CHURIWALA SECURITIES PRIVATE LIMITED

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CIN-U67120MH197PTC110866

CHURIWALA SECURITIES PVT LTD

CIN NO. U67120MH1997PTC110866

RISK MANAGEMENT POLICY

BSE CASH & FNO/NSECASH & FNO/MCX/NCDEX/CDSL

With effect from 02nd April 2025

POLICIES AND PROCEDURES

The Exchanges as well as SEBI has laid down various Rules, Regulations, Bye Laws and Guidelines that are to be followed while transacting on an Exchange. As part of our due Diligence and risk management we, Churiwala securities Private Limited., through this document has framed out various policies and procedures under the said Rules, Regulations, Bye-laws and guidance with respect to our dealing with the clients for securities market transactions.

All clients are required to take note of the said policies and procedures given here below And act accordingly.

1. REFUSAL OF PENNY STOCKS

a) Following type of scrips are categorised under the Penny Stock;

Scrips which are quoting at less than Rs.10/- on any of the Exchanges.

Scrips appearing in the list of illiquid securities issued by the Exchanges periodically.

b) We shall not entertain orders from any of the client for transacting (either buying or selling) in any penny stocks. However, it would be considered on case to case basis, which shall be at our sole discretion only.

c) In case any client wants to sell the penny stock already held by them in a Demat account, the same shall be allowed on a case to case basis, at our sole discretion.

d) Under the above circumstances, the client will have to provide a copy of their Demat Holding wherein the said penny stock is mentioned to be held by the client along with a valid reason for sale of such penny stock.

2. EXPOSURE LIMITS

a) Under the risk management activity, the clients registering their name for trading on the NSE/BSE through us will have to provide their financial details with the required supporting proof (as mentioned in the KYC) of the same, which will be scrutinized by our panel of risk managers and accordingly the respective clients will be provided with a fixed limit for their trading activity called the Exposure Limit.

b) According to the limit provided to the client, they can undertake transactions only up to that amount and beyond this no order will be accepted by the dealer.

c) Following is the criteria for granting of an Exposure Limit to a client;

CASH SEGMENT

From a risk management perspective, exposure based and/or margin based limits

may be given to the clients as decided by us. Limits will be given on the basis of

Credit balance and/or collateral / securities of the client lying with us valued after

Haircut. However, on a case to case basis, excess limits may also be allowed.

DERIVATIVES SEGMENT

Margin based limits will be given to clients for doing trades in Derivative Segment.

Limits in derivative segment will be given on the basis of free credit balance and/or **Churiwala Securities Private Limited** CIN: U67120MH1997PTC110866

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Collateral / securities of the client available with us valued after haircut, which will be

Done based on the type and nature of scrip, liquidity and volatility of the scrip, etc.,

From time to time.

In case of excess limit is availed, the same will be regularised by the end of trading

Session / day. However, on a case to case basis, the excess limit may be allowed to

Be carried forward. We may from time to time depending on the market conditions,

Profile and history of the client, type and nature of the scrip, etc., may at our sole

Discretion and in accordance to the rules, regulation, bye-laws and guidelines of the

Exchanges/SEBI, change the rate of haircut applicable on the securities/collateral,

Number of times the limit to be given in cash / derivatives segments and take such

Steps as we may deem necessary.

3. BROKERAGE RATES

a) The brokerage rate charged by us would be according to the Rules, Regulations, Bye Laws and guidelines of the Exchanges / SEBI.

b) Considering the client's volume of business as well as their financial discipline and risk factor, the brokerage structure could be revised accordingly to a suitable level subject to overall ceiling prescribed by SEBI.

c) Any change in the above rates are subject to change from time to time at the sole discretion of the management, subject to over ceiling prescribed by SEBI. The clients shall be intimated in writing of any increase in rates at least 15 days prior to such increase. However, the clients shall not be intimated of any decrease in the same.

4. PENALTY/DELAYED PAYMENT CHARGES

a) As per the Rules, Regulations, Bye Laws and guidelines prescribed by the Exchange / SEBI, a client purchasing any security on any of the Exchanges has to make payment for the said purchases before the settlement / Pay-in date of the said transaction.

b) In case any client fails to make the said payment within the stipulated period then a penal interest @ 24% per annum will be charged by us on such delayed payment till the time the said payment is cleared by the client.

5. RIGHT TO SELL CLIENT'S SECURITIES OR CLOSE CLIENT'S POSITIONS

a) The client shall be liable to fulfil their settlement / margin obligation.

b) In case the client fails to fulfil their obligations, we shall have the right to sell / liquidate / close out all or any of the client's position for non-payment of margins, outstanding debts or other amounts, etc., and adjust the proceeds of such sale / liquidation/ close out, against the client's settlement / margin obligations.

c) Any and all losses and financial charges on account of such sale / liquidation / closing out shall be charged to and borne by the client themselves.

d) No separate intimation or notice shall be issued to the client for such sale / liquidation / closing out done on account of non-fulfilment of the obligation by the client.

e) We may at our sole discretion, square off any outstanding position of the client due to any restrictions in relation to volume of trading/outstanding business or margin stipulated by the Exchange, Clearing Corporation/Clearing House and/or Stock Broker/s and/or any other extraordinary event warranting such square off, without prior intimation to the client.

