

Risk Management Policy

ICPL have a prudent system of risk management to protect itself from clients default. ICPL framed its risk management policy in view of margin requirement of the stock exchanges.

7.1. Margin Collection

7.1.1 In capital market segment, It is not compulsory collect margin from the clients. ICPL Management decides on collection margin on client to client basis. So Margin collection system is varies from client to client and which as follows

- i) Client with sound financial back ground: The financial position of such clients evaluated at regular intervals. ICPL may not collect margin money from those clients whose cash flows looks healthy or exhibit a positive.
- ii) Close Relative/ Friends: ICPL reserve its right to collect margin from Close relative/ friends of the director. Management take decision on collecting the margin from Close relative/ friends on recommendation of the director.
- iii) Client having good reputation in terms of Cheque realization: ICPL do not collect Margin from Clients whose cheques are honoured 90% of times.
- iv) Client who are salaried employees in reputed organization: ICPL do not insist on margin from clients who are employed at reputed organization.
- v) Client who are introduced by sister organization: ICPL do not insist on margin from clients who are introduced by sister organization and have good reputation at those organization.

7.1.2 In Future & Option and Derivative segment of the market ICPL ensure strict margin collection from the clients before placing any order on behalf of them.

7.1.3 Margin is collected in the form of cash, GD, BG, Securities after applying appropriate hair cut and other assets permitted by exchange.

7.2 Monitoring Debit Balances

Branch Head and Compliance regularly monitoring debit balances of clients. They do age analysis of payment outstanding from the clients on monthly basis and categories them as i) High risk ii) Medium Risk iii) Low Risk.

High Risk Clients – Those clients whose outstanding dues remain more than 30 days ICPL puts them into high risk category and efforts are made to realize the money at the earliest. And ISBL puts them under watch for further transactions.

Medium Risk Clients - Those clients whose outstanding dues remain more than 15 days but less than 30 days, ICPL puts them into medium risk category. And efforts are made to realize the money at the earliest.

Low Risk Clients - Those clients whose outstanding dues remain more than 7 days but less than 15 days, ICPL puts them into low risk category.

7.3 Exposure to the clients

7.3.1 In capital market segment Clients exposure limit varies from client to clients . Management decides on Exposure limits to the clients.

7.3.2 In future & option and derivative segment ICPL clients exposure limit depend on margin receipts from clients.

7.4. Policy of square off position

7.4.1 The Clients are made aware of the fact that their position would be squared off incase of margin/ pay in default in writing at the time of opening of client account.

7.4.2 At the time of default the clients are further informed about the square off of trades over phone or in writing before square off of positions.

7.4.3 Dealers reminds the client on a daily basis regarding the margin / pay in requirement and also gives final call before square off of trades.