AAA INSTITUTIONAL SECURITIES PVT LTD

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RISK MANAGEMENT SYSTEM

1. BACKGROUND

AAA Institutional Securities Private Limited ("the Company") is committed to maintaining a robust Risk Management System ("RMS") to ensure prudent management of risks arising from its stock broking and related securities market activities. The Company recognizes that an effective risk management framework is essential for protecting the interests of investors, maintaining market integrity, ensuring financial stability and complying with the regulatory framework prescribed by the Securities and Exchange Board of India ("SEBI"), Stock Exchanges, Clearing Corporations and Depositories.

This Policy has been framed in accordance with the applicable provisions of the Securities and Exchange Board of India Act, 1992, the SEBI (Stock Brokers) Regulations, 1992, the Rules, Regulations, Bye-laws, Circulars and Guidelines issued by SEBI, the recognised Stock Exchanges, Clearing Corporations and Depositories, as amended from time to time.

The purpose of this Policy is to establish a comprehensive framework for identifying, assessing, monitoring and managing risks associated with the Company's business operations. The Policy also sets out the principles governing client risk management, margin collection, exposure monitoring, settlement obligations and other risk mitigation measures adopted by the Company to ensure compliance with applicable regulatory requirements and industry best practices.

2. OBJECTIVE

The objectives of this Policy are to:

- establish a comprehensive Risk Management System for managing operational, market, financial and settlement risks associated with the Company's business;

- ensure compliance with the applicable provisions of the SEBI Act, Rules, Regulations, Circulars, Guidelines, Stock Exchange Bye-laws and Clearing Corporation requirements;
- safeguard the interests of clients while maintaining the financial and operational integrity of the Company;
- prescribe a framework for collection of margins, monitoring of exposures and management of trading and settlement risks;
- establish internal controls for monitoring client positions and mitigating potential risks arising from market volatility or default;
- define the rights and responsibilities of the Company and its clients in relation to risk management measures; and
- enable timely implementation of risk mitigation measures whenever considered necessary in the interest of investor protection or market integrity.

3. SCOPE

This Policy shall apply to all business activities undertaken by the Company in its capacity as a Stock Broker and shall be applicable to:

- the Board of Directors;
- the Compliance Officer;
- the Risk Management Team;
- Dealers;
- Operations and Back Office Personnel;
- Branch Offices;

- Authorised Persons;
- Employees; and
- all other persons engaged in activities relating to trading, settlement, risk management and client servicing on behalf of the Company.

The provisions of this Policy shall also govern all clients availing trading facilities through the Company, to the extent applicable under the Client Registration Documents, Rights and Obligations, applicable laws and the Rules, Regulations and Bye-laws of the recognised Stock Exchanges and Clearing Corporations.

4. DEFINITIONS

Unless the context otherwise requires:

"Company" means **AAA Institutional Securities Private Limited**, a company incorporated under the Companies Act, 2013 and registered with the Securities and Exchange Board of India as a Stock Broker and such other intermediary as may be permitted under applicable laws.

"Client" means any person who has entered into an agreement with the Company for availing stock broking or related services.

"Authorised Person" shall have the meaning assigned under the applicable SEBI Regulations and Stock Exchange Bye-laws.

"Margin" means the amount of funds, securities or other collateral required to be maintained by a client for undertaking transactions in the securities market in accordance with the applicable regulatory requirements and the Company's Risk Management System.

"Exposure" means the maximum trading limit or financial commitment permitted by the Company to a client based on the available margins, collateral, market conditions, regulatory requirements and internal risk assessment.

“Mark-to-Market (MTM)” means the daily valuation of open positions based on the prevailing market price to determine profit, loss or margin obligations.

“Risk Management System (RMS)” means the internal framework adopted by the Company for identification, monitoring, control and mitigation of risks associated with trading, settlement and other securities market operations.

Words and expressions used but not defined in this Policy shall have the meanings respectively assigned to them under the SEBI Act, the Rules, Regulations, Circulars, Guidelines, the Bye-laws of the recognised Stock Exchanges and Clearing Corporations, as amended from time to time.

5. RISK MANAGEMENT FRAMEWORK

The Company shall maintain a comprehensive Risk Management System (“RMS”) to identify, monitor, control and mitigate risks arising from trading, settlement and other securities market activities. The Risk Management System shall be dynamic in nature and may be reviewed, modified or strengthened by the Company from time to time based on regulatory requirements, market conditions, client risk profile or any other factor considered relevant.

