Risk and Surveillance management policy

Our Risk management policy is based on the rules and circulars as issued by the SEBI/Exchanges and it is subject to change according to market environment and rules/regulation issued by SEBI/Exchange time to time. Salient features of the policy are as follow.

Deposit:

All the clients will be required to deposit sufficient fund / pledge the securities to avail trading limits. The sub-brokers and remisers are also required to deposit suitable amount to cover the risk involved in settling of the trades of their clients. This deposited amount is not considered for pay-in / payout of the settlement and also no trading limit is allowed.

Exposure limits:

The clients will get the exposure limits based on their available ledger balance with us and the securities pledged. Pledged securities are valued using previous day's closing price. Then the haircut is applied, VaR margin rate, to this value. This residual pledged securities value and the ledger balance of the client is the exposure limit of the client for trading. Only those securities will be considered for pledge which are accepted by the exchange against the margin obligation.

Extra Exposure limits:

During the trading session if client wish to have extra exposure limit, he/she will be required to deposit the fund or pledge the securities. The extra limit shall be allowed only after receipt of the fund / pledging of the security. Valuation of this new pledged securities will be same as defined in the paragraph above.

Margin limits:

Aforesaid exposure limit, allotted to client, is subject to the margins charged by the exchanges in different segments. The trading software being used by us for trading activities contains features to control trading limits at ID level, Client level and Scrip level. Available exposure limits of the clients are uploaded at trading software daily in morning before start of trading. When the client enters order, the trading system calculates margin requirement of the entered order as per applicable margin of the related segment and checks it with available exposure limit. If exposure limit is sufficient it allows order to flow to the exchange. If the available exposure limit is not sufficient order gets rejected.

Discretions on margin limits:

(i) We will have right to change/reduce the exposure limits at our discretion on the basis of risk perception and other factors considering relevant such as broker level/exchange level limits in specific securities or Income declaration or volume Specific exposures based on surveillance measures.
(ii) We shall not be able to inform the client of such variation, reduction or imposition in advance.
(iii) We shall not be responsible for client's inability to execute any order on account of any such variation, reduction or imposition of exposure limits.

Controlling:

Controlling function is done by the Risk management and surveillance department (RMS). The RMS executive shall consider the net position, available exposure limit of the client and the past record of the client for deciding the exposure limit. It is at the sole discretion of the executive to allow/disallow the request of client for exposure limit.

In the market event, if we have the risk perception then further trading in the securities /contracts may not be allowed to our clients and/or the market for trade or further position.

Pay-in / Pay-out of funds and securities

Pay-in amount of clients is collected at regular basis. If there is debit ledger balance the securities purchased by the clients are not transferred to their Demat account and such securities shall be kept with us till t+5 day or clearing of debit whichever is earlier and then it will be transferred to client's demat account. We shall clear the debits beyond T+5 days by way of selling the available client securities.

Clients are required to deposit deliveries against their securities pay-in obligation to our pool a/c or it will be fetched on payin day by the exchange, if the POA is given in favour of us by the client for payin of securities to the exchange. In case the deliveries are lying with us, same are released to the pool a/c well in time. We make early pay-in of shares also as per availability of those to us. There is a facility at DP, through which the client executes the Power of Attorney to the DP in favour of us for transfer of the shares from his account for payin of securities to the exchange. In case of short deliveries, short amount is immediately debited to the client account and the applicable auction process will be done.

Monitoring

RMS monitors obligation positions of the clients. The RMS executive contacts the clients for collection of overdue debit. Clients then can either fulfill their obligation or can sale the securities to clear the outstanding debit position. As per rules we do not keep the client securities with us against their debit beyond T+5 days of trading. In case debit continues beyond T+5 days, the securities are sold out in the market to the tune of the due debit. We, at our discretion, can sale the deliveries on any day after T+2 days. For all the debits outstanding for more than T+2 days the company can charge delay penalty. Delay Penalty shall be chargeable @18% p.a. on outstanding debit from the date of debit.

