

*Risk Management Policy*

**VIJETA BROKING INDIA PRIVATE LIMITED**

# ***VIJETA BROKING INDIA PRIVATE LIMITED***

## **1. INTRODUCTION:**

This is a policy document for guiding the operations of the organization.

## **2. PURPOSE:**

This document highlights the general risks that are carried by our company and the Risk Management Mechanism to bring the risks to acceptable levels of functioning.

## **3. CLIENT REGISTRATION:**

This is first stage of contact with the client. It is very important to obtain adequate details from the clients to maintain adequate records thereof.

1. The sales team shall contact the prospective clients for Registration. A base level due diligence with regards to its Constitution, Status and Acceptability under the Indian Laws is carried out.
2. The Client Registration Form shall be obtained from all the clients who are not specifically exempted by SEBI as per the Circular no. SEBI/MIRSD/DPS- 1/Cir-31/2004 dated August 26, 2004.
3. For the clients Exempted from the above procedure by virtue of the said SEBI circular, the Company Shall obtain all the details required for setting up the account and for ensuring Compliances stipulated by the Regulators from time to time.

## **4. BROKER CLIENT AGREEMENT:**

Broker Client Agreement is executed with the above referred non-exempted clients, at the time of client registration. It is as per the format prescribed by the regulators. This will cover all the responsibilities, Rights & Liabilities of client & the member.

## **5. RISK DISCLOSURE DOCUMENT (RDD):**

Trading in securities market involves risks of various natures. Clients need to be educated and informed about the risks

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Involved and the company as a policy will issue the RDD to all its clients and obtain its consent. This shall be carried out only for the Clients which are not exempted for RDD compliance by virtue of the above mentioned SEBI Circular.

### **6. TRADING:**

The Company shall carry out trades on behalf of the Clients Registered as per the above procedure. The Company shall also deal on behalf of Domestic Financial Institutions, Foreign Institutional Investors, Foreign Corporate, Indian Corporate and PMS Clients.

In case of Foreign Corporates the company shall act as per RBI guidelines.

**Self Trading:** for self trade mechanism, kindly refer to circular no. NSE/FAOP/32649 & NSE/CMTR/32648 for Future & Option and Capital Market Segment.

Considering above circular in our system we have set that **Passive** order will get cancelled in case of self-trade & Active order shall be executed. The company shall not be liable for any loss in such cases.

### **7. MARGINABLE & NON-MARGINABLE CLIENTS:**

The clients can generally be categorized as marginable and non-marginable clients. For marginable clients the Company is required to pay the Margin to the Exchanges. The Client should have adequate deposits with the Exchanges for Execution of the trades. This shall be done in co- ordination with the Accounts department. In case of Insufficiency of funds deposited with the Exchanges, the Accounts Department shall lodge adequate funds that shall be required for execution of the Trades of the Clients. The Clients shall keep adequate margin in form of cash and collateral as per Exchange Rules and regulations. The shortfall or additional money for margin can be give to the Broker by payment gateway, online transfer or offline payment by way of RTGS, NEFT or deposit of cheque in broker's client account. The credit for the same will be given on realization basis It shall be duty of the client to give details of the sum deposited to the broker by

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Email or by doing entry in the back office of the broker through client login. The credit shall be given after all such process and confirmations. Clients are requested to maintain adequate funds for trading. It may be noted the credit of funds deposited may take time and client may lose on trade. The broker shall not be responsible for such losses.

The Exchanges do not levy margin on the trades, carried out on behalf of non-marginable clients. The obligation of settlement is transferred to the Custodians when they confirm to settle the same. In case the Custodians do not accept the settlement obligation the trades are settled on a Delivery Versus Payment (DVP) basis. In such a situation these trades become marginable and the margin is payable on T+1 day.

### **8. CLEARING & SETTLEMENT:**

Almost all the trades of the clients are settled through Clearing Member or Custodians. The trades have to be confirmed by the Custodian of the client. Once the trade confirmation is completed the obligation of settlement of the trades is transferred to the Custodians. In case the trades are not confirmed by the Custodian of the Client the trades have to be settled on DVP basis. In such instance the client has to arrange funds

The Employees shall carry out all possible activities to ensure that the trades are settled through the Clearing Member or Custodians.

### **9. CONTRACT NOTES:**

The Contract Notes shall be sent to all the clients through the electronically (E l e c t r o n i c Contract Note). This shall be done keeping in mind the Compliance requirements of the Regulators. The client shall have to raise objection if any, within **24 hours** of receiving such contract notes. If no such objection is made it shall be assumed that the contract note is accepted. The client should give proper Email ID so that the Email does not bounce. It shall be duty of the client to inform change in E-mail Id, mobile number, address or any other vital information to the broker immediately through email or written instruction. The clients should use IBT(Internet base platform) or Mobile Application to execute the trades. In case the client is calling the broker office to trade, it should give its proper verifications to establish that no unauthorized person is trading on behalf of the client.

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In no event shall the company be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, Floods, Earthquake, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the company shall use reasonable efforts which are consistent with accepted practices in the broking industry to resume performance as soon as practicable under the circumstances.

