

RMS POLICY

BAJAJ FINANCIAL SECURITIES LIMITED

Version: 3.0

Document ID.: Bajaj Broking_PLY_RMS – VOL_3.0_JUL_2024

2024

RISK MANAGEMENT SYSTEM (RMS) POLICY

Contents

RISK POLICY:	3
Margin can be in the form of any of the followings:	4
CASH:	4
SECURITIES:	4
COLLATERAL MARGIN:.....	4
DELIVERY PRODUCT	6
INTRADAY PRODUCT-.....	7
MARGIN TRADING FACILITY (MTF)	7
PRODUCT UPDATE -DERIVATIVES.....	9
DELIVERY PRODUCT	9
Demystification of Limit Mismatch in some cases.....	9
Mutual Funds	10
REDEMPTION OF UNITS	10
Dealing in Restricted Scripts.....	10
Liquidation.....	11
AGEING LIQUIDATION:	11
CUSPA (CLIENT UNPAID SECURITIES PLEDGE ACCOUNT)	11
SAFETY COVER LIQUIDATION	12
MARGIN SHORTAGE LIQUIDATION:	12
M2M LIQUIDATION	12
Timer Based Liquidation:.....	13
Overlap between Ageing and Risk liquidation Policy.....	13
Communication	13
Default by Client.....	14
Policy for Penny/Illiquid Stocks	14
Trading in newly listed shares, illiquid securities and illiquid F&O contracts	14
Policy on GSM/ASM securities	14
BAN SCRIP IN EQUITY DERIVATIVE	15
Unsolicited SMS.....	15
System Risk/Network Congestion	15
Policy on voluntary freezing/blocking of online access of the trading account.....	16

RISK MANAGEMENT SYSTEM (RMS) POLICY

RISK POLICY:

Bajaj Financial Securities Limited (hereinafter referred to as Bajaj Broking) is a member of the National Stock Exchange, Bombay Stock Exchange in the Equity, Equity Derivatives & Currency derivatives segments, having its registered office at Bajaj Auto Limited Complex, Mumbai –Pune Road Akurdi Pune 411035.

For the purpose of these Policies & Procedures, wherever the context so mentions "Client", "You" or "Your", it shall mean any natural or legal person or entity who has agreed to open an account or initiate the process of opening an account with Bajaj Broking by providing their information while registering on the platform as a user. Bajaj Broking allows any person to surf the website without registering on the website. The term "We", "Us", "Our" and "Team Bajaj Broking" shall mean Bajaj Financial Securities Limited.

FUNDS:

System of Pay in and Pay out of funds:

Pay in: Clients can transfer funds into the Trading Account only from such bank accounts which are registered with Bajaj Broking. Any transfer from a non-registered bank account will not be considered and the client does not get any trading limit credit for such transfers.

If a client chooses to transfer using NEFT or by means of cheque, there will be no cost.

If the client transfers funds via cheque, the details of the transfer along with a copy of the cheque should be made available to Bajaj Broking for the entry of the same in ledger, further the exposure on trading account will only be available after the clearance of cheque and credit of funds in Bajaj Broking account.

Pay out: All pay-outs will have to be compulsorily placed on the Backoffice access provided to the clients. All pay-out requests will be processed electronically, and the credit shall come to the client's primary bank account within 24 hours of having processed the pay-out request.

Withdrawal requests received till 5:30 PM on working days will be processed on the same day.

If you place a withdrawal request **after 5:30 PM**, it will be processed on the next working day.

Pay-out windows are closed on Saturday, Sunday and banking / clearing holiday - this means if you place a request on the above days or after 5:30 PM on prior day, it will be honoured only on next working day.

Margins:

Client Funding: Clients are required to have enough balance in their accounts to hold/carry forward positions.

NSE/BSE Equity: The client needs to have enough money / margin in his trading account to take delivery of shares failing which Bajaj Broking may liquidate the position as required.

NSE/BSE Derivatives: Clients are required to have sufficient balance / margin in their accounts to hold/carry forward positions.

RISK MANAGEMENT SYSTEM (RMS) POLICY

Client of Bajaj Broking when opens the account will either give the initial margin in the form of Cash, Cash Equivalent or Securities* and basis the same limit to trade is provided and is known as Margin.

* Securities shall only be accepted in margin-pledged form.

