Risk Management Policy
Cash & Derivatives

Version 3.3

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1.Roles and responsibility of Risk Management Group of ABML

- Derivatives shortfall in upfront Margin to be made up before 9:45 AM
- To exit client positions with risk cover less than 25%
- To safeguard against debit client by informing to Business team for collection of amounts.

2.Deviation Approving Committee

- CEO
- Head - Broking.
- Head - Risk Management and Surveillance

Any Deviation which is not listed in the "Deviation Matrix" can be approved by the following members:

- CEO
- Chief Risk Officer – ABC

- All Deviations must be approved only by officials authorized to do so and strictly as per Deviation Matrix
- All Deviations must be properly documented such that there is adequate audit trail
- Deviation approval mail must be sent by relevant team asking for deviation.
- In case any member in deviation approval committee is not available then such deviation can be approved basis other members and ratification to be done on email not later than 7 days from original approval.
- RMS to maintain the original approved email.

Background:
ABML caters to its stock broking clients by offering them online and offline broking facility through its website, mobile application, branches and franchisees. The policy looks at the risks associated with each of the products offered on the by ABML.

3.Process or Trading Flow

- Orders are placed in the Online, through Branches or franchised based on the request from the Clients.
- Dealer will check the "net credit" / "limit" upload in the Client Account before entering the order in the system.
- When the orders are accepted, confirmation of the order and the trade will be received in the respective Terminals.
- For order acceptance in equity, the "Net Credit" / "Limit" upload should be positive
  For order acceptance in futures and options, the "Net Credit" / "Limit" upload should be greater than or equal to the Span+ Exposure margin required for such position or portfolio position
  For further order acceptance, on top of the existing positions, the "Net Credit" / "Limit" uploaded (net of any notional loss) should be greater than or equal to the margin utilized.

The orders may get rejected for various reasons and the reason for rejection is displayed in the terminal.

4.Client Profiling

There are 2 types of client profiling:

1. Normal

2. Dormant

Dormant Profile:

Clients who are inactive for the last 2 Years i.e. last traded date of client is older than 2 years will be considered as Dormant. The reactivation of such client will be done basis email / recorded line request from client for reactivation.

5.Products and leverages

EQUITY segment

Product	Securities Group	Exposure
MIS	F&O Securities	5 Times
	Collateral approved securities (ABML+NSE)	5 Times
	Collateral approved securities (NSE)	4 Times
Cover Order	NIFTY 50 Stocks	Upto 5 Times with SL
Bracket Order	NIFTY 200 Stocks	Upto 5 Times with trailing SL
NRML	All securities	Higher of Exchange specified Var + ELM + Adhoc margin or ABML margin

***Securities are reviewed daily to synchronies with NSE exchange VaR Margin %.**

EQUITY Derivatives segment

Segment	Product	Securities Group	Exposure
Equity Derivatives	**MIS**	All Underlying	Exchange specified Span + Exposure + Delivery Margin
	NRML	All Underlying	Exchange specified Span + Exposure + Delivery Margin
	Cover Order	NIFTY & BANKNIFTY	Exchange specified Span + Exposure
Currency Derivatives	**MIS**	All Underlying	Exchange specified Span + Exposure + Delivery Margin
	NRML	All Underlying	Exchange specified Span + Exposure + Delivery Margin

Commodity Derivatives segment

Product (Order Type)	Symbol	Exposure
MIS	Non-Agri Product Only	Exchange specified Span + Exposure + Delivery Margin+ Other margins
Cover order	GOLD, GOLDM, SILVER, SILVERM, SILVERMIC, CRUDE OIL, CRUDE OIL MINI, COPPER & COPPERM near month contracts	Exchange specified Span + Exposure + Delivery Margin+ Other margins
Options	Non-Agri Product Only	Exchange specified Span + Exposure + Delivery Margin + Other margins
NRML	Non-Agri Product Only	Exchange specified Span + Exposure + Delivery Margin + Other margins

Day auto Square-off:

- Margin Intra-day Square-off (MIS), Cover Order (CO), Bracket Order (BO) is a product designed for intra-day trading
- Clients willing to carry forward the intra-day positions may convert the positions from MIS to NRML as per availability of margin.
- The auto Square-off shall commence 15 minutes prior to market close.
- The auto Square-off for commodity segment shall commence 20 minutes prior to market closing hours.

6.Monitoring of Mark to Market

Clients incurring Mark-to Market loss of 75% of the combined margin (Pledged stocks and Cash), open positions will be closed after giving sufficient time for margin call. For clients having debit with risk cover < 10% will not be allowed to carry forward the positions.

Calculation of Risk Cover % = (Pledged stocks Value (B.H.Cut) – Ledger Debit – Option sell value) / (Pledged stocks value(B.H.Cut)*100.