The right to sell clients securities or close clients positions, without giving notice to the client, on account of non-payment of clients dues

We shall have the right to sell client's securities, both unpaid securities as well as collaterals deposited towards margins, or close out client's open positions, without giving notice to the client where there is a delay /failure of the client to the pay-in obligations and/or there is a failure of the client to bring Margins and / or additional margins to cover the increase in risk in the market conditions.

We shall not be responsible for any losses and penalties / charges levied by exchanges(s) caused on such square off.

We will therefore not be under any obligation to compensate / or provide reasons of any delay or omission on our part to sell clients securities or close open positions of the client.

Illiquid Contracts.

RMS shall have absolute discretion to accept, refuse or partially accept any buy or sell order for execution from a client in respect of penny stocks, illiquid stocks, stocks having low liquidity, illiquid “options”, far month “options”, writing of “options”, and any other contracts / stock which as per our perception are extremely volatile or subject to Market manipulation.

Exchange launches contracts from time to time for trading in commodity derivatives and further the liquidity of these contracts are monitored time to time on the basis of their trading volume and availability of buyers and sellers. Orders of the clients on these contracts are blocked / unblocked at our trading / RMS software accordingly. The RMS executive will be made responsible to monitor every new launched contract and will be responsible to block the same from back end immediately. When liquidity comes to these contract the responsibility of the executive will be to unblock the same for trading purpose. If any client willing to trade in these illiquid contracts, RMS executive will immediately refer the matter to senior, who will permit client to enter order after monitoring his trades and volumes and will inform the client to trade further in these contracts with caution. The client itself will be liable for the loss incurred on doing the trades in such contracts. We shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to the client. We shall have the prerogative to place such restrictions, notwithstanding the fact that the client has adequate credit balance or margin available in his account and/or the client had previously purchased or sold such securities/contracts through us.

Framework for Trading Members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients

SEBI has issued its circular dated January 12, 2024 on the Framework to provide the facility of voluntary freezing blocking the online access of trading account on client request.

With reference to the above, we Indira securities would like to introduce such facility to our clients. If any client is willing to Freeze /Block the Online Access of his/her trading account due to any suspicious activities in his trading account. In his trading account, you may provide the request through any of the option available below.

a) You may Email to us from your registered e-mail ID with your UCC Code at stoptrade@indiratrade.com

b) You may SMS from registered mobile number – STOPTRADE UCC- **9109937435** at

In case, request is received from unregistered Email/Mobile we have facility to authenticate the client request by 2FA as-

1. If we receive request from unregistered Email/Mobile than we will call to client on his registered Mobile, no to verify the same. If client registered Mobile number is not in the service that we will advise to client to raise request from registered Email ID. If his email id is also inactive than verify his details like pan no, father name, mother name, DOB and address etc. on recorded call
2. After validating such details request will be processed from our end.
3. Client will be provided the acknowledgement on his/her registered email id and mobile number with the process of re-enablement.
4. Client will be provided the information about the all open positions along with the contract expiry information with One hour.

