

## RMS Policy

### Preface / Introduction

As we are dealing with various kinds of risk in equity and currency market, we have framed policy in view to ensure that risk is managed efficiently and in transparent manner. We deal with many kind of risk such as credit risk, liquidity risk, default risk and many such risks in equity, derivatives and currency market etc.

### Script wise exposure

Exposure in equity market is categorized by creating separate basket of equity stock based on group, liquidity and category. We have mention different exposure criteria for intra-day exposure and allowable delivery position. We have mention exposure in equity market into 2 categories 1) Normal Market & 2) Panic Market.

Exposure in equity market is categorized in 2 market condition

### Normal Market - which is not declared as Panic Market?

#### Normal Market: Equity exposure.

Client category	Intraday		Delivery		Remarks
Stock Category	Hair-cut	X times	Hair-cut	X Times	
Approved	12.5	8 *	25 *	4 *	Approved list. Hair-cut for approved scripts may change on daily basis depending on Exchange margin file.
Non-Approved	100	1.00	100	1.00	Other than Approved - All T, M - SM group companies, exposure to be given on clear balance / Margin
Z	Not allowed	-	Now Allowed	-	Scripts in GSM Category, ASM category and scripts available in X & XT Group.Z category & P physical not to be allowed for trading.

As per RMS policy, we may not allow to trade in Scripts in GSM, ASM & selected scripts based on our assessment of Risk may deny new exposure as per Managements decision.

## Beeline Broking Ltd.

CIN No. : U51900GJ2014PLC080598

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Note: \* Exposure on Approved scripts may change on based on margin calculation. Source of Hair-cut / Margin is file from Exchange (NSE).

#### Definition of Panic market as follows

1. Whenever there is abrupt movement in market - More than 3% movement on index.
2. Whenever there is more than 5 % movement in index in 2 consecutive trading sessions.
3. Panic Market as an when declared by BEELINE Broking Ltd.

# Note: BBL is BEELINE Broking Ltd

#### Panic Market - Equity Exposure

Client category	Intraday		Delivery		Remarks
Stock Category	Hair-cut	X times	Hair-cut	X Times	
A	100	1	100	1.00	Approved list - A
C	100	1.00	100	1.00	Other than Approved - All T, M - SM group companies, exposure to be given on clear balance / Margin
Z	Not allowed	-	Now Allowed	-	Scripts in GSM Category, ASM category, SME scripts and scripts available in X & XT Group.Z category & P physical not to be allowed for trading.

**Margin available will calculate as: NSE & BSE Equity Segment + Derivative + Currency derivative.**

Margin = Ledger + FD/BG + Beneficiary Holding margin + DP holding Margin + MF units margin + Bonds margin - Short sell with margin (if any).

Margin will be charged on Short sell - If stock is sold from other DP or stock lying with BBL non POA account will be charged extra margin till pay-in obligation in not cleared. Margin on Short sell to charge as per stock category.

Beneficiary & DP holding Hair-cut: All securities is define into 2 categories and Hair-cut will be define as per Normal market & Panic market condition.



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Margin on DP stock to be available - If POA is provided

In case of Margin shortfall - stock will be fetch from DP to the extent of margin shortfall.

In case of margin shortfall in equity segment where position is taken on stock margin available on DP stock, stock will be fetch to margin account to the extent to cover margin requirement.

Please note – shortfall margin will be fetch as early as T day to the extent to cover margin shortfall.

#:- Ledger: For Limit when considering ledger – cheque under clearing will not be considered. Ledger will include all segments combine: Equity + Derv + Currency segment.

#:- Mutual Fund / Bonds – As per approved list after appropriate hair-cut.

#:- FD/BG: 100 % Margin benefit available.

### **Futures & Option Exposure**

Futures: Span + Exposure margin would be required on upfront basis.

Option Buy: Upfront Buy premium margin would be required.

Option Sell: Upfront Span + Exposure margin would be required.

In Normal market condition: Addition Margin + Special margin will be charged if any required by exchange.

In Panic market condition: Additional margin can be collected by BEELINE Broking Ltd looking at the market condition.

**Please note - certain change made by regulator / Exchanges for clients trading in Derivatives market with effective from 2Nd July 2018.**

- 1) Please note from 2nd July 2018 onwards clients will be require to maintain – Initial margin + Exposure margin + Net buy premium + mark-to-market losses for reporting purpose. For details please refer to Exchange circular no – CMPT37751. Find circular in attachment.
- 2) Mark to market – Loss (if any) – to be collected on T+1 day basis through funds.