7.Policy on Position Management During Tender Period / Restriction on Fresh Positions (Commodity segment)

- RMS shall ensure that no **new open positions** are created in **Option contracts** during the **tender period**, as this may attract delivery settlement.
- Clients are **prohibited from initiating fresh positions** during the **last 5 trading days prior to contract expiry** in:
  - Contracts with **delivery settlement**
  - Contracts governed by **intention matching-based delivery**
- Exception: This restriction shall **not apply to internationally referenceable commodities**.
- **Applicability**
  - The above restrictions shall be enforced **at the individual client level**.
  - Applicable specifically during the **last 5 trading days** of contracts that are **not under compulsory delivery logic**.

- **Delivery Intention Requirement**
  - Clients holding open positions and intending to opt for delivery must **submit their delivery intention at least 5 days prior to contract expiry**.

3. Control & Monitoring

- RMS shall implement **system-driven checks and alerts** to:
  - Prevent creation of positions during the tender period
  - Monitor client-level compliance on delivery intentions
- Any deviation shall be **immediately escalated and rectified** to mitigate regulatory and financial risk.

8.Cheque Acceptance Policy

1. Objective

To establish standardized controls for acceptance of cheques, ensuring operational integrity, regulatory compliance, and mitigation of financial and fraud risks.

2. Scope

This policy is applicable to:

- All clients transacting with ABML
- All Branches and Franchisees
- All cheque-based fund collections

3. Policy Guidelines

3.1 Cheque Handling & Custody

- Physical cheque must be **received and held** by the Branch/Franchisee through **authorized personnel only**.
- The **original instrument must be mandatorily captured** in the in-house/back-office system.
- This requirement is **applicable to all clients and all transactions** without exception.

3.2 Acceptance Criteria

Cheques will be accepted only if they meet the following conditions:

- Drawn from a **bank account registered/mapped** to the respective client in the system
- Belonging strictly to the **client's own account** (no third-party instruments allowed)
- Branch and franchisee to check if Properly filled with:
    - Date (current date only)
    - Amount (in words and figures)
    - Signature matching bank records

3.3 Non-Acceptable Cheques

The following instruments shall **not be accepted under any circumstances**:

- **Post-dated cheques**
- **Undated cheques**
- **Outstation cheques**
- **Third-party cheques**
- Cheques issued from **unmapped/unregistered bank accounts**

3.4 Limit Eligibility Against Cheques

- Trading limits shall **not be granted against cheque capture**, except in cases where **specific comfort and approval is taken from Zonal Heads**.
- Any such exception must be **strictly controlled and monitored**.

4. Roles & Responsibilities

4.1 Branch / Franchisee

- Ensure **physical possession** of the cheque before system entry
- Perform **mandatory verification checks** before capturing cheque details
- Ensure **100% compliance** with all policy conditions
- A**ccountability** for any deviations or violations rely on the respective branch / BP

4.2 Risk Management Team

- Review and monitor **limit allocation against uncleared (UR) cheques**
- Receive and analyze **daily MIS reports** on cheque-based exposures
- Flag exceptions and initiate corrective actions

5. Accountability & Enforcement

- Branches/Franchisees shall be **solely responsible and accountable** for any violation of this policy.
- Non-compliance may lead to **disciplinary action and restriction of operational privileges**.

9. Limit upload in NEST:

Given below are the details of upload under LD menu.

Cash Margin :

Combined Ledger Debit / Credit as on date as per back office

(-)

Unreconciled amount (cheque amount not yet cleared)

(-)

Selling value which is not given delivery (short sell value)

Collateral Value:

Stock limit available in collateral via Margin Pledge only after respective haircut (This value can be used for trading in Equity & FnO).

- Only adjustable securities, Mutual Funds (10%) & Bonds (20%) are considered for collaterals.
- Haircut depending on the carry forward times of the security (Var +ELM +Adhoc exposure Margin)

Adhoc Margin:

Total MTF Funded Stocks Value (on Purchase value) in MTF Product based on pledge confirmation. Applicable only for MTF exposure clients.

Please note MTF pledged securities are not considered for limit.

10. Base Capital Management (Approved List of stocks)

- Only adjustable securities, Mutual Funds & Bonds are considered for collaterals.
- Haircut depending on the carry forward times of the scrip.
- Debit in an account due to a purchase of securities or due to Mark to Market loss will have to be settled through cash payment.
- If such debits are not cleared, RMS may take suitable action like liquidating collaterals or POA stocks etc.

11.Ageing Debit

Ageing Debit is classified as Debit outstanding in Client a/c beyond T+1+5 days in Equity & Derivative segment.

