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# Farsight Securities Limited

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Policy created by	Operational staff and Compliance Officer
Policy reviewed by : Compliance Head	Policy reviewed on : 11.07.2024
Approval authority	Chairman – Dr. Naresh Maheshwari
Policy approved on : 11.07.2024	Previous Review : 04.08.2023
Periodicity of Review periodicity : Yearly	Last reviewed on : 11.07.2024
Version number : 110724	Policy on Website : Yes

## RISK MANAGEMENT SYSTEM

### 1) Margin

No account open without collection of margin from client. The client should inform about the exchange margin system. In case client open account only for sale of shares the advance Pay-in of shares collect from the client before sale of shares.

### 2) Financial background of client

Account shall be opened only after verification or financial back ground of the client in case of employee of private & government under taking. Extra caution required while verify the financial position also time to time check the current status of old client & update accordingly.

### 3) Exposure

Exposure given to client as per the exchange rules & regulations & check the position of client before close of market hours whether the client position within the limit.

### 4) MTM

Marked to market losses fixed for each client so that client can not incurred excess losses also fix the parameter for MTM ratio. Presently our MTM ratio is 50% of the deposit but it can be changed time to time depends upon the market situations.

## 5) Surveillance

Applied the Symphony trading software surveillance & squaring option so that all excess position squared sameday.

## 6) Delivery

- (a.) In case of purchases the delivery of shares transfer to client account only. If payment / cheque not received within the specified time the stock of client kept in CUSPA (Client unpaid Securities Pledge Account) Trading member sold unpaid shares kept CUSPA on T+6 days & informed to the client.
- (b.) In case if the client account has debit balance no stock transfer to client account, only transfer after clearance of all dues etc.
- (c.) In case of purchase of stock the delivery transfer to demat account of clients directly through NSE Exchange Clearing house within the specified period if no dues / debit balance outstanding in client account.

## 7) Check the Money & Delivery Inflow / Outflow

Check the delivery received / transfer only from / to designated account of client.

## 8) Employee account

Employee allowed to do trading only for delivery business, jobbing & others not allowed for staff of back office & front office.

## 9) Up gradation of Client Master

Client master upgrade in Symphony & neat server on regularly basis.

## 10) Intimation F&O client for risk involved in F&O trading

The client shall be informed about the risk involved in Derivatives trading & advice to go through the exchange risk disclosure documents.

## 11) Facility of voluntary freezing/blocking of Trading Accounts by Clients

Farsight provides the framework and facility of voluntary freezing/blocking the online access of the trading account to their clients.

The framework for Trading Members for providing the facility of voluntary freezing/ blocking the online access of the trading account to their clients on account of suspicious activities as finalized by the Brokers' Industry Standards.

Farsight provides two modes of the following communications through which the client may request for voluntary freezing/ blocking the online access of trading account if any suspicious activity is observed in the trading account from their Registered Email Id and Registered Mobile No.

The following modes have been provided to the clients to place the request to freeze/block the trading account:

- a) Email from registered e-mail ID at : stoptrade@farsightshares.com
- b) SMS from registered mobile number at : 9311522003

An e-mail ID and/or telephone number is provided by the Trading Member for this purpose, the above said e-mail ID/ telephone number is dedicated for receipt of communication for voluntary freezing/ blocking of the online access of the clients' trading account.

We take the following actions on the receipt of request through any modes of communications as provided by the Farsight Email Id. and Mobile No. for freezing/blocking of the online access of the trading account from the client: and The timelines for freezing/blocking of the online access of the clients' trading account is as under:

<b>Scenario</b>	<b>Timelines for issuing acknowledgement as well as freezing / blocking of the online access of the trading account.</b>
Request received during the trading hours and within 15 minutes before the start of trading	Within 15 minutes
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

We validate the request for freezing/blocking of the online access of the trading account is received from the respective client only. from their registered email id and mobile no.

- a) verifying whether request is received from the registered phone number/e-mail Id of the client, or where request is received from other than registered phone number/e-mail Id of the client, the Trading Member should have a client authentication procedure (2 Factor Authentication).in place or
- b) Following any other process as may be prescribed by the Exchange(s) uniformly in consultation with SEBI, from time to time

In case of failure of the Trading Member in freezing/ blocking the online access within the prescribed Timelines. Trading Member shall be responsible for any trades executed from the time of receipt of such request till such time the online access is blocked/frozen.

Post freezing/blocking the client's trading account send a communication on the registered mobile number and registered e-mail ID of the client, stating that the online access to the trading account has been frozen/blocked and all the pending orders in the client's trading account, if any have been cancelled along with the process of re-enablement for getting the online access to the trading account

**Re-enabling the client for online access of the trading account: -**

The Trading Member shall re-enable the online access of trading account after carrying out necessary due diligence including validating the client request and unfreezing / unblocking the online access of the trading account.

We maintain the appropriate records/logs including, but not limited to, request received to freeze/block the online access of trading account, confirmation given for freezing/blocking of the online access of the trading account and cancellation of pending orders, if any, sent to the clients. And details of open positions (if any) should also be communicated to the client along with contract expiry information within one hour from the freezing/blocking of the trading account. and This will eliminate the risk of unwanted delivery settlement.

**Policy reviewed in Board Meeting held as on 11.07.2024**

**Policy Approved in Board Meeting held as on 11.07.2024**