

RISK MANAGEMENT POLICY OF JAINAM BROKING LTD

A Risk Management System is integral to an efficient Risk system. We have put in place a comprehensive risk management system, which is constantly upgraded as per the Exchange, SEBI & PMLA norm and also as per Market Movement.

The Model of Risk Management & Surveillance System in Jainam Broking Limited (Now onward refer as JBL) consists of JBL Owned Branches & Authorised Persons.

The RMS system is setup to minimize the risk of loss through a dynamic risk management policy which is an essential feature of our operations.

It is important to note that our Risk Management Policy is not an insurance against losses but these are measures and precautions that are adopted by us to minimize the risk.

All the staff related to Operations, KYC, IT, RMS, Dealing, Clients Funds and Securities, and related Branches, Branch Managers, and Authorised Persons (Sub-broker) needs to understand and follow the policy as it is the integral part of company.

Senior management including COO, CTO, CFO shall actively promote risk awareness and risk management practices, including providing appropriate training to all associates, incentivizing them to identify risk, and providing appropriate recognition.

Objective :

The main objective of this Policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the Company's business.

In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management. In order to guide decisions on risk related issues, the specific objectives of this Policy inter alia are:

- To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
- To establish a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, trading related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee ("the Committee") for the company's risk management



process and to ensure its implementation.

- To measure risk mitigation including systems and processes for Internal Control of identified risks.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.

RMS Function includes:

- To check capital adequacy for exposure and requirements of the client
- Allocate Margin in CC according to client available collateral with JBL
- Set Client Exposure / limits for dealing in various segments
- Monitoring of Clients Order, Patterns of Trade, Order rejections, increasing of Exposure/limits.
- Monitoring MTM profit/loss incurred out of trades.
- Benchmarking Margin v/s Exposure of client
- Decision taking with regard to squaring off positions on account of MTM loss or Margin shortfalls or any other reasons that may come across
- Ensure other Trading compliances

Risk management works by identifying potential risks, assessing their likelihood and potential impact, and implementing strategies to mitigate or avoid those risks.

The risk management process typically involves several steps:

Risk Identification:

1. Risk in KYC & Account opening process:-

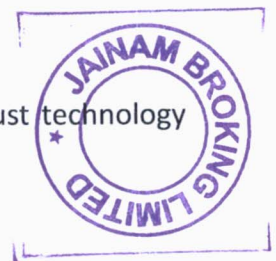
Risk arising during KYC and account opening process such as submission of incomplete KYC forms by the Clients, submission of fake information with an intention to commit frauds and non-updation of information submitted as and when there is any change in the information submitted during KYC.

2. Operational Risk:-

Risk such as faulty systems which can cause erroneous execution of orders from client's account and/or unauthorised trading on behalf of the client and misutilisation of client's sensitive information by any employee of the organisation.

3. Technology Risk:-

To mitigate these technology-related risks, management should implement robust technology



risk management strategies. This includes conducting regular technology risk assessments, developing disaster recovery plans, enhancing cybersecurity measures, ensuring compliance with technology-related regulations, and maintaining vigilant monitoring of technology systems and processes.

4. **Market Risk:** This includes risks associated with fluctuations in stock prices, interest rates, currency exchange rates, and overall market volatility.

5. **Credit Risk:** The risk that clients or counter parties may fail to meet their financial obligations, such as failing to pay for securities purchased.

6. **Fraud Risk:** The risk of financial loss due to deceptive or illegal activities, including internal fraud by employees or external fraud perpetrated by clients or other parties.

7. **Operational Risk:** Risks arising from internal processes, systems, human errors, and external factors like fraud or technology failures.

8. **Liquidity Risk:** The risk of not being able to buy or sell securities in a timely manner without significantly impacting their prices.

