

## **Risk Management Policy**

Alice Blue Financial Services Private limited is a member of the National Stock Exchange, Bombay Stock Exchange, and Multi-Commodity Exchange of India in the Equity, Equity Derivatives segment, Currency Derivatives segment, and Commodity segment having its Corporate Office at No. 153/2, 3rd Floor, M.R.B. Arcade, Bagalur Main Road, Dwaraka Nagar, Yelahanka, Bengaluru – 560063.

### **Background**

Regulators require members to maintain a robust and well-defined risk management system to safeguard against client defaults. This system must be thoroughly documented and accessible to all relevant stakeholders. The Risk Management System (RMS) function includes:

- Establishing clear procedures for managing client risk in Equities and all Derivatives segments.
- Verifying clients' capital adequacy for exposure and margin requirements.
- Monitoring client orders, trading patterns, order rejections, and adjustments in exposure or trading limits.
- Tracking mark-to-market (MTM) profits and losses from client trades.
- Reviewing client margins versus exposure levels.
- Making decisions regarding position square-offs due to MTM losses, margin shortfalls, or any other risk-related factors.
- Implementing other risk monitoring procedures as necessary.

### **Objective**

To identify potential risk areas that Alice Blue may be exposed to during the normal course of its broking operations. To establish process checks and controls aimed at mitigating or minimizing these risk exposures.

### **Products Offered**

Customers can place orders for NRML/Delivery, Intraday trades across segments i.e., Cash and Derivatives (Derivatives include FnO, Currency, Commodity) on ANT. Alice Blue also allows Bracket Orders (BO) and Cover Orders (CO) as Intraday products.

### **Exposure setting**

Collateral-based limit/exposures will be set for clients for transacting in Capital Market and Derivative segments. While computing the available margin, clients with ledger balance either credit or debit & the Collateral amount with Haircut applicability. Margin can be paid in the form of cash and approved collateral. Collateral will be valued on a daily basis at the latest/previous day closing price and appropriate haircut shall be applicable. The list of approved collateral/securities along with applicable haircut is subject to revision from time to time based on the Exchange approved list, market volatility, quality of collateral, and internal guidelines; and the same can be obtained from the website. For margin calculation, collateral based on VAR margin, as prescribed by Exchange, will be considered for setting limits.



In the Cash Segment for Delivery or CNC trades, customers are required to have in their ledger balance funds up to 100% of the gross value of stock at the time of the transaction. Currently, no margin/Exposure is provided for Delivery or CNC trades on Alice Blue. However, the client can avail MTF facility on selected stocks.

In the Cash Segment for Intraday trades, Alice Blue customers are provided a limit which is as per the Alice/exchange defined VAR+ELM for the respective scrips and subject to a minimum of 20%

For delivery or carry-forward based derivative trades, Alice Blue provides margin to customers as per the exchange-defined requirements. This includes SPAN, Exposure, Delivery, and Special Margins. For Futures and Options traded on NSE, BSE, or MCX, the trading limits offered to customers are based on the margin requirements specific to each contract

**In terms of derivatives contracts, there are specific criteria that define the contracts that can be traded via Alice Blue for both normal and intraday trades in order to protect the consumers from market volatility and fluctuations.**

#### **Trading in Illiquid Scrips/Penny Stocks:**

As a part of Due Diligence, Illiquid Securities/Trade to Trade shares/Penny Stocks and Scrips with less volume in FO segment may be restricted by the Risk team. The list of such Restricted Scrips shall also include GSM/ASM/SMS List and will change from time to time.

#### **Pay-in:**

Clients can transfer funds into their Trading Account only from bank accounts that are registered with Alice Blue. Transfers made from non-registered bank accounts will not be recognized, and no trading limit credit will be provided for such transfers. Funds can be transferred using the instant payment gateway available on the trading platform or through the back office. Each transfer via this method will incur a charge of ₹10 + GST. UPI – Not Applicable | NEFT/RTGS – Applicable

#### **Payout:**

The fund payout is processed on the same day if the request is received before 7:00 AM. Requests received after 7:00 AM will be settled on the next trading day. In case of a clearing holiday, the payout will be processed on the next available trading/working day.