6. CLIENT POSITIONS

a) The client shall not be allowed to take any further position if the client has reached their assigned exposure limit or if there is an outstanding debit balance lying in their account over a period of more than 3 days.

b) Under the above condition the client shall have to bring in additional deposit to increase the exposure limit or make payment of the outstanding dues.

c) In some cases, the client shall also be not allowed to take further position if their payment history is very irregular.

d) We may at any time, at our sole discretion disallow the client from creating further/fresh position in any segment on the Exchanges or close out any existing position of the client based on our risk assessment and/or if so directed by any Government /Regulatory / Stock Exchange authority.

7. SHORTAGE IN OBLIGATIONS

If a client who has sold a particular scrip on T day does not deliver the shares latest by T+1 i.e. pay-in day, due to which internal shortage arises in that particular scrip, then such quantity of internal shortage will be purchased from the market on pay-in day as and when available in the market under "Auction Account" code. Thereafter, on the pay-in day, provisional debit will be given in the client account at T day's closing rate + 20% corresponding to internal shortage.

On pay-out day of securities purchased in the Auction Account code, provisional debit bill amount will

be reversed and the client account will be debited with the amount at which the securities are purchased on T+1 day. Fines / penalties / charges may be levied on account of internal shortage to selling client.

Due to internal shortage on account of internal netting of trades, the buyer client shall receive late delivery of securities, for which the buyer shall have no claims / rights against the company for delay in delivery of securities. It may also be possible that the we may not be able to obtain the required securities due to market conditions, upon which, the buyer client's account will be credited and the seller client's account will be debited as per the close out rate provided by the exchange for the relevant Auction settlement. Provisional debit bill amount will be reversed in the seller client account.

The above procedure is subject to change from time to time, without any prior intimation, according to the change in settlement procedure of the Exchange.

8. DE-REGISTERING A CLIENT

Notwithstanding anything to the contrary stated in the agreement, we may at our sole discretion de-register the client's account in the circumstances including but not limited to the following;

a) The client has breached the Agreement, or has misrepresented facts at the time of entering into an Agreement or at the time of giving instruction or otherwise.

b) If the action of the client are prima facia illegal/improper or such as to manipulate the price of any securities or disturb the normal/proper functioning of securities market, either alone or in conjunction with other.

c) On the death / lunacy / winding up / bankruptcy / liquidation / legal incapacitation or other disability of the client.

d) Debarment of the client by any credit rating agency or any regulatory authority.

e) If there is any commencement of a legal process against the client under any law in force.

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f) If the client fails to fulfil his/her/their payment obligation either fully or partially under this agreement, or suffers any adverse material change in its financial position.

g) If the client fails to maintain the Securities Account or any replacement thereof. In such a case, the company shall have the right to close out the existing positions / contracts, sell the collateral to recover its dues, if any, before de-registering the client's account.

The aforementioned policies and procedures have been framed out under various clauses mentioned in the Rules, Regulations, Bye-laws and guidelines prescribed by SEBI and the Exchanges as well as the amendments brought out from time to time. In case of any contravening clause framed herein, the relevant clause mentioned under the said Rules, Regulations, Bye-laws and guidelines of SEBI and the Exchanges shall overrule such contravening clause.

For Churiwala Securities Private Limited

Churiwala Securities Private Ltd.

Director

(Director)
Mr.Alok C Churiwala
Date: 02/04/2025

Place: Mumbai

1. **Procedure for valuation of Securities:**

   a. **Valuation of Securities:** For the purpose of client margin collection and reporting, the value of securities shall be computed based on the closing rate on T-1 day, reduced by the appropriate haircut at a rate not less than the VAR margin rate of the security at the beginning of T Day or haircut as specified by BSE/ ICCL from time to time.

   b. **Valuation of Liquid Mutual Funds:** Dematerialized units of liquid mutual funds, whose NAVs are available and which can be liquidated readily, may be considered while reporting margins collected from clients. The value of listed liquid mutual funds should be computed based on the NAV on T-1 day, reduced by a haircut equivalent to the VAR rate of the listed mutual fund on T Day or by a haircut as prescribed by BSE/ ICCL from time to time. For other mutual funds (not listed), the haircut should be equivalent to 10% of the NAV.

   c. **Valuation of G-Sec/ T-Bills:** G-Sec and T-Bills available in electronic form and pledged in our favor may also be considered while reporting margin collection to the Exchange. The valuation of G-Sec/ T-Bills shall be based on the closing price of G-Sec/ T-Bills on the Negotiated Dealing System (NDS) on T-1 day, reduced by a haircut as specified by the Clearing Corporation ("**CC**") from time to time. In cases where the clearing corporation has not specified the haircut for G-Sec/T-Bills, the valuation shall be based on the closing price on NDS on T-1 day, reduced by a haircut of 10%.

Guidelines with respect to Valuation and VAR/Haircut applicable on securities as under:

Sr. No.	Securities	Valuation	Guidelines for VAR/ Haircut
1.	Liquid securities in dematerialized form, actively traded	Value as per the closing rate on T-1 day	Haircut at a rate not less than VAR margin rate of the security at the beginning of T Day or haircut as specified by BSE/ ICCL from time to time
2.	Dematerialized units of liquid mutual funds	Value as per the closing rate on T-1 day	Haircut equivalent to the VAR of T Day for listed liquid mutual fund or haircut as specified by BSE/ ICCL from time to time. In case of others (mutual funds not listed), the haircut should be equivalent to 10% of the NAV
3.	G-Sec/ T-Bill	Value as per the closing rate on T-1 day	Haircut as specified by CC from time to time. In case where CC have not specified the haircut for G-Sec/T-bills then haircut of 10%

Churiwala Securities Private Ltd.

Director