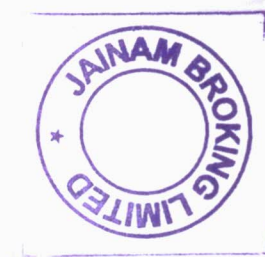
9. **Legal and Regulatory Risk:** Risks associated with non-compliance with financial regulations, laws, and industry standards.

10. **Risk due to outsourcing of activities to third parties:-**The risk associated with delegating activities to third-party vendors or service providers, which can introduce operational, security, and compliance risks.

Risk Assessment: Once the potential risks have been identified, they are assessed based on their likelihood of occurrence and potential impact on the investment portfolio. This step involves analyzing the severity of the risk and the probability of its occurrence.

Risk Evaluation: After the risks have been assessed, they are evaluated based on their priority and importance. This step involves determining which risks are the most critical and require immediate attention.

Risk Treatment: The final step in the risk management process is to implement strategies to mitigate or avoid the identified risks. This can be done through various techniques, such as diversification, hedging, or active portfolio management.



Common Tactics in KYC Frauds

There are several methods employed by scammers in committing KYC scams. These include:

Fake KYC updates: This involves contacting individuals under false pretences, claiming that their accounts require immediate KYC verification.

Phishing: Cybercriminals use deceptive means, like sending links to fraudulent websites or apps, to trick individuals into disclosing sensitive information.

Identity theft: Cybercriminals use another individual's identity for financial gain, often leading to the individual's financial losses and credit score damage.

Smishing: Smishing involves sending malicious messages with dangerous links or attachments, disguised as legitimate communication from reputable sources.

KYC scam detection involves being vigilant about unsolicited communication from unknown sources, claiming to represent financial institutions. It's important to remember that Jainam Broking Ltd will never ask for sensitive information like otp or passwords over the phone or via email.

RMS Policies and Procedures

Risk management policy should strive to address the root cause of the risks and try to prevent recurrence of such risks. The policy shall assess the likely impact of a probable risk event on various aspects of the function of Jainam Broking Limited such as impact on investors, financial loss to the Company, impact on other stakeholders in the market, reputational loss and lay down measures to minimize the impact of such event in relation to all the trading activities for Clients is handled by RMS & Surveillance Dept.

A. Setting up client's exposure limits

The Exchange may from time to time fix client exposure limits in the interest of orderly working of the markets. Within that overall ceiling, a client can trade within the exposure limit set from time to time by the Broker for the client.

Exposure Limit is fixed on the basis of the funds and value after hair cut of the securities provided by the client for margin. Clients are requested to adhere to the exposure limits as crossing the limit may involve either a call for margin or restriction on further position / exposure.

JBL may need to vary or reduce or impose new limits urgently on the basis of risk perception, risk profile of the client and other factors considered relevant including but not limited to limits on



account of exchange / SEBI directions / limits (such as broker level / market level limits in security specific / volume specific exposures etc.).

Sometimes the JBL may be unable to inform the client of such variation, reduction or imposition in advance. JBL shall not be held responsible for such variation, reduction or the client's inability to route any order through trading system on account of any such variation, reduction or imposition of limits.

In the sole discretion of the JBL, a client may be allowed to trade by increasing limit against margin provided by client during market time on ongoing basis in form of Fund Transfer or pledging security in favour of Broker to repledge further to Clearing Corporation.

1. **While computing the available margin following parameter consider-**

Margin based limit is set on combined basis for Cash & F&O & CD Segments clear credit lying in client's settlement and margin ledger account

Beneficiary holdings and collateral holdings (after deduction of applicable h/ c)

Any Online funds transfer or hold amount through bank gateway

Credit received against sale of- securities

Margin amount of open positions (in case of derivatives)

All the cheques collected against trading positions, preferably carry a valid MICR number.

All the cheque dishonor cases are viewed seriously and debit amounts in such accounts will be cleared from surveillance dept. The normal rule for 5 days debit will not be applicable while selling the shares in cheque dishonor issues.

