

**RISK MANAGEMENT POLICY OF THE FIRM WITH RESPECT TO  
PROCEDURE TO BE FOLLOWED FOR CLIENT REGISTRATION &  
DOCUMENTATION AND FURTHER DEALINGS WITH THE CLIENT**

The operations of the firm are on a small scale & the firm has a very strict system of analyzing the clients & only if the client meets the various parameters they are registered as clients and their account is opened. The firm will follow the following procedure (internal controls) with respect to Client Registration & Documentation, Order Management & Margin Collection and dealing with client's funds and securities based on the guidelines issued by SEBI and Stock exchange in this regard:

**I) CLIENT REGISTRATION& DOCUMENTATION**

1. The clients will be given KYC FORMS for being registered as a client  
Only if the client is either known to partners of the firm or introduced  
By any existing clients or either introduced by sub-broker or  
Remisier, which needs to be filled in completely by them and duly  
Signed and submitted personally to the firm along with the original  
Supporting documents
2. The Compliance Officer or partners of firm will personally meet the  
client, will check all documents given by client with original, check  
genuineness of client & also will assess client's financial position, risk  
appetite, investment objectives, past credentials, qualification, current  
working position etc and after being satisfied will register the client &  
will allot a UCC (Unique Client Code) to the client. On allotment of  
UCC client will be given entire set of KYC form with UCC  
mentioned on same and same will be uploaded to BSE WEBEX  
before execution of trade.

## II) ORDER MANAGEMENT & MARGIN COLLECTION

1. Every client will be dealing directly either with partner or sub-broker/remisier of the firm as due diligence was done while registering client, partners/ sub-broker is in a proper position to analyze the capability, the risk appetite & investment pattern of the client thus proper risk assessment of the client can be made.
2. As the clients are personally known to partners/sub-broker, overall exposure will be determined for each client on the basis of client Financial capability & risk appetite.
3. The risk with respect to trades done by the client is regularly assessed by the partners/sub-broker. Partner/sub-broker being regularly interacting with client is aware of the trading pattern & thus in a position to determine the risk vis-à-vis every trade done by the client.
4. Though the firm will not collect the upfront margin from the client as Firm deals in only cash segment however firm will strictly follow
  - a) Collection of full payment as per the Bill-cum-contract amount on T+1 basis
  - b) In case of large value transactions part or full advance will be insisted from the client
5. The exposure with respect to every sub-broker/ terminal will be controlled by compliance officer/partner. As sub-brokers are having direct terminals the exposure limit will be defined to control the risk exposure of sub-broker/terminal.

6. Compliance officer will regularly assess the trades being executed by Clients/sub-brokers/sub-broker's client to check the trades in illiquid/Risky stocks. The past operation will also be tracked, to assess the risk Level of the firm in dealing with such clients. The trades in Z category stocks as specified by BSE will not be allowed, unless a special permission granted & only after due consideration. The compliance officer/partner will allow temporarily a specific exposure limit for dealing in Z group stocks
7. In case of a failure/default of a client to make the payment for the Shares purchased/traded, the shares purchased & lying in firm's pool Account will be squared off within the time limit prescribed in BSE Bye-laws & arbitration to be filed against the client to recover the Money, however to square off the position in prescribe time or not & Enough opportunity to be given to client & to make the payment will Be at sole discretion of the partners of the firm

### III) DEALING WITH CLIENTS FUND & SECURITIES

1. Firm will not accept/give any cash to any client for execution of any Trade
2. The client payment will be tracked to have been received only from the designated bank account mentioned in KYC form which will be tallied with master detail on back office software. In case of any deviation in bank detail, proof of same will be obtained from the client & master detail will be updated accordingly in back office software

3. The client shares will be tracked to have been received only from the Designated DP account so as to nullify the risk due to receipt of shares from other person's DP account. Incase if any shares will be given by any person on behalf of client then letter will be obtained from beneficiary owner stating that owner doesn't have any right/obligation from firm & client also will also be warned to stay Away from such activity
4. Pay-in/ pay-out of funds & securities will be made to the Respective client only

**Approval by the partners of the firm**

We have approved this Risk Management policy as reasonably designed to achieve and monitor our firm's ongoing compliance with the requirements of the exchange/SEBI.

**For S.A.DESHPANDE & CO**

**SD/-  
(Bhupatray.L.shah)  
Partner**

**Sd/-  
(Nilesh shah)  
Partner**

**Sd/-  
(paresh shah)  
Partner**

**Sd/-  
(Chetan shah)  
Partner**