

## **POLICIES AND PROCEDURES**

### **a. Setting up client exposure Limits / Granting of Exposure to clients: -**

**BAJAJ SHARES & STOCK BROKERS PVT. LTD.** Computes and assign exposure limits based on its own assessment of market / security risks in combination with its assessment of client specific risk. The limits and exposure shall therefore vary from client to client and portfolio to portfolio. In the F&O segment, the minimum margin applicable shall be the statutory margin as required to be collected upfront by the concern exchange. The risk management risk shall be available during the market hours to inform the clients of their set exposure limits upon request / telephonic enquiry.

### **b. Squaring off client positions in case of non-payment of funds / Right to sell client securities or close client position & margins Internal Shortages: -**

BAJAJ SHARES & STOCK BROKERS PVT. LTD. reverses the right to sell client's securities and / close out position without any intimation to the client in the following circumstances:

- The client is running debit balance which is overdue by more than 24 hrs.
- In the circumstance where the real time MTM loss of the client crosses 90% of the total available credit balance at the time.
- The client fails to bring in minimum margins as required to be collected by the respective exchanges as per the margin statement sent to the client.
- The client fails to bring in additional margin over and above statutory margins as required by company based on its own assessment of risk within 24 hrs of receiving written / email communication from **BSSBPL** of such requirement.
- The cash component margin provided by the client falls below 50% of the total margin provided by the client. In this circumstances, **BSSBPL** reserves the right to liquidate securities to the extent required to increase the cash component to 50%.
- **BSSBPL** also reserves the right to close out position of the client who is in breach of any of terms and conditions / agreement signed between the client and **BSSBPL**. Provided that **BSSBPL** shall sell clients securities and / close out position to the extent of the debit balance / margin required for compliance as mentioned above, rounding off amounts excluded.

### **c. Shortage arising out of internal netting of trades.**

If the client fails to deliver a stock sold for delivery which is to be received internally by the another client, client shall be given till T+1 day to buy the stock to enable delivery to the receiving client. The following rules shall be apply for the same:-

- The client responsible for the first instance of shortage shall be responsible for the any further auction of securities should the receiving client fail to deliver the same owing to delay in pay out to him.
- For the client not covering the short on T+1 day, a close out at LTP +10% shall be effected on the price of the security on T+1 day.