- Debits lying in client accounts either due to MTM or towards purchase of stocks with adequate comfort via collaterals are categorized under ageing debits.
- Branches have the provision to view details of clients ageing debit through Wedge, E-Mac and LD Diet.
- Information will be shared by RMS through SMS to clients.
- RMS initiates selling for those clients where payment is not received.
- System randomly selects stocks up to the value of debit irrespective of whether stocks are held in CUSPA account, Collateral (Margin Pledge) or in POA demat a/c.
- Securities shall be held under pledge in CUSPA upto 100% of the bill value and once the client fulfils fund obligation within T+1+5, the securities shall be released from pledge so that the same are available as free balance.
- Selling of ageing debit is done at 12.00 p.m. by RMS in NSE/BSE only and in CNC mode.

With reference to SEBI Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/2016/95 dated September 26, 2016 & CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated Jun 22, 2017. Ageing debit process has been changed as follows.

If Equity shares worth Rs.10 Lakhs are purchased on 1st of a given month (being Monday), and remains unsettled till 9th of month (being Tuesday), ageing debit selling will be initiated on the same day i.e. on Tuesday to enable you to avail continuous trading facilities from 10th day of the month (being Wednesday).

Alternatively further exposure on securities shall not be granted if ageing debits remain uncleared by T+1+4th trading day, which in turn will result in trading facilities being blocked in all segments from T+1+5th trading day onwards till clearance of ageing debit.

12. Margin Calls and Compulsory Square-off:

Clients Falling Under Compulsory Square-Off

The following clients shall be considered for compulsory square-off action by RMS in case of non-fulfilment of margin obligations:

- Clients having margin shortfall arising from positions taken in the derivatives segment.
- Clients incurring Mark-to-Market (MTM) losses on derivative positions.
- Clients with uncleared debit balances against earlier purchases where the underlying stock value has depreciated.

Such clients shall fall under the purview of RMS for compulsory square-off action from 9:45 AM onwards in the event of non-receipt of required funds/margins. Prior to initiating compulsory square-off, RMS undertakes the following communication measures for clients with margin shortfall:

- SMS alerts are sent intimating clients regarding margin shortfall and compulsory sell-off timelines.
- Shortfall client details are made available to branches through MIS reports accessible via E-Mac, Wedge, and LD Diet platforms.

The above process is applicable to all ABML Branch/BP clients, excluding Wealth clients.

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13. Margin Policy for trading

- For derivatives segment and Equity cash segment, the upfront Margin must be collected from the client should be equal to the margin stipulated by the Exchange.

- Limit (for trading) would be provided for fresh buy/sell positions only on receipt of prescribed margin as per the respective Exchange (this includes exchange prescribe minimum margin plus ABML buffer).

- **Factors which would constitute for the limit upload are as follows:**

  a) Credit balance
  b) Approved stocks in Margin Pledge after a haircut

A. Margins Applicable in Equity Cash Segment

1. VaR Margin (Value at Risk Margin)

VaR Margin is the minimum upfront margin collected in the Equity Cash segment to cover potential losses arising from adverse price movements under normal market conditions.

The applicable VaR Margin percentage is prescribed by the Exchange from time to time based on the volatility and liquidity profile of the respective security. Collection of VaR Margin upfront before execution of trades is mandatory. Broker can collect 20% in leu of VaR + ELM margin for reporting purpose only.

2. Extreme Loss Margin (ELM)

Extreme Loss Margin (ELM) is collected over and above the VaR Margin to provide additional protection against abnormal market volatility and unforeseen market movements.

The ELM requirement is determined by the Exchange/Clearing Corporation and is applicable on all cash market transactions. Collection of ELM upfront is mandatory.

3. Mark-to-Market (MTM) / Debit Obligation

In the Equity Cash segment, clients are required to meet settlement obligations arising out of purchase transactions within Exchange-prescribed settlement timelines.

In case of:

- non-payment of purchase obligations,
- ageing debit balances, or
- significant erosion in collateral value,

RMS may liquidate securities and/or collateral in accordance internal policy and applicable Exchange regulations.

4. Additional / Ad-Hoc Margin

Exchanges may impose Additional Margin, Ad-Hoc Margin, or Volatility Margin on specific securities during periods of heightened volatility, concentration risk, or abnormal market activity.

Such margins are applicable in addition to regular VaR and ELM requirements and are required to be collected from clients within prescribed timelines.

B. Margins Applicable in Derivative Segments

1. Initial Margin

Initial Margin refers to the upfront margin collected from clients for taking positions in derivative contracts, whether long or short. This margin primarily comprises SPAN Margin and Exposure Margin, as prescribed by the Exchanges/Clearing Corporations.

The applicable margin percentages are specified by the Exchanges for respective contracts and may be revised from time to time based on market volatility, concentration risk, or prevailing market conditions. Any revision in margin requirements shall become immediately applicable to both existing open positions and fresh positions created thereafter.

Initial Margin is intended to cover the maximum probable loss that may arise over a two-day period under normal market conditions.