Margin can be in the form of any of the followings:

CASH:

For all exchanges and segments cash placed with Bajaj Broking shall be valued at 100%. However, only clear funds shall be considered for margin and no margin shall be provided against unclear balance.

SECURITIES:

Equity shares, Bonds & Mutual Funds (Free Balance) only in Pledged & Dematerialized form will be accepted as margin and valued at CMP or T-1 day closing price whichever is lower. Since Valuations fluctuate an appropriate haircut will be followed. Haircut is defined by the exchange which is VaR¹. Var files are daily uploaded by the Exchange. Bajaj Broking will apply Haircut which can be higher than Exchange/ Clearing corporation applied Haircut. Bajaj Broking reserves the right to disapprove any securities from acceptance of margin as per internal risk assessment.

COLLATERAL MARGIN:

- Margins will be provided after the applicable haircut. e.g. haircut of 10% would mean that if you pledged stocks worth Rs 1 lakh, Rs 90,000 (90% of 1 lakh) will be added as collateral margin to your trading account.
- You will be able to use this entire margin after haircut for taking intraday or overnight positions in equity and derivatives
- Cash Equivalents are considered as cash components by the exchange, so margin received from pledging cash equivalent will be as good as having cash in your trading account.
- All above limits are available after repledge of securities and allocation of funds to Clearing corporation.
- All delayed payment (interest) charges accumulated will be debited once every month in the ledger.
- Delayed Payment Charges (DPC) shall be charged in case of any shortfall in maintenance of margins in the form of approved securities, minimum 50% cash component, and utilization of margin more than 90% of the available client collateral as the same results in allocation/ utilization of proprietary collateral of Bajaj Broking (Bajaj Financial Securities Ltd)

¹ **VAR Margin** - The VaR Margin is a margin intended to cover the largest loss that can be encountered on 99% of the days (99% Value at Risk). For liquid stocks, the margin covers one-day losses while for illiquid stocks, it covers three-day losses so as to allow the Exchange to liquidate the position over three days.

RISK MANAGEMENT SYSTEM (RMS) POLICY

IMPORTANT:

- Bajaj Broking reserves the right to levy/ charge additional margins over and above the rates prescribed by Exchange/ Clearing corporation as per the internal risk management framework.
- When you send Market Orders in Options for multiple lots, for example, if you see the price of a Nifty option at Rs. 100 and you have Rs. 75000 in your account and you send a market order, during execution if the price of the option goes higher, your order still gets completed due to high market volatility or for any such reason, you may end up with a debit balance. This debit balance has to be cleared by you by end of day.
- For all intraday positions (MIS, CO, BO), even though we run square offs automatically, the onus is on the client to ensure all MIS, CO, BO positions are squared before market closing.
- Option premium received from writing options will not be considered as Cash/Capital.
- Positions which do not have sufficient funds can be cut any time at the discretion of our RMS desk. There will be no margin calls or intimation from our RMS desk in the event of high volatility hence it is always advised to keep sufficient margin.
- Any open positions can be squared off at the discretion of our RMS desk If the funds available in your account are short of exchange specified margins. There will be no margin call before the position is squared off, during times of extreme volatility, the loss could be more than the funds available in your account before the position is squared off. All resulting charges or debts that might occur from such square offs will have to be borne by the client.
- All BO, CO and MIS positions will automatically be squared off at the end of each trading day on best efforts basis.
- Fines levied by the exchange for short margin will be payable by the client.
- Clients will have to ensure all BO, CO, MIS, and intraday products are closed by the EOD.
- BO and CO are not allowed in preopen for Equities.
- Payments will only be accepted from the client's registered bank account. Cash and DD pay ins are not accepted.
- Instruments available for trading at Bajaj Broking are subject to the discretion of the risk management team, and these may change from time to time for various reasons.
- Physical Settlement in Equity Derivative Contract's.: All stock futures positions that are open at the end of the expiry day will have to be compulsorily physically settled and all In-the money (ITM) option contracts shall also result in physical settlement. Further, Delivery margins shall be levied on lower of potential deliverable positions or in-the-money long option positions four (4) days prior to expiry of derivative contract which has to be settled through delivery.
 - o 10% of Delivery margins computed on Expiry - 4 EOD
 - o 25% of Delivery margins computed on Expiry - 3 EOD
 - o 45% of Delivery margins computed on Expiry - 2 EOD
 - o 70% of Delivery margins computed on Expiry - 1 EOD

RISK MANAGEMENT SYSTEM (RMS) POLICY

CASH SEGMENT MARGIN REQUIREMENT-

As per SEBI Circular - CIR/HO/MIRSD/DOP/CIR/P/2019/137, November 19, 2019, margin Collection and Reporting of the same is made compulsory in Cash Segment. Hence clients are required to ensure to keep sufficient margin before initiating any trade in cash segment.

