

Risk Management Policy

S. no.	Particulars	Page No.
1	Collection of Margin Amount	2
2	Market Position Square off	3
3	Refusal of orders for Penny Stocks	4
4	Setting up Client's exposure Limits	5
5	Applicable Brokerage	7
6	Imposition of Penalty / Delayed payment charges by either party, specifying the rate and period	8
7	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 dues:	9
8	Shortages in obligations arising out of internal netting of trades (Internal Shortage Policy)	10
9	Conditions under which a client may not be allowed to take further position or the broker may close existing position of a client / Temporary suspending or close a client's account at the client's request and deregistering a client-	11

Collection of Margin Amount

- All margins as specified by Exchanges are collected in advance from clients before positions can be taken by client. Clients are required to have sufficient balance in their accounts to hold/carry forward positions.
- Margin Limit is set for trading based only on cleared funds and not given against Cheques in Transit. Payments/Transfers will be accepted only from the client's registered bank account.
- Positions held without sufficient margin funds will be squared off any time at the discretion of the ATS RMS Team. There may not be margin calls or intimation from our RMS desk, especially when the market is panic or very volatile.
- ATS reserves the right to call for additional funds in the cases of heavy volatility in the market and can square off such positions for want of margin.
- In case at any point of time, if the client ledger goes debit due to market volatility or higher positions or dishonour of Pay in Cheques; client will be responsible to pay the dues to clear the outstanding in his/her ledger.

Our Detailed policy on Exposure Setting across Exchange Segments is mentioned below.

Particular	Equity (NSE/BSE)	Derivatives (NSEFO)	Currency (NSE CD)	COMMODITIES (MCX)
Intraday Exposure	Only Var Margin is collected upfront	4 times in Futures. 1 time in Option	4 times in Futures. 1 time in Option	4 times. Intraday not allowed in Agri commodity
Delivery Limit / Carried Forward	2 times Var Margin is Collected upfront and full delivery amount be settled on T+2 day	100% Span and Exposure Margin is compulsory to hold position	100% Span and Exposure Margin is compulsory to hold position	100% Span and Exposure Margin is compulsory
Limit Setting	Limit is set on combined basis for Cash, FO and Currency Segment. Ledger Balance + Securities Collateral (after haircut as decided by ATS)			Only Ledger Balance considered. Securities are not acceptable
Intraday Trade Time (MIS and FMIS)	9:15 AM to 3:10 PM	9:15AM to 3:10 PM	9:00AM to 4:40 PM	Till 30 minutes before close of market
	<i>The positions taken for intra-day should be closed/cleared within the time frame as mentioned above. ATS shall not be responsible for any uncovered open position on account of any technical failure.</i>			

Market Position Square off

- **MTM Square off:** - All positions will be subject to square off if your losses exceed 60% of the available funds in your account. This will be done at the discretion of our RMS team and there will be no margin call especially when the market is volatile. However in Normal market, MTM warnings are sent to clients through SMS on MTM Loss reaching 60% and then at 77% and at 80% and also alerts are flashed in trading terminals. Once the MTM loss of the positions reach 80% of the deposits or funds available, the positions will be closed by RMS Dept of ATS and client will be put in square off mode.
- Selling sequence when ATS does RMS selling:
 - The open position in F&O Segment will be squared off towards margin shortage.
 - In case there is ledger debit still in client's accounts, collateral stocks to the extent of ledger debit (including MTM) will be sold off.

