Risk Management Policy

SAMCO SECURITIES LIMITED

In the dynamic landscape of financial markets, effective risk management is pivotal to maintaining organizational stability and client trust. At Samco Securities Limited, we recognize that while the capital market offers significant opportunities, it also presents inherent risks that must be meticulously managed. Our commitment is to identify, assess, and mitigate these risks to protect both the organization and our clients. This Risk Management Policy outlines our structured approach to managing potential threats, ensuring alignment with regulatory standards and promoting a culture of proactive risk awareness.

Objective

The primary objective of this Policy is to establish a robust framework that proactively identifies, assesses, and mitigates potential risks across all facets of our operations. By integrating advanced technologies, we aim to enhance our risk assessment capabilities, enabling real-time monitoring and swift response to emerging threats. This approach ensures compliance with regulatory standards, protects our financial stability, and upholds the trust of our clients and stakeholders. Furthermore, we are committed to fostering a culture of continuous improvement, where risk management strategies are regularly reviewed and refined to adapt to the evolving financial landscape. By doing so, Samco aims to maintain its competitive edge while safeguarding the interests of all parties involved.

For the purpose of these Policies & Procedures, the terms "Client," "You," or "Your" refer to any individual or legal entity that has agreed to open an account or has initiated the account opening process with Samco by providing their details during registration. Samco permits users to explore its website without requiring registration.

The terms "We," "Us," "Our," and "Team Samco" collectively refer to Samco Securities Limited and its affiliated entities. These Policies & Procedures should be read in conjunction with our Terms and Conditions, available [here], as well as the user and account opening agreement between You and Samco.

These terms are subject to periodic updates. Any modifications to this policy by Samco shall serve as official notice, and continued use of our platform will be considered acceptance of the revised terms.

Important Risk Considerations

Trading in equity shares, derivatives, and other stock exchange instruments involves varying levels of risk and may not be suitable for individuals with limited financial resources, minimal investment or trading experience, and low risk tolerance. Therefore, clients should carefully assess whether trading aligns with their financial condition before participating in the market.

Before starting to trade, clients must familiarize themselves with essential aspects such as trading systems, fund and securities pay-ins and pay-outs, order types (intraday, carry forward, and delivery trades), and relevant rules and regulations. Additionally, it is crucial to

read the Risk Disclosure Document (RDD), which forms part of the account opening process, to gain a clear understanding of the associated risks.

Clients bear full responsibility for any losses incurred while trading. Neither Samco, stock exchanges, clearing corporations, nor SEBI will be liable for any financial losses or adverse consequences. Furthermore, clients cannot claim that risks were not adequately disclosed or explained by Samco, and no contracts can be rescinded on such grounds.

Lastly, clients must acknowledge that there are no guaranteed profits in trading, and losses are an inherent possibility when executing orders for the purchase or sale of derivative contracts. Understanding and accepting these risks is essential before engaging in any trading activities.

KYC Related Risk

At Samco Securities, we are committed to maintaining strict regulatory compliance and ensuring the protection of client interests in accordance with SEBI guidelines, Exchange rules, and the Prevention of Money Laundering Act (PMLA). All clients are required to complete the Know Your Customer (KYC) process accurately and truthfully prior to the activation of their trading accounts. This includes submission of valid identity proof, address proof, income details, and bank account information. Clients must ensure their information remains updated and respond promptly to any KYC update requests. As part of our risk-based approach, enhanced due diligence is carried out for clients identified as Politically Exposed Persons (PEPs) or categorized as high-risk under PMLA guidelines. Samco strictly prohibits the onboarding of individuals or entities debarred by SEBI or any regulatory authority, and those identified on any sanctions or prohibited lists. Any attempt to open or maintain an account under false information, or involvement in suspicious or non-compliant activities, may lead to the freezing, suspension, or termination of the account without prior notice. Furthermore, Samco reserves the right to report such activities to the appropriate regulatory or enforcement bodies, including the Financial Intelligence Unit – India (FIU-IND). Clients are therefore advised to provide complete, genuine, and regularly updated information to ensure uninterrupted and compliant trading operations.

Country Risk / High Risk Jurisdictions

High Risk Jurisdictions (Proliferation Financing Perspective):

In line with SEBI communication dated July 31, 2025 (F.No.13/41/2025-FATF) and Exchange Circulars issued pursuant to the FATF report Complex Proliferation Financing and Sanctions Evasion Schemes (CPFSES), Samco Securities Limited shall classify certain jurisdictions as High Risk from a Proliferation Financing (PF) and Sanctions Evasion perspective.

1. Jurisdiction Classification:

- All jurisdictions identified as high-risk or blacklisted by FATF, SEBI, United Nations Security Council (UNSC) sanctions, or other competent authorities shall be categorized as High Risk in Samco's Risk Management System (RMS).
- Clients and transactions with direct or indirect nexus to such jurisdictions will be subject to heightened risk classification.

2. *Enhanced Due Diligence (EDD):*

- Clients/transactions linked to such jurisdictions shall undergo enhanced due diligence, including verification of beneficial ownership, source of funds, transaction patterns, and intermediary relationships.
- Continuous monitoring and periodic reviews will be conducted to detect any red flags associated with sanctions evasion or proliferation financing risks.