5.1 Client Risk Assessment and Onboarding

Before permitting any client to trade, the Company shall complete the prescribed Know Your Client (KYC) requirements, client due diligence, risk profiling and other regulatory formalities in accordance with the applicable provisions of SEBI, Stock Exchanges and other regulatory authorities.

The Company may classify clients into different risk categories based on factors including financial capability, trading pattern, investment objectives, market experience, source of funds, creditworthiness, regulatory status and any other criteria considered appropriate for effective risk management.

The Company reserves the right to review, modify or reclassify the risk profile of any client at any time based on its internal assessment or regulatory requirements.

5.2 Margin Policy

The Company shall collect margins from clients in accordance with the applicable provisions of SEBI, Stock Exchanges and Clearing Corporations.

The Company may prescribe higher margins than those specified by the regulators based on market volatility, concentration of positions, liquidity of securities, client risk profile, financial exposure or any other risk parameters considered appropriate.

Clients shall maintain adequate margins at all times and shall immediately meet any margin shortfall or additional margin requirements communicated by the Company.

The Company reserves the right to revise margin requirements without prior notice whenever considered necessary in the interest of prudent risk management.

Cash, approved securities or any other collateral permitted under the applicable regulatory framework may be accepted towards margin obligations, subject to the Company's internal policies and applicable haircut requirements.

5.3 Exposure Management

Trading exposure shall be provided entirely at the discretion of the Company after considering the available margins, collateral value, financial capability of the client, market conditions, liquidity of securities and regulatory requirements.

The Company may prescribe different exposure limits for different clients, market segments, securities or products and may revise, reduce, suspend or withdraw such exposure at any time without prior notice whenever considered necessary for effective risk management.

The grant of exposure by the Company shall not create any obligation to continue providing such exposure in future.

5.4 Mark-to-Market (MTM) and Margin Shortfall

The Company shall monitor all trading positions on a continuous basis.

Mark-to-Market (MTM) losses shall be computed in accordance with the applicable regulatory framework and the Company's internal risk management practices.

Where MTM losses or margin shortfalls arise, the Company may require the client to immediately provide additional funds, approved securities or other acceptable collateral.

Failure to fulfil margin obligations within the stipulated time may result in reduction of exposure, restriction on further trading, liquidation of collateral and/or square-off of open positions without further notice to the client.

5.5 Square-off and Liquidation of Positions

Without prejudice to any other rights available under law or the Client Agreement, the Company may, at its sole discretion, square off, close out or liquidate any open position or dispose of collateral available with it where:

- prescribed margins are not maintained;
- MTM losses exceed permissible limits;
- there is failure to meet settlement obligations;
- regulatory requirements so require;
- exceptional market conditions exist; or

- such action is considered necessary for protection of the interests of the Company, its clients or the securities market.

Any losses arising from such action shall be borne by the client.

5.6 Settlement and Delivery Obligations

Clients shall ensure timely availability of funds and securities for meeting their respective settlement obligations.

Where a client fails to honour settlement obligations within the prescribed timelines, the Company may take such actions as may be permissible under the applicable regulatory framework, including close-out, auction, liquidation of collateral, recovery proceedings or any other measures considered appropriate.

The Company shall also manage risks relating to pay-in, pay-out, delivery shortages and physical settlement in accordance with the applicable regulatory framework.

5.7 Delayed Payment Charges and Recovery of Dues

Where any amount remains outstanding beyond the prescribed due date, the Company may levy delayed payment charges at the rates communicated to the client from time to time.

The Company shall have the right to recover any outstanding dues, losses, charges, taxes or other liabilities by adjusting available credit balances, selling collateral, exercising lien or adopting any other lawful recovery mechanism available under the applicable laws and contractual arrangements.

5.8 Surveillance and Market Risk Controls

The Company shall monitor trading activities on a continuous basis to identify abnormal trading patterns, concentration risks, unusual price movements or any other activity having potential regulatory or financial implications.

The Company may impose additional trading restrictions, higher margins or reduced exposure in respect of securities covered under:

- Additional Surveillance Measure (ASM);
- Graded Surveillance Measure (GSM);
- Securities under Trade-to-Trade settlement;
- Securities under regulatory restrictions or ban;
- Illiquid or highly volatile securities; or
- any other category of securities identified as high-risk.