1. Client has to ensure to keep Max of 20% or VaR margins and Extreme loss Margin (ELM) upfront in account before placing any trade in cash segment.
2. Other margins are to be paid as soon as margin calls are made within T+1.
3. MTM loss to be collected by T+1 and no setting of with MTM profit of T+1 day is allowed.
4. Any excess margin/collateral available in MTF ledgers cannot be considered towards Margins of non-MTF transactions.
5. Liquid securities, in dematerialized form, actively traded on the National Exchanges, which are specifically not declared as illiquid securities by any Exchanges received from the respective client, may be considered while reporting margins to the Exchange.
6. Dematerialized units of liquid mutual funds whose NAVs are available, and which could be liquidated readily may be considered while reporting margins collected from clients.
7. Such units of mutual Fund should be margin pledged in favor of the member.
8. In case of G-Sec/T-Bills available in electronic form or margin pledged in favor of member may be considered while reporting margin. Before 45 days of maturity, margin benefits are not passed.
9. Cheques received/recorded in the books of members on or before T Day and deposited by T+1 day (excluding bank holiday) shall be considered in case of collection/reporting of upfront margin, provided the same are cleared within T+4 working days.
10. Bajaj Broking Risk reserves the right to liquidate any such position where initial margin or any such other margin as required by exchange is not available. Hence all obligation arising out of such liquidation is to be borne by the client.

Hence hereby it is requested to keep sufficient margin in cash segment also before placing any trade, in absence of required margin penalty as levied by the regulator will be charged to the client.

Bajaj Broking Risk reserves the right to liquidate securities available or open position or unsettled position as required to meet the margin obligation in accordance with the guidelines of the regulator. Any auction and penalty in accordance with the same is to be borne by the client in this respect.

Client has to ensure that overall required margin are made available at all times by considering their positions in derivative and cash segment on combined basis.

PRODUCT UPDATE- CASH

DELIVERY PRODUCT

Features & Definitions: This product is available for equity segments for all set of clients. Under this product buy trades are allowed against margins available and sell trades are allowed only against available holdings uploaded on trading system.

RISK MANAGEMENT SYSTEM (RMS) POLICY

Parameters:

- 100% Margin money is required for trading in Delivery Product.
- Selling allowed only against holdings available on trading systems.
- Stocks sold under this product will not be allowed to buy back same shares on same day.
- Credit equivalent to post haircut released on sell of holdings up to 80% of sell value.
- Trade for trade segment securities purchased today cannot be sold during the same day.
- In case ageing debit persist more than T +1 + 5 then, further trading will be not permitted (Only square off will be allowed)

INTRADAY PRODUCT-

Features & Definitions: This is an intraday product where all the trades taken under this product remain intraday. Orders are allowed against available margin applying appropriate haircut. Since all the positions are allowed only for Intraday, leverages are higher compared to Delivery Product.

Parameters:

- Internal approved securities are allowed after maintaining minimum margins of 20% or VAR+ELM
- All pending orders are cancelled first, and open positions are squared off at 3:15 PM or after on best efforts basis.
- Newly listed securities are not allowed under this product subject to the discretion of Bajaj Broking
- No trade-to-trade securities are allowed.
- Bajaj Broking is not responsible for Non liquidation of illiquid securities or securities which have hit the circuit breaker limit at the time of auto intraday square off.

If any intraday position or an MIS trade is not squared off on the same day due to any link or system failure or any risks associated with internet/wireless-based trading which may occur at the Client end, Bajaj Broking or the respective Exchange, it shall be treated as a Cash and Carry ("CNC") or NRML position and carried forward to the next trading day. In case of such a situation arising, the onus of squaring off the position will be on the Client. Our RMS desk shall square off any such position, without the requirement of a margin call, if the necessary cash is not available in the Client's account either on the same day or next trading day. Any losses or shortfall margin penalty on such situations has to be borne by client itself.