#### **Pledge & Un-Pledge:**

With reference to SEBI circular reference no: SEBI/HO/MIRSD/DOP/CIR/P/2020/143 dated July 29, 2020 & SEBI/HO/CFD/DCR-2/CIR/P/2020/164 dated September 02, 2020, all the Collateral margins can be given only in accordance with the securities pledge to ICCL (Clearing Corporation). Both Pledge & Un-pledge requests mandatorily come from the client alone. The considerable scrip details for Pledging are available in the client BOT portal.

ALICE shall reserve rights to allow pledging of only selected securities at its own discretion. The client agrees that such an approved list of securities and the haircut thereon are subject to change at the discretion of ALICE. The trade limits on pledge securities shall be given after applying appropriate haircuts. ALICE shall not be responsible for delays, if any, in pledging or un-pledging of Client securities due to technical or any other issues at Depository (CDSL), Clearing Corporation as well as at ALICE's end

The Client is aware and acknowledges that the Stockbroker may need to vary or reduce the limits or impose new limits urgently on the basis of the Stockbroker's risk perception and other factors considered relevant by the Stockbroker, and the Stockbroker may be unable to inform the Client of such variation, reduction or imposition in advance. The Client acknowledges that the stockbroker shall not be responsible for such variation, reduction or imposition or the Client's inability to route any order through the Stockbroker's website/mobile app on account of any such variation, reduction or imposition of limits. The Client understands and acknowledges that the stockbroker 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 through the stockbroker.

**Note:** All Un-pledge requests over the day occurred will be processed at 3.30 PM which includes: if the client squares off the pledged securities and if the request is raised from the client. • If the client has any open Derivative position/obligations and unpledged request was raised, it will be rejected at RMS side to avoid the penalty from exchanges. Also, if the client ledger has a debit balance, then the unpledged request will be rejected. • Alice Blue has given provision to participate in corporate actions such as: Buy Back, OFS, QFS, Tender Back, Stock Splits, Bonus allotment, etc. and charges a 0.01% of value as Brokerage from POA enabled clients. In case POA/DDPI is not enabled to the client, he/she can register in CDSL Easiest & avail the corporate actions facility.

Pledging and un-pledging charges, including for MTF (Margin Trading Facility), are ₹15 + GST per transaction.

### **CUSPA (Client Unpaid Securities Pledge Account).**

In order to further streamline the handling of client securities and prevent any misuse, SEBI has mandated brokers to open a Client Unpaid Securities Pledgee Account (CUSPA). This framework came into effect on 1st April 2023.

#### **Settlement and Pledge Mechanism of CUSPA:**

- Equity trades are settled on a T+1 basis, where "T" refers to the trade day.
- If the buyer fails to meet their fund obligation by the settlement day (T+1), the securities will still be transferred to the buyer's demat account, but an auto-pledge will be created in favour of Alice Blue's CUSPA.
- On T+1, marking securities to CUSPA, the buyer with a ledger debit will be notified via email about their pending fund obligation.
- Shares worth 125% of the net debit amount will be retained as pledged in the Alice Blue CUSPA account. Any excess shares will be released to the buyer's demat account on T+1.
- Securities pledged in the CUSPA shall be held maximum up-to T+1+5. Such unpaid shares may be confiscated anytime within such a maximum time limit
- The securities pledged shall be marked to market. If the value of shares so pledged falls below the net recoverable value, before the permitted timeline, such shares shall be confiscated and sold immediately. On confiscation, the securities shall be sold by Alice Blue at the prevailing market price
- If the client settles the fund obligation within 4 trading days from the pay-out day (i.e., by T+1+3), the pledge will be released, and the securities will be available as free balance in their

demat account.