2. Exposure Margin / Extreme Loss margin (ELM)

Exposure Margin / ELM is an additional margin collected over and above SPAN Margin to provide further protection against market volatility and unexpected price fluctuations.

The applicable ELM requirements are prescribed by Exchanges and are subject to periodic revision.

3. Special Margin

Special Margin may be imposed by Exchanges in cases of abnormal price movement or heightened volatility in a contract.

Where the price movement in a contract reaches the prescribed circuit filter limit and such limit is subsequently relaxed by the Exchange, an additional Special Margin equivalent to the extent of relaxation may be levied.

Such margin may be imposed selectively on either the long side or short side, depending upon market conditions and Exchange directives. The computation and collection of Special Margin is carried out on a real-time basis.

4. Additional Margin

Additional Margin refers to margins imposed by Exchanges/Clearing Corporations over and above prescribed Initial Margin requirements to manage heightened market risk, concentration exposure, or extraordinary market conditions.

Such margins may be levied on both long and short positions and are collected on a real-time basis as stipulated by the Exchanges.

5. Delivery Margin / Delivery Period Margin

In contracts resulting in physical settlement, Delivery Margin (also referred to as Delivery Period Margin) is levied during the delivery period to cover risks associated with physical settlement obligations.

Such margins are applicable on long option positions which are In The Money and remains applicable until settlement of delivery obligations.

The applicable margin requirement is determined by the Exchange based on security/commodity-specific risks, settlement period, and market volatility.

6. Mark-to-Market (MTM) Margin

Mark-to-Market (MTM) Margin represents the daily profit or loss arising from open derivative positions based on settlement prices declared by the Exchange.

Any MTM loss resulting from adverse price movement is required to be funded by the client within the timelines prescribed by the Exchange/Clearing Corporation. MTM settlement forms part of the daily risk management process applicable to derivative trading positions.

7. Peak Margin Requirement

Clients are required to always maintain adequate margins during the trading day in accordance with the Peak Margin framework prescribed by SEBI and Exchanges.

Any shortfall in maintenance of applicable peak margins may attract regulatory penalties as levied by the Exchange/Clearing Corporation.

14.Policy on Trade modifications - Dealing errors (Misdeal/Trade split)

Misdeals or Trade Splits refer to trading errors arising due to operational, system, or human error wherein trades executed differ from the client’s intended instructions. Such errors may include incorrect punching of client code, typographical mistakes, excess buying/selling, incorrect square-off of positions, wrong expiry selection, or execution errors committed by Dealers or RMS executives. Any trade resulting in unintended client exposure or loss due to such operational lapses shall be treated as a dealing error.

All dealing errors and trade modification requests shall be subject to detailed review and verification by RMS and Operations teams. The review process shall include validation of client instructions, system logs, order records, audit trails, and call recordings, wherever applicable. In cases where the error is established as genuine and attributable to operational or system-related reasons, corrective action or reversal may be considered after obtaining appropriate internal approvals.

RMS shall maintain strict monitoring over all error trades to prevent misuse of the trade modification process. Special attention shall be given to identifying any attempt to manipulate market rates, transfer profits/losses between accounts, or intentionally misuse error trade provisions. Any suspicious or deliberate activity shall be escalated to Compliance Head and Management for disciplinary and regulatory action.

Trade modifications shall not be permitted for client convenience, profit/loss adjustments, or avoidance of margin obligations. Modifications shall be allowed only in genuine and exceptional cases arising out of bona fide operational errors and subject to applicable Exchange regulations and internal approvals.

In case trade modifications are carried out between accounts belonging to the same family, applicable Exchange penalties shall be levied and passed on to the respective client account.

Trade modifications requested due to punching errors by employees shall require approval as per approval matrix. Details of such operational lapses along with applicable penalties shall be reported to HR for suitable recovery or adjustment from the concerned employee's remuneration. Repeated dealing errors may attract disciplinary action as deemed appropriate by Management.

All trade modifications, investigations, approvals, and corrective actions shall be properly documented and retained for audit, compliance, and regulatory review purposes.

Threshold amount of **loss** to be booked in ABML a/c due to Misdeal per case/client (in Rs.)	Approving Authority to approve rectification of the Misdeal (and subsequently take the loss on ABML account)
Profit to be booked in ABML a/c	Head – RMS
Upto Rs.10,000	Head – RMS
>Rs.10,000 and <Rs.2,00,000	Head – Broking or Chief Financial Officer
>Rs.2,00,000	Head - Broking & Chief Financial Officer

15.Shifting clients from one Branch to another & Clients closure of ABML relationship

The transfer of clients from one Branch/BP to another shall be permitted subject to the following conditions:

- Clients should preferably not have any open positions at the time of transfer. In cases where adequate comfort or approved risk coverage is available, transfer may be considered subject to Head – RMS approval.
- The client account should not have any "naked debit" balance at the time of transfer. However, inter-branch transfer may be permitted for minor debit balances up to Rs. 1,000/-.