3. *Risk Mitigation Measures:*

- RMS will restrict, flag, or require senior-level approval for exposures involving these jurisdictions.
- Any attempt to circumvent these controls, including through layered or indirect structures, shall be escalated and reported to the Financial Intelligence Unit – India (FIU-IND) and/or other regulators as applicable.

4. Policy Alignment:

- This framework forms part of Samco's Institutional Risk Assessment under Rule 9(13) of the Prevention of Money Laundering Rules, 2005.
- The list of high-risk jurisdictions will be periodically updated in line with FATF publications, SEBI/Exchange circulars, UNSC sanctions lists, and evolving global risk assessments.

By adopting these measures, Samco reinforces its commitment to preventing Proliferation Financing (PF), Terrorist Financing (TF), and Sanctions Evasion risks, while ensuring full compliance with regulatory requirements and international best practices.

Types of Risks Associated with Dealing in Financial Instruments

As a participant in the capital markets, it is essential to be aware of the various risks that come with dealing in financial instruments. At Samco, we are committed to enabling informed trading decisions by making our clients and stakeholders aware of key risk categories

Liquidity Risk

Liquidity refers to the ease with which securities can be bought or sold in the market without causing a significant impact on their price. A highly liquid market allows for faster and smoother execution of trades.

Illiquid securities can expose clients to the risk of unfavorable prices or inability to execute trades when required.

Market Risk

Market risk arises from the volatility of market instruments due to factors such as economic events, geopolitical developments, company performance, or investor sentiment.

At Samco, we advise all stakeholders to understand that day-to-day price fluctuations or sudden market movements can significantly impact the value of holdings, particularly during high-impact news or unexpected events.

Settlement Risk / Auction Risk

With the current T+1 settlement cycle in both cash and derivatives segments, clients must be cautious when selling securities before receiving them from the exchange.

For instance, if shares are sold on T+1 before actual credit, and those shares are not available for delivery, the transaction may result in an auction penalty as per exchange norms. Samco takes appropriate steps to reduce such occurrences but advises all clients to be aware and trade accordingly.

BTST Risk

BTST transactions involve selling securities on T+1 before the shares are actually credited to the client's demat account. While this provides flexibility to exit positions early, clients must understand that BTST carries inherent settlement and delivery risks. If the shares purchased on T day are not delivered into the client's demat account on T+1 due to short delivery.

In such situations, the BTST sale may attract auction penalties, price differences, shortages, or other Exchange-mandated charges, all of which shall be borne solely by the client.

Clients are strongly advised to exercise caution when placing BTST orders and ensure they fully understand the risk of non-receipt of securities, as this may result in financial losses or penalties beyond Samco's control.

Charges and Fees

- Clients are advised to refer to the official Samco website for the most up-to-date details on applicable charges, including brokerage, statutory levies, and transaction-related fees.

- By engaging in trading or investment activities through Samco, the client agrees to bear all applicable charges, including but not limited to brokerage, transaction fees, statutory taxes (such as GST, STT, stamp duty), exchange levies, and other related

  charges as may be communicated by Samco from time to time. Samco reserves the right to recover such charges directly from the client's account or ledger without prior notice, as consideration for the services rendered.

Online Payment Policy

Samco Securities shall credit client accounts only upon receiving a confirmed payment intimation from the respective banking channel IMPS, Payment Gateway, NEFT, RTGS, or Cheques. Credit limits will be extended only after such confirmation is received.

Please note that Samco has no control over third-party banks or payment gateways. As a result, any delays in payment confirmations due to issues or processing lags within these channels will not be attributable to Samco. Clients are solely responsible for ensuring timely fund transfers to avoid margin shortfalls or auto square-offs triggered by the RMS system.

In the event of such delays causing financial losses including but not limited to RMS-triggered square-offs Samco shall not be held liable. Clients are advised to initiate fund transfers well in advance to ensure timely credit.

Furthermore, payout requests will not be processed on bank holidays, even if the stock exchanges remain operational. All outstanding ledger debits are subject to interest charges and, where applicable, Exchange-imposed penalties, which shall be borne by the client.

Trading Limits & Collateral-Based Exposure

Samco grants trading limits to clients at the Beginning of Day (BOD) based on the collateral and margin available in their accounts. These limits are subject to the client's ledger balances, fund receipts, pledged securities, and existing margin obligations.

Credit Acknowledgment & Posting

Online Transfers: Credits received via the Samco portal are processed on the same day and exposures are granted post-receipt confirmation.

RTGS/NEFT Transfers: Ledger credits for direct RTGS/NEFT transfers are posted on an end-of-day basis upon proper intimation by the client, as per the prescribed process.

Cheque Deposits: Credit for cheque deposits will be granted only after confirmation through bank statements.

Limits Criteria

Trading exposure is extended in proportion to the risk classification of the security being bought or sold.

Post-sale delivery stocks are eligible for a Cash Flow Support (CFS) limit of up to 80% of the sale value, subject to prevailing regulatory guidelines

Short deliveries (including those from external DPs or unsettled holdings) will result in a 20% haircut on margin and withholding of the sale proceeds until pay-in is confirmed.

Intraday Updates

Samco's RMS continuously monitors and updates exposure in real-time. Any incremental exposure or margin adjustment during the trading day will be auto-processed by the system.

Note: Unrealized profits are not considered for determining trading limits at any point during the day.

