

# Debit Management Policy

SAMCO SECURITIES LIMITED

Version 1.0

## Objective

This Policy outlines the framework adopted by Samco Securities Limited ("Samco") for monitoring, managing, and recovering debit balances in client trading accounts. The objective is to ensure timely settlement of client obligations, mitigate financial and operational risks, and maintain compliance with applicable regulatory requirements.

## Scope

This Policy is applicable to all clients maintaining trading accounts with Samco and covers all instances where a debit balance arises in the client ledger due to trading activities, margin obligations, charges, or any other dues.

A debit balance refers to any negative balance in the client ledger and shall, at all times, remain the sole responsibility of the client to clear within stipulated timelines.

## Debit Ageing Framework and Action Timeline

Samco follows a structured ageing-based approach for monitoring and recovery of debit balances:

### Trading Day (T Day / Event Day)

Any debit arising from trading activity is reflected in the client's end-of-day ledger. Samco's Risk Management System (RMS) initiates monitoring of such debit balances. No trading restrictions are imposed on this day; however, clients are expected to review and arrange for timely payment of dues.

### T+1 to T+2 (Day 2 to Day 3)

During this period, debit balances continue to be monitored. Clients may continue trading without restrictions. However, Samco may, at its discretion, reduce trading limits or exposure as a precautionary risk control measure.

### T+3 (Day 4)

If the debit balance remains unpaid, Samco shall issue a notification via SMS and/or email (for debit balances of ₹1,000 or above), serving as a final reminder. In case of continued non-payment, Samco may impose a New Position Block after market hours, restricting the client from initiating fresh positions from the next trading day.

## **T+4 (Day 5)**

Prior to market opening, Samco shall verify whether the debit balance has been cleared and funds realized.

- If cleared: Restrictions, if any, shall be lifted.
- If not cleared: Trading restrictions shall continue. The client shall only be permitted to square off existing positions and shall not be allowed to initiate fresh trades.

Clients transferring funds are required to inform Samco immediately. Removal of restrictions is subject to confirmation of fund realization.

## **Post T+4 (Recovery Stage)**

In case the debit balance remains outstanding beyond T+4, Samco shall initiate recovery actions without further notice. This may include:

- Liquidation of open positions
- Sale of securities held in the client's demat account

Such liquidation shall be executed on a best-effort basis at prevailing market prices. Any shortfall post liquidation shall remain payable by the client.

Samco reserves absolute and unconditional rights to take necessary risk management actions, including but not limited to:

- Liquidation of positions or securities at any time, including prior to T+5, based on:
  - Market volatility
  - Margin shortfall
  - Overall risk exposure
  - Restriction of trading activities or reduction of limits without prior notice
  - Adjustment of credits and withholding of payouts against outstanding dues

All such actions are system-driven, risk-based, and non-discretionary in nature, and shall not be construed as advisory, mis-selling, or deficiency in service.

## **Client Responsibilities**

Clients are required to:

- Regularly monitor their ledger balances
- Ensure timely clearance of debit balances within prescribed timelines
- Transfer funds only from registered bank accounts
- Inform Samco immediately upon fund transfer
- Maintain updated contact details at all times

Non-receipt of communication from Samco shall not be considered a valid reason for non-compliance with this Policy.

## **Trading Restrictions and Conditions**

In cases of outstanding debit balances:

- Fresh trading may be restricted
- Only square-off of existing positions may be permitted
- Restrictions shall be lifted only upon full clearance of debit and confirmation of fund realization
- Partial payments may not result in removal of restrictions

## **Conclusion**

This Policy forms a critical component of Samco's risk management framework and is designed to enforce financial discipline, protect market integrity, and ensure regulatory compliance. All actions undertaken under this Policy are preventive and protective in nature and do not constitute investment advice or recommendations.

## **Policy Review**

This policy will be reviewed periodically and updated as necessary to reflect changes in market conditions, regulatory requirements, or operational practices.