Client is updated that he will be placed on Square off mode in case Ledger debit is not cleared in Cash segment on T+5 days (working days)

- ATS may also sell off all or any securities of the Client lying with ATS as collateral or otherwise, for any amounts due by the Client and adjust the proceeds of such liquidation/close out against the client's liabilities/obligations to ATS. It is client's obligation to clear his obligations on T+2 days (T indicates Trading Day). The client shall timely provide funds / securities to ATS for the purchase / sale of securities for meeting his obligations to the Exchange. In case of client falling short of providing fund / securities, ATS has the right to close the positions / sell the clients securities with or without giving prior notice to client to the extent of ledger debit and / or to the extent of margin obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client

T+5 day Square off in Equity/Cash Segment

All Ledger debits more than 5 days have to be cleared by 2:30 PM on T+5th day. RMS selling in clients account will be done on T+5 days (T indicates Trading Day) for the Ledger debit on due basis. For example, if the position has been taken on Monday, then the funds payment is due on Wednesday (T+2 day). Shares so bought on Monday will be withheld by ATS till the debit is cleared. If the funds are not received by Friday, shares will be sold on following Monday. In case

stock valuation falls below 20% of the total ledger debit, square off can be done even before T+5 days. Client is updated that he will be placed on Square off mode. In this regard, ATS shall not be responsible for any loss that incur to the client on individual basis. If client wishes to do any NEFT/IMPS/RTGS to clear the debit, then it should be done and funds have to be received by ATS before 2:30 pm on T+5th day

Refusal of orders for Penny Stocks

Penny stocks are scrips which have a very low value and may or may not be illiquid. Most times there would be very few buyers /sellers for such scrips. The exchange (NSE & BSE) releases a list of such scrips and they are termed as illiquid securities. ATS retains the right to term a particular scrip as illiquid/penny stock based on the parameters it deems fit. These parameters may include, the past volume of the scrip, the volatility in the scrip among others, whether trading in a particular scrip falls within the purview of fraudulent trades or trades deemed to be fraudulent under the SEBI - prohibition of fraudulent and unfair trade practices relating to securities market regulation 2003.

ATS reserves the right to facilitate clients for placing orders with regards to the penny stocks or illiquid scrips as described above. ATS is not under any obligation to push orders which are in the nature of penny stocks/ illiquid scrips. ATS does not encourage trades in penny stock. ATS may permit trades in a penny or illiquid scrip subject to certain conditions, such conditions may include

- Submission of a declaration, by the client, such declaration would include the reasons for entering into the said transaction and also whether the client has abided by the all the relevant regulations.
- In case of a buy transaction the client may be asked to deposit the full value of scrip which the clients intend to purchase, in case of sale transaction, the scrip will necessarily be transferred to pool account prior to placing the sale order at discretion of ATS Ltd. The client hereby authorizes ATS to pledge the scrip with the respective Clearing Corporation.
- Assessment of the past trading pattern or records of the client prior to giving permission.
- Conducting in person verification of the said client to establish the genuineness of the intended trade.

ATS reserves the right to refuse to place such orders whether or not the client fulfils the aforementioned conditions.

Setting up Client's exposure Limits

- Exposure is allowed to the clients based on the margin available in form of funds or approved securities valued after deducting an appropriate haircut. Client is liable to pay applicable initial margins, withholding margins, special margins, delivery margin or such other margins as are considered necessary by the Exchange. Margin would be applicable on Buy and Sell trades.
- Further ATS at its discretion may collect such additional margin or may further reduce the margin subject to extant regulations. Clients are supposed to maintain sufficient balance with ATS pre trade depending on the channel through which they trade. ATS may levy additional margins or relax the margins earlier imposed based on factors such as, client level positions, volatility in a particular stock/commodity or the market in general. Though it shall be our endeavour to ensure that a proper notice is sent to the clients, this may not always be possible taking into consideration the market scenario. Exposure allowed to clients may vary, basis the clients past trading performance, quality of collateral, market circumstances and dynamics and other such factors. In case the client is providing collateral in the form of approved securities as margin, a margin pledge shall be initiated by the client in favour of ATS through physical or electronic instruction mechanism provided by the Depositories. Where the client has given Power of Attorney in favour of ATS, the margin pledge shall be initiated by ATS on behalf of the client. The margin pledge will be initiated as per the process defined by the Depositories / SEBI / Exchanges,
- The client will receive a link on registered Email id / Mobile number mapped with CDSL for confirmation of pledge in favour of ATS. Client will have to enter an OTP received on email id and /or Mobile number within the prescribed timeline to confirm pledge in favour of ATS. The limit for trading on pledge securities will be given to client on best effort basis only post confirmation of creation of pledge in favour of ATS. ATS will not be responsible for any delay or non-receipt of link / OTP from depositors for creation of pledge or non-confirmation of pledge request by the client.
- ATS shall reserves rights to allow pledging of only selected securities at its own discretion. The trade limits on pledge securities shall be given after applying appropriate haircut. ATS shall not be responsible for delay if any, in pledging or un-pledging of client securities due to technical or any other issue at CDSL as well as at ATS end. Client shall ensure that correct Email and Mobile number is updated with ATS at all the times so that, client can receive link and OTP for creation of pledge.

