Mumbai