Scrip Categorization Policy

We adhere to the regulatory frameworks and risk measures defined by the stock exchanges to ensure a secure and compliant trading environment for all our clients. In alignment with exchange guidelines, only approved scrips, as identified and permitted by the respective exchanges (NSE/BSE), are allowed for trading and pledging on our platform. These scrips are typically evaluated by the exchanges based on parameters such as liquidity, trading frequency, volatility, and surveillance measures. We strictly restrict any client transactions whether for trading, margin funding, or pledging in non-approved scrips, which may include those placed under Additional Surveillance Measure (ASM), Graded Surveillance Measure (GSM), or those flagged for high risk or illiquidity.

Samco's internal risk systems are configured to block trading or pledging in such non-approved instruments to protect client interests and ensure full regulatory compliance. The list of approved and restricted scrips is regularly updated by the exchanges, and our platform reflects these changes promptly. Clients are encouraged to consult the updated scrip list available through Samco's interface or official communications before initiating trades. By enforcing this scrip categorization policy, Samco aims to promote responsible investing while minimizing client exposure to high-risk or illiquid securities.

Risk and Collateral Management

Samco employs an online real-time risk monitoring system for each client. If, at any time during the day (including pre-opening gaps), mark-to-market losses exceed 80% of the client's total deposits, Samco may initiate the square-off of the client's positions without prior notice. For example, if a derivative contract worth ₹100 requires a ₹20 margin, a 16% adverse price movement would result in an 80% loss of the margin (i.e., ₹16). In such cases, Samco's Risk Management System (RMS) team will square off the position.it is the sole responsibility of the client to maintain sufficient margins at all times. Samco shall not be held liable for any losses, direct or indirect, arising from actions taken under the firm's risk and collateral management framework, including but not limited to market volatility, delayed fund transfers, or system constraints. Clients are encouraged to be proactive in monitoring their positions and ensuring adequate margin coverage based on their trading activity and market conditions.

Order Types - Trading Platform

All clients are expected to understand the nature and behavior of each order type before use. The following outlines the standard order types available, along with key policy considerations:

Market Order

A Market Order is an instruction to buy or sell a security at the best available current market price. Such orders are executed immediately based on market liquidity and prevailing prices. Clients acknowledge that execution price may vary from the last traded price due to market fluctuations.

Limit Order

A Limit Order allows the client to specify the exact price at which they wish to buy or sell a security, referred to as the limit price. The order will only be executed at the client-defined limit price or better. There is no guarantee of execution if the market does not reach the specified limit price.

Stop Loss Order

A Stop-Loss Order is designed to help clients manage downside risk by triggering an order once a predefined trigger price is reached. Upon activation, the order becomes a limit or market order, as specified by the client.

Example: For a Stop-Loss Sell Order with a trigger price of ₹93.00 and a limit price of ₹91.00, if the current market price is ₹95.00, the order will be activated once the price drops to ₹93.00 and will execute within the defined price range, subject to market liquidity.

Good Till Cancelled

A GTC (Good Till Cancelled) Order is an order type that remains active in the trading system until it is either executed or cancelled by the client. Unlike orders with a time limit, such as GTD (Good Till Date), a GTC order does not expire automatically and remains in effect indefinitely unless the client cancels it

Clients may place a GTC order to buy or sell a security at a specified price. The order will stay active until the conditions for execution are met, or the client cancels the order. The order will be executed once the market price reaches the specified price

There is no guarantee of execution for any GTC order. Execution is contingent upon the market reaching the specified price. If the market does not reach the order price or market conditions change, the order may remain unfilled. Samco does not guarantee the execution of GTC orders, and clients acknowledge the possibility of non-execution due to market volatility or other external factors.

Clients are responsible for regularly reviewing their open GTC orders in the order book. Samco recommends that clients monitor their GTC orders to ensure that they remain aligned with their trading intentions and to manage any unexecuted orders. Clients must cancel any GTC orders that are no longer relevant to their trading strategy.

Good Till Date

A GTD order remains active until a specific expiry date set by the client or until it is executed or manually cancelled, whichever comes first. This feature allows clients to place long-duration orders without the need to re-enter them daily. However, GTD orders are subject to daily risk checks and may be cancelled by the system if they breach margin requirements or fall under exchange-imposed restrictions.

IOC (Immediate or Cancel)

An IOC order is designed for immediate execution. If the order (or a part of it) cannot be fulfilled at the time it is placed, it is automatically cancelled. This order type is typically used for large or urgent trades where speed of execution is critical.

After Market Order

After Market Orders (AMO) allow clients to place buy or sell orders outside of regular trading hours. These orders are queued and become active for execution when the market opens in the next trading session. AMO functionality is designed to offer flexibility to clients who may not be able to monitor markets during live hours and prefer to plan trades in advance based on research or strategy.

While the platform facilitates the placement of AMO orders, execution is not assured. The actual processing of AMO orders depends on various factors such as opening market price, liquidity, order book conditions, and exchange mechanisms. Clients should note that AMO orders may be executed fully, partially, or not at all, based on these prevailing market conditions.

Although After Market Orders offer convenience, clients must carefully consider the following limitations and risks before placing such orders. AMOs may face liquidity challenges due to lower trading volumes outside regular market hours, which can make it difficult to purchase or sell securities as intended. Similarly, erratic price movements during pre-market or post-market windows may make it challenging to achieve fills at the desired price. Overnight developments including global market events, macroeconomic announcements, or geopolitical developments may result in significant price gaps at market open, causing AMOs to be executed at prices considerably different from what the client anticipated.

