

BCB BROKERAGE PRIVATE LIMITED
RISK MANAGEMENT POLICY

Background legal requirements of this policy

1. Past requirements of exchanges/ good practice(s)
2. SEBI circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 as modified by SEBI/HO/MIRSD/DOP/CIR/P/2019/95 dated August 29, 2019
3. Frequently Asked Questions issued by
 - a. BSE vide notice no. 20190927-39 dated 30-Sep-2019
 - b. NSE vide circular no. NSE/INSP/42229 dated 30-Sep-2019

BCB Brokerage Private Limited (BBPL) is a member of the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and is registered with SEBI as a Stock Broker with SEBI Registration Number INZ00020063. BBPL is currently active in the Cash Market and the Futures and Options/ Equity Derivatives Segment.

As per the Stock Broking Operations, client trade with BBPL. To manage the risk of such trading and to comply with the requirements of law and as a good practice, the following Risk Management Policy is being issued for the knowledge and information of the clients, employees, Authorized Persons and other stakeholders of BBPL.

1. Risk Officers

Mr. Uttam Bagri, Promoter Director is designated as the Chief Risk Officer (CRO) of BBPL and Mr. Vimal Chandak is designated as the Deputy Chief Risk Officer (DCRO). All decision relating to risk matters will be taken by DCRO in consultation with CRO.

The decision of the DCRO/ CRO for the purpose of Risk Management shall be final in all respects.

2. Limits setting - offline business (cash market)

BBPL's business model is more towards an offline business rather than online business. Most of the clients have relationship based business. All clients would have to provide 100% funds before purchasing the securities and provide delivery (or Power of Attorney for securities in the Depository) before trading. However, based on the past relationship, trading behavior of the client, the known financial standing and the value of collateral deposited/ lying with BBPL, dealers and Authorized Persons have the discretion to permit additional exposure to the clients, both intra-day and on delivery basis, in the Cash Market. However, the said exposure cannot exceed the minimum margins payable per the Clearing Corporation.

3. Square up - online business

Internet trading clients will be set limits according to their track record and margin available with BBPL. Where the limit is breached, clients will not be permitted to take additional exposure by the system.

All online business is carried through the software provided by BSE (BSE BOW and BSE BEST) Currently, BBPL has not activated any feature of do not have any policy of auto square-up of the clients positions, and the positions have to be squared up by the clients manually.

4. Restriction of further exposure on T + 5 days

For any client continuously in debit for more than 5 days, further buying is to be stopped immediately and only sale will be permitted. As soon as the account comes in credit, further buying will be allowed.

5. Non-payment of pay-in obligations/ dues

Where the client is in debit and no request/ intimation has been received by the DCRO from the client (either directly or through the Authorised Person) for permitting continuation of the debit, the positions of the client may be squared off by DCRO after due notice of one working day.

In case of account still being in debit, notices to be issued and thereafter arbitration to be filed.

6. Transfer of Securities

In cases where:

- client has provided Power of Attorney of his demat account maintained with BBPL itself OR
- where the DCRO is convinced of the track record of client OR
- in any situation as seen expedient by the DCRO

securities will be transferred to the demat account of the client even if the account of the client with BBPL is in debit. BBPL shall have a lien on such securities till such time payment is received by BBPL for the same.

In all other cases, the securities will be transferred to demat account called Client Unpaid Securities Account (CUSA) maintained by BBPL and all regulatory directives relating to CUSA will be followed.

7. Approval

This revised policy has been approved at a meeting of the Directors of BBPL held on 30-Sep-2021 and is subject to annual review.

For BCB Brokerage Private Limited

Sd/-

(Uttam Bagri)

Director DIN 01379841

Place: Mumbai

Date: 30-Sep-2021