- Again, on T+4, an email notification will be sent to CUSPA/Debit clients informing them about the upcoming sale of their pledged securities and the outstanding debit balance.
- If the client fails to fulfill the fund obligation within 5 trading days from the pay-out day (i.e., by T+1+4), the pledged securities will be sold in the market on T+5 to recover the outstanding dues, including any penalties, interest, DP charges, etc.
- In cases of payment or delivery failures by the pay-in day, the resulting losses and costs are borne by the defaulting/Debit Clients.
- Unpaid securities under CUSPA will not be considered for the margin obligation calculation of the defaulting client.
- To avoid margin shortfalls, open positions (including derivatives) may be squared off at any point during this period. Hence, the timely settlement of fund obligations is crucial to prevent unnecessary losses or risks.

### Physical Delivery

Commodities with compulsory delivery will be closed a day before their respective tender period / delivery intention. Physical Delivery of Positions is not allowed. All the deliverable contracts or Cash Settled Contracts in Commodities enter 'Tender Period positions' as mentioned by exchange from time to time. Customer's positions will be squared-off one day prior to the start of the 'Tender Period' of the contract including cash settled Positions. No positions will be allowed to carry over in Tender Periods. Please note, the creation of new positions in contracts will be blocked 1 day prior to the initiation of the 'Tender Period' or 'Devolvement Period'.

Physical delivery is **not allowed on MCX/NCOM** but in case the position does not get squared-off for reasons such as liquidity constraints or any other Reasons, option contract getting converted to Delivery then the costs (penalties/losses) of physical delivery will be applicable to the customer.

Equity Derivatives:

No fresh carry-forward position will be allowed & no fresh position will allow in Stock Option contract on day of Expiry in any product type but in case the position does not get squared-off for reasons such as liquidity constraints, option contract getting converted to 'In The Money' during market hours etc, the costs (penalties/losses) of physical delivery will be applicable to the customer.

Stock Physical Delivery-Margin Requirement

<b>(BOD-Beginning of the day)</b>	<b>Margins applicabIe</b>
E-4 Day	10% of VaR + ELM +Adhoc margins
E-3 Day	25% of VaR + ELM +Adhoc margins
E-2 Day	45% of VaR + ELM +Adhoc margins
E-1 Day	70% VaR +ELM +Adhoc margins
Expiry Day -BOD	100% of Contract Value

From the expiry day up to four days prior (i.e., expiry minus four days), if any option position becomes In The Money (ITM) or At The Money (ATM) due to market movements and the required delivery margin is not available in the client's account, the position will be squared off on the same day. Clients



holding expiry positions are required to maintain additional margins at all times to avoid such square-offs.

Failure to maintain sufficient margin in the trading account may lead to the square-off of open positions at the discretion of the RMS team.

Clients with open options positions should be aware that if any position turns **in-the-money (ITM)** from **expiry minus 4 days (E-4) until expiry**, adequate margins as prescribed by the Exchange must be maintained in the trading account at all times. If sufficient margins are not available or maintained during this period at all times, the **Risk Management System (RMS) reserves the right to square off such positions with or without prior notice**. It is solely the **client's responsibility to ensure that adequate delivery, additional, and tender margins are maintained** to avoid the forced liquidation of positions.

Clients will receive physical delivery in the F&O segment only if:

The required margin (entire contract value) is maintained in full on E-1 day EOD and Should require proper mail request from client to take Physical delivery in **Stocks, however** to allowable of Physical Delivery Solely on RMS Discretion.

In the case of short positions, the corresponding quantity is available in the linked Demat account before expiry to avoid auction settlement.

Non-DDPI clients must authorize stock debit transactions as per the Requirement on or before expiry day.

Delivery margin percentage and VAR percentage are set by exchanges and may change depending on the volatility or internal risk policy. A client will get physical delivery in FO segment only if client meets required margin by bringing entire funds equivalent of contract value and in case of short position, client needs to ensure stock is available in the linked demat account for marking Pay in of securities to avoid auction settlement (customer needs to ensure that he should authorise such debit if he is non DDPI customer) on or prior to the expiry day.

It would be client responsibility to ensure that sufficient margin is available at all the times else position may be squared off by Risk team without any pre intimation. In the event that any intraday position or MIS trade is not squared off on the same trading day due to any reason including, but not limited to, system failures or risks associated with internet or wireless-based trading at the Client's end, the broker's end, or the respective Exchange it shall be classified as a Cash and Carry (CNC) or NRML (Normal) position, and will be carried forward to the next trading day. In such instances, the responsibility for squaring off the position will rest solely with the Client.