Overnight risks might lead to significant price movements, resulting in AMOs being filled at unfavourable prices.

Clients should also note that it is not possible to place cover orders, bracket orders, or stop-loss orders as an After Market Order. Additionally, there is an inherent risk of order rejection due to factors such as heightened volatility or reduced liquidity outside of standard trading hours.

Clients are responsible for monitoring their AMO orders through the trading platform. Orders can be modified or cancelled prior to market open. It is recommended to review the order status post-market opening to confirm execution or take appropriate action.

Note: Clients are advised to use these order types in accordance with their trading objectives and risk appetite. Samco reserves the right to modify, restrict, or reject such orders in line with regulatory guidelines, risk management protocols, or system constraints. Samco shall not be liable for any non-execution, partial execution, or cancellation of orders due to market conditions or technical factors.

Product Types - Trading Platform

At Samco Securities, we offer a range of trading products designed to cater to the diverse needs of our clients. Each product type has unique features, margin requirements, and risk profiles. The following outlines the key product types available for trading with Samco:

Delivery - CNC Equity

The Delivery product type is designed for clients who wish to buy stocks for long-term investment. When purchasing through Delivery, clients are required to pay the full value of the stock upfront. The stocks are transferred to the client's demat account and held for an indefinite period. This product type is ideal for those who are looking to build a portfolio and prefer not to sell the securities on the same trading day.

Overnight - NRML F&O

The Overnight product type allows clients to buy derivative positions and hold them overnight. Positions can be carried forward to the next trading session and are subject to daily margining requirements. The Overnight product is suitable for clients who want to take advantage of market movements beyond the trading day, while also managing associated risks like volatility and margin calls.

Intraday - MIS

Intraday trading allows clients to buy and sell stocks or contracts within the same trading day. Positions taken using the Intraday product must be squared off before the market closes on the same day. This product is suitable for active traders looking to capitalize on short-term price movements. Margin requirements for Intraday trading are typically lower than for Delivery and Overnight positions, but positions must be closed by the end of the trading day.

Bracket Order

The Bracket Order (BO) is an advanced order type that allows clients to place a combination of three orders: a primary order, a stop-loss order, and a target order. The position will be automatically squared off once the stop-loss or target price is hit. This order type is designed for clients who want to automate their risk management strategy and ensure that their positions are exited as per pre-defined parameters.

Cover Order

The Cover Order (CO) is designed for clients who want to take positions with a higher level of margin leverage. It involves placing a limit or market order along with a mandatory stop-loss order. The stop-loss order is placed simultaneously to limit potential losses and ensure that the position is closed if the price moves unfavorably. This is a risk-managed order type suitable for intraday traders who require tight risk control.

MTF

The Margin Trading Facility (MTF) allows clients to buy stocks using leverage through Samco's Cashplus product. This enables clients to buy more shares than they could with their available funds by borrowing money from Samco. MTF is ideal for clients looking to maximize their exposure to the stock market by borrowing capital to increase their position size. However, it is important to note that MTF positions are subject to margin calls and liquidation in the event of market fluctuations or margin shortfalls.

Note: If you are placing a trade using the NEST Trader platform, please ensure you select the NRML product type when placing MTF orders. Orders placed under incorrect product types may be rejected or not considered under the MTF scheme.

Delivery and Intraday Orders (Cash Segment)

Clients may place Delivery orders for trades intending to take or give delivery of securities. For clients with DDPI, stocks held in Samco's Demat account (DP) can be directly sold.

For Non-POA clients, stocks can only be sold after completing the EDIS process. Once EDIS is completed, the sale of holdings is only permitted after a minimum cooling period of 30 minutes. This is a regulatory and security measure to ensure proper authentication and to protect client assets. Clients are advised to plan their transactions accordingly to avoid delays or failed orders due to timing restrictions.

Intraday orders are meant for positions to be squared off within the same trading day. Sell orders intended for intraday or margin-based trades must be placed under the Intraday product type and are subject to real-time risk checks, applicable margin requirements, and Samco's RMS policies.

Derivatives – Carry Forward Orders

For Futures & Options trading, clients can place Overnight orders. Margins are charged in accordance with exchange-prescribed requirements (SPAN + Exposure + any additional margins).

For options purchases, clients must maintain a cash balance equivalent to the premium payable. All applicable margins must be available prior to order placement

Position Conversion

Clients are provided with the facility to convert their trading positions between Delivery and Intraday during market hours. This functionality is available through the Portfolio section of the Samco trading platform. To initiate the conversion, clients must select the relevant position and use the "Convert" option.

All position conversions are strictly subject to system validations, margin availability, and applicable risk management policies. Samco reserves the right to reject or restrict conversions in scenarios where margin requirements are not met or system conditions do not permit the change.

Margin Requirement

At Samco Securities, our margin policy is aligned with SEBI regulations and exchange frameworks to ensure responsible trading and efficient risk management. We offer differentiated margin structures for the Cash Market and the Futures & Options (F&O) segments to match their unique characteristics and associated risks.