- In cases where the client account carries a debit balance, transfer may be allowed only if the transferee Branch/BP formally confirms acceptance and responsibility for recovery of the debit balance.
- All transfers shall be subject to necessary system checks, internal approvals, and documentation as prescribed by the Operations/RMS team.

Pre-requisites before a client account is closed

- There should be no outstanding debit balance in the client account.
- No unrealized (UR) cheques should be pending for realization in the client account.

16. Debtor’s Management:

RMS prepares the client wise debtors report on periodically basis and informs the same to Business verticals.

Debtor’s calculation = {Total Stocks Value (B.H.Cut) + Option sell Value – O/S sell value – combined Ledger Net Dr/Cr}

RMS is sharing client-wise Business Partners’ debit, where Accounts Department will compute the amount to be released as payout to the Franchisee’s based on income and trading Debit with necessary charges and approvals.

For releasing Business partners’ monthly brokerage withheld based on client wise debit is being calculated as below:

Debtor’s calculation = {Total Stocks Value (B.H.Cut)(excl POA Stocks) + Option sell value – O/S Sales - combined ledger Net Dr/Cr - Unreconciled Amount}.

17.Mutual Fund Transactions through MFSS:

- Orders can be placed through NEST or Exchange Direct Terminals.
- Upon order placement, clients will receive a payment link through UPI/NEFT/Fund Transfer from the registered bank account of the beneficial owner.
- Both fund proceeds and units will be directly credited to the client’s registered Bank and Demat Account.
- Redemption is permitted only against free Demat holding units.

Client Detail Validation

Post order placement, client details and redemption units are validated by the Exchange and RTA before T-Day EOD. Redemption proceeds will be processed only upon successful completion of the required validations.

18. Buyback / Tender Offer:

Clients need to have sufficient securities in demat account to participate in BUYBACK / TENDEROFFER.

For Non-POA clients, participation is allowed after confirmation from back office. RMS will provide the confirmation on release of securities to participate in Buy Back to respective team.

19. OFS Participation:

- On the OFS day, the Funds Team shall transfer the required upfront margin to NSE/BSE before order placement, in line with Exchange requirements.
- RMS shall confirm margin availability for OFS participation to the respective team, along with order quantity and price details.
- For Retail Investor category participation, the order value must not exceed ₹2 lakhs.

20.SEBI Margin Trading Facility (MTF) Product

DDPI / POA is mandatory to start trading in MTF product.
Client must accept his consent towards MTF Funding facility online by accepting Rights and Obligation to map SEBI MTF category.

Cash & Security Margin Upload:

- Combined cash margin (Normal + MTF) is being uploaded in trading system as cash margin column.
- Funded Stocks (purchased) are valued on purchase price and uploaded in NEST.
- Funded Stocks which are bought in MTF product, is uploaded as position and valued at at purchased price.
- MTM loss only will be adjusted against available limit (LTP Vs purchased price)
- Margin is being utilized for positions based on stock wise margin % maintained under MTF category.
- On T-day EOD available Cash / security margin in Normal product will be transferred to MTF towards MTF margin requirement.
- Client can hold MTF positions for more than T+1+5 by maintaining the required margin and MTM.

Risk Conditions:

- Group – I securities shall be considered towards SEBI MTF Funding.

- Securities having market capitalization more than Rs. 1,000 /- crores are being considered in MTF.
- Securities having average volume of Rs.5 crores per day in last 6 months'.
- Securities having MTF funding more than Rs.5 crores in NSE except MTF approved ETF.
- Securities having promoter pledge of more than 50% will be charged with minimum of 70% margin.
- MTF approved Scrips shall not be part of Surveillance indicator (ASM, GSM, ESM ,..)
- Scrips available in T,Z,BE,BZ group & Illiquid category are not allowed in MTF.
- For MTF clients, security valuation (including Normal product) is being carried based on MTF haircut only in trading system.
- Maximum MTF exposure is restricted to the extent of availability of ABML's Exposure norms.
- No Mutual Funds, Bonds are accepted towards MTF collaterals.
- In case of scheme of arrangement, Surveillance measures or T2T transfer, it will be immediately removed from Approved list of stock. In case Debit is outstanding against purchase of such stock, Client must make full payment towards such stock and get the shares transferred to DP A/c or liquidate the scrips.
- ABML reserves the rights to increase the margin requirement as compared to exchange prescribed margin from time to time.

  Risk Cover % to be maintained at 15% Risk Cover % = (Stock Value – Ledger Debit – Option sell value) / Stock Value.

  - For e.g. Client has Equity stock worth Rs. 100,000 in and Ledger Debit of Rs. 50,000, then Risk Cover % = (100,000-50,000) / 100,000 = 50%.

