

Centrum Broking Limited

Risk Policy

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

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 CBL.

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;

CBL 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 CBL 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 CBL 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 CBL after applying appropriate haircuts.
- "Approved Securities" is the list of securities that CBL Accepts as collateral. Typically the list is revised on a monthly basis, but maybe modified anytime at the sole discretion of CBL based on market volatility, any material impact on price or volatility of any security. The haircut on securities for valuation shall be defined by CBL 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 CBL's Margin Pledge account. CBL 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 CBL 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 CBL 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 CBL RMS based on various rules and regulations of the concerned Stock Exchange.
- The margin can be demanded by the CBL in the form of cash and/or securities as deemed fit by CBL RMS.
- CBL 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 CBL reserves the right to liquidate client position for failure to top up margin.
- In volatile market conditions, CBL 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 CBL'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 CBL 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 CBL 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, CBL 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 CBL 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 CBL (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. CBL, 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/CBL RMS, failing which CBL reserves its right to liquidate the open position/collaterals to top up margins.

5. CBL RMS Discretion in Exceptional Circumstances

In exceptional circumstances (in the opinion of CBL RMS) CBL 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 CBL on its website <https://centrumbroking.com> from time to time.

Disclaimer; The above guidelines are to be considered as broadly indicative and subject to changes at its sole discretion without any notifications and assigning reasons in line with the changes in market environment as may be perceived by CBL. No claims on basis of the above guidelines by any party will be entertained and CBL is fully entitled to make variations in allowing limits towards credit and exposures and square off / liquidate the collaterals in case of any default by the parties.

Margin Trading Funding (MTF) Risk Policy

Margin

The margin payable by the client to the CBL shall be in the form of cash or CBL approved stocks, with appropriate CBL specified haircut.

In order to avail margin trading facility, margin required shall be as defined by CBL RMS from time to time which will vary from 25% to 100% as per scrip category defined by CBL RMS.

Note:

1. MTF facility will be extended to scrips only as per CBL RMS prescribed approved list.
2. Once the client has opted for the facility, all the trades which are eligible for MTF may be funded at the sole discretion of CBL RMS.
3. All upfront clear margins have to be in client's ledger in terms of Cash & approved collaterals in case of securities previous day before 3.30 p.m. to avail MTF for cash transaction to be executed on the following day.

Square off policy

The Client shall ensure that before trading adequate upfront margins are maintained with the CBL against exposures taken / proposed to be taken. In case there is a shortfall in margin, through pledge mechanism or other methods of funding the shortfall of collaterals, CBL 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 CBL 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 CBL (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. CBL, shall at its discretion, execute such close outs in any order of priority it deems fit to bring back margin adequacy for residual exposures.

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

CBL RMS Discretion in Exceptional Circumstances

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

Updation of Risk Policy from time to time

Client is bound by the risk policy updated by CBL on its website <https://centrumbroking.com> from time to time.

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CENTRUM BROKING LIMITED

Policy on Facility of voluntary freezing of Trading Accounts by Clients

Version: 1

Private & Confidential

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Preamble:

This policy outlines the procedures for voluntary freezing of trading accounts for clients of Centrum Broking Limited (hereinafter referred to as CBL) in accordance with SEBI & Exchange Circulars.

Background:

This policy aims to guide CBL clients on the process, modes, timelines, and other details for facilitating the voluntary freezing of their trading accounts upon noticing any suspicious activity.

Process of freezing

To freeze your account, you can either send an email to our dedicated email id stoptrade@centrum.co.in or call our toll free number 1800 123 313 131. Upon receiving your request, your account will be frozen as per below scenario.

Scenario	Timelines for issuing acknowledgement as well as freezing / blocking of the online access of the trading account.
Request received during the trading Hours	Within 15 minutes
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading Session

The representative will verify the client identification by seeking certain information to ensure the request is received from registered client only.

Process of unfreezing

You can call on our dedicated toll free number at 1800 123 313 131 to unfreeze your account. It will take up to 1 hour to process the request.

Client Do's and Don'ts

Dos:

Close Open Positions: Ensure all open positions are closed before requesting to freeze the account.

- 1. Notify Freeze Request:** Contact customer service to freeze the account; it will be blocked within 15 minutes.
- 2. Handle Pending Orders:** Client to ensure all pending orders shall be cancelled before requesting for freezing
- 3. Position Details:** Please take care of your open positions and contract expiry.
- 4. Close Open Positions:** Call 1800 123 313 131 if you have open/pending positions to close or cancel respectively.

Don'ts:

1. **New SIPs:** Please ensure not to execute any fresh order or fresh SIP while the account is in frozen status.
2. **Modify Profile:** Please avoid attempting to modify your profile settings during the frozen status.
3. **Funds:** Don't add and withdraw funds during frozen status.

Disclaimer: Above policy is subject to change from time to time having regard to change in circumstances and shall be reviewed periodically in accordance with regulatory guidelines and management perception.

Circular references:

SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024

NSE/INSP/61529 dated April 08, 2024

BSE notice 20240408-12 dated 08 Apr 2024