The risk team will have sole discretion to allow or disallow trading in any contract basis risk parameters.

Physical delivery or exercise of equity stocks or commodities is not permitted. However, in the event that physical delivery is received from the exchange due to RMS discretion, internet glitches, connectivity issues, or any other unforeseen circumstances, the resulting position will be reflected in the client's ledger. The client will be fully liable for any profit or loss arising from such delivery.

**Alice Blue strongly advises clients to always maintain adequate margins with extra/Additional to cover risk at all the time volatility, mark-to-market (MTM) Losses, and all applicable margin requirements.**

Square- off timings			
Segment	Product	Pre-Auto	Auto Sqr of
NFO	MIS	3.16 PM	3.18 PM
	BO & CO	3.16 PM	3.20 PM
Currency	MIS	4.45 PM	4.50 PM
CM	MIS	3.17 PM	3.21 PM
	BO	3.17 PM	3.23 PM
MCX/NCOM	MIS	11.17 PM,	11.20 PM,
		11.45 PM	11.48 PM
	BO & CO	NA	11.17 PM,
			<b>11.45 PM</b>

***If due to reasons such as connectivity, link or system failure, stock at Lower or Upper circuit i.e. circumstances beyond control, an intraday position is not squared-off, then it will be treated as a carry forward position and any loss or penalty due this will be borne by clients only. RMS reserves the right to liquidate the same on the next trading day as soon as markets opens in the absence of required margin.***

#### **Important RMS & Margin Policies**

*Call & Trade charges of ₹50 + GST are applicable for positions squared off due to insufficient funds.*

*RMS will square off open positions if they consume more than 100% of 'Available to Trade' funds/Collaterals/Margins.*

*Maintain extra margin to avoid MTM shortfalls. If the shortfall continues, positions may be squared off without prior notice.*

*If a client is trading using hedge or spread strategies, margin obligations on high-margin legs (like option writing) must be met first. Failure to comply may attract peak margin or EOD penalty from the exchange.*

#### **Risk Management Policy – Important Notes**

- ***In case of any market volatility, the RMS (Risk Management System) desk may square off your positions with or without prior intimation.***
- ***Positions that do not have sufficient funds may be squared off at any time at the discretion of our RMS desk. There will be no margin calls or prior intimation from the RMS desk.***
- ***Any open positions may be squared off at the discretion of the RMS desk if the funds available in your account fall short of the exchange-specified margin requirements. No margin call will be issued before such square-offs.***
- ***During periods of extreme volatility, if the mark-to-market (MTM) loss exceeds the available funds in your account before positions are squared off, any resulting charges or liabilities must be borne by the client.***
- ***In any circumstance where the client fails to maintain sufficient margins and any penalty is imposed by the exchange or regulatory authorities; Alice Blue shall not be held responsible or liable.***

● ***If the MTM loss reaches 80% of the available cash margin or collaterals during the trading day, the RMS team will initiate square-off of the collateral positions. Alerts regarding this action will be sent through trading terminals and via SMS/Email to the registered mobile number.***

● ***Once the 80% MTM threshold is breached, no further trades will be permitted using the remaining balance.***

● ***In the case of option hedging positions, mark-to-market (MTM) risk shall be calculated considering only the short positions.***

***We strongly advise that clients maintain sufficient margins along with an additional buffer at all times to avoid forced square-offs during market volatility or MTM shortfalls.***

All BO (Bracket Order), CO (Cover Order), and MIS (Margin Intraday Square-off) positions will be automatically squared off at the end of each trading day. In case of any unavoidable circumstances where the position is not squared off, it will be converted into an NRML (Normal) or carry-forward position.

BO and CO is not allowed in pre-open markets for Equities. In volatile market conditions, the second leg of a Bracket Order (BO) **also** may either get executed or cancelled. Upon execution, there is a possibility of profit or loss, and the client will be fully responsible for the outcome of such executions for using of BO product.