***Note:** Intraday square off timings can change based on the discretion of our risk management framework.

MARGIN TRADING FACILITY (MTF)

- MTF product is activated only after customer request is received for the same.
- MTF is available only in Equity Segment (Cash), Funding will not be provided over and above Sanction Limit, by default maximum sanction limit is 2.5 cr or any other amount at the discretion of Bajaj Broking. **Sanction limit may be increased subject to the margin availability**

RISK MANAGEMENT SYSTEM (RMS) POLICY

and Bajaj Broking policy, and to increase the Sanction limit either of the following two documents is required from the customer (a) Last three years Income Tax return (b) Latest Net worth certificate.

- Funding is provided only in the Exchange and Bajaj Broking Approved Stock available in Group 1 Securities.
- Margin applied as per the Bajaj Broking Risk framework subject to minimum rates prescribed by SEBI/Exchanges as per following.

<i>Category of Stock</i>	<i>Applicable Margin</i>
<i>Group I stocks available for trading in the F&O Segment</i>	<i>VaR + 3 times of applicable ELM</i>
<i>Group I stocks other than F & O stocks</i>	<i>VaR + 5 times of applicable ELM</i>

- Stocks sold under this product will not be allowed to buy back same shares on same day.
- Margin can be increased over and above rates at sole discretion of Bajaj Broking Risk Team without any prior intimation.
- On receipt of 'margin call', the client shall make good such deficiency in the amount of margin placed with the Stockbroker within such time as specified.
- Such margin as required if not made good by the client, then it will lead to liquidation of the securities as per mention date but not exceeding 5 working days.
- Any stock can be discontinued from MTF Facility without prior intimation at sole discretion of Bajaj Broking Risk. Hence any debit obligation which arise out of this shall be paid immediately to avoid any liquidation of stocks by Risk to cover such obligation.
- Initial Margin can be deposited in the form of fund and Approved stock after haircut.
- Client should have Initial Margin upfront or before the stock purchase.
- Interest will be charged on funding as availed and the same is to be obliged by the client.
 - Funding amount = Purchase average * qty
 - MTF Cash Collateral/ Margin = Accumulated interest + Funds given against MTF positions as an initial margin.

Client Code	MTF Cash Margin (Ledger) (A)	MTF Non Cash Margin (Pledged stocks post haircut value) (B)	MTF Funded Value (Purchase average * qty) (C)	MTF Ledger debit (D) = A+D	Interest to be charged on (E) = MAX debit of (C or D)
Scenario 1	10000	0	-40000	-30000	-40000
Scenario 2	0	10000	-40000	-40000	-40000
Scenario 3	5000	5000	-40000	-35000	-40000
Scenario 4	-8000	18000	-40000	-48000	-48000

- Higher interest rate (18%) may be charged if the re-call of MTF positions are not done within 30 days.

RISK MANAGEMENT SYSTEM (RMS) POLICY

PRODUCT UPDATE -DERIVATIVES

DELIVERY PRODUCT

Features & Definitions: This is a default product segment for derivatives segment. Clients can place orders in derivatives based on cash and collateral margin available. T-day **Span + Exposure** margin shall be consumed for Future buy and sell trade. The same is also applicable for options sell order. Margin consumptions shall be equivalent to premium in case of options buy orders.

Margin shall be blocked considering worst-case scenario that is system shall consider margin charged on all open positions including pending orders, MTM losses shall be deducted on real time basis from available margin. Credit of net realized / unrealized profit will not be considered in available margin.

In case if high margin shortage is observed or continues margin shortage instances are observed, your account might be put under risk reduction mode, wherein only square-off of position will be allowed and no new positions are allowed.

Parameters:

- Liquid contracts are only allowed, subject to discretion of Bajaj Broking.
- Far month / long dated options are not available for trading in general subject to the discretion Bajaj broking.
- In case ageing debit persist more than T + 1 + 5 then, further trading will be not permitted (Only square off will be allowed).

Demystification of Limit Mismatch in some cases

SEBI / Exchanges have given the right to the member to have their own margin requirements and valuation of securities method provided the same should not be lesser than SEBI/ Exchange criteria.

- For the Collection and reporting such as MTF Funding, Client margin reporting etc.: - Minimum rates as prescribed by SEBI/ Exchanges are considered for the purpose of reporting.
- For exposure on trading platform: - Margin & haircuts as per the internal risk assessment of Baja Broking.

Following table illustrates different scenarios due to which there can be a difference in the available/ free limits displayed on the Bajaj Broking platform and the margin statements sent to clients. .