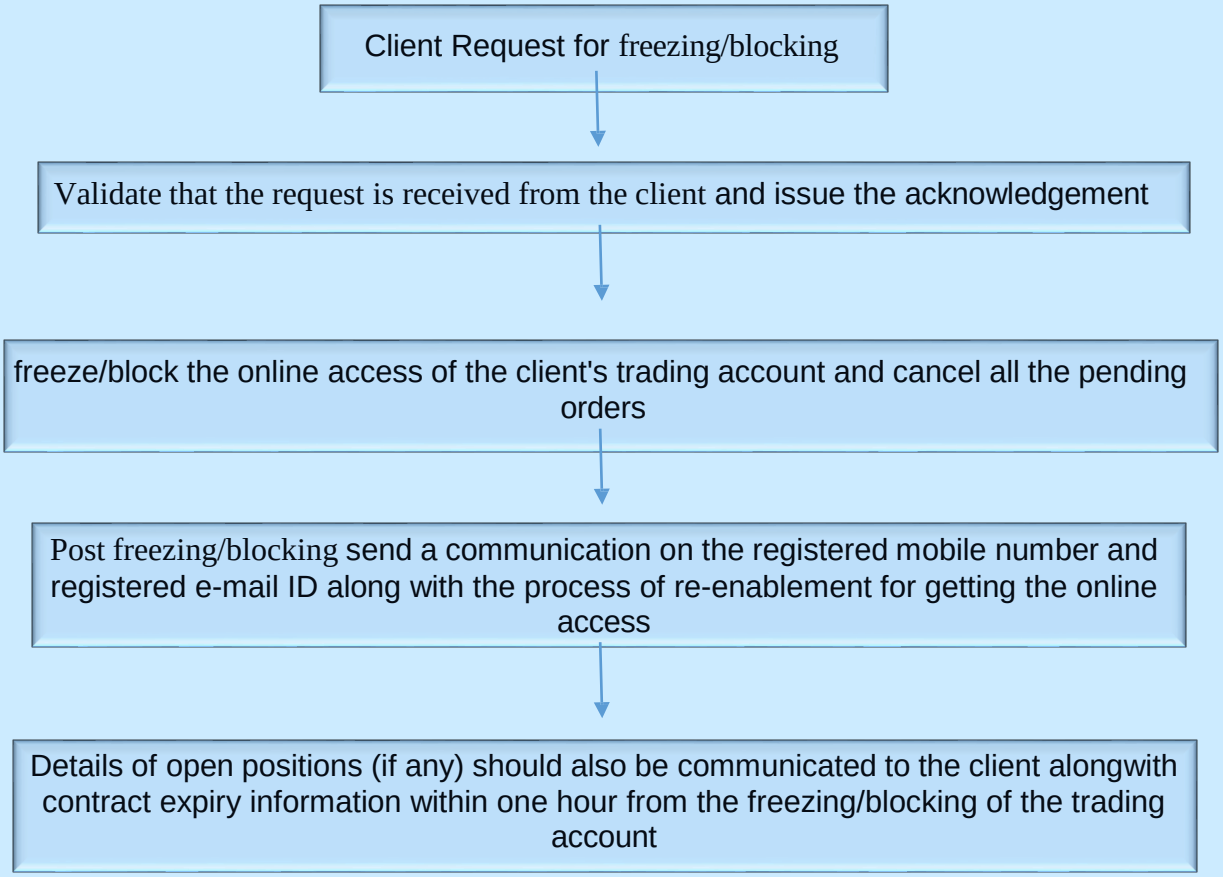
Please look into the below scenario that how the request will be entertained:

Scenario	Timelines for issuing acknowledgement as well as freezing / blocking of the online access of the trading account.
Request received during the trading hours[1] and within 15 minutes before the start of trading.	Within 15 minutes[2]
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

[1]Trading hours shall be as follows: Capital Market Segment: 9.15 a.m. to 3.30 p.m., Equity Derivatives Segment: 9.15 a.m. to 3.30 p.m., Currency Derivatives Segment: 09.00 a.m. to 05.00 p.m., Commodity Derivatives Segment: 09.00 a.m. to 11:30 p.m.

[2] To begin with, the time limit of 15 minutes is being specified for the purpose of issuing acknowledgement as well as freezing/blocking of the online access of the trading account. This time limit shall be contracted after a review in next six months after the date of its applicability to enhance protection of investors from suspicious activities.

Flow Chart of the Process:



Logs will be maintaining for all the request and confirmation.

Re-enabling the client for online access of the trading account

We shall re-enable the online access of trading account after carrying out necessary due diligence including validating the client request and unfreezing / unblocking the online access of the trading account.

****The request for freezing/ blocking does not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.**