### **Short / non-reporting of client margin**

The following penalty shall be levied in case of short reporting by trading/clearing member per instance.



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Short collection for each client	Penalty percentage
(< Rs 1 lakh) And (< 10% of applicable margin)	0.5%
(≥ Rs 1 lakh) Or (≥ 10% of applicable margin)	1.0%

If short/non-collection of margins for a client continues for more than 3 consecutive days, then penalty of 5% of the shortfall amount shall be levied for each day of continued shortfall beyond the 3rd day of shortfall.

If short/non-collection of margins for a client takes place for more than 5 days in a month, then penalty of 5% of the shortfall amount shall be levied for each day, during the month, beyond the 5th day of shortfall.

### Long dated options contract

The changes in applicable exposure margins for long dated option contracts shall be implemented as per below mentioned schedule

Exposure Margin Rate	Effective Date
From 3% to 6%	June 01, 2018
From 6% to 8%	August 01, 2018
From 8% to 10%	October 01, 2018

For this purpose all option contracts with expiry more than 9 months shall be treated as long dated option contracts.

Circular no – CMPT37770.

### Exposure margin of security under MWPL

Additional margin applicable for scripts under MWPL – please refer circular no CMPT38124, this framework is effective from 29<sup>th</sup> June 2018 onwards.

List of security under MWPL is declared by exchange periodically / Monthly basis. Daily exposure margin file from exchange shall include additional margin.

### Currency Derivative Exposure

Futures: Span + Exposure margin would be required on upfront basis.

Option Buy: Upfront Buy premium margin would be required.



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Option Sell: Upfront Span + Exposure margin would be required.

In Normal market condition: Addition Margin + Special margin will be charged if any required by exchange.

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### **Trade Change Policy / Client code Modification**

As per SEBI norms in consultation with BSE, MCX-SX, NSE and USE, it has been decided that the Stock Exchanges may allow modifications of client codes of non-institutional trades only to rectify a genuine error in entry of client code at the time of placing / modifying the related order.

- 1) Only Genuine error trade code will be allowed for modification subject to BBL approval.
- 2) Penalty levied by exchange will be passed on to concern / responsible client code / Dealer / Authorized Person.

For further details please refer SEBI circular mention below.

Refer SEBI circular no: CIR/DNPD/6/2011 dated 5th July 2011.

### **AGE-WISE Outstanding - Sell beneficiary on T+2+5 bases**

RMS selling in clients account will be done on T+2+5 days (T indicates Trading day) for the Ledger

Debit on due basis. For example, if the position has been taken on Monday then the funds payment

Is due on Wednesday (T+2 day). Shares so bought on Monday will be withheld by BBL till the

Debit is cleared. If the funds are not received by next Tuesday, shares will be sold on following Wednesday.

As per SEBI circular - SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 -

We shall not grant further exposure to the clients when debit balances arise out of client's failure to pay the required amount and such debit balances continues beyond the fifth trading day, as reckoned from date of pay-in.

Above mention T+2+5 policy will be applicable in case of sufficient margin is maintain. In case of margin shortfall position will be reduce before T+2+5 days.



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## Margin Shortfall Square-off

### Equity Segment

Exposure is equity segment for delivery base position is allowed from 1 - 4 times based on category of stock. In any case margin shortfall position will be reduced to the extent to bring margin up to comfortable level.

### NSE FO Segment

In case of MTM / Margin shortfall position will be reduced to the extent to bring margin up to comfortable level.

- 1) Client will under square off mode for that day. Further position will not be allowed.
- 2) MTM Square off – When MTM hits 80% of margin available, all open position get squared off.

### Communication

As per Regulatory requirements we send Statement of Accounts of Funds & Securities, Collateral Statement, DP Statements, Contract Notes Daily Margin Statements etc.. Client can view these statements also through his secured log-in on BBL website. The client has to be aware about his position, outstanding balance and Risk. BBL is under no legal obligation to send any separate communication but as a customer centric company we may take extra efforts generally to ensure that client is well informed about the Risk and the possible actions, which may follow. The communication would generally be through SMS / Email on registered contact details with BBL.

### Disclaimer

BBL Management will have discretion to alter/change any of Exposure limit, selling parameter defined in this policy on the basis of prevailing market conditions with or without prior intimation and can use their discretion to grant any kind of exemption/permission in case they Deem fit on case to case basis



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