

Risk Management Policy

Client Registration

- Client is registered only after receiving KYC, Member Constitution Agreement & risk disclosure documents duly completed and filled up with all supporting.
- Client is registered only after verification of PAN from the website of Income Tax Department. Also verify that the prospective clients name do not appear in SEBI ban / debarred list.
- Documents given by the clients are verified from original documents.
- In person verification by the company employee before account opening.
- Financial detail is compulsory filled in KYC to know the soundness of client backed by relevant documents as far as possible. However Income tax return should not be the only criteria. Client's social status, his past dealings and net-worth should also be considered before allowing him to trade.
- Account opening letter is sent directly to the registered mailing address of the client to verify client address.

Order receipt, Execution of Trade and collection of Margin

- Order is received directly from client or person authorized by client only.
- In case of large order quantity / Script name and rate is reconfirmed before placing the order.
- Upfront margin is collected from clients in the form of Cheques or Securities only.
- Margin from client is collected in the form of cash or security.
- Trade Limits is set for all users/dealer and clients on a daily basis as stipulated by the Risk Management desk.
- All trading terminals have Quantity and price Limits to avoid the big losses from punching errors.
- Client is allowed to take positions based on permissible limits based on upfront margin collected.

Collection and release of Security and Fund

- The PAY IN of shares /funds from client comes only from their Demat Account and Bank Account declared in the KYC form.
- PAY OUT of funds is made to clients only after PAY IN of securities from clients and after adjusting all types of Margins.



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• PAY OUT of Securities is made to clients only after PAY IN of funds from clients.

- Proper check of the pay-in and pay-out is carried out to avoid any future disputes. In case if any shares / funds are received from a family member account, then a letter is required to be received for the same.
- If securities of the Family member/ friends are used as a client margin, specific letter to that effect should be collected from the concerned person /party to use his /their funds or securities as a margin for the client / family of the client.
- Cash payment is not made to client / accepted from client.

Business Continuity Planning

- Daily backup of important data is taken on backup server and on external hard disk and it stored at safe place out side the office premises.
- Incase of power failure USP system is there as backup with capacity of 3 to 4 hours so that trading will not be suffered.
- Back-up server of all critical system is there i.e. back office server, IML server, CTCL manager, Leased Line, Trading terminal and other servers to handle the unforeseen circumstance.

Regular Evaluation of client at frequent interval

All client account should be evaluated frequently and given a tag of LOW RISK, MEDIUM RISK and HIGH RISK client depending upon their outstanding balance. Low risk for less than 7 days, medium for 7-21 days and high risk for the outstanding amount of more than 21 days should be tagged in the Back office master.

Clients who have not traded with us for more than 365 days should be temporarily discontinued from the back office master. When the fresh trade of the said client comes, all papers should be checked and status of the client evaluated before punching the trade for the client.

For Arham Wealth Management Pvt. Ltd.

Director