

CRESCENT FINSTOCK LTD.

PRUDENT RISK MANAGEMENT SYSTEM:

The Company has a very strict system of screening the clients and only if the client fulfills the various criteria, an account is opened. The risk management systems considering the current operations of the company are:

1. The prospective clients are given application forms for being appointed as a client only after they have met the director through whom the client has approached us for opening an account.
2. The client registration team of the company personally meets the clients and assesses the financial position, risk appetite, investment objectives, past credentials, qualification, current working position, etc. The feedback of the same is made and given to the director for his clearance. After the same is found to be proper by the director, the permission for forwarding the Know Your Client form along with the agreements and various requirements is give to the client.
3. The completed form is then received and only after proper verification of the documents, checking the genuineness of the person and after carrying out the in-person verification of the client, the account is opened.
4. Every client is designated a proper dealer/s, and the dealer/s before accepting the order for the client, is given the background of the client so that the dealer is in a proper position to analyse the capability, the risk appetite and the investment pattern of the client so that proper risk assessment can be made considering the client.
5. The clients are personally known to the director and the overall exposure is determined for the person on the basis of the financial capability and on the money lying with us in the client ledger account.
6. The risk with respect to the trades done by the client is regularly assessed by the dealer. The dealer regularly interacts with the client, checks the trading pattern and assesses the risk vis a vis every trade done by the client.
7. In case of large value transactions, the clients are at times insisted on giving advance money / securities as may be required.
8. The client shares / funds are tracked to have been received only from the designated DP / bank account only so as to nullify the risk due to receipt of shares / funds from other persons account.

For Crescent Finstock Limited

M.J.Chandrasekar
Designated Director