- ATS shall reserves rights to re-pledge the securities to the Clearing Corporations. In case the client defaults ATS and/or the Clearing Corporations shall be entitled to invoke securities pledged by the client.
- In case of failure of Early Pay-in instruction to Clearing Corporation by ATS, any position taken by the client against the sell proceeds and on the event of failure of early pay-in on T Day, penalty applicable due to shortage of margin may be levied on the client Clients may trade themselves through the internet or may trade through the authorized person or branch. For clients who trade through the internet, the exposure limit may be ascertained by them on the trading portal. Clients executing trades through authorized person or branches may check their exposure positions with the authorized person / Branch.
- ATS shall not be responsible for any variation, reduction or imposition or the Client's inability to route any order through the Stock broker's website on account of any such variation, reduction or imposition of limits. ATS may at any time, at its sole discretion and without prior notice, prohibit or restrict the Client's ability to place orders or trade in securities based on certain risk parameters.
- On the basis of available Funds and Collaterals, Margin Reporting of the Clients will be done to Exchanges and Shortfall Penalty if any will be debited in Clients ledger Statement. ATS also levy delayed payment charges on the shortage margin as per the rates decided by ATS from time to time.
- Option Premium received from writing/Selling options will not be considered as margin for taking additional positions.
- Intraday profit realized and MTM profit is not added to margin for taking new positions on the same day, as the same is not considered as accepted margin by exchanges for that day. Our Detailed policy on Exposure Setting across Exchange Segments is mentioned below.

Applicable Brokerage

The brokerage applicable shall be as agreed upon from time to time. In case of any modification in the brokerage rate, the client shall confirm the same as required by ATS. The client agrees to pay to ATS, brokerage, Exchange related charges, statutory levies and any other charges (including but not limited to security handling charges on settlement) as are prevailing from time to time and as they apply to the client's account, transactions and with respect to the services opted by the client and thereby rendered by ATS. ATS does not charge brokerage more than the maximum brokerage permissible as per the rules and regulations and bye laws of the Exchanges/SEBI. However, the minimum brokerage as stipulated by the exchanges will be levied. The brokerage shall be charged as a percentage of the value of the trade or as a flat fee or otherwise, together with the statutory levies as may be applicable from time to time on the same. In addition to the brokerage charged the following charges will also be levied.

Schedule of charges-

- 1) Account opening fees
- 2) SEBI turnover fees as applicable
- 3) Exchange Transaction charges as applicable
- 4) Charges for margin pledge/unpledged of securities
- 5) Securities Transaction Tax (STT)* and Commodity Transaction Tax (CTT)*:- The STT and CTT rates will vary with regards to trades done on delivery basis, non delivery basis and trades done in the derivative segment
- 6) Goods & Service tax *
- 7) Stamp duty
- 8) Education Cess and higher Education Cess *
- 9) In addition to the above ATS shall debit the demat charges to the trading account.
- 10) In case there are any bank charges or any other charges levied by the exchange or any other authority on account of any violation done by the client, the same shall be charged to client
- 11) In case where the brokerage levied as a percentage on the value of the shares/ contract is less than the minimum brokerage payable per share/contract. The client will be charged such minimum rate of brokerage per share instead of the percentage. *These are government levies and are subject to change from time to time and will be charged in addition to the brokerage as applicable. All the above charges would be subject to change from time to time. Such changes shall be displayed on the website or such other URL used by ATS from time to time.