- As part of risk process in MTF product debit can be allowed till T + 90 Days.
- RMS team triggers alert on T+85th day onwards for clearing the MTF debit before it reaches T+90th day.

Shortfall intimation:

- Shortfall amount in MTF product will be calculated on T day EOD / T + 1 Day and any shortfall will be intimated via SMS.
- On T day EOD available Cash / security margin in Normal product will be transferred to MTF towards MTF margin shortfall.

- At any time, risk cover of 15% to be maintained else funding stocks will be sold to extent of funded value. If funding stocks are not sufficient for debit clearance, then collateral stocks will be sold.

21. Physical Delivery in Equity Derivative segment

As directed by SEBI & Exchange (Download Ref no NSCCL/CMPT/38039) dated June 15, 2018 all underlying except Index will be settled in Physical Settlement mode in Equity Derivatives segment. If any Client having equity delivery position in stocks and wish to take delivery, then it will be allowed based on 100% margin availability (Availability of cash for buy position and securities for sell position)

- Clients are getting margin bill, contract note for open positions on regular basis.
- 10 days prior to expiry of stock derivatives contract, information is shared with clients to manage the positions and also to intimate on physical delivery margin.
- On expiry day all current expiry contracts in stock derivatives are blocked.
- Branch / BP Team need to follow-up with client to ensure rollover / closeout to avoid physical delivery.
- RMS team squares off the stock derivative positions to avoid such position resulting in physical delivery in case of no intimation received from client /branch /BP or no action is taken at Branch / BP / Client.

22.SLB Product

- Account activation team will make arrangement to send the document (Rights and Obligations) to branch after receipt of request received from branch by validate the client, to get documents signed.
- Client must accept consent via physical mode towards SLB Rights and Obligation agreement signed by client viaphysical format.
- Client / Branch team can download the segment activation requisite format from wedge and fill up the same and send to Account opening / modification team.
- Account opening / modification team will validate the documents and upload the UCC on SLB segment.
- Once UCC process has been completed, orders can be accepted from clients and routed through branch team (Order type, underlying, expiry, Qty….)
- After receipt of order details from business team, orders will be placed only at H.O. desk (Direct exchange Order system) for securities available for trading.
- Orders will be placed only for Lending.
- Only for POA enabled client in ABML are allowed to lend since Early pay in can be marked and margin will not be required to be maintained.

23.NRI Clients (NRE and NRO Clients) :

NRE Clients :

Process followed to upload MIS in OMNESYS using nest file uploader and various report along with its header.

Cash Margin :

NRE- PIS account balance as per data received from funds team & Bankers mail.

NRO Clients :

Cash Margin :

Cash balance as per ABML ledger.

24. Collateral Valuation:

Stock limit available in collateral via Margin Pledge only after ABML haircut (This value can be used for trading in Equity cash & derivatives).

- Only approved securities, Mutual Funds (10%) & Bonds (20%) are considered for collaterals.
- Haircut depends on ABML internal parameter subject to exchange prescribed margins.

25. Allocation of client's funds and collaterals – Segment wise

The users must enter Additional base capital deposited with respective CC and segment.

- Exchange: Once user refresh the option all exchange created in exchange master will come on screen.
- Clearing Member: If Member is TM in particular exchange/segment then user needs to click on Clearing Member.
- Fixed Deposit Amount: User needs to enter Total FD amount deposited with segment and CC.
- Cash Deposit Amount: User needs to enter Total Cash amount deposited with segment and CC.
- Bank Guarantee Deposit Amount: User needs to enter Total BG amount deposited with segment and CC.
- Covered BG Deposit Amount: User must enter the covered BG amount deposited with segment and CC.
- Client Cash Amount: User need to enter Cash deposit amount which is part of Total cash deposit and given from clients account. For e.g. If member Total Cash deposit with NCL/ CM segment is 100, 00,000/- and out of that 25,00,000/- is given from Own account then members need to enter 75,00,000/- in Client Cash amount.
- Client FD Amount: User need to enter FD deposit amount which is part of Total FD deposit and given from clients account. For e.g. If member Total FD deposit with NCL/ CM segment is 100, 00,000/- and out of that 25, 00,000/- is given from Own account then members need to enter 75, 00,000/- in Client FD amount.
- Additional Client Allocation: In Segregation allocation if members want to allocate funds to clients from PRO Cash/FD/BG deposit then user needs to enter amount how much values to be allocate from PRO additional base capital. For e.g., Total additional base capital given in NCL/CM segment is Rs 2,00,00,000/- out of that Rs 50, 00,000/- is given from OWN account. If members want to allocate Rs 10,00,000/- to clients from OWN account then user needs to enter Rs 10,00,000/- in client allocation column.
- Client BG Amount: User needs to enter Client BG amount deposited with segment and CC which is part of Client collateral. Other uncovered BG amount will be treated as PRO BG amount.

