

Risk Policy

The following document describes the risk management policy followed by Tradewalk Broking Private Limited (Hereinafter referred as "Tradewalk Broking Private Limited").

1. Introduction

Risk management is a structured approach to identifying, analyzing, monitoring, and mitigating risks associated with financial assets. Constant endeavors are made on our part to identify the potential risk and take adequate steps to mitigate them.

This document serves to enhance customer understanding of the risk policy of Tradewalk Broking Private Limited.

2. Trading Limits & Other RMS Criteria

Client's Exposures Limits:

- Exposures and margins shall be regularly monitored by the company for all clients. Each client also needs to constantly monitor his/her positions, margins etc. and it shall be the Client's responsibility to maintain adequate margins against exposures taken / proposed to be taken. Exposure limits shall be made available to clients based on collateral available.
- Exposure limits are dynamic throughout the day and are constantly adjusted for MTM profits / losses, market conditions, individual security exposure caps and all other factors affecting risk to security prices, collateral and liquidity;
- Tradewalk Broking Private Limited may change the procedure for exposure allocation depending upon the market conditions and change in internal policies. The same may be put up / updated on the website regularly.

Limit against receipt of funds

- Limits for online fund transfer receipts through Tradewalk Broking Private Limited portal shall be given post receipt of the funds. Limits against deposit of cheques or RTGS /NEFT/IMPS are given based on credit received in the bank only.

Margin is calculated at the Beginning of the Day (BOD) as below:

Available margin = Clear ledger balances as on T date (NSE, BSE, CD)

+ Value of pledge stock after appropriate TBPL haircut

- Margin utilized on open positions

-For availing/maintaining exposure, client needs to have sufficient margins at all point in times.

-Margins can be in the form of funds and/or pledge of approved securities accepted by TBPL after applying appropriate haircuts.

-"Approved Securities" is the list of securities that Tradewalk Broking Private Limited Accepts as collateral. Typically the list is revised on a monthly basis, but maybe modified anytime at the sole discretion of Tradewalk Broking Private Limited Accepts as collateral. Typically the list is revised on a monthly basis, but maybe modified anytime based on market volatility, any material impact on price or volatility of any security. The haircut on securities for valuation shall be defined by Tradewalk Broking Private Limited and typically varies from 10%-100%.

-To provide collateral in the form of securities as margin, clients are required to pledge securities in favor of TBPL's Margin Pledge account. TBPL may re-pledge the same to the Clearing Corporation.

Note

-Limit against stocks sold from their DP account will be available only after the early pay-in of such shares are effected to the exchange(s).

-Unrealized profits will not be considered for trading limits at the same time unrealized loss will be deducted from the available limit.

Other RMS criteria

-Trading in scrips other than A, B series of BSE and EQ series of NSE segment is blocked in the system. Allowing of trades in any other scrips will be at the sole discretion of TBPL RMS.

GSM/ASM (Z, ZP, BZ) scrips are also blocked by the system. Wherever GSM/ASM/ASD is applicable, despite client having funds buying is not allowed.

-The client shall not take any fresh positions in F&O scrips which are in Ban Period (where incremental exposure is disallowed by the exchange). Only square off trades shall be permitted in such underlying.

-Maximum single order transaction quantity, lots and value across cash and derivatives segment shall be defined by TBPL RMS which is a subset of exchange allowed permitted limits.

-Fresh position in Derivatives Current month series on expiry day are blocked by the system, only square off orders are allowed.

Physical Delivery in Derivative Segment

-All the scrips traded in Derivative segment are physically settled. In the monthly expiry week, additional margins are charged by the exchange daily on an incremental basis which needs to be maintained by the client.

3. Margin collection and requirements

-Margin requirement would be as defined by TBPL RMS based on various rules and regulations of the concerned Stock Exchange.

-TBPL margin can be demanded by the TBPL in the form of cash and/or securities as deemed fit by TBPL RMS.

-TBPL may impose haircut on the securities at its own discretion which may be more than what is prescribed by the stock exchanges.

-Any shortfall in margin needs to be topped up by the client on a real time basis failing which TBPL reserves the right to liquidate client position for failure to top up margin.

-In volatile market conditions, TBPL may insist upto 100% of margin to be paid in cash and may not consider the value of securities for the purpose of calculating margin shortfall and may close the position in case of short fall.

-Funds may be due from clients towards stock purchases, trading losses, MTM Loss on open positions, Premium on buying options, margins against outstanding positions, past dues, charges etc. from time to time. Failure to pay dues may result in square off of the position.

-All amounts billed against securities traded on the exchange are overdue if funds are not received in TBPL's account before the settlement time/date as per the settlement calendar published by the stock exchanges.

-Failure of clients to remit money on time towards settlement may trigger square up action as per the square off policy.

-All amounts billed towards charges including DP charges, Annual Maintenance charges, Delayed Payment charges, auctions, penalties, any other fees etc. are due when billed.

-All Adhoc margins charged by the exchange are payable by the client, failing which the position may be squared off.

-Short/non-collection of upfront margins shall be passed on to client if short/non collection of upfront margin is on account of following reasons attributable to client:

I. Cheque issued by client to TBPL is dishonored

II. Increase in margins on account of change in hedge position by client/ expiry of some leg(s) of the hedge positions of the clients.

4. Risk Square off policy

The Client shall ensure that before trading adequate upfront margins are maintained with the TBPL against exposures taken / proposed to be taken. In case there is a shortfall in margin through pledge & re-pledge mechanism or other methods of funding the shortfall of collaterals, TBPL shall make an earnest attempt to contact the customer over phone or any other means before initiating any close out of positions, however it is the Client's responsibility to ensure adequacy of margins failing which TBPL shall, at its discretion, execute the closeout of positions as it deems fit.

Closing out of positions may include positions initiated during the trading session/ day, positions carried forward from previous days/ sessions and liquidation of collateral / securities held by the Client with TBPL (that may / may not be kept with the exchange) and liquidation against any pending payout obligations expected from the exchange on account of previous transactions. TBPL, shall at its discretion, execute such close outs in any order of priority it deems fit to bring back margin adequacy for residual exposures.

In case of in-the-money long stock options (including potential in-the-money options), sufficient delivery margin needs to be maintained as required by the exchange/TBPL RMS, failing which TBPL reserves its right to liquidate the open position/collaterals to top up margins.

5. TBPL RMS Discretion in Exceptional Circumstances

In exceptional circumstances (in the opinion of TBPL RMS) TBPL retains the right to liquidate positions, and is empowered to override any existing liquidation policies within the overall regulatory framework.

Client is bound by the risk policy updated by TBPL on its website <https://tradewalk.in> from time to time.

TRADEWALK BROKING PRIVATE LIMITED



DIRECTOR