

CRESCO FUTURES LTD.

Risk Management Policy

A Risk Management System is integral to an efficient Risk system. We have put in place a comprehensive risk management system, which is upgraded as per the Exchange, SEBI & PMLA norm and also as per Market Movement.

RMS Function includes:

- To check capital adequacy for exposure and requirements of the client
- Monitoring of Clients Order, Patterns of Trade, Order rejections, increasing/decreasing of Exposure/limits.
- Monitoring MTM profit/loss incurred out of trades.
- Decision taking with regard to squaring off positions on account of MTM loss or Margin shortfalls or any other reasons that may come across
- Submission to exchange the risk based supervision data on half yearly basis.

Upfront/initial margin is collected from clients before trading. We collect margin from clients as per their trading volume and Exchange reports and transfer to our Clearing Member. The aggregate of the client's obligations arising out of buy + sell trades at the end of the day is adjusted with their pay out "if any" in other segment. Limits are set through NEAT Admin according to availability of margin money in the account of client as well as Proprietary Trading in the form of cash/securities/FDR in CM, FO and CD segment. We follow up with clients daily at the end of trading hours for collection of their pay in obligation/MTM before the pay in time prescribed by the Exchanges. In case of exposure taken on the basis of non cash margin, the payment is required to be made before the exchange pay in date and time, otherwise positions are liable to be squared off after the pay in time or any time due to shortage of margin/funds.

Total Deposit means aggregate of ledger balance, value of securities after hair cut in margin and cash margin, if any, received from the client.

Cresco Futures Ltd. may, at its absolute discretion, decide to deregister a particular client if found that:

- SEBI or any other regulatory body has passed an order against such client ,prohibiting or suspending such client from participating in the securities market
- Such client has been indicted by a regulatory body or any government enforcement agency in case of market manipulation or insider trading or any other case involving violation of any law, rule, regulation, guideline or circular governing securities market
- Such client is suspected of indulging in illegal or criminal activities including fraud or money laundering.
- Such clients name appears in the UN list of prohibited entities or in the SEBI debarred list On the death / lunacy or other disability of the Client
- Such clients account has been lying dormant for long time or the client is not traceable

- If the Client being a partnership firm, if any steps have been taken by the Client and / or its partners for dissolution of the partnership
- Such client has been irregular in fulfilling obligations towards margin or settlement dues
- Such client has been declared insolvent or any legal proceedings to declare him / her as insolvent have been initiated.