2. Exposure limits shall be only against approved securities as decided by the Exchanges/JBL from time to time. JBL may from time to time change the applicable hair cut or apply a haircut higher than that specified by the Regulators/Exchanges.

3. In case of derivatives, Clients shall be allowed to trade only up to the applicable client wise position limits set by the Exchanges/Regulators from time to time

4. List of approved collaterals / securities along with applicable haircut, is subject to revision from time to time based on Exchange approved list,

5. In order to ensure smooth settlement on T + 1 day, client has to ensure that entire balance payment against purchase and entire delivery against sale orders reaches the broker's



specific bank and DP a/c on T + 1 day.

6. In case of clients' failure to deposit funds against their purchases by above mentioned time schedule, penal action against the clients at the discretion of the stock broker will be taken, which will include non-delivery of shares to them and transfer it to CUSPA Account, sale of shares in the market.

7. In case of clients' failure to deliver shares against their sale orders by the above time schedule, penal action will be taken by the stock broker at his discretion which will include penalty for short delivery as imposed by the Exchange, auctioning of shares by the Exchange, debiting on account of internal shortage.

B. Setting up Terminal/Branch Level limits

Trading Terminals are allotted to Members by exchanges. These terminals enable members to place, modify and execute orders on behalf of clients. There may be instances where due to punching error unusual orders may be placed at high prices which might lead to execution of unrealistic orders or orders being executed at unrealistic prices. In cases where the order/price of such orders is high, it might lead to huge losses to broker. In order to avoid such a situation it is imperative that certain limits are prescribed for each terminal allotted to member broker.

We ensure documentation of internal controls on areas like order modification / cancellation, client code changes and post-trade activities are in place and are being updated from time-to-time.

We ensure monitoring mechanism for client's debits / obligations and appropriate collection procedures.

The following limits shall be defined for each terminal:

Quantity Limit for each order

Value Limit for each order

User value limit for each user ID

User quantity limit for each user ID

Branch value limit for each Branch ID

Spread Order Quantity and Value Limit (EQ Derivatives & Currency Derivatives segment)

Checks in place

1. We have a dedicated Risk monitoring team who monitor the exposure, limit, etc.
2. We have Terminal which has a facility to block the client as well as restrict to use over exposure.

No user/ branch will be provided unlimited limit.

3. Limits shall be monitored on daily basis, taking following criteria's: Turnover, Exposure, Past trends, Location, Fund/Collateral.



4. Trading in illiquid scrip shall not be permitted.
5. 20% probable negative and 17.74% probable positive scenario for clients having larger position
6. Single Order Quantity
7. Single Order Value
8. Restrict illiquid Options Strikes
9. Restrict far month illiquid Contracts
10. Restrict BAN securities
11. Client wise, Member wise Limit
12. Unfavorable Order Price restriction

C. Order Receipt and Execution

All Orders routed through Odin / Nest / Greek / Neat / Bolt & Now are monitored by our risk department and after their confirmation about client's financial and margin status order get executed.

The dealers take utmost care while executing the trades of the clients regarding the accuracy of Client Code, Quantity and Price etc. The orders from the client's are promptly executed by the dealers and the oral confirmation of the placement of the orders is immediately provided to the clients. Moreover, only registered clients are allowed to enter the dealing room for placing the orders.

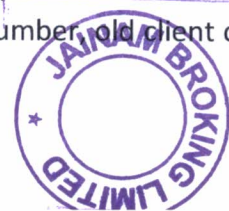
The clients are divided into groups among the dealers and sub brokers at head office level, so that particular dealer can serve a particular group of clients which helps dealer to understand the client investment strategy in a better way & serve them accordingly. The orders are entered instantly by the dealer on the instruction given by the client. On execution of valid order into trade, dealers confirm the trade with the client so as to avoid any future dispute.

At the end of the trading hours, the dealer informs the clients about the execution of the orders placed by the clients. Also a trade confirmation SMS message covering details of all the trades executed is forwarded to client after completion of trading hours on registered Mobile No. of the client.