For Commodities, on the start of delivery intention period, no contract will be available under MIS, BO & CO product type.

Bracket order / Cover Order cancellation is not possible once entered in to the Trade. The order can be closed only by closing the Stop Loss position.

In BO, a trader cannot exit a position partially. Client has to exit all at once and Bracket order cancellation is not possible once entered. The order can be closed only by exiting the position

Bracket order is not permitted in Stock Options, Currency options, and Commodity Options & other group categories apart from a group in NSE Cash. Also, if any Specific news or impact on particular Stocks/Futures RMS will block the BO/CO.

Limit orders are not possible during exit. (While Exit the Leg Order It will be executed at Market Price) If the markets are volatile, then System will may not consider Stop Loss price and may execute the order at the best available price in the market.

When placing a bracket order if the order gets filled in multiple executions, each of the execution will be considered as a separate order and Client will be charged brokerage & taxes separately for each partial fill. The same applies for Bracket orders squared off by our RMS team as well.

While drastic movement, there are chances of executing both pending leg orders. (Target and Stop Loss). So, BO orders are not suggestible at the time of drastic Volatility

Bracket Order charges are applicable Rs.4+GST for One Side based on execution of orders.

Please avoid placing fresh Market orders at the time of market opening in any segment.

### **Margins:**

Margins must be paid upfront as follows: SPAN + ELM for Derivatives, and VAR + ELM or a minimum of 20% for the Cash segment. Margins such as MTM (Mark-to-Market) losses and additional or ad hoc margins can be cleared by **T+1** (the next trading day) in all the segments. Subsequently If failed to pay

so, there will be penalty which will be levied from respective exchanges.

If these margins are not cleared by T+1, the RMS team will square off Derivatives positions **up to the extent of T+1 MTM losses** at the time of market opening (before peak margin generation). Clients will receive a prior email and notification regarding this action.

### **50 :50 Cash Margin Requirements & Interest on Cash Shortfall**

In line with SEBI's margin framework, we are imposing an interest for clients who do not maintain the required cash component in their margin.

The Exchanges/CCs stipulate the following margin composition for all F&O positions:

- **Minimum 50%** of the margin must be in **cash or cash equivalents**.
- **Maximum 50%** may consist of **non-cash collateral** (pledged securities or cash equivalents).
- Any **cash shortfall funded through non-cash collateral** will attract delayed payment charges of **0.0342% per day (12% p.a.)**.

#### **Cash–Collateral Margin Requirement Policy**

When clients use collateral margin derived from pledged securities:

1. At least **50% of the total margin requirement** must be met through:
  - Ledger credit balance
  - Approved cash-equivalent collateral (Liquid-Bees, Liquid MF, etc.)
2. The remaining **up to 50%** may be fulfilled by pledged securities (non-cash collateral).
3. If the **cash requirement falls short** and the shortfall is funded by non-cash collateral, Alice Blue will levy **interest at 12% per annum (0.0342% per day)**.
4. Interest is computed and posted to the ledger on **daily basis**.
5. Margin requirements are determined based on **EOD margin utilisation**

#### **How the 50:50 Rule is Applied (Illustrative Example)**

**Total margin required:** ₹5,00,000

**Minimum cash required (50%):** ₹2,50,000

**Actual cash available:** ₹1,50,000

**Cash shortfall:** ₹1,00,000 -Alice Blue provides the cash component of Rs 1,00,000 to meet your 50% cash requirement, **interest will apply**.

Clients are advised to:

- Maintain at least **50% of required margin in cash** or approved **cash-equivalent assets**.
- Regularly monitor margin usage through the **Margin Statement**, RMS reports, or the Alice Blue trading platform.
- Pledge only eligible securities and ensure adequate cash balance for margin Requirements.

#### **Notes:**

Due to the illiquidity of stock option contracts, market orders have been disabled for stock options. Only limit orders are allowed. To mimic a market order, you can place a **limit buy order slightly above** the current price or a **limit sell order slightly below** the current price. This approach helps ensure quicker execution while protecting you from high impact costs caused by illiquidity

The availability of instruments/contracts for trading on Alice Blue is determined at the discretion of the Risk Management Team and may be modified from time to time based on various factors.