### **10. SETTING OF CLIENT EXPOSURE LIMITS**

In case of all clients, each client having IBT terminals will be given a limit on its exposure. Client-wise segment exposure limits will be set based on the total funds and collateral received from the client and deposited to the clearing corporation. A team comprising of Sales Executive and Dealing Executive will be allocating the exposure limits to clients based on the above criterion.

This will be monitored through the Corporate ID (administrative) terminal located in the broker office or dealing room and the responsibility of day-to-day monitoring of exposure limits will be supervised by Head of Operations/ Manager Compliance. The overall responsibility of compliance of client exposure limits will i.e. with the Finance & Accounts Executive along with Compliance Officer.

The client shall maintain adequate funds for getting exposure limit as per rules and regulation of the exchange. In case of any default or shortage of fund on intraday or overnight basis Vijeta Broking India Pvt. Ltd. shall have right to Square-off the open position of the client in the market. Margin for Future & Option (F&O) Segment shall be maintained as per rules and regulation of the exchange. The client shall be at an obligation to give span margin plus exposure margin and addition risk margin if any to Vijeta Broking India Pvt. Ltd. on **live basis**. Such requirement of the margin shall be maintained as per margin files which are uploaded five or as many times during the day and final file at end of the day by the exchange.

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Vijeta Broking India Pvt. Ltd shall have right to square-off in case of Mark to Market (MTM) Loss is exceeding the margin available with the exchange. Any increase in the margin during the day shall be brought in by the client immediately to cover any MTM (Mark to Market) shortfall. In case of Cash market transaction same shall be applicable if the MTM loss is more than margin deposited by the client. It shall be the right of Vijeta Broking India Pvt. Ltd and not the obligation or duty to take such recourse. Addition buffer of cash collateral shall be kept by the client to avoid such situations.

- **Limits Available to clients**

As per Rules and Regulations of the Exchange and SEBI following limits for trading will be available to the Client for the funds and securities pledge with the Exchange.

<b>PARTICULARS</b>	<b>LIMITS</b>
CASH SEGMENT DELIVERY BUYING	AS PER CLEAR LEDGER (100%)
CASH SEGMENT INTRADAY	AS PER VAR MARGIN (90% of total limits)*
FNO FUTURE AND OPTION SELLING	AS PER SPAN+EXPOSURE +ADDITIONAL MARGIN (90% of total limits)*
FNO OPTIONS BUYING	AS PER CLEAR LEDGER BALANCE (100%)

(\* ) Total limit available will be in the ratio of 50 Cash: 50 Collateral .Benefit of excess collateral shall not be provided. Value of collateral will be after hair cut as per Exchange norms.

Funds and securities should be earmark segment wise (Cash and Derivatives). Across the Segment limit shall not be available. The Client may however shift funds and securities across segments by informing us.

- **Delivery selling (Holding) and buying against it**

Early pay in should be done for the shares which the client want to sell as delivery. Shares can only be sold after early pay in credit is received from the Exchange. The Client can buy shares up to 80% of value of sale proceeds of shares sold as delivery after early pay in.

- **Auto square of Cash Market Trades**

In cash market the Client are requested to put order in system as either Delivery trade (CNC) or Intraday trade (Normal/Intraday). All Intraday trades entered as Normal or Intraday which are not squared up shall be square up at 3.15 PM (Or at the time decided from time to time)at market rate irrespective of credit balance in the client account. Due to interoperability net obligations across National stock exchange (NSE)

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and Bombay Stock Exchange (BSE) shall be considered. If the stock is listed on NSE than it will square up in NSE otherwise on BSE. Client has an option to convert the trade from intraday to Delivery trade before 3.10 PM, if clear funds are available. All Pending orders of normal and intraday tag shall be cancelled before auto square up.

It shall be right of Vijeta Broking India Pvt. Ltd and not the obligation or duty to exercise Auto Square Up. If because of any reasons auto square up is not done the client will have to take the obligation of the trade done by them. Clients should ensure square up of all intraday trade before 3.10 PM. and not wait for Auto Square Up. In case the securities are not sold ,the client has to make good the funds obligation before pay in of the settlement.

### **11. BUYBACK OF SHARES AND SECURITIES ON NSE AND BSE PLATFORM:-**

Clients can opt for offering shares and securities for Buy Back offered by listed companies on NSE and BSE platform. The clients shall have to send duly signed "**Tender Form**" as prescribed by the listed company to us from their registered Email Id to [cdsl@vijetabroking.com](mailto:cdsl@vijetabroking.com). The Company shall apply the same on NSE or BSE platform within *48 hours*. The Acknowledgement generated will be send to the Client by e-Mail. In case the form is not processed due to any reason, we shall not be responsible. It will be duty of the client to do follow up for Receipt of the email and also shares and securities are offered and acknowledgement is generated. The company "**Vijeta Broking India Private Limited**" shall not be responsible if such shares do not go for buy back due to any reason. The client shall pay due charges as specified for such Buy Back in advance.