D. Client Code Modification:

Trades are done only on the exchange platform and if any trades need to be transfer become of wrong punching code it is done in the exchange platform system. Client code modification is accepted only prior to post closing session. Client code modification will be done within the time limit given by the respective exchange.

Every request for client code modification is to be sent to RMS dept in the predefined format and proper care should be taken in filling the Exchange order number, trade number, old client code,



new client code, and the reasons for wrong Punching.

The reason for the modification is to be analyzed by the risk management department with regards to clients ledger a/c; Demat a/c; trading pattern etc. & if found to be genuine then modification will be approved / Modification will be allowed only in which error was occurred genuinely.

Penalties & actions taken by the exchange against the broker / member shall be passed on to the respective client & in addition penalties & action shall be taken against the Sub-Broker's / AP's / Branches / Dealers.

E. Margin Collection Procedure

The JBL has RMS department at its corporate office situated at Jainam House, New Passport Office Road, Piplod, Surat - 395007. The JBL has a RMS (RISK Management System) Team, who is responsible for setting up the Client wise Trading limits, Margin collection & Reporting procedure as described below:

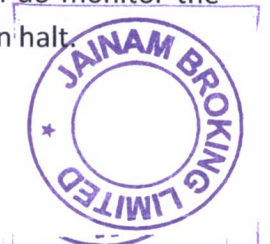
Client Limits are allowed as per margin norms of the relevant exchanges. Clients are required to provide upfront margin in the form of funds / securities (after appropriate haircut as prescribed by Exchange from time to time) before any trade.

RMS department monitor all orders & trades given by clients and executed in the trading terminal. The departments are also vigilant about all order rejections and spurt in exposures. The JBL takes proper and adequate margin from clients as per the exchange/SEBI norms in the form of funds/Securities and report the same to the exchange as per the guideline of exchange.

We take Margin in the form of Funds through Account Payee Cheque, Electronic Fund Transfer and Securities. We have at most monitoring system which bars the acceptance of third party cheque. In case, client provide securities towards margin, we accept only from registered DP ID of client. On receipt of securities, RMS applied the required hair cut as per exchange VAR.

At the end of the day, Shortage of Client margin is calculated and reported to the Exchange. During the trading hours if any short margin observed in Peak Snap shot, RMS team follow internal RMS policy, due diligence and update the status to the respective branch/ SB/AP and to clients .In case client doesn't respond RMS team Sq-off the open position and subsequently intimate to the client.

Trading limit is set by RMS based on the available margin amount and calculated by considering the trading price prior to trading day (T-1 day) on daily basis. The RMS team do monitor the debtors and if client exceeding the exchange norms of T+5 day the trading is been halt.



F. Margin Reporting Procedure:

On a daily basis Exchange provides Margin Files to the Trading member in F & O, Currency and Commodity Segment. Accordingly Margin reporting done on various exchanges.

Mechanism for regular reporting of Margin

Security pledged in favour of JBL on current day (prior to placing order on T Day) by client in different segments (BSE/NSE/FO/CURR) of the Exchange will be consider for margin collection.

Only exchange approved stock will be considered for margin collection with subject to a haircut of VAR margin as per Exchange.

Margins taken in the form of securities in the approved list to be valued as per the closing rate on the previous trading day and not the trading day, with an appropriate hair-cut

Only pledged securities available with the Member for respective client in different segments of the Exchange shall be considered for margin collection and reporting.

Accordingly, only securities received in pay out shall be considered only after it is actually received from the clearing corporation and pledged in favour of JBL. However pay-in received from clients for such securities may be considered while calculating the ledger balance for the purpose of reporting of margins if EPI Margin benefit received from Clearing Corporation for early pay-in of the securities is done through UCC Block mechanism.

Cheques dishonored/reverse or not cleared up to T+2 working days should not be considered for Margin Money.