5.9 Client Account Controls

The Company may, in accordance with applicable regulations and internal policies:

- classify trading accounts as inactive or dormant;
- freeze or unfreeze trading accounts upon the client's request or pursuant to regulatory directions;
- suspend trading facilities;
- deactivate or terminate client accounts; or
- restrict trading in specific securities or market segments,

where considered necessary for regulatory compliance or effective risk management.

5.10 Exceptional Market Conditions

During periods of abnormal market volatility, system failures, force majeure events, regulatory directions or any other exceptional circumstances, the Company may, at its sole discretion, revise margins, reduce exposure limits, suspend trading, refuse acceptance of orders, square off positions or implement such other risk containment measures as may be considered necessary.

5.11 Company's Rights under the Risk Management System

The Risk Management System adopted by the Company is dynamic in nature and may be modified, amended or strengthened at any time depending upon market conditions, regulatory requirements or internal risk assessment.

The Company's decisions relating to margin requirements, exposure limits, acceptance of collateral, restriction of trading, square-off of positions and implementation of risk control measures shall be final and binding, subject to the applicable provisions of law.

5.12 Operational Risk Management Procedures

The Company shall implement detailed operational procedures governing various aspects of its Risk Management System, including but not limited to margin collection, exposure limits, mark-to-market (MTM) monitoring, square-off of positions, settlement obligations, delayed payment charges, collateral management, surveillance measures, account restrictions, voluntary freezing and unfreezing of trading accounts, physical settlement, and other risk control measures.

The detailed operational procedures shall form **Annexure A- Risk Management Procedures** to this Policy and shall be read in conjunction with this Policy.

The Board of Directors hereby authorises the Managing Director, Chief Executive Officer and/or Compliance Officer to review, modify and update the operational procedures contained in **Annexure A**, as may be required from time to time, to ensure compliance with the applicable provisions of the SEBI Act, Rules, Regulations, Circulars, Guidelines, the Rules, Regulations and Bye-laws of the recognised Stock Exchanges, Clearing Corporations and Depositories, without requiring amendment to this Policy, provided that such modifications do not alter the fundamental principles or governance framework approved by the Board.

6. ROLES AND RESPONSIBILITIES

6.1 Board of Directors

The Board of Directors shall be responsible for:

- approving this Policy and any amendments thereto;
- overseeing the implementation of an effective Risk Management System;
- reviewing the adequacy and effectiveness of the Company's risk management framework on a periodic basis; and
- ensuring compliance with the applicable provisions of the SEBI Act, Rules, Regulations, Circulars, Guidelines and the Rules, Regulations and Bye-laws of the recognised Stock Exchanges, Clearing Corporations and Depositories.

6.2 Compliance Officer

The Compliance Officer shall be responsible for:

- monitoring compliance with this Policy;
- ensuring implementation of regulatory changes affecting the Risk Management System;
- advising the management on risk and compliance matters;
- maintaining records relating to risk management wherever applicable;
- reporting material exceptions and non-compliance to the Board of Directors; and

- coordinating with Stock Exchanges, Clearing Corporations, Depositories and regulatory authorities on matters relating to risk management and compliance.

6.3 Risk Management Team

The Risk Management Team shall be responsible for:

- monitoring client exposures and margin utilisation on a continuous basis;
- ensuring timely collection of margins and settlement obligations;
- monitoring market volatility and concentration risks;
- initiating appropriate risk mitigation measures, including restriction of exposure or square-off of positions wherever required; and
- reporting significant risk events to the Compliance Officer and the management.

6.4 Employees and Authorised Persons

All employees, dealers, authorised persons and other personnel engaged in trading, operations or client servicing shall comply with this Policy and promptly report any matter having a bearing on operational, financial or regulatory risk.

7. REVIEW AND AMENDMENT

This Policy shall be reviewed periodically and may be amended by the Board of Directors whenever considered necessary or upon any amendment to the applicable provisions of the SEBI Act, Rules, Regulations, Circulars, Guidelines, the Rules, Regulations and Bye-laws of the recognised Stock Exchanges, Clearing Corporations or Depositories.

The Compliance Officer may recommend suitable amendments to the Board to ensure continued regulatory compliance and effective risk management.