**12. Margin requirements in case of hedge positions:** - Client has to maintain adequate balance for the margin requirements of the exchange. In case of the following circumstances, shortfall of margin can come inspite of keeping adequate margin.

- ◆ Cheque issued by client to member is dishonored.
- ◆ Square up hedge position
- ◆ Increase in margins on account of change in hedge position by client/ expiry of some leg(s) of the hedge positions of the clients

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In case client square off the hedge position or due to loss of cross margin benefit the penalty shall be passed on to the client.

For e.g.:- +15 Banknifty future 52,000 and +15 Put 51000 strike prices. In the given case we get the set off margin benefits. If the hedge is sq up resulting in increase in margin resulting into penalty than such penalties will be pass on to the client, the above example is indicative & not inclusive in all instances.

**Margin Square-OFF** Positions which do not have sufficient funds can be squared off any time at the discretion of our RMS desk. There may or may not be a margin calls or intimation from our RMS desk. Positions would be squared off proportionally by the risk team to bring down the Client margin shortfall.

In case of extreme market volatility, margins may be demanded on intra-day basis and Clients should be able to replenish margins on immediate basis to avoid square off. Where market conditions so warrant, company may demand payment of MTM by electronic transfer and refuse to accept payment by cheque. Shortage in Margin and funds shall attract penalty as may be levied by the Exchange. All losses from daily settlements and losses from square off which are not paid shall be recovered by selling available collateral shares of the Client and Client shall be liable to pay the remaining balance amount.

Only square off allowed in ban symbol.

### **13. REVIEW AND UPDATE**

This policy shall be reviewed and updated on an annual basis or on any special event or circumstance.

**THIS SET OF POLICIES IS PRESENTED TO THE BOARD & APPROVED ON 16<sup>th</sup> October, 2024.**



# VIJETA BROKING INDIA PRIVATE LIMITED

## Voluntary Freezing/Blocking/Unfreezing/Unblocking Policy

### Policy on providing the facility of voluntary freezing/blocking the online access of the trading account to clients

#### **Background:**

SEBI vide Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024 and Exchange Circular no. NSE/INSP/60277 dated January 16, 2024 has issued circular on Facility of voluntary freezing/ blocking of Trading Accounts by Clients”.

As per the said circular trading members are supposed to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients on account of suspicious activities.

#### **Purpose :**

The purpose of this Policy is to set out the process to achieve the objective as mentioned above. Major parameters of this Policy are mentioned below :

#### **Mode of intimation by client for freezing/ blocking trading account**

The client willing to freeze/block the on-line access of trading account on account of observance of any suspicious activity may request for voluntary freezing/ blocking the online access of trading account through following mode

- 1) SMS from registered mobile number to registered mobile no: 8097471166
- 2) Trading Member's App / website : [www.vijetabroking.com](http://www.vijetabroking.com)

The request so received will be verified with our record and an acknowledgement will be issued to client post validation

The online access of the trading account given to client will be frozen/blocked as also will cancel all the pending orders of the said client.

The timelines for freezing/ blocking of the online access of the clients' trading account is as under:

Scenario	Timelines for issuing acknowledgement as well as freezing / blocking of the online access of the trading account.
Request received during the trading hours and within 15 minutes before the start of trading.	Within 15 minutes
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

#### **Trading hours shall be as follows:**

Capital Market Segment: 9.15 a.m. to 3.30 p.m., Equity Derivatives Segment: 9.15 a.m. to 3.30 p.m., Currency Derivatives Segment: 09.00 a.m. to 05.00 p.m., Commodity Derivatives Segment: 09.00 a.m. to 11:30 p.m. 2To begin with,

the time limit of 15 minutes is being specified for the purpose of issuing acknowledgement as well as freezing/blocking of the online access of the trading account.

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### **Communication post freezing/blocking on-line access of trading account**

A communication will be sent on the registered mobile number and registered e-mail ID of the client, stating that the online access to the trading account has been frozen/blocked and all the pending orders in the trading account, if any, have been cancelled.

Details of open positions (if any) will also be communicated to the client along with contract expiry information within one hour from the freezing/blocking of the trading account.

### **Record Maintenance**

Following records/log w.r.t. request received to freeze/block the online access of trading account be preserved for future use

confirmation given for freezing/blocking of the online access of the trading account and cancellation of pending orders, if any, sent to the clients.

### **Liability on the part of trading member in case of failure to freeze/block online access within time**

In case of failure in freezing/ blocking the online access within the prescribed timelines ( 15 minutes in case the request is received during the trading hours and within 15 minutes before the start of trading / Before the start of the next trading session in case the request is received after the trading hours and 15 minutes before the start of the trading ), we shall be responsible for any trades executed from the time of receipt of such request till such time the online access is blocked / frozen.

### **Process for re-enabling the client for online access of the trading account: -**

Submission of duly signed application for online access re-enablement

Request for re-enablement through registered email id

Re-enablement of online access be done after carrying out necessary due diligence including validating the client request

### **It is clarified that:**

a. Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of the Trading Member.

b. The request for freezing/ blocking does not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.