In the Cash Market (Equity Segment), Samco offers up to 4x leverage on select approved stocks for intraday trading. This intraday leverage enables traders to take larger positions during the day while ensuring that all such positions are mandatorily squared off before the market closes to avoid overnight risk. For delivery-based transactions, clients can utilize the Margin Trading Facility (MTF) through Samco's CashPlus product. This facility provides up to 5x leverage on eligible stocks & ETF, enabling clients to take delivery positions with partial funding.

The margin for MTF positions must be fulfilled through a combination of cash and approved securities, in accordance with the applicable haircut norms and SEBI guidelines.

In the Futures & Options (F&O) segment, Samco enforces strict compliance with exchange-mandated margin requirements. These include two primary components: SPAN margin, which accounts for potential losses under normal market volatility, and Exposure margin, which acts as a buffer against unexpected market swings. These margins are non-negotiable and must be maintained at all times to hold open positions.

Beyond the standard margins, additional margins may be levied under specific market scenarios. One such instance is the Tender Period, which occurs as contracts approach expiry, particularly for commodity and equity derivatives involving delivery-based settlement. During this period, Tender Margin is imposed by the exchange to mitigate risk arising from intention mismatch or non-performance of delivery obligations. This margin is usually incremental and is charged over and above the regular SPAN + Exposure margins. It can range between 10% to 100% of the contract value, depending on the underlying asset, liquidity, and volatility. Clients must arrange sufficient funds or collateral to cover these margins in advance, failing which Samco reserves the right to reduce exposure or square off positions.

Another critical stage is the Physical Settlement Period, applicable to stock derivatives that are mandatorily settled through delivery on expiry. During the last few days leading up to expiry typically from T-4 days onwards, the exchange introduces a graded Physical Delivery Margin.

This margin escalates gradually as expiry approaches to discourage speculative holding of contracts close to delivery and to ensure only serious participants retain positions. The Physical Settlement Margin may go up to 100% of the contract value by the expiry day, and includes a combination of SPAN, Exposure, and additional settlement-related margins. This tightening of margin requirements helps minimize counterparty risk and ensures smooth clearing of delivery-based contracts.

Physical Delivery Margin Schedule

Date	Day	Margin Applicable
E-4	Friday	10% of the delivery margin computed
E-3	Monday	25% of the delivery margin computed
E-2	Tuesday	45% of the delivery margin computed
E-1	Wednesday	75% of the delivery margin computed
E Day	Thursday	100% of the delivery margin computed

Clients must remain vigilant about these margin phases and proactively manage their positions and funding to avoid margin shortfalls. Samco's Risk Management System (RMS) continuously monitors all positions and retains the discretion to initiate square-offs without prior notice in case of margin non-compliance. These measures are essential to safeguard both client interests and the firm’s risk exposure, while ensuring fair and compliant participation in the markets.

Click here to know more about Samco Margin Requirement

Calender Spread Disclaimer

A Calendar Spread is a strategy involving two positions: buying and selling futures contracts of the same underlying asset but with different expiry dates. It is often used to reduce margin requirements due to the offsetting nature of the positions.

Please Note:

While the spread benefit provides reduced margin requirements during the life of the trade, this benefit is withdrawn on the expiry day of the near-month contract.

On the expiry day, the margin benefit for the spread lapses, and the position is treated as an outright position in the far-leg contract. This results in a sudden increase in margin requirement (i.e., the full SPAN + Exposure margin must be available).

If sufficient margin is not maintained in advance, a shortfall may arise, leading to position square-off and/or exchange penalties without prior notice.Clients are strongly advised to monitor calendar spreads approaching expiry and maintain adequate funds to continue holding the remaining leg beyond expiry.

Restricted Scrips & Order Controls Policy

In the interest of safeguarding client interests and maintaining market integrity, Samco has implemented restrictions on trading in specific categories of scrips and instruments. By default, trading in scrips outside the A and B series on BSE and EQ series on NSE is restricted. Any exception to this requires a formal request to the Risk Management System (RMS) desk. Such requests may be considered on a case-by-case basis and, if approved, will be unblocked for a limited duration at the sole discretion of the RMS team.

For approved exceptions, the maximum permissible order size shall not exceed 20% of the Daily Trading Volume (DTV) at the time of order placement. Trading in illiquid, penny, or otherwise high-risk scrips will be allowed only upon RMS approval and may be denied without prior notice.

Securities classified under Graded Surveillance Measures (GSM) are system-blocked and not eligible for fresh purchases, regardless of the client's available funds. However, squaring off of existing positions in GSM scrips is permitted.

Clients are prohibited from initiating fresh positions in Futures & Options (F&O) contracts that fall under the exchange-defined Ban Period. Only square-off and rollover transactions will be permitted in such cases. Additionally, on the expiry day, no fresh positions are allowed in the current month's derivative series only square-off trades are accepted.

The RMS team also sets thresholds for maximum transaction quantity, lot size, and order value across cash and derivatives segments. These limits are defined as a subset of exchange-permitted limits and may vary based on internal risk profiling.

BAN Period Risk Disclosure

During the F&O Ban Period, clients are permitted only to reduce or square-off existing positions, as any initiation of fresh positions or rollover activity is strictly restricted by the Exchange. Exposure during this period is monitored on a delta-adjusted basis, known as Future Equivalent Open Interest (FutEq OI). Since this method recalculates exposure using the delta of futures and options, even small movements in the underlying or changes in option greeks may significantly alter a client's effective exposure. As a result, there is a high likelihood of unintentionally breaching the permitted position limits, especially when unwinding only one leg of a hedge or partially adjusting strategies. Such imbalance may increase net delta exposure beyond permitted limits without the client's intent.

