

RISK MANAGEMENT POLICY

Preface:

This document shall be Risk Management Policy of the Company while carrying out its business activities as a Member of National Stock Exchange of India Ltd, Bombay Stock Exchange Ltd, Multi Commodity Stock Exchange of India Ltd and Metropolitan Stock Exchange of India Ltd . This document shall be used as guidelines for the activities namely client identifications and introductions, surveillance, record keeping for executing and carrying out the day to day transactions by the Company and its business associates.

A. Pre-Trading:-

We don't entertain any walk-in clients, clients with reference to our employees/management are allowed to part of SKKSPL family.

1. KRA Registration:-

It is very important to take adequate details from the clients to maintain a record of the details of the clients. We take the PAN of the client to verify the details in KRA database, whether he is registered with any of the KRA Agency.

After verification, if the client is registered, we fetch the data from the KRA Agency & verify the details taken from the clients. If the client is not registered, we collect self certified copies of all the required documents as per the checklist. i.e. PAN Card, Details of DP Accounts, Banks, Address proof, cancel cheque etc from individual clients.

In case of other clients we take the documents as per the checklist.

2. Registration of Client / KYC:

Collection of KYC form:

- Collection of KYC form from the prospective client with in-person verifications procedure
- Receipt of duly filled Client Registration Application Forms, with supporting documents
- Checking of Application Forms and allotment of the unique client code
- Re-checking of Forms and capturing of information into the system
- Final checking of Forms
- Documentation of Forms.

Checking of Application Forms and information capturing in the system.

The forms shall be checked for their completeness and correctness with the supporting documents, by the designated staff and the key fields are entered into system. A Unique Client Code (Trading Code) shall be allotted to the clients. Allocation of Client code is systemized so that the same code is not allotted to another client.

Final checking of Forms

Details of the clients verified once again with the information captured in the system under Maker-Checker concept.

2. Provision of Money Laundering Act 2002:-

It is the policy of the Company to ensure that effective KYC programme is put in place by establishing appropriate procedures and ensuring their effective implementation. It covers proper management oversight, system and controls, segregation of duties, training and other related matters.

Dispatch of KYC Kit:-

The Company should send the KYC, UCC detail & all other documents as executed by clients along with the welcome letter to the clients directly so that the client should have a copy of the documents signed with the company. It is the policy of the Company to introduce clients who are known directly or indirectly to the Directors of the Company. The Company does not entertain walk-in clients shall be on same line by the key personnel of the Company.

B. Trading

Internet Trading: - Internet Trading Facility is provided to clients on an optional basis. The software being utilized for the same is from Exchange Approved Vendor only.

Margin:-

The client is required to pay initial margin as specified by NSE / BSE / before placing any order. The Company reserves the right not to execute the order if the client has not placed the required initial margin.

Total deposits of the clients are uploaded in the system and clients are provided exposure on the basis of margin applicable for respective security as per VAR based margining system of the Stock Exchange and / or margin defined by RMS based on their risk perception.

Illiquid Securities / Penny Stocks:-

The Company does trading of “Penny Stock / Illiquid Securities and Z Group Securities” subject to rules, regulation, Articles, Byelaws, Circulars, Directives and Guidelines of SEBI and Exchange as well as considering the prevalent market and other circumstances at related point of time. The Company reserves the right to restrict the clients to buy / sell in penny stocks / illiquid

securities only on the basis of 100% upfront margin and on Delivery basis. Also the Company may have in place further restrictions in terms of quantity / value in each / all penny stock / illiquid securities.

T group, Ts Group and Z group In T group, Ts group and Z group:- We allow our clients a limit of Single trade value of Rs. 50,000/- which can be increased in the range of Rs. 5,000/- to Rs. 10,000/- gradually. The Total Gross Limit is enhanced with the permission of the management

C. Post Trading

Contract Notes & Daily Margin Statement:

We issue Contract Notes along with daily margin statement to all clients in digital format .

Issuance of Statement of Accounts:-

We issue statement of funds and securities to clients after the settlement along with retention sheet after settlement. Further we issue statement of funds and securities to all the clients at the end of each quarter.

Third Party Cheque:

We do not entertain any third party cheques/instruments.

Ongoing due diligence of KYC:-

In addition to the due diligence, the Company shall carry out further due diligence while verifying the KYC document on regular basis and collect the financial details.

Receiving, validating and entering the orders of Client in the trading platform:-

The new clients shall be assigned and introduced to a specific terminal operator and the operator shall be briefed about client's requirement for trading, investments and his risk taking abilities. Accordingly the terminal operator shall under instruction from the officials, allow the clients to place the orders during the live market subject to his risk profiles.