Client Code	Normal Ledger	MTF Cash Margin (Ledger)	MTF Non Cash Margin (Pledged stock value)	MTF Non Cash Margin (Pledged stocks post haircut value)As per Exchange	MTF Non Cash Margin (Pledged stocks post haircut value)As per Bajaj Broking	Exchange minimum Haircut for pledged collateral valuation	Bajaj Broking minimum Haricut for pledged collateral valuation	MTF Funded Value (Purchase average *qty)	Sebi MTF margin%	SEBI MTF minimum margin requirement	Bajaj Broking margin %	Bajaj Broking margin requirement	Free Margin On trading platform as per SEBI MTF formula	Free Limit as per Bajaj Broking formula
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J) = H * I%	(K)	(L) = H * L%	(M) = A+B+D+J	(N) = A+B+E+L
Scenario 1	2500	7500	0	0	0	0%	0%	-30000	25%	-7500	30%	-9000	2500	1000
Scenario 2	1000	10	9400	7990	7520	15%	20%	-40000	20%	-8000	25%	-10000	1000	-1470
Scenario 3	500	5000	8800	7040	6600	20%	25%	-40000	30%	-12000	35%	-14000	540	-1900
Scenario 4	2000	-8000	27500	22000	20625	20%	25%	-40000	35%	-14000	40%	-16000	2000	-1375

RISK MANAGEMENT SYSTEM (RMS) POLICY

Mutual Funds

Bajaj Broking to offer facility for redemptions of Mutual Fund. This facility is provided using BSE MF platform. All mutual funds scheme approved by exchange for redemption are allowed.

REDEMPTION OF UNITS

To redeem the units, request has to be placed through relationship manager, Turnaround time to place the request is T+1 working day.

Dealing in Restricted Scripts

To avoid concentration on single scrip for client and at global level Bajaj Broking may have certain checks:

- Member (Bajaj Broking) level concentration for each scrip is capped at 15% of exchange (NSE & BSE) volume, subject to the discretion of Bajaj Broking.
- Client level concentration for specific scrip is capped at 15% of Bajaj Broking volume, subject to the discretion of Bajaj Broking.

Bajaj Broking may change its collateral valuation norms, depending on but not limited to the following factors:

- Market Volatility, Market Cap, Daily Volumes, Shifting of Scripts by exchanges between categories.
- M&A Activity, Corporate actions (Bonus, Stock-Splits, Delisting, Buy-Back)
- Exchange restrictions on specific stock
- Bajaj Broking shall from time to time classify restricted scrip and system will alert. List of securities which are restricted based on internal criteria.
- Bajaj Broking reserves the right to refuse execution of any transaction requests of the client on such restricted securities or to reduce the open market interests of the client in such securities/contracts.
- Bajaj Broking also reserves the right not to allow any trades or transactions in respect of certain securities or segments or orders/requests which may be below/above certain value/quantity as may be decided by Bajaj Broking from time to time.
- Scrips / securities listed in the SME (Such as "SM", "M", "MS" and "MT" series) segment are restricted for buying on our trading platforms, subject to the sole discretion of Bajaj Broking.
- Trading in securities such as Illiquid, GSM, or those categorized under groups like "Z" and "T" will be handled with caution. Bajaj Broking reserves the right to restrict fresh purchases of these securities on our trading platforms without prior notice, at its sole discretion.
- Any obligation arising out of any such trade or position taken in illiquid scrip or contract should be borne by the client on immediate basis to avoid any further action.

RISK MANAGEMENT SYSTEM (RMS) POLICY

Liquidation

Liquidation policy for below event:

- Ageing Liquidation
- CUSPA (Client Unpaid Securities Pledge Account)
- Safety cover liquidation
- Risk Liquidation
 - Margin Shortage Liquidation – FNO / Cash
 - M2M liquidation
 - Margin Shortage Liquidation

AGEING LIQUIDATION:

It is client's obligation to clear outstanding dues by T+1 (T indicates Trading Day). Client shall ensure timely provision of funds to Bajaj Broking to meet exchange obligations. Bajaj Broking reserves the right to close the positions / sell securities to the extent of ledger debit and/or to the extent of margin obligations.

