stocko

Collateral Valuation Policy

Collateral Valuation of Securities

1. Objective

This policy defines the framework for acceptance, valuation, monitoring, and risk management of securities provided by clients as collateral margin.

2. Eligible Securities

- Only securities approved by the recognized stock exchanges and clearing corporations shall be accepted as collateral.
- Securities must be available in dematerialized form and pledged through the approved pledge/re-pledge mechanism.

3. Valuation Methodology

- Collateral securities shall be valued on the basis of the Latest Traded Price (LTP) available on the recognized exchange.
- In absence of current market price, the previous closing price or exchange-prescribed valuation methodology may be considered.
- Valuation shall be updated on a real-time or periodic basis as per exchange requirements and internal risk policy.

4. Haircut Application

- Haircuts on collateral securities shall be applied strictly in accordance with the percentages prescribed by the exchange/clearing corporation from time to time.

Additional haircut may be imposed by the broker based on:

- Market volatility
- Liquidity risk
- Concentration risk
- Regulatory restrictions
- Corporate actions
- Internal risk management framework

5. Margin Benefit

- Margin benefit shall be provided only on the net collateral value after application of applicable haircut.
- Formula:

  Eligible Collateral Value = Market Value × (1 – Applicable Haircut %)

6. Monitoring and Review

- Collateral valuation and haircut applicability shall be monitored continuously.
- The broker reserves the right to revise valuation methodology, haircut percentages, or collateral eligibility without prior notice depending on market conditions or regulatory directives.

stocko

7. Restricted / Non-Eligible Securities

The following securities may not be accepted as collateral:

- Securities not approved by exchanges
- Illiquid securities
- Suspended securities
- GSM/ASM category securities
- Penny stocks
- Securities under regulatory surveillance or restriction