

MTF RISK MANAGEMENT POLICY

RMS stands for Risk Management System - To manage the risk of the company/client from the volatility

1. Applicability of MTF Securities

- MTF is applicable on securities specified under the “MTF Approved Category List”
- Only Group I securities (as per Exchanges/SEBI classification) are eligible.
- Stocko reserves the right to include or exclude securities from the approved list at its discretion, without prior intimation.
- List can be checked [here](#)

2. Funding Limit under MTF

- Clients may take positions worth up to ₹5 Crore funding under MTF.

3. Eligible Securities & Margin Requirements

- Group I stocks available in F&O segment
 - Margin requirement: $VaR + 3 \times ELM$
- Group I stocks other than F&O stocks
- Margin requirement: $VaR + 5 \times ELM$

4. Clients can take MTF funding against:

Cash margin deposited in their trading account. Or Shares pledged as collateral (from their demat account) via MTF product type only and same must be used to square off their holdings.

5 Policy on Debit Balances (T+5 Rule)

If your main ledger remains in debit for five consecutive days due to MTF MTM losses, margin requirements, or any other adjustments, the debit balance must be cleared by T+5 day. If the debit is not cleared by T+5, RMS will take necessary action to recover the outstanding amount, which may include squaring off your holdings.

6. Action on Ledger–Holding Value Gap

If the difference between the client’s actual ledger balance and the holding value falls below 20%, the RMS team may initiate a partial square-off of holdings to recover the shortfall.

7. Square-Off Requirement for Removed Securities

If any stock is removed from the MTF trading list, you are required to square off that stock from your MTF positions. In case of non-compliance, RMS will take necessary action to clear the MTF ledger, including squaring off the respective stock.

8. Client Obligations

- Clients must maintain sufficient margin at all times.
- Any shortfall must be funded immediately to avoid RMS intervention.

9. Client Communication & Volatility Clause

RMS will make reasonable efforts to notify clients via email, SMS, or platform notifications regarding margin shortfalls or Potential Square-offs under MTF.

However, in situations involving extreme market volatility, sharp price movements, liquidity constraints, regulatory directives, or risk to the Company's exposure, RMS reserves the absolute right to initiate partial or full square-off of positions without prior intimation to the client.

Non-receipt of communication due to technical reasons, network failure, or incorrect contact details shall not prevent RMS from taking necessary action.

10. Concentration Risk Control

Exposure limits may be imposed on:

A single stock/A group of related stocks/A particular sector

RMS may restrict or reduce MTF funding if a client's portfolio is excessively concentrated in a single security or sector, or if such concentration increases risk exposure beyond internal risk thresholds.

RMS reserves the right to revise exposure limits at its discretion based on market conditions and internal risk assessment.