

# PROGRESSIVE SHARE BROKERS PVT. LTD.

122-124, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W)- Mumbai – 400 053

| Tel: +91 22 40777500 | Fax: +91 22 26305357 |

Website: [www.progressiveshares.com](http://www.progressiveshares.com) | CIN: U67120MH1994PTC176096

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## **Risk Management Policy**

Progressive Share Brokers Private Limited has risk management policy for all the clients of PSBPL. This policy has been adopted to minimize the risk to PSBPL from possible defaults of the clients who deal with it. The risk management systems considering the current operations of the company are:

### **Margin Requirement and Exposure**

- Exposure to the clients will be given on the basis of available Ledger balance and available Margin Pledge Holding after deducting VAR Margin as haircut.

#### **(Clear Ledger Balance + Margin Pledge holding after deducting VAR Margin as hair cut)**

- In derivative segment, it is mandatory to maintain SPAN margin & Extreme loss margin on upfront basis.
- In capital segment, need to maintain VaR & Extreme loss Margin (ELM) or flat 20% on an upfront basis.
- In F&O and Currency Segment other margins such as Delivery Margin and margin on consolidated crystallized obligation need to pay by T+1 day.
- In Cash Segment and commodity other margins such as Mark-to-market margin (MTM), delivery margin, special/additional Margin or such other margins as may be prescribed form time to time, need to pay within 'T+2' working.
- Due physical settlement of contract in F&O segment, on expiry day we allow position/trade in current month only if client provide the sufficient delivery Margin in cash.
- It is mandatory to maintain Peak Margin or OED margin whichever is higher in all exchange and Segments.
- In case of stock sold and early pay-in of shares is done, 80% of Sale value is considered as collateral for trade in cash segment & in other segment.

### **Limits**

#### **F&O/CDS & Commodity segment**

Normal Trade : 1 time of available collateral

Option Buy : 1 time of clear credit Ledger Balance, may allow on collateral also subject to approval of HOD RMS.

#### **Cash segment**

Delivery : Maximum 2 time of available Deposit in NRML and 1 time in CNC Product

MIS Trade (Intraday) : 5 time of available collateral (only on Progressive approved Stock)

MIS (Intraday) product is available for CASH segment only.

#### **MIS Product Auto Square off (Timer based)**

All intraday open positions Square off process will start at 3.20 pm.

#### **Auto Square off (MTM based)**

All open position will be squared off if loss breaches 80% of available collateral.

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**Illiquid and Unsolicited SMS Stocks:** PSBPL blocks all illiquid and Unsolicited SMS Stocks, RMS may provide limit on clear credit Ledger Balance subject to screening of Stock.

Trade in GSM Stocks : PSBPL keep open Stocks of Stage 0 and 1, Stage 2 and above are blocked.

**Further exposure shall not be granted 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.**

**Margin Shortfall Penalty:** In case of margin shortfall, penalty and other actions levied as per exchange rules and regulations.

**Delay payment Charges:** Post settlement if any debit balance is there than delayed payment charges will be charged @ up to 24% per annum on outstanding debit balance.

## **Maintenance of 50% of margin in Cash or Cash equivalent**

50% of Margin is required to maintain in cash or cash equivalent on client level, if any client fails to maintain the same, the DPC will be charged for cash shortfall.

## **Liquidation:**

Clients **having outstanding debit** ledger balance/margin obligations / other dues, PSBPL as per SEBI directives Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated 20th June 2019 shall transfer the securities in the CUSA (Client unpaid securities account).

If any client fails to fulfill the required funds' obligation and/or Margin Obligations / other dues, the securities may be liquidated on or before T+2+5 days (T indicates Trading day) as per regulation.

It is the clients' obligation to settle the dues on T+2 days in cash segment and on T+1 day in derivative (Equity, Currency & commodity derivative) segment and also maintain sufficient margin towards margin obligation.

In case the client fail to fulfill his/her/it's margin obligation, fund obligation, securities pay-in obligation till pay-in day, PSBPL has the right to sell the clients securities or the right to close the open positions of the clients in derivatives segments to the extent of shortfall amount and/or settlement dues and other dues.

If M2M losses hit to 80% of available collateral, all open position will be squared off.

## **Review**

- RMS Team regularly reviews the Liquidity and volatility of Stocks and we may block particular stock as per Risk alert.
- RMS Team reviews the policy on regular interval and makes changes as per regulatory requirement and Internal Risk assessment.

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