12) For online client opting for contract notes in physical mode, handling charges of Rs. 10/- would be charged over and above the brokerage on each contract note. Statutory cost will be charged as per Exchange / Regulatory Authorities.

In case the brokerage rate is not specified on the brokerage chart as above, the default brokerage as mentioned below will be applicable:

BROKERAGE STRUCTURE

	EQ		F&O		Currency		Commodity	
	(%)	Options	Futures (%)	Options	Futures (%)	Options	Futures (%)	Options
Intraday/Carry Forward	0.01	0.05	0.01	₹10 per lot	0.01	₹10 per lot	0.01	₹10 per lot
Delivery	Zero		Zero		Zero		Same as Cash Segment	

Imposition of Penalty / Delayed payment charges by either party, specifying the rate and period.

Delay pay-in charges are levied to clients for delay in payment of their fund obligation on time which may be due on account of charges, margins or any other sum due to ATS. Clients are required to pay margins before placing any trades. Clients are allowed to place margins in form of funds or pledge of securities in favour of ATS Exposure will be given to client as explained in point no. B (setting up client’s exposures limit) Appropriate haircut is applied on such stocks. They are then expected to make the full payment for the purchase on the settlement date. In case there is a debit balance in the clients account, the same shall be liable for the delayed payment charges. The calculation of these charges is an automated process. The charges to be levied would be up to 2% per month. These charges have been introduced so that they act as a deterrent for delaying the payment of funds.

In case where any penalty / charges /fees / taxes etc. of whatever nature, is levied on ATS on account of trades or orders placed by clients, such penalty /charges /fees / taxes etc. shall be debited to the client’s account. No interest will be paid on the credit balance lying in the client account or funds retained for margins etc

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 dues:

Margin collection – Margin is collected upfront from the client's i.e. prior to executing any trades. Based on the margin thus available with ATS, exposure is given to the client. The applicable margin may vary and the client may be asked to replenish the margin by tendering additional funds or securities. In accordance with SEBI/Exchange guidelines, ATS retains the right to square off the position without giving any notice to the client.

- The client agrees to pay for the shares purchased through ATS before the pay-in date in order to enable ATS to make the requisite pay-in to the exchange.
 - In case the client fails to make the payment, ATS may liquidate the securities in the clients account within five trading days after payout or as per Risk Management of ATS. This square off may be done on or before the 5th day from the settlement date. ATS may at its discretion also not liquidate the securities and may transfer such securities to its client Demat account.
- The client also agrees to maintain adequate margin for the positions taken in any segment. However, in case the credit available is lower than the minimum margin required, the client's positions would be liquidated in a manner that there is no shortfall of margin.
- ATS shall endeavour to ensure that adequate prior information is given to the client for such liquidation. It shall inform the client through the mobile number and or email id updated with ATS. For clients to whom a login and password is given to access their account on the website www.adityatrading.in, or such other URL that may be provided by ATS from time to time, where they are required to login and check the limit statement uploaded therein. It shall be the clients' responsibility to ensure that adequate credit balance is available in the account.
- The above guidelines may be changed based on the discretion of ATS and in terms of the market conditions. In cases where the market is volatile and there is a sudden spurt in scrip price then ATS may square off position without any notice due to the paucity of time and other such circumstances.
- Whenever ATS endeavours that the positions are to be liquidated, it shall not be responsible for any liabilities in case the same cannot be liquidated.
- The priority of the positions to be squared off, i.e., which positions to be squared off first, would be at the discretion of ATS.

- ATS may follow the following priority for squaring-off positions:
 - a. Lower Margin scrips and the scrips nearing the aforementioned deadline of five trading days will be squared off first.
 - b. Only futures position will be squared off (option position to be square off manually)
 - c. In case where there is a position in cash and derivative segment, futures positions would be squared off first then cash positions would be square off in case shortfall still exist.