Selling will be done in clients account on T+1 + 5 days for the ledger debit which is more than T+6 days on ageing basis. For e.g.: All trades executed on Monday will be squared off on next Tuesday(T+6) where T indicates Trading Day. In other words, if funds are not received for scrips purchased on Monday by next Monday i.e. T+5, Bajaj Broking shall liquidate securities to the extent of ledger debit.

Illustration:

Trading Days	Calendar days	Activity
T Day	Monday	Client buys security and pays the initial margin.
T + 1 Day	Tuesday	Client carries the position with initial margin.
T + 1 + 5 Day	Tuesday	Client's position is squared off to the extent the obligation is not met.

*Bajaj Broking will communicate to the client post T+1 till T+ 5 days to pay its obligation so as to avoid ageing selling on **T+6** Day.

CUSPA (CLIENT UNPAID SECURITIES PLEDGE ACCOUNT)

The unpaid securities (i.e., the securities that have not been paid for in full by the clients), such securities shall be transferred to respective client's demat account followed by creation of an auto-pledge (i.e., without any specific instruction from the client) in favor of a separate account titled – "client unpaid securities pledgee account".

RISK MANAGEMENT SYSTEM (RMS) POLICY

If any stock is pledged in favor of “client unpaid securities pledge account” and payment for the same is not cleared, then such securities will be disposed of within 4 working days from the date of pay-out in proportion to the amount not received and after considering any amount lying to the credit of the client. The balance securities will be unpledged / released to the respective client’s demat account.

Intimation about such securities pledged in favor of client unpaid securities account will be sent to client on registered email id well in advance from 2nd day onward hence client has to ensure to transfer funds and or liquidate securities to clear such obligation in time to avoid any liquidation from Risk end.

SAFETY COVER LIQUIDATION

Based on exposure provided, client must maintain minimum margin cover of 25% is required at any point of time. Once overall cover % touched 15% system will initiate auto liquidation of portfolio.

Under safety cover liquidation holding will be sold off to clear debit requirement. It is client onus to maintain sufficient cover on a continuous basis to avoid liquidation of overall holding. Client will not held Bajaj Broking liable for any loss or price at which holdings are being sold.

MARGIN SHORTAGE LIQUIDATION:

Initial Margin is collected upfront from all clients in leveraged segments. Daily Mark to Market losses shall have to be paid latest by T+1 day and any shortages in respect of Initial Margin shall be payable forthwith. In case of default to provide Mark to Market losses or Margins accordingly, Bajaj Broking shall be entitled to square off the open market positions without further reference or notice to the Clients. 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, Bajaj Broking may demand payment by electronic transfer and refuse to accept payment by cheque. Shortage in Initial Margin 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 forth with.

In case of position taken in **Cash Segment** and if margin shortage is observed then such position will be liquidated post sending of intimation if such margin requirement is not made good within specified timeline. In the event of high market volatility Bajaj Broking Risk may not be in a position to send any upfront intimation before liquidation of position hence client has to take note of the same.

M2M LIQUIDATION

M2M liquidation is built to manage the risk smoothly during volatile days. M2M based square off is a process whereby client’s position will be liquidated based on their margin erosion during the day due to M2M loss. This process will help the clients from going into negative / thin margin due to sudden / steep volatility in market and scrips.

Important Points

RISK MANAGEMENT SYSTEM (RMS) POLICY

- Positions may be squared off once M2M warning reaches 75%. Threshold for liquidation may be changed at sole discretion of Bajaj Broking Risk.
- Once position is liquidated due to M2M losses, client will be blocked for trading for the day. If the client subsequently infuses margin, risk team will review and will allow trading to such client.
- Details of funds transfer, or Cheque received during the day that are not updated on terminal cannot be updated for M2M margin consideration.
- Client should make good any loss arising in the event of non-liquidation of position by system due to any technical glitch or otherwise due to any such unforeseen reason where in Bajaj Broking is not able to liquidate the position.

Timer Based Liquidation:

Client will be able to trade in Intraday leverage product with minimum upfront margin. Position taken under such product needs to be squared off on the same day. If clients do not square off positions on the same day by stipulated time limit i.e. 3:15 PM then the positions would be squared off automatically on best efforts basis.

Overlap between Ageing and Risk liquidation Policy

Client must maintain minimum margin required as per Bajaj Broking policy at all point in time against debit outstanding/ positions. Risk team may liquidate positions from the time client has created debit obligations if not with the Risk liquidation Policy, or in Case of Concentrated Position in any Scrip, in case of high market volatility, in event of any regulatory guidelines or circular which specifies to carry out liquidation or which provide such assessment which demands liquidation to avoid any naked risk etc.

