

Risk Management Policy



For & Exclusive use of

VIJETA BROKING INDIA PRIVATE LIMITED

1. INTRODUCTION:

This is a policy document for guiding the operations of the organization. This Document is for internal use and not for circulation.

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

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. It shall be the responsibility of the Dealers to confirm that the Company has 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 given to the Broker by payment gateway, online transfer or offline payment by way of RTGS, NEFT or deposit of cheque in broker account. The credit for the same will be given on realization basis within twenty four hours. It shall be the 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 company has to arrange for working capital.

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 (Electronic 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 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. IBT – SETTING OF CLIENT EXPOSURE LIMITS

In case of IBT clients, each client having IBT terminals will be given a limit on its exposure. Client-wise exposure limits will be set based on the total funds and collateral received from the client. 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 corporate office 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 lie 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 maintain as per margin files which are uploaded five times during the day and final file at end of the day by the exchange. Vijeta Broking

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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 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.

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. We shall apply the same on NSE or BSE platform within 48 hours. The Acknowledgement generated will be send to you 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. EFFECTIVE DATE

The policy is reviewed by board on 02nd December, 2021 and shall be effective w.e.f. 03rd December, 2021.

13. REVIEW AND UPDATE

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