The Exchange evaluates position limits multiple times intraday, which increases the chance of exposure breaches even when no new trades are placed. In such cases, pending orders may be cancelled or rejected automatically, and the broker may square off part or all of the client's open positions on a best-effort basis to ensure compliance. Clients must note that any increase in delta-adjusted exposure beyond the permitted threshold attracts Exchange-mandated penalties, which may include a monetary charge of 1% of the excess exposure value, subject to a minimum penalty of ₹5,000 per day and a maximum of ₹100,000 per day, along with applicable taxes. These penalties are entirely borne by the client.

Given the dynamic nature of delta and the restrictions imposed during the Ban Period, the overall probability of forced liquidation, penalty imposition, and unintended limit violations is significantly higher compared to normal trading conditions. Clients are therefore advised to monitor their net delta exposure closely and exercise enhanced caution when managing positions during the F&O Ban Period.

Trading Limits & Collateral-Based Exposure

Samco grants trading limits to clients at the Beginning of Day (BOD) based on the collateral and margin available in their accounts. These limits are subject to the client's ledger balances, fund receipts, pledged securities, and existing margin obligations

Square off Policy

Clients are required to clear any debit balance in their ledger by T+1 day, where T refers to the day of transaction/trade and T+1 corresponds to the official settlement day as per exchange norms.

In cases where the ledger debit remains uncleared, Samco reserves the right to initiate liquidation of securities held in the client's demat or margin account at any point of time after T Day.

For example, if a trade is executed on a Monday (T day) and the debit is not cleared, stock liquidation will be initiated anytime on T + 1 (Tuesday)

This mechanism ensures adherence to settlement obligations and mitigates risk from prolonged debit exposures in client accounts.

Collection Policy

Clients are required to ensure timely settlement of all financial obligations arising from their trading activities. These obligations may include funds towards the purchase of securities, trading or mark-to-market (MTM) losses, premium payments for options, margin requirements for open positions, prior dues, statutory charges, and any other applicable fees.

All amounts billed for trades executed on the exchange are considered due and payable before the respective settlement timelines. As per the prevailing settlement cycle, obligations in both the Equity Cash and Derivatives segments must be cleared on a T+1 basis. Failure to do so will result in the dues being marked as overdue.

Non-receipt of funds by the specified settlement date may trigger action under the RMS Square-off Policy, whereby the client's positions may be squared off without prior notice. Clients are therefore advised to maintain sufficient funds at all times to avoid disruption in trading activities or forced liquidation.

Charges such as Depository Participant (DP) fees, Annual Maintenance Charges (AMC), and any other service-related costs are deemed payable as and when billed. Additionally, any ad-hoc margins levied by the exchange must be collected from the client promptly. In the event of non-collection or partial collection of such margins, Delayed Payment Charges (DPC) will be applied to the shortfall amount at the agreed-upon rate of interest.

Clients are encouraged to monitor their fund obligations regularly and ensure adequate balances are maintained to meet all financial requirements in a timely and compliant manner.

Option Premium Debit – Square-Off Risk Policy

Any ledger debit arising from the purchase of option premiums must be fully cleared by the client on or before 12:00 PM on the next trading day. Failure to fund the outstanding debit within this stipulated timeline shall authorize Samco's Risk Management System (RMS) to

initiate appropriate risk-reduction measures without further notice. Such measures may include, but are not limited to, the square-off of open option positions and/or the liquidation of available holdings to mitigate debit exposure and ensure regulatory compliance.

While Samco may, on a best-effort basis, attempt to alert clients via SMS, email, or telephonic communication prior to initiating liquidation, such notifications are not assured and shall not be considered a mandatory obligation. Samco shall not be liable for any losses realized or notional that may arise from RMS-driven square-offs executed under this policy. Clients are therefore strongly advised to maintain adequate funds, monitor their ledger balances proactively, and ensure timely settlement of premium-related debits to avoid forced liquidation.

Running Account Settlement of Client Funds

In compliance with SEBI Circular No. SEBI/HO/MIRSD/DOP/P/CIR/2022/101 dated July 27, 2022, Samco ensures the settlement of running account funds for all clients based on the end-of-day (EOD) obligations across all recognized stock exchanges and segments.

Monthly Settlement

Samco shall settle the running account on the first Friday of every month. If a client maintains a credit balance and has not placed a trade in any segment for 30 calendar days, the unutilized funds will be automatically returned to the client's registered bank account within the next three working days, regardless of previous settlements.

This helps prevent idle funds from remaining with the broker for long durations.

Quarterly Settlement

For active trading accounts, Samco shall also carry out a quarterly settlement of running account funds on the first Friday of each quarter i.e., January, April, July, and October after adjusting for EOD obligations across all segments and exchanges.
This ensures transparency and periodic fund return for consistently active clients.

Example:

Suppose a client has ₹50,000 in their trading account as of April 1st but hasn't placed any trade until May 1st (i.e., 30 days of inactivity). On the first Friday of May, Samco will initiate a settlement, and the ₹50,000 will be credited back to the client's bank account within the next 3 working days.

In contrast, if the client is actively trading, the same amount would be reviewed and settled in the quarterly cycle (e.g., first Friday of July) after adjusting for EOD margins and obligations.