After preparing margin report file, RMS person forward reporting file to person who is authorized to recheck the report file before uploading on Collateral Interface for Members. Status of the file uploaded shall be checked regularly on the day of uploading after a few hours of uploading the same.

Penalty if any occurring out of the short payment will be debited to the respective client's account after t+5 days information related to margin applicable, utilized and required / balance in respect of each client is to be sent on a daily basis to the respective clients in both the segments.

Client code and name, Trade day (T)

Total margin deposit placed by the client up to T day
Margin utilized up to the end of day T



Margin deposit placed by the client on day T
Margin adjustments for day T

Margin status (balance with the member/due from the client) at the end of day T.
We maintain proper records of collateral received from clients.

Margin Shortfall Penalty

We change upfront margin short penalty to respective client only as levied by Exchange.

G. Right of Sale of client's securities or closing the client's open position without giving notice

JBL maintains specific banking and depository accounts, informed to the clients from time to time, for handling clients' funds and securities. The clients shall ensure timely availability of funds / securities in required form and manner, within stipulated time and in the designated bank and depository account(s) for meeting their liabilities and obtaining proper credit thereof. JBL does not undertake responsibility for any delay or other consequences arising from payment to any other account or non receipt in time and manner in the designated account(s).

In the event of the Client failing to maintain / supply applicable margin money required to sustain the outstanding market positions of the Client, the company shall be entitled, at its option and liberty, to liquidate / close out all outstanding market positions or any part thereof such that the outstanding market positions are either zeroed out or reduced to an extent where available margin covers the market positions remaining after such square off.

Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client. The company shall also have right to close out any intraday positions taken by the client, in above circumstances. Such liquidation/ close out may be without any prior reference or notice to the client.

RMS Team may initiate liquidation of securities in following circumstances:

In case of Margin Trades, if the open position is neither squared off nor converted to Delivery by Client(s) within the stipulated time.

In case of Margin Trades, where Mark to Market Loss on the open position has reached the 80% of the margins placed with JBL and the Client(s) have not taken any steps either to replenish the margin or reduce the Mark to Market Loss.

In all other cases where the margin or security placed by the Client(s) falls short of the requirement or the limits given to the Client(s) have been breached where the Client(s) have defaulted on their existing obligation/ failed to make payments/deliver securities to JBL with the



stipulated time Extreme volatility in the market in particular scrip of both the segment

There are any restrictions imposed by exchange or regulator on the contract(script)

The client is undertaking any illegal trading practice or the client is suspected to be indulging in the money laundering activities or suspicious trade or trading in illiquid stock

The client has taken or intends to take new position in a security which is in the banned period

There are any unforeseen adverse market conditions or any natural calamity affecting the operation of the market.

H. Refusal of orders for "Penny Stocks" (Illiquid stocks)

A Security that trades at a relatively low price and has small market capitalization is a penny stock. These types of stocks are generally considered to be highly speculative and high risk because of their lack of liquidity, large bid-ask spreads, small capitalization and limited following and disclosure. Depend on the market condition and RMS policy of the company RMS reserve the right to refuse to provide the limit in Penny stocks and losses if any on account of such refusal shall be borne by client only.

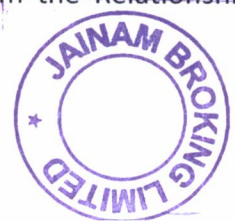
I. KYC & ACCOUNT OPENING PROCESS

JBL likes to pay special attention to dealing in "Penny Stocks". To this end:

JBL may refuse to execute any client's orders in "Penny Stocks" without assigning any reason or the same.

