

CENTRICITY SECURITIES PRIVATE LIMITED

CIN: U66309HR2024PTC121328

Website: www.centricity.co.in

RISK MANAGEMENT SYSTEM

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.

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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+6 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

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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.

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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. Client 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) 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.

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

- a) Email from registered e-mail ID at : stoptrade@centricity.co.in
- 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.

- a) 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
- b) 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

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Re-enabling the client for online access of the trading account: -

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.

16) **Deregistering a client:**

Notwithstanding 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

17) **Inactive Client account:** - Client account will be considered as inactive if the client does not trade for

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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.

18) 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.

19) Securities in Ban Period and delta increased in F&O segmen

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. The link is as below:

https://www.nseindia.com/products/content/derivatives/equities/sec_ban.htm.

Policy approved by board on 22nd April 2026