Short Option obligation if found created against only stock collateral may attract action as found required from Risk perspective post internal assessment of overall portfolio quality and available margin.

In case of overlap of ageing debit and risk shortfall, stock shall be liquidated to cover the ageing debit and risk shortfall, whichever is higher.

Bajaj Broking Risk reserves the right to review client portfolio from holistic point of view inclusive of but not limited to (*Scrip Quality, Liquidity, Concentration Risk, High Volatile Scrip's, Legal or Compliance perspective etc.*), considering all cash and derivative exposures. And if post such assessment Bajaj Broking reserves the right to ask for additional margin (either only in Cash or in Equity Collateral or Both) and or reduction in such exposure as required on immediate basis or by providing timeline.

Communication

RISK MANAGEMENT SYSTEM (RMS) POLICY

Client can view details of his/her ledger, holdings, margin requirement by login into his trading account. Regular post market intimations regarding debit, information about margin shortage will be sent by Bajaj Broking. e

Following are the few intimations which will be sent to clients:

- Margin Shortage Utilisation Intimation
- Selling Intimation Cash/F&O (Ageing)
- Final Selling Intimation Cash/ F&O (Ageing)
- CUSPA Selling Intimation Cash (Ageing)

Default by Client

Since securities are accepted as margin, movement of price may lead to valuations of securities which are not enough to cover debit / margin obligations. In such scenario, securities shall be liquidated and client has to pay any remaining debit, failure to pay the same may lead to legal arbitration with clients. If debit is not cleared by client, then Bajaj Broking will continue to charge interest on debit amount and if debit is not cleared within timelines prescribed Bajaj Broking reserves the right to file legal case to recover the debit amount.

Policy for Penny/Illiquid Stocks

Bajaj Broking may from time-to-time limit (quantity/ value) / refuse orders in one or more securities due to various reasons including market liquidity, value of security (ies), the order being for securities which are not in the permitted list of the stockbroker / exchange(s) / SEBI. Depending on the market condition and risk associated with it Bajaj Broking reserves the right to refuse to provide the limit in Penny Stocks and losses if any on account of such refusal shall be borne by client only.

Trading in newly listed shares, illiquid securities and illiquid F&O contracts

Newly listed securities, illiquid securities and Trade-to-Trade securities which have high VaR margin are subject to high market risks and rate fluctuations. Illiquid securities and Trade-to-Trade securities will have a daily price range (DPR) whereby the chances that these shares can reach the upper DPR or Lower DPR during a trading day are higher than other securities. Hence, the dealing in these securities will be subject to subject to the available credit balance and at the discretion of Bajaj Broking.

In case of Derivative contracts which are Illiquid, dealing would be restricted and would be subjected to discretion of Bajaj Broking.

Policy on GSM/ASM securities

In continuation to various surveillance measures already implemented, SEBI and Exchanges, pursuant to discussions in joint surveillance meetings, have decided that along with the aforesaid measures there shall be additional Graded Surveillance Measures on securities with price not commensurate with

RISK MANAGEMENT SYSTEM (RMS) POLICY

financial health and fundamentals like Earnings, Book value, Fixed assets, Net-worth, P/E multiple, Market Capitalization etc.

ASM / GSM will be handled with caution. Bajaj Broking reserves the right to restrict fresh purchases of these securities on our trading platforms without prior notice, at its sole discretion.

<https://www.nseindia.com/reports/gsm>

<https://www.nseindia.com/reports/asm>

https://www.bseindia.com/markets/equity/EQReports/additional_surveillance_measure.aspx

https://www.bseindia.com/markets/equity/EQReports/graded_surveil_measure.aspx

BAN SCRIP IN EQUITY DERIVATIVE

Creation of Fresh position is not allowed in BAN Contract's in Equity Derivative. Hence all BAN Scrip's contract's will be blocked everyday accordingly on trading system. Bajaj Broking Risk team has the right to liquidate any excess position in such scrip's without prior intimation. It is client's responsibility to ensure no excess position is created and or liquidation of position if any. Any penalty in this regard shall be paid by the client.

Unsolicited SMS

The Securities identified by exchange in which unsolicited SMS are circulated has been kept suspended from further buying & selling.