Dormant Account Policy

A trading account shall be classified as dormant or inactive if there are no client-initiated trades or fund movements (either credits or debits) for a continuous period of approximately 725 to 730 calendar days, in line with regulatory expectations. Samco may proactively consider an account dormant slightly before the exchange-mandated threshold to ensure timely compliance and mitigate potential operational risks. Once flagged as dormant, specific restrictions will be applied on the account.

Risks Associated with Dormant Accounts:

Dormant accounts present several risks. The foremost concern is security, as prolonged inactivity may increase the likelihood of unauthorized access, especially if login credentials are outdated. Dormant accounts may also contain outdated KYC or contact information, which can trigger compliance issues or hinder communication during audits or system updates. Operationally, clients might miss critical updates, changes to terms, or even fund transfers due to inactivity or inaccessible contact points.

Samco's Dormant Account Management Protocol:

Upon reaching the period of inactivity (as defined above), the account will be marked as dormant in Samco's systems. Consequently, activities such as trading, withdrawals, or transfers will be restricted. To reactivate the account, clients must submit a reactivation request, update or re-verify KYC, and confirm their current contact details. Samco may also conduct additional authentication checks to ensure account security.

Monitoring and Client Awareness:

Samco continually monitors all accounts, especially dormant ones, for irregular access attempts or unauthorized activity. Clients are strongly advised to log in periodically, maintain updated KYC and contact details, and report any suspicious activity without delay. This vigilance helps in preventing account misuse and ensures regulatory compliance.

Disclaimer:

Samco shall not be liable for unauthorized transactions, missed opportunities, or any financial implications resulting from a dormant account that remains unreactivated. Clients are expected to follow the reactivation process diligently to ensure continued access and service.

Margin Trading Facility (MTF)

Samco Securities Limited offers a Margin Trading Facility (MTF) to eligible clients, allowing them to leverage their investments in approved securities. The MTF offering is governed by SEBI regulations, including circular CIR/MRD/DP/54/2017 and subsequent amendments, and is further reinforced by Samco's internal risk management framework to ensure regulatory compliance and protect both the client and the organization from excessive risk exposure. To avail of this facility, clients must maintain an active trading and demat account with Samco, execute the MTF agreement, and provide the necessary regulatory consents.

Under the MTF framework, clients are required to maintain an initial margin and ongoing maintenance margin, both determined by SEBI guidelines and Samco's internal risk assessment policies. Daily mark-to-market (MTM) evaluations are conducted, and any shortfall must be promptly covered by the client to avoid liquidation of positions. Samco monitors exposure limits strictly, ensuring its overall indebtedness under MTF does not exceed five times its net worth, with individual client exposure capped at 10% of the maximum allowable MTF exposure.

Only SEBI-approved Group I securities, including over 800 stocks vetted by Samco, are eligible for margin trading. The approved list is reviewed periodically, and securities may be excluded based on factors such as illiquidity, inclusion in ASM/GSM frameworks, or other internal risk criteria. Samco offers up to 5X leverage on selected securities, with client-wise exposure monitored in real time and adjusted based on volatility, client profile, or market conditions.

Interest on borrowed capital is charged at a rate of 0.05% per day, subject to change with prior notice. All standard brokerage and statutory charges apply. MTF securities are auto-pledged in favor of Samco; clients can sell these without manual unpledging, and proceeds are adjusted against outstanding dues. Corporate actions such as dividends, splits, or mergers may affect MTF positions, which are then converted to CNC/delivery as required.

To manage risk, Samco employs robust RMS tools for real-time monitoring. In case of a margin shortfall, clients are notified, and if not rectified promptly, positions may be liquidated without prior notice. Liquidations may also occur due to elevated risk conditions even if margin is maintained, under risk-based square-offs. Clients are expected to regularly monitor their positions, meet margin calls, and understand the risks of leveraged trading.

Samco reserves the right to revise margin requirements, update the list of eligible securities, terminate the MTF facility, or amend the policy without prior notice. This policy is reviewed periodically to reflect regulatory changes, market developments, and internal assessments.

Click here to know more about MTF Policy

System and Network Congestion Risk Policy

Trading on electronic platforms involves reliance on various technologies including satellite links, leased lines, internet connectivity, and integrated computer systems. While every effort is made to maintain robust infrastructure and uninterrupted access, there may be instances where technical issues—such as communication delays, system downtimes, or network congestion—impact trading activity.
In such situations, clients may experience delays or difficulties in placing, modifying, or cancelling orders, receiving One-Time Passwords (OTPs), or accessing the platform entirely. These challenges, although generally temporary, may have operational consequences, particularly for clients with open positions or unexecuted orders that remain subject to market settlement norms.
It is important to recognize that certain outcomes may arise from factors that are beyond the service provider’s direct control. As such, any resulting financial implications are expected to be understood and managed by the client.

Cuspa Square off Policy

As per SEBI guidelines, all securities that remain unpaid on T+1 are moved to the client's demat account under a pledge, categorized as Client Unpaid Securities Pledgee Account (CUSPA). This mechanism is intended to track unpaid securities while ensuring regulatory compliance.

Clients are expected to either clear the dues by funding their account or sell the unpaid securities within six trading days (T+5) from the date of transaction.