Any large order for purchase or sale of any penny stock shall be taken prior approval from RMS and the dealing of such stock will only be allowed through Head Office. It will be client responsibility and respective Branch Manager/Dealer or RM duty to ensure that trading in "Penny stocks" does not result in creation of artificial volume or false or misleading appearance of trading. Further it also does not operate as a device to inflate or depress or cause fluctuations in the price of such stocks Dealer/RM/Branch Manager should ensure that the Clients should not place orders in "Penny stocks" at prices which are substantially different from the prevailing market prices. Any such order is liable to be rejected at the sole discretion of JBL. In case of sale of penny stocks as approved by RMS, clients shall ensure the delivery of shares to JBL before the pay-in date. The Company shall not be responsible for non-execution / delay in execution of such orders and consequential opportunity loss or financial loss to the client

The Company has the right to revise the list of such securities / contracts on a periodic basis. Client can obtain the information about the updated list of securities from the Relationship Manager/Dealing office.



I. Conditions under which a client may not be allowed to take further position or his existing position may be closed

JBL shall have absolute discretion and authority to limit client's volume of business or to close any existing position of a client without giving any prior notice to the client under following conditions:

SEBI or Exchange imposing restrictions on further exposures in cases of extreme volatility in the market or in a security or group of securities.

Client or the Broker exceeding or touching exposure limits set by the Exchange in the particular scrip.

Reasonable doubt as to bonafide of the transaction or identity of the client in the light of the financial status and objectives as disclosed in the KYC form.

Reasonable doubt as to the transaction being cross trade, circular trade, fraudulent practice or connected with price manipulation or market rigging.

SEBI or other competent authority issuing a debarment order against the client from buying, selling or dealing in securities, unless the order is vacated.

The client has taken or intends to take new position in a security which is in the banned period
Due to abnormal rise or fall in the market, the markets are closed.

JBL shall also have a right to close existing positions of the clients in the above mentioned circumstances

JBL shall not be responsible for any loss incurred and the client shall indemnify JBL in this regard.

J. De-registering a client

JBL may, at its absolute discretion, decide to deregister a particular client if found that:

SEBI or any other regulatory body has passed an order against such client, prohibiting or suspending such client from participating in the securities market. Such client has been indicted by a regulatory body or any government enforcement agency in case of market manipulation or insider trading or any other case involving violation of any law, rule, regulation, guideline or circular governing securities market. Such client is suspected of indulging in illegal or criminal activities including fraud or money laundering.

Such clients name appears in the UN list of prohibited entities or in the SEBI debarred list On the death / lunacy or other disability of the Client



Such clients account has been lying dormant for long time or the client is not traceable If the Client being a partnership firm, if any steps have been taken by the Client and / or its partners for dissolution of the partnership

Such client has been irregular in fulfilling obligations towards margin or settlement dues

Such client has been declared insolvent or any legal proceedings to declare him / her as insolvent have been initiated.

Such client has a tainted reputation and any business relationship with such clients is likely to tarnish the reputation of JBL or may act as detriment to JBL's prospects.

J. Treatment of Inactive Trading account

In order to provide guidelines regarding treatment of inactive account and ensure uniformity across all the members, the following guidelines, framed in joint consultation with other Exchanges.

i. Definition of Inactive Trading accounts: In case of trading account, the term inactive account refers to such account wherein no trades have been carried out since last 12 (Twelve) months across all Exchanges

ii. Transaction in Inactive Trading accounts: The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' by the Trading Member in UCC database of all the respective Exchanges. The Members are also required to ensure that any further trading by such client should be allowed only after undertaking sufficient due diligence (including IPV) and obtaining the updated information related to KYC from the concerned Client. Appropriate disciplinary actions may be initiated in case of any trades are executed in any account flagged as 'Inactive'. Members shall be required to undertake the fresh documentation, due diligence and IPV where a client is coming for reactivation after a period of 1 year of being flagged as inactive. However, in case a client has undertaken transaction through the Member, with respect to IPO/Mutual Fund subscription and DP operations (if the Member is a DP) during this period, the same can be considered and the requirement for fresh documentation, due diligence, and IPV may not be required.

