



Star Finvest Private Limited

MEMBER : National Stock Exchange of India Ltd, Bombay Stock Exchange Ltd, MCX, Depository Participant-NSDL
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STAR FINVEST PRIVATE LIMITED

RISK MANAGEMENT POLICY

Background legal requirements of this policy

1. Past requirements of exchanges/ good practice(s)
2. SEBI circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 as modified by SEBI/HO/MIRSD/DOP/CIR/P/2019/95 dated August 29, 2019
3. Frequently Asked Questions issued by
 - a. BSE vide notice no. 20190927-39 dated 30-Sep-2019
 - b. NSE vide circular no. NSE/INSP/42229 dated 30-Sep-2019

Star Finvest Private Limited (SFPL) is a member of the BSE Limited (BSE), National Stock Exchange of India Limited (NSE) & Multi Commodity Exchange of India Ltd. (MCX) and is registered with SEBI as a Stock Broker with SEBI Registration Number INZ000160735. SFPL is currently active in the Cash Market and the Futures and Options/ Equity/Commodity Derivatives Segment.

As per the Stock Broking Operations, client trade with SFPL. To manage the risk of such trading and to comply with the requirements of law and as a good practice, the following Risk Management Policy is being issued for the knowledge and information of the clients, employees, Authorized Persons and other stakeholders of SFPL.

1. Risk Officers

Mr. Surender Kumar Gupta, Director is designated as the Chief Risk Officer (CRO) of SFPL and Mr. Saurabh Bansal, Director is designated as the Deputy Chief Risk Officer (DCRO). All decision relating to risk matters will be taken by DCRO in consultation with CRO.

The decision of the DCRO/ CRO for the purpose of Risk Management shall be final in all respects.

2. Limits setting - offline business (cash market)

SFPL's business model is more towards an offline business rather than online business. Most of the clients have relationship based business. All clients would have to provide 100% funds before purchasing the securities and provide delivery (or Power of Attorney for securities in the Depository) before trading. However, based on the past relationship, trading behavior of the client, the known financial standing and the value of collateral deposited/ lying with SFPL, dealers and Authorized Persons have the discretion to permit additional exposure to the clients, both intra-day and on delivery basis, in the Cash Market. However, the said exposure cannot exceed the minimum margins payable per the Clearing Corporation.

3. Square up - online business

Internet trading clients will be set limits according to their track record and margin available with SFPL. Where the limit is breached, clients will not be permitted to take additional exposure by the system.

All online business is carried through the software provided by ODIN/Star Live Mobile Software. Currently, SFPL has not activated any feature of do not have any policy of auto square-up of the clients positions and the positions have to be squared up by the clients manually.

For STAR FINVEST PVT. LTD.


Director

4. Restriction of further exposure on T + 5 days

For any client continuously in debit for more than 5 days, further buying is to be stopped immediately and only sale will be permitted. As soon as the account comes in credit, further buying will be allowed.

5. Non-payment of pay-in obligations/ dues

Where the client is in debit and no request/ intimation has been received by the DCRO from the client (either directly or through the Authorised Person) for permitting continuation of the debit, the positions of the client may be squared off by DCRO after due notice of one working day.

In case of account still being in debit, notices to be issued and thereafter arbitration to be filed.

6. Transfer of Securities

In cases where:

- client has provided Power of Attorney of his demat account maintained with SFPL itself OR
- where the DCRO is convinced of the track record of client OR
- in any situation as seen expedient by the DCRO

securities will be transferred to the demat account of the client even if the account of the client with SFPL is in debit. SFPL shall have a lien on such securities till such time payment is received by SFPL for the same.

In all other cases, the securities will be transferred to demat account called Client Unpaid Securities Account (CUSA) maintained by SFPL and all regulatory directives relating to CUSA will be followed.

7. Approval

This revised policy has been approved at a meeting of the Directors of SFPL held on 01-April-2022 and is subject to annual review.

For Star Finvest Private Limited

(Surender Kumar Gupta)
Director

Date: 01-04-2022

