

SUNRISE GILTS & SECURITIES PVT. LTD.

RISK MANAGEMENT POLICY

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1.1	10/06/2025	PRATIK KUMAR MORE	Review and Approval of BOD

Approvals:

Name	Title	Approval Date	Version No
PRATIK KUMAR MORE	Risk Management Policy	28/05/2025	1.1



RISK MANAGEMENT POLICY

1. Introduction:

Sunrise Gilts & Securities Pvt. Ltd. ("the Company") is committed to identifying, assessing, monitoring and mitigating risks arising out of its business activities. The purpose of this Risk Management Policy is to establish a structured framework to manage various risks associated with securities market operations and ensure business continuity, financial stability and regulatory compliance.

2. Objective of the Policy:

The objectives of this policy are:

- To identify key risks associated with operations.
- To ensure adequate controls to mitigate risks.
- To protect the Company from financial and operational losses.
- To ensure compliance with SEBI and Exchange regulations.
- To maintain sound internal control systems.

3. Scope and Applicability:

This policy applies to:

- All business activities of the Company.
- All employees, directors and authorized persons.
- All systems, infrastructure and processes.

4. Types of Risks:

The Company identifies the following major categories of risk:

4.1 Market Risk

Risk arising due to adverse movements in market prices of securities, interest rates or market volatility.

4.2 Credit Risk

Risk of default by counterparties, brokers, clearing members or clients.

4.3 Operational Risk



Risk arising from system failures, human errors, process lapses, fraud or internal control weaknesses.

4.4 Liquidity Risk

Risk of inability to meet financial obligations as they fall due.

4.5 Compliance Risk

Risk of regulatory non-compliance leading to penalties or reputational damage.

4.6 Technology & Cyber Risk

Risk related to system downtime, cyber attacks, data breaches and IT infrastructure failure.

5. Risk Management Framework:

The Company follows a structured risk management approach:

Step 1 – Risk Identification

Identification of potential risks in all business activities.

Step 2 – Risk Assessment

Evaluation of likelihood and impact of identified risks.

Step 3 – Risk Mitigation

Implementation of controls, limits and procedures.

Step 4 – Risk Monitoring

Continuous monitoring through reports, logs and audits.

Step 5 – Risk Reporting

Reporting significant risks to senior management.

6. Risk Mitigation Measures:

6.1 Market Risk Controls



- Exposure limits as per Exchange norms.
- Real-time monitoring of positions.
- Stop-loss mechanisms.

6.2 Credit Risk Controls

- Trades only with approved counterparties.
- Periodic review of counterparty limits.
- No unauthorized credit exposure.

6.3 Operational Risk Controls

- Maker-checker system.
- Segregation of duties.
- System access controls.
- Periodic internal audits.

6.4 Liquidity Risk Controls

- Maintenance of adequate capital.
- Monitoring daily funds position.
- Restriction on over-leveraging.

6.5 Compliance Risk Controls

- Dedicated Compliance Officer.
- Periodic regulatory reviews.
- Timely submission of reports.

6.6 Technology Risk Controls

- Firewall and antivirus systems.
- Data backups and DR systems.
- Periodic vulnerability assessment.

7. Risk Limits and Controls:

The Company sets risk limits based on:

- Net worth.
- Exchange prescribed limits.
- Internal risk appetite.
- Nature of business (Pro Trading).



All limits are monitored daily by Operations and Compliance team.

8. Business Continuity and Disaster Recovery:

The Company maintains:

- Daily data backups.
- Alternate systems for critical operations.
- Business continuity procedures.
- Disaster recovery protocols.

9. Roles and Responsibilities:

Board of Directors

- Overall oversight of risk management.
- Approves the Risk Management Policy.

Director / Senior Management

- Implements risk framework.
- Reviews risk reports.

Compliance Officer

- Ensures regulatory compliance.
- Monitors compliance risks.

IT Administrator

- Manages technology and cyber risks.

Operations Team

- Monitors daily exposures and limits.

10. Monitoring and Review:

- Risk parameters are reviewed periodically.
- Internal audits are conducted.
- System audits validate controls.
- Corrective actions are implemented.



11. Training and Awareness:

Regular training is provided to employees on:

- Risk controls.
- Regulatory updates.
- System security.
- Fraud prevention.

12. Policy Review:

This policy shall be reviewed annually or upon regulatory or system changes.

13. Approval:

This policy is approved by the Directors of Sunrise Gilts & Securities Pvt. Ltd.