Further, in the below mentioned conditions, as stipulated in SEBI circular dated April 24, 2020 bearing reference number SEBI/HO/MIRSD/DOP/CIR/P/2020/73, the requirement for undertaking an IPV shall not be required:-

☐* Where the KYC of the investor is completed using the Aadhaar authentication / verification of UIDAI.

* When the KYC form has been submitted online, documents have been provided



through Digi locker or any other source which could be verified online.

Notwithstanding anything contained above, in case a client seeks re-activation before a period of 1 year of being flagged as inactive, Member shall, while reactivating the client, ensure that the basic details of such client like Address, Mobile number, Email ID, Bank/DP account are updated in its records as well in the UCC records of the Exchange. In case of any changes, necessary documents shall be collected.

Members shall also ensure that appropriate due diligence of the client is conducted on an ongoing basis in compliance with the provisions of the PMLA guidelines issued from time to time and in accordance with their respective KYC policies.

iii. All trading members are advised to upload correct status of the client code in the UCC database of the Exchanges prior to the execution of the trades.

iv. Return of Clients assets: Members are required to ensure that all client accounts are settled on monthly or quarterly basis (as per the client preferences) in the manner prescribed from time to time.

In case a member is unable to settle the client accounts due to non-availability of client's bank account and demat account details and non-traceability of client, Members are advised to make all efforts to trace the clients to settle their funds and securities lying with them and maintain an audit trail for such efforts made for tracing such clients and settling funds and securities of such clients.

Further in cases where Members are unable to trace such clients in spite of all efforts taken, members are directed to take the following steps:

- i. Open one separate Client Bank account and immediately set aside the funds in such account.
- ii. Maintain audit trail of UCC wise client funds transferred to/from such bank account.
- iii. Submit UCC wise fund information of such account to the Exchange on weekly basis.
- iv. In case of receipt of any claims from such clients, members are advised to settle the accounts immediately and ensure that the payment/delivery is made to the respective clients only.

K: Ease of doing Investment by investors- Facility of voluntary freezing/blocking the online access of the trading account to the clients:-

As per the provision of SEBI Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024, JBL disclose on their website, the process and mode(s) through which the client can place the request to freeze / block & unfreeze / unblock the trading account along with the timelines that will be followed by JBL for the same.

1. JBL providing internet based trading/ mobile trading/ other online access for trading shall



make available to the clients at least two modes of the following communications through which the client may request for voluntary freezing/ blocking the online access of trading account if any suspicious activity is observed in the trading account: -

- a) Email from registered e-mail ID
- b) SMS from registered mobile number
- c) IVR/tele calling
- d) Chatbot
- e) Trading Member's App / website
- f) Any other legally verifiable mechanism

2. Where an e-mail ID and/or telephone number is provided by JBL for this purpose, the said e-mail ID/ telephone number should be dedicated for receipt of communication for voluntary freezing/ blocking of the online access of the clients' trading account. The nomenclature of the dedicated e-mail Id shall be stoptrade@jainam.in.

3. JBL shall take the following actions on the receipt of request through any modes of communications as provided by JBL for freezing/blocking of the online access of the trading account from the client:

- a) Validate that the request is received from the client as per below point no. 4 and issue the acknowledgement as well as freeze/block the online access of the client's trading account and simultaneously cancel all the pending orders of the said client. The timelines for freezing/ blocking of the online access of the clients' trading account is as under: -

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

Note:-

¹ Trading hours 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.