Further the square off will also be based on the extreme volatility in the market which may have severe impact on the client and Bajaj Broking. A prior intimation on the same may or may not be given and thus clients are requested to take care of their positions and MTM.

System Risk/Network Congestion

Trading on exchanges is in electronic mode, based on satellite/leased line-based communications, Combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond control and may result in delay in processing or not processing buy or sell orders either in part or in full. You are cautioned to note that although these problems may be temporary in nature, but when you have outstanding open positions or unexecuted orders, these represent a risk because of your obligations to settle all executed transactions. Any losses or shortfall penalty arising out of such scenarios Bajaj Broking will not be responsible for the same.

Bajaj Broking reserves right to amend/modify any of the policies/procedures mentioned above from time to time depending upon regulatory, market, external conditions and our internal risk management framework, and the customers can obtain such change/ modification from the Company's website.

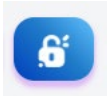
RISK MANAGEMENT SYSTEM (RMS) POLICY

Policy on voluntary freezing/blocking of online access of the trading account

SEBI vide Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024, has directed the trading members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients.

In accordance with the circular mentioned above and subsequent operating guidelines issued by the Exchanges, clients of Bajaj Financial Securities Limited (hereinafter referred to as “Bajaj Broking”) may request for voluntary freezing/blocking of the online access to the trading account through the following modes/channels, in the event the clients observe any suspicious activity in the trading account.

- **Visit our website:** <https://www.bajajbroking.in/> Or Samadhan Portal.
 - Click on [Freeze/Unfreeze Account](#) under important links.
 - Click on the below icon.



- **Call on our IVR** 1800-833-8888 and follow the instructions.

The request for freezing/blocking of the client’s trading account shall be accepted only upon successful validation of details of the client through OTP or any other mechanism decided by Bajaj Broking.

Bajaj Broking shall undertake following actions upon receipt of request for freezing/blocking of online access of trading account.

1. An acknowledgement of blocking request shall be sent to the client over Email & SMS on the registered Email and Mobile number.
2. The online access to the trading account shall be blocked within 15 minutes of registration of request, and simultaneously, all pending orders (including GTT orders), if any placed/modified via online mode, shall be canceled. The confirmation on the freezing/blocking shall be sent to the registered email-id and mobile number. The timelines for processing the request are as follows:

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 of registering request
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

3. Details of open positions (if any) shall be communicated to the client within one hour from the freezing/blocking of the trading account.
4. Online KYC/Account modification requests through Samadhan portal shall also be simultaneously blocked to prevent any unauthorized changes to the account.

RISK MANAGEMENT SYSTEM (RMS) POLICY

Important Note:

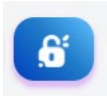
- i. Freezing/blocking is only for the online access to the client's trading account and shall not have any impact on the risk management actions taken by Bajaj Broking due to margin shortfall or settlement dues in Normal/MTF/ FO positions.
- ii. Bajaj Broking shall not be responsible for the losses, if any, incurred due to non-acceptance or delay in registration of request due to non-validation or delay in validation of request by the client for any reason including but not limited to non-receipt/ delay in receipt of OTP by client, etc.
- iii. Post freezing/ blocking of online access to trading account, the client may contact our customer care/RM/Dealer to place orders. Bajaj Broking shall not be responsible for any losses incurred due to delays in connecting with us for call and trade facility.

Procedure for unfreezing/unblocking the online access of the trading account

If online access of the trading account has been frozen/ blocked on account of voluntary freezing/blocking request submitted in accordance with SEBI vide Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024, then the client may follow below procedure to unfreeze/unblock the online access of the trading account.

The client may request for unfreezing/ unblocking the online access of trading account through any of the following modes/ channels.

- **Visit our website:** <https://www.bajajbroking.in/> Or Samadhan Portal.
 - Click on [Freeze/Unfreeze Account](#) under important links.
 - Click on the below icon.



- **Call on our IVR** 1800-833-8888 and follow the instructions.

Bajaj Broking shall re-enable the online access of the trading account after carrying out necessary due diligence by validating the client's request. The request for unfreezing/unblocking online access of the trading account registered before 1:00 PM shall be processed on the same day and the request received after 1.00 PM shall be processed on or before the next working day.

Bajaj Broking shall not be responsible for the losses, if any, incurred due to non-acceptance or delay in registration of request due to non-validation or delay in validation of request by client for any reason including but not limited to non-receipt/ delay in receipt of OTP by the client, etc.