8. INTERPRETATION

In the event of any inconsistency between the provisions of this Policy and any applicable law, rule, regulation, circular, guideline or direction issued by SEBI, the recognised Stock Exchanges, Clearing Corporations or Depositories, the applicable regulatory provisions shall prevail.

Any matter not specifically covered under this Policy shall be governed by the applicable provisions of law and the internal policies and procedures of the Company.

Any clarification regarding the interpretation or implementation of this Policy shall be provided by the Compliance Officer, whose interpretation shall be subject to applicable laws and the approval of the Board, wherever required.

9. POLICY APPROVAL

This Risk Management System (RMS) Policy has been approved by the Board of Directors of AAA Institutional Securities Private Limited at its meeting held on 24 July 2026 and shall come into effect from the date of its approval.

PARTICULARS	DETAILS
Policy Name	Risk Management System (RMS) Policy
Policy Owner	Compliance Officer
Approved By	Board of Directors
Approval Date	24 July 2026

Effective Date	24 July 2026
Review Frequency	Annual or as required due to regulatory changes
Version	1.0

ANNEXURE- A
RISK MANAGEMENT PROCEDURES

1. Margin

No account open without collection of margin from client. The client should inform about the exchange margin system. In case client open account only for sale of shares the advance Pay-in of shares collect from the client before sale of shares.

2. Financial background of client

Accounts shall be opened only after verification or financial back ground of the client in case of employee of private & government under taking. Extra caution required while verify the financial position also time to time check the current status of old client & update accordingly.

3. Exposure

Exposure given to client as per the exchange rules & regulations & check the position of client before close of market hours whether the client position within the limit.

4. MTM

Marked to market losses fixed for each client so that client can not incurred excess losses also fix the parameter for MTM ratio. Presently our MTM ratio is 70% of the deposit but it can be changed time to time depends upon the market situations.

5. Setting up client's exposure limits

We have margin based RMS System, Total deposits of the clients are uploaded in the system and client may take exposure/margin on the basis of margin applicable for respective security as per VAR based margining system of the stock exchange and/or derivative margin defined by RMS based on their risk perception. if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

6. Imposition of penalty charges

The Client agrees that the "CSPL" may impose fines / penalties for any orders / trades / deals / actions of the client which are contrary to this agreement / rules / regulations / bye laws of the exchange or any other law for the time being in force, at such rates and in such form as it may deem fit. Further where the "CSPL" has to pay any fine or bear any punishment from any authority in connection with/ as a consequence of /in relation to any of the orders / trades / deals actions of the client, the same shall borne by the client.

7. Surveillance

Applied the Inhouse trading software surveillance & squaring option so that all excess position squared same day.

8. Delivery

a. In case of purchases the delivery of shares transfer to client account only. If payment /cheque not received within the specified time the stock of client kept in CUSPA (Client unpaid Securities Pledge Account) Trading member sold unpaid shares kept CUSPA on T+5 days & informed to the client.

b. In case if the client account has debit balance no stock transfer to client account, only transfer after clearance of all dues etc.

c. In case of purchase of stock the delivery transfer to demat account of clients directly through NSE Exchange Clearing house within the specified period if no dues / debit balance out standing in client account.

9. Check the Money & Delivery Inflow / Outflow

Check the delivery received / transfer only from / to designated account of client.

10. Employee account

Employee allowed to do trading only for delivery business, jobbing & others not allowed for staff of back office & front office.

11. Upgradation of Client Master

Client master upgrade in trading system & server on regularly basis.

12. Intimation F&O client for risk involved in F&O trading

The client shall be informed about the risk involved in Derivatives trading & advice to go through the exchange risk disclosure documents.

13. The right to sell client's securities or close client's positions, without giving notice to the client, on account of non-payment of client's due:

Without prejudice to the our other rights (Including the right to refer the matter to arbitration), the "CSPL" Traders shall be entitled to liquidate /close out all or any of the clients position without giving notice to the client for non -payment of margins or other amounts including the pay in obligation, outstanding debts etc. and adjust the proceeds of such liquidation/close out, if any, against the clients liabilities / obligation.

The client shall ensure timely availability of funds/securities in form and manner at designated time and in designated bank and depository account(s), for meeting his/her/its pay in obligation of funds and securities. Any and all losses and financial charges on account of such liquidations/closing out shall be charged to & born by the client. In case of securities lying in pool account/client unpaid securities account and having corporate actions like Bonus, Stock split, Right issue etc., for margin or other purpose the benefit of shares due to receive under Bonus, Stock split, Right issue etc. will be given when the shares is actually received in the "CSPL" designated demat account.