- b) Post freezing/blocking the client's trading account, send a communication on the registered mobile number and registered e-mail ID of the client, stating that the online access to the trading account has been frozen/blocked and all the pending orders in the client's trading account, if any, have been cancelled along with the process of re-enablement for getting the online access to the trading account.
- c) Details of open positions (if any) should also be communicated to the client along with contract expiry information within one hour from the freezing/blocking of the trading account. This will eliminate the risk of unwanted delivery settlement. This time limit shall be contracted after a review in the next six months after the date of its applicability to enhance protection of investors from suspicious activities.
4. JBL shall have a mechanism in place to validate that the request for freezing/blocking of the online access of the trading account is received from the respective client only. This can be done by:-
- a) verifying whether request is received from the registered phone number/e-mail Id of the client; or where request is received from other than registered phone number/e-mail Id of the client, the Trading Member should have a client authentication procedure (2 Factor Authentication) in place or
- b) Following any other process as may be prescribed by the Exchange(s) uniformly in consultation with SEBI, from time to time.
5. JBL shall maintain the appropriate records/logs including, but not limited to, request received to freeze/block the online access of trading account, confirmation given for freezing/blocking of the online access of the trading account and cancellation of pending orders, if any, sent to the clients.
6. In case of failure of JBL in freezing/ blocking the online access within the prescribed timelines (15 minutes in case the request is received during the trading hours and within 15 minutes before the start of trading / Before the start of the next trading session in case the request is received after the trading hours and 15 minutes before the start of the trading), JBL shall be responsible for any trades executed from the time of receipt of such request till such time the online access is blocked / frozen.
7. Re-enabling the client for online access of the trading account: - JBL 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.
8. It is clarified that:
- a. Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of JBL.
- b. The request for freezing/ blocking does not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.



Enhanced Obligations and Responsibilities:

Risk Management Committee:

The Risk Management Committee is Board nominated committee consisting of Directors being part of the Committee.

The implementation of strong and effective risk management and controls within the organization promotes stability throughout the entire financial system. Specifically, internal risk management controls provide four important functions:

- to protect the firm against market, credit, liquidity, operational, and legal risks.
- to protect the financial industry from systemic risk.
- to protect the firm's customers from large non-market related losses (e.g., firm failure, misappropriation, fraud, etc.).
- to protect the firm and its franchise from suffering adversely from reputational risk.

The importance of effective risk management and controls in protecting against serious and unanticipated loss is perhaps best illustrated where risk management and controls broke down or were not properly implemented. To avoid such risks and to survive in this competitive environment, the Company itself maintains Risk Management system follow up regular basis at the separate client level activities. To protect the capital & interest of the company for good self, the risk of the daily business is ascertained regularly by the organization.

The risk management committee is Head by Shri Milan Parikh. Responsibility includes overseeing the deployment of the Risk Management framework and procedures. The primary role will be to ensure that the Company achieves its objectives of timely anticipation of risks and opportunities and a cohesive and consistent response through the active involvement of process owners. They will review risks, by timely meetings, comprehensive discussions at respective departments, effective escalation, regular monitoring of risks, implementation of the risk management framework, and the various risks faced by the organization.

Risk Reporting:

The Board of Directors of the Company shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined procedures.

Head of Departments or such other authorized persons by Board shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board / Audit/ Risk Management Committee, as the case may be.



Every Head of Departments or such other authorized persons by Board shall also give details regarding any apparent risk and prospective opportunities relating to their departments on periodic basis to the Board.

Significant risks include those risks that have a high likelihood or significant impact i.e., having risk exposure or where there is limited ability for mitigation by the Company. These risks are identified and assessed based on the Company's expertise, judgement and knowledge.

Organization follows an automated Risk Management System and compliance processes like margin computation, exposure provided to clients vis-à-vis their collaterals with exchanges/ CCs, periodic submissions and all reporting to the exchanges etc.

Review of Policy:

The Risk Management & Surveillance Policy shall be reviewed on ongoing, periodic basis and at least once half yearly basis and the necessary market changes as and when made by SEBI, Exchange or any other regulators or to incorporate the changes necessitated due to changes in the market condition or to strengthen the internal control or for such other reason as deemed fit by the Management and Compliance Officer to ensure that the same is updated in line with market trends, updated regulations, and practices.

Review Period	Half Yearly
Latest Review in FY 2024-25	19.10.2024
Review in FY 2023-24	15.09.2023 20.03.2024