- Client wise segment wise file is available from CC in which CC is providing breakup of Re-pledge stock valuation. They also provide breakup of cash component and non-cash components. For e.g., NCL provides CC01 file F_CC01_1234_02052022.csv. CC provides separate files for each segment. User needs to import this file on daily basis. Based on valuation available in file, system will show the figures in stock available with CM/CC in collateral segregation export option. So, in segregation collateral export Total Stock collateral received from client will be calculate on the basis on Var or 20% whichever is lower. For stock collateral value retained with TM will be Total stock collateral received from client minus valuation available in exchange CC file.

In Same option LD is giving provision to import Provisional file which comes from CC. For e.g., NCL is giving N-Mass file which contains bifurcation of previous allocated funds and giving EOD margin and details of Re-pledge stock valuation. While import Provisional file user needs to click on Provisional file. Once user import provisional file system will only update those records which are there in file. In provisional file only those records are coming for whom open positions are there.

1. **Exchange SPAN/Var Margin:**
   For allocation system will pick margin from rakshak. In Rakshak software LD develop one engine from which Live span/Var margin will automatically get import in LD software same will be used for allocation. From Provisional CC file system is capturing margin which is coming in file.

2. **Common Segregation Allocation: (General Utilities → SEBI Inspection Reports → Segregation and Monitoring of collateral → Common Segregation Allocation.)**

User must choose selection criteria to generate Common segregation allocation report.

Selection Criteria:

- Transaction Date: User need to enter Transaction date for which data needs to be export.
- Market Date: User need to enter market date for calculate Collateral stock valuation.
- EPI Date: User need to enter EPI date for calculate valuation of Early pay in.
- Add Margin %: user need to give % which they want to give additional allocation to the client.
- Ignore Remisser: In case user want to ignore remisser account for segregation reporting then same need to be click.
- Include Margin Account: In case members are passing any receipt/Payment and JV entries in client margin account and user needs the same in Segregation reporting then same need to be click.
- Used Agreement No: In case members-maintained Segment wise ledger and stock collateral then same needs to be click.
- Allocation as per CC file: In case members wants to generate allocation file base on response available in CC01 file then same needs to be click.
- Full Re-pledge Benefit: In case user click this then system will 100 benefits of repledge valuation which is coming in CC01 file. In case members wants to go with 50:50 logic of exchange then this click should not be there.
- BOD Allocation: In case members wants to do allocation on BOD and if BOD allocation click is there then system will consider benefit of EPN of T-1 date transaction only.
- View Only Allocation: In case user click this then system will not display data on Client available fund/ Client Fund Requirement Details/Total Cash/BG details/Client Fund retained details/ Collateral export details tab

- Auto Prop Fund Allocation: System is giving benefit of Un-clear balance/ EPN benefit/CUSA benefit/Stock retained with TM/Fund retained with TM in allocation. So, if user click this then system will allocate benefit of above from PROP funds and allocate up to clients' margin requirement only. So, if this click is there then user no need to enter anything in additional client allocation column in exchange collateral details.

Exchange Collateral Details:

Once user refresh the common segregation collateral option then on first tab user can be able to see all details which entered in exchange collateral option. User can verify all details which are entered.

Client Segment Activation Details:

Once user refresh the common segregation collateral option then on second tab user can ably see Client segment activation details with the preference set for segregation reporting and allocation. Preference is hard corded in system. Preference will 1st Currency then Commodity then Derivative and then cash segment.

Client Available Fund Details:

Once user refresh the common segregation collateral option then on 3rd tab system will show breakup of client financial balances. System will show clients entire ledger balance, clear ledger balance and peak clear credit.

Client Fund Requirement Details:

Once user refresh the common segregation collateral option then on 4th tab system will show how much is client fund requirement against the client EOD margin. In Client fund requirement system will calculate segment wise fund requirement based on EOD margin available. System will allocate clients funds requirement as preference shown in client segment activation details. In case client don't have any margin then system will show Client's fund requirement in last preference active as per clients' segment activation flag. System will calculate margin based on margin calculated in Rakshak or margin import from NMASS file or EOD margin which is imported in system.

Total Cash and FDBG Details:

Once user refresh the common segregation collateral option then on 5th tab system will show CC wise segment details of Clients for which system have allocated Cash/ FD and BG collateral to clients. System will allocate Cash/FB and BG amount as per fund requirement calculated in client fund requirement tab. Now no need to run separate option to transfer or withdrawn client cash and other collateral option. On the basis of data available in 1st 4 tab system will automatically calculate and show details of total client Cash and FDBG collateral.

Client Fund Retained Details:

Once user refresh the common segregation collateral option then on 5th tab system will show breakup of Ledger balance and stock collateral retained with TM. Logic of Client fund retained is same as there in Save Fund retained option. After deducting balance of total cash and FDBG details system will bifurcate clients' ledger balance as per margin requirement that to preference set shown in client segment activation details tab. In case client don't have any margin then same will show in last preference show in client segment activation details tab.