In case the payment of the margin/securities is made by the client through a bank instrument, the "CSPL" shall be at liberty to give the benefit/credit for the same only on the realization of the funds from the said bank instruments etc., at the absolute discretion of the "CSPL". Where the margin/security is made available by way of securities or any other property, "CSPL" has empowered to decline its acceptance as margin/security &/or to accept it at such reduced value as the "CSPL" may deem fit by applying haircuts or by valuing it by marking it to market or by any other method as the "CSPL may deem fit in its absolute discretion.

The "CSPL" has the right but not the obligation, to cancel all pending orders and to sell/close/liquidate all open positions/securities/shares at the pre- defined square off time or when Mark to Market (M-T-M) percentage reaches or crosses stipulated margin percentage, whichever is earlier, The "Cspl" will have sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square off, the client agrees to bear all the losses based on actual executed prices, the client shall also be solely liable for all and any penalties and charges levied by the exchange(s).

14. Shortages in obligations arising out of internal netting of traders:

"CSPL" shall not be obliged to deliver and securities or pay any money to the client unless and unit the same has been received by the "CSPL" from the exchange, the clearing corporation/clearing house or other company or entity liable to make the payment and the client has fulfilled his/her/its obligations first. The policy any procedure for settlement of shortage in obligations arising out of internal netting of the traders is as under:

The Short delivering client is debited by an amount equivalent to 20% above of closing rate of day prior to pay in/Payout Day. The securities delivered short are purchased from market on T+2/T+1 day and the purchase consideration (inclusive of all statutory taxes & levies) is debited to the short delivering seller client along with reversal entry of provisionally amount debited earlier.

If securities cannot be purchased from market due to any force majeure condition, the short delivering seller is debited at the closing rate on T+2/T+1 day or Auction day on Exchange +10% where the delivery is matched partially or fully at the Exchange Clearing, the delivery and debits/credits shall be as per Exchange Debits and Credits.

In cases of securities having corporate actions all cases of short delivery of cum transactions which cannot be auctioned on cum basis or where the cum basis auctioned on cum basis or where the cum basis auction payout is after the book closure/record date, would be compulsory closed out at higher of 10% above the official closing price from first trading day of the settlement till the auction day.

Conditions under which a client may not be allowed to take further position, or the broker may close the existing position of a client.

We have margin-based RMS system. Clients may take exposure up to the amount of margin available with us. Client may not be allowed to take position in case of non- availability/shortage of margin as per our RMS policy of the entity

The existing position of the client is also liable to square off/close out without giving notice due to shortage or margin/non making of payment for their paying obligation/outstanding debts.

15. Delayed Payment Charges on Debit Balance

The client shall ensure timely payment of all dues and obligations to the Company. In case any debit balance remains outstanding in the client's trading account beyond the stipulated settlement period, the Company shall levy delayed payment charges at the rate of **18% per annum** (or such other rate as may be decided by the Company from time to time) on the outstanding debit balance.

The delayed payment charges shall be calculated daily and debited periodically to the client's ledger account. The Company reserves the right to recover such charges from any credit balance, margin, securities, or any other assets of the client lying with the Company.

16. Margin Requirement and Margin Shortfall Charges

Clients are required to maintain margins as prescribed by the Stock Exchanges, SEBI, and the Company's Risk Management System (RMS) from time to time.

For margin collection , the Company shall consider the Cash & non-cash ratio 50:50*

- **Cash Component:** Minimum 50% of the total margin requirement.
- **Non-Cash Component:** Maximum 50% of the total margin requirement, comprising approved securities, or other collateral as permitted by the Exchanges and regulatory authorities.

In the event the client fails to maintain the required margin or there is a margin shortfall in the account, the Company shall be entitled to levy margin shortfall charges at the rate of 10% per annum on the shortfall amount for the period during which the shortfall continues.

The Company further reserves the right to:

- Reduce or withdraw trading exposure.
- Square off open positions without prior notice.
- Liquidate collateral securities or other assets available with the Company.
- Take any other risk containment measures deemed necessary under prevailing market conditions and regulatory requirements.

The levy of margin shortfall charges shall be without prejudice to the Company's right to recover any losses, penalties, charges, or other liabilities arising due to the client's failure to maintain prescribed margins.