Shortages in obligations arising out of internal netting of trades

(Internal Shortage Policy)

- The client may not receive shares on T+2(settlement date) in case there is an internal shortage situation within ATS i.e., the buyer and seller are both ATS clients and the seller defaults in delivery due to which the buyer may not receive the shares.
- In case of any shortage, firstly, as on the payin day (settlement date), the defaulting seller would be debited with an amount being the closing price as on Tday or T+1 day, whichever is higher plus 30% for the default till such time the close out process can be completed.
- In case there is an internal shortage, on T+2 for scrips listed on NSE and BSE, ATS will purchase the shares from NSE. For scrips, listed only in BSE, ATS will purchase the shares from BSE and will provide the shares to the buyer on receipt of delivery. The defaulting seller would be debited with the rate at which these shares were purchased, including the brokerage, statutory charges and other incidental charges including penalty if any.
- In case of non-receipt of delivery of purchased shares, the buyer would be offered credit at a closing price of T+4 day + 3% and the new seller would be debited at the same rate.
- In case where ATS is unable to purchase the shares on account of the scrip being in buying circuit, the position would then be closed out on the closing price of the exchange on T+2 plus amount at the circuit percentage of 2 days (Maximum up to 20%). In case of any corporate action for internal shortages, if original trade was executed at cum-rate, then ATS will repurchase the shares at ex-rate in its Internal Shortage a/c. The amount of corporate action, as applicable will be debited to the Seller's a/c and quantity will be credited to the

Buyer's account. For corporate action type being Buy back or in case of securities being delisted from trading, ATS will close out internal shortages at last traded price or last traded cum rate price as applicable+10% will be credit to buyer & debited to seller.

- In case of internal Shortage of physically settled Derivatives contracts, there will be compulsory close out at +10% of the closing price of the pay-in date. The amount will be debited to seller and credit will be given to Buyer. ATS may also levy charges on the defaulting seller for non-delivery of stocks within the stipulated time.

Conditions under which a client may not be allowed to take further position or the broker may close existing position of a client / Temporary suspending or close a client's account at the client's request and deregistering a client-

- 1) In the event where overall position in any scrip or derivative contract has reached the limit prescribed by regulators or exchanges. For example, in case of NRI clients where the PIS Limits are prescribed by RBI are breached or in case of Exchange wise, scrip wise limit prescribed by Exchanges for derivative contracts are breached. In all such cases the client may not be permitted to take additional positions.
- 2) ATS has the right to stop or block the client to trade in case where there is a debit balance in his/her account.
- 3) ATS retains the right to block the client to take a position in certain specified scrips basis the risk management systems of ATS.
- 4) In case where ATS is apprehensive the client to be an entity debarred by any regulatory authority, it shall retain the right to stop the trading activities of such a client.
- 5) In case where ATS perceives risk with regards to any regulatory action or with regards to delay or non-payment of margin or any other obligation ATS may temporary block or suspend the trades of such clients.
- 6) In case where the client's account is dormant for a period of more than 1 year ATS shall mark

such clients as inactive, and trades in the all the segments will be restricted till the completion of due diligence (including IPV) and receipt of updated information related to KYC from the clients for activating the account.

- 7) In case where suspicious transactions are observed, including but not limited to off market transactions.
- 8) In case where clients are not reachable at their contact details mentioned in the client registration form or in the client master changes form.
- 9) In case where unprofessional, or unruly behaviour of the client is observed.
- 10) In case of any ongoing dispute with the client, we may not permit the client to take further positions and may even close out his open positions.
- 11) Further in case of clients breaching the risk parameters mentioned in point H above we may close the clients' positions without any intimation.

In the event of death or insolvency of the client, winding up or liquidation or the client otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, the Stock Broker may close out the transaction of the client and the client or his legal representative as the case shall be would be liable for any losses, costs and be entitled to any surplus which may result there from