Collateral Export Details:

Once user refresh the common segregation collateral option then on 6th tab system will show details of collateral export. The system will calculate Approved Cash component collateral stock and Approved Non-Cash component collateral stock valuation from figures available in CC (CC01 File). Secondly MTF cash collateral stock now by default added in ledger balance calculation. Rest of the calculations are same. Secondly for OWN account system will generate one record. For Own also stock collateral value will be pick from CC file. For Ledger balance system will allocate Total Cash/ FDBG figure minus Client Cash/ FDBG figure.

Final Segregation Allocation:

Once user refresh the common segregation collateral option then on 7th tab system will show details Client's allocation value. In Final segregation allocation system will allocate funds as per below sequence.

1. System will allocate funds to clients for data available in total cash and BG details tab.

2. System will allocate funds to clients for whom margin requirement is there and Funds or pledge stocks is retained with TM. Same will be allocate from PROP funds.

3. System will allocate funds to clients for whom margin requirement is there and client is having un- cleared balance or having EPN credit after adjusting client ledgers. Same will be allocate from PROP funds.

4. System will allocate funds to clients for whom margin requirement is there and client is having CUSA stock with him and value coming in positive after adjusting client's ledger balance. Same will be allocate from PROP funds

Final Allocation Dashboard:

In Final allocation dashboard tab system will show the breakup of total previous allocation for the particular CC and segment with how much allocation is going upward and download for particular CC and segment. Report also contains values of total client allocation and prop allocation value and what net available with PROP.

Segment Deactivated D-Allocation Details:

In case for any clients if any previous allocation is done and member deactivate the segment for same clients for any reason then in such case system will generate D-allocation file for those customers.

Segregation and Monitoring of client's funds and collaterals – Segment wise.

FD and BG Funds Will be Updated by funds team and we will receive confirmation from Funds team on the same as below.

Option: General Utilities → SEBI Inspection Reports → Segregation and Monitoring of Collateral→ Common Segregation Allocation.

Impact of this changes will come only in **Collateral Export Details** file which members are uploading on T+1 date. There is no change logic for first 51 columns for NON-MTF flag as suggested by CC. New 14 columns has been added in collateral export details tab. In case user wants to generate report as per new format then in new version we have given click as new format and user also need to enter last settlement date as every quarter members need to send details in one column as settlement amount(fund settle on 1st Friday on each quarter). Option : General Utilities → SEBI Inspection Reports → Segregation and Monitoring of Collateral→ Common Segregation Allocation.

26. Guideline on Margin collection, reporting and penalty posting:

This is reference to Exchange circular ref no. 69/2024 dated October 01, 2024, NSE/INSP/64315 wherein it is clarified and decided that members cannot pass on penalty to the clients if short/non collection of upfront margins.

However, short/non-collection of upfront margins may be passed on to client on following reasons:

a.Cheque issued by client to member is dishonoured.
b. Increase in margins on account of change in hedge position by client/ expiry of some leg(s) of the hedge positions of the clients

Also if short collection of margin is on account of Mark-to-market (MTM) losses if any not paid by the client by the end of the settlement date then such penalty can be passed on to clients.

27.Policy on Handling of Good Till Cancelled Orders (GTC) :

This policy applies to all clients who uses GTC/GTT orders or similar types of orders. It details the validity of such orders, their handling in case of corporate actions.

- Good Till Cancelled (GTC) Orders: These orders remain active until they are either executed or explicitly cancelled by the client.
- Good Till Date (GTD) Orders: These orders remain active until the specified trigger conditions are met, leading to order execution, or until they are cancelled by the client.

In the event of corporate actions (e.g., dividends, stock splits, mergers etc.) all pending GTC/GTD orders will be cancelled prior to the corporate action to prevent erroneous trades.

Notifications will be sent to clients or other suitable mechanisms that can be maintained on GTC/GTD communications.

28. RMS Control framework:

- RMS shall implement a **maker-checker mechanism** for all system uploads to ensure accuracy and control integrity.
- All upload activities shall be:
  - **Executed by the Maker**
  - **Independently validated by the Checker**

Validation & Confirmation

- The Checker shall perform **random verification of uploads** to ensure:
  - Accuracy of data
  - Completeness of entries
  - Adherence to defined protocols
- Post verification, the Checker shall provide **formal confirmation via email** as evidence of review and control closure.

Exception Handling & Escalation

- Any **deviation, discrepancy, or exception** identified during:
  - Upload process, or
  - Pre-market (before commencement of trading) shall be **immediately escalated**.
- RMS Executives are required to **promptly inform the RMS Head** of:
  - Any errors in upload
  - System or process gaps
  - Potential risk exposures

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