If neither action is taken within the stipulated time frame, Samco reserves the right to liquidate such securities on or after T+5 to recover outstanding obligations. This square-off may be carried out without any further intimation to the client, and the proceeds will be adjusted against the ledger debit or margin shortfall.

Margin Shortage Square off

All clients are required to provide margins upfront before initiating any position.

Daily Mark-to-Market (MTM) losses must be settled by T+1 day, and any margin shortfalls are to be cleared immediately. Failure to meet these margin obligations within the prescribed timelines shall authorize Samco to initiate square-off of open positions without prior notice.

During periods of high market volatility, Samco reserves the right to demand additional margin intraday, and clients are expected to respond promptly. Non-fulfilment of such intra-day margin requirements may also result in position liquidation to safeguard risk exposure.

MTM Square Off

Samco reserves the right to square-off all open intraday positions (both in the cash and derivatives segments) as well as carry-forward derivative trades if the Mark-to-Market (MTM) losses reach or exceed 80% of the available margin.

While clients may receive alerts when MTM losses touch 60% and 70%, such notifications are sent on a best-effort basis and should not be construed as a mandatory obligation of Samco. In volatile market conditions, square-off may be executed without prior notice, and

the client shall bear full responsibility for any losses incurred due to such action. Additionally, all pending orders will be cancelled as part of risk mitigation.

For purchases in the cash segment, clients must maintain a minimum coverage of 20%. If the coverage falls below the stipulated level, Samco's Risk Management System (RMS) reserves the right to liquidate client holdings to restore the required coverage level, without any further intimation.

Physical Settlement Square Off

All open positions in derivative contracts (Futures & Options) are mandatorily squared off on the expiry day to avoid physical delivery obligations, as Samco does not support physical settlement of contracts.

The Risk Management System (RMS) will initiate the square-off of all such open positions between 12:00 PM and 1:00 PM on the expiry day. Clients are advised to manage or close their positions proactively before this time to avoid any forced liquidation.

Additionally, based on the exchange's margin requirements, Samco may levy additional margins as expiry approaches. Clients are expected to maintain adequate funds or collateral to meet such margin obligations. Failure to do so may result in earlier square-offs at the discretion of the RMS.

All losses, charges, or penalties arising due to the square-off will be the sole responsibility of the client.

Margin Shortfall Reporting & Penalty Policy

As per SEBI and Exchange regulations, it is mandatory for all brokers, including Samco Securities, to report client-wise margin collection on a daily basis for positions held in the NSE F&O and NSE Currency Derivatives segments.

If a client fails to maintain the required margin, and a margin shortfall is reported to the Exchange, the Exchange shall levy penalties client-wise as follows:

Penalty for Shortfall in Margin Collection (per instance per client):

- Shortfall < ₹1 lakh and < 10% of applicable margin:
  Penalty = 0.5% per day of the shortfall amount
- Shortfall ≥ ₹1 lakh or ≥ 10% of applicable margin:
  Penalty = 1.0% per day of the shortfall amount

Additional Penalties for Repeated Shortfalls:

- If the shortfall continues for more than 3 consecutive days, a penalty of 5.0% of the shortfall amount shall be levied from the 4th day onwards, per day.

- If the shortfall occurs on more than 5 days in a calendar month, a penalty of 5.0% of the shortfall amount shall be levied from the 6th day onwards, for each day of shortfall during that month.

All penalties levied by the Exchange due to margin shortfalls will be passed on to the respective client who failed to maintain the required margin. Clients are strongly advised to monitor and maintain sufficient margin levels to avoid such penalties

Leverage Products

Samco Securities offers two powerful leverage-based trading facilities CashPlus and StockPlus designed to help eligible clients enhance their market participation through increased buying power. CashPlus, also known as the Margin Trading Facility (MTF), enables clients to purchase eligible stocks for delivery using leverage of up to 5x their available capital. These positions can be carried forward overnight, unlike regular intraday trades, and are governed by SEBI regulations. On the other hand, StockPlus allows clients to pledge their existing demat holdings and use the pledged value as margin to take further positions in equities or derivatives. This provides flexibility in deploying capital efficiently without liquidating investments.

While these leverage products offer amplified opportunities, they also carry a higher degree of financial risk. Market volatility can result in quick margin shortfalls, triggering margin calls or even forced liquidation of positions if timely top-up of funds or collateral is not made. Clients are responsible for monitoring their exposure and ensuring compliance with all margin requirements as prescribed by the exchange or Samco's internal risk management

framework. Additionally, interest and other applicable charges are levied on leveraged positions and pledged margins, and these may vary depending on product usage.

Note: Clients must have submitted a valid Demat Debit and Pledge Instruction (DDPI) to be eligible for CashPlus or StockPlus. Furthermore, clients holding Easiest-enabled NSDL demat accounts (online transfer-enabled accounts) are not eligible by default for these leverage products, as system restrictions limit debit and pledge functionalities required for MTF and pledging operations.

Conclusion & Disclaimer

This Margin Requirement Policy is proprietary to Samco Securities and is intended solely for internal use and communication with clients in a controlled and professional manner. It has been prepared with reference to SEBI regulations, exchange circulars, and Samco's internal risk management framework to ensure transparency and regulatory alignment.

All clients are expected to review and comply with the terms and margin obligations outlined herein. Samco reserves the right to modify or update this policy at any time based on regulatory changes or internal risk assessments, without prior notice.

Confidentiality Notice

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