17. Facility of voluntary freezing/ Temporarily suspending /blocking of Trading Accounts by Clients

CSPL provides the framework and facility of voluntary freezing/blocking the online access of the trading account to their clients.

The framework for Trading Members for providing the facility of voluntary freezing/ blocking the online access of the trading account to their clients on account of suspicious activities as finalized by the Brokers' Industry Standards.

CSPL provides 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 from their Registered Email Id and Registered Mobile No.

<u>The following modes have been provided to the clients to place the request to freeze/block the trading account</u>:

a. Email from registered e-mail ID at : stoptrade@centricity.coin
b. SMS from registered mobile number at : **092170 56633**

An e-mail ID and/or telephone number is provided by the Trading Member for this purpose, the above said e-mail ID/ telephone number is dedicated for receipt of communication for voluntary freezing/ blocking of the online access of the clients' trading account.

We take the following actions on the receipt of request through any modes of communications as provided by the CSPL Email Id. and Mobile No. for freezing/blocking of the online access of the trading account from the client: and 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 and within 15 minutes before the start of trading	Within 15 minutes
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

We validate the request for freezing/blocking of the online access of the trading account is received from the respective client only. from their registered email id and mobile no.

i. 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

ii. Following any other process as may be prescribed by the Exchange(s) uniformly in consultation with SEBI, from time to time

In case of failure of the Trading Member in freezing/ blocking the online access within the prescribed Timelines. Trading Member shall be responsible for any trades executed from the time of receipt of such request till such time the online access is blocked/frozen.

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.

<u>Re-enabling the client for online access of the trading account</u>: -
The Trading Member 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.

We 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. And 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. and This will eliminate the risk of unwanted delivery settlement.

18. Deregistering a client:

Not withstanding anything to the contrary stated in the agreement, the "CSPL" shall be entitled to terminate the agreement with immediate effect in any of the following circumstances:

- If the action of the client are prima facie illegal/improper or such as to manipulate the prices of any securities or disturb the normal/proper functioning of securities or disturb the normal/proper functioning of the marketing, either alone or in conjunction with others.
- If there is any commencement of a legal process against the client under any law in force; On the death/lunacy or other disability of the Client;
- If the client being a partnership firm, has any steps taken by the Client and/or its partners for dissolution of the partnership;
- If the Client suffers any adverse material change in his/her/its financial position or default in any other agreement with the "CSPL".
- If there is reasonable apprehension that the Client unable to pay its debts or the Client has admitted its inability to pay its debts, as they become payable;
- If the Client is in breach of any term, condition or covenant of this Agreement;
- If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security
- If a receiver, administrator or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Client;
- If the Client have taken or suffered to be taken any action for its reorganization,

Liquidation or dissolution; If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a firm, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking, If any covenant or warranty of the Client is incorrect or untrue in any material respect

19. **Inactive Client account**: - Client account will be considered as inactive if the client does not trade for period of 12 months. Calculation will be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive, the shares/credit ledger balance if any will be unpledged/transfer to the client within one week of the identifying the client as inactive. The client has to make written request for reactivation of their account.

Trading in Exchange is in Electronic Mode, based on leased line, ISDN, Modern and VPN, combination of the technologies and computer systems to place and route orders. Client understand that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any break down in our back office/front end system, or any such other problems/glitch whereby not being able to establish access to the trading system/network, which may be beyond your control and may result in delay in processing or not processing buy or sell Orders either in part or in full. Client shall be fully liable and responsible for any such problem/fault.

20. Policy for ASM/GSM Securities

In GSM/ASM securities, the Company would be blocking the scrip under GSM/ASM. Exchanges has vide their respective circulars have provided for guidelines on GSM securities. In case of explanation required, the client can refer to the same.

In case of newly listed shares, initially they do not have a DPR till the cut–off price determined and hence, the chances for rate fluctuations are higher. Hence, the dealing in newly listed shares will be restricted to the available credit balance after considering the Mark-to-Market (Mark-to- Market) levels.

21. Securities in Ban Period and delta increased in F&O segmen

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In compliance of rules laid down by Exchange for Securities in Ban Period in F&O segment, if a client creates position or increases delta in securities which are in ban period, penalty will be levied for the same. The list of securities in ban period is updated on NSE website on daily basis.