All Physical delivery contracts in the Equity Derivatives segment will be squared off by the RMS team starting from **12:00 PM** on every monthly expiry day. The timing is subject to change at the discretion of the Risk Management Department. Client Should give Separate request for take delivery, even if sufficient margin available in Ledger.



If a client has traded using pledged securities as collateral and a debit arises, the outstanding amount will be settled by squaring off positions either by the **last Friday of the calendar month** or on the **T+5th day**, by invoking the pledged securities.

Near/Far month Option Stock contracts are allowed based on open interest validation for strikes; remaining strikes will be blocked under " Illiquid strikes are not allowed". All Exchange Contracts shall be permitted to Trading at the discretion of the RMS team, based on prevailing market conditions from time to time.

Released premiums cannot use for MCX to NCOM Vice versa NCOM to MCX options buy Trade purposes, If it is used, RMS will square off your open position without any intimation

For intraday trading, MIS product is enabled for Option contracts. Under any circumstances, the Option contract's strike prices get frozen and intraday positions will not able to be squared off by the system or client, those positions will be considered NRML positions it will be carried forward till the strike freeze gets released. Once the frozen strikes get released the RMS team will square off those positions. Under those circumstances, the client is responsible for losses and other charges.

In an option contract, the strikes are allowed within a 20% range above and below the underlying price and Far-month contracts are not allowed to trade in the option contracts

Exchange Order Cancelling Rejection Codes are: NSE – 17070(The Price is out of the current execution range) & 17080: The order could have resulted in self-trade & MCX – Self-Match Prevention Functionality

**Market orders are always associated with Price Risk, Margin risk and MTM risk when you place a market order, it will be executed at the best available price in the market, even if validated by RMS the execution price may exceed your available margin.**

**Market orders shall be restricted for the first 2 minutes of options trading on a daily basis to ensure proper price discovery and validation. This control is implemented along with margin/collateral checks to prevent execution at abnormal prices and to safeguard client interests**

Trading in Illiquid Securities in Cash segments is not allowed

**Good Till Trigger (GTT)** is an order type where you can set a Target or Stop-Loss, remaining valid for up to one year from its placement. In essence, you determine a price to Buy or Sell a particular scrip, and this order remains active until that price is achieved. If it isn't triggered within this period, the GTT order will be cancelled automatically. Additionally, the GTT orders will generally be cancelled automatically under the following conditions:

- When there is a corporate action, such as a bonus issue, dividend or stock split, the GTTs for the corresponding stocks will be cancelled before the ex-date. This precaution ensures that the order is not triggered by the stock price movements due to the corporate action.
- After a corporate action, you will need to manually re-place the GTT order if you wish to maintain it.

### **Margin Penalties Effective November 1, 2024 for Hedge Positions**

- The provisions outlined in circulars NSE/INSP/64315 and MCX/INSP/662/2024 state that penalties imposed by clearing corporations for Increase in margins on account of change in hedge position by client/ expiry of some leg(s) of the hedge positions, the penalties will be posted for the clients in the ledger from the November 01, 2024.
- Where the following penalties would be passed on to the Clients by Stock Brokers.
  - Dishonoured Cheques
  - Changes in Hedge Positions
  - Delivery Margin
  - Special Margin

- Tender Margin
- Additional Margin
- Mark to Market Margins

Ex: –If you hold a buy position this week (on expiry days) and a sell position for the following week or month, your margin will increase by the end of the day. As a result, a short–margin the penalty levied by Member Will be passed on to the Client.

### **Breaching of Open Interest/MWPL - To be Posted in DPC Interest/Penalty**

According to the NSE/BSE Circular regarding Position Limits in the Equity Derivatives Segment (Futures and Options), any clients exceeding the limits will incur additional margin requirements:

In such cases, the exchange will collect additional margin on the excess positions from the Trading Member, which will be held in cash for a period of one month. If the client fails to maintain the required additional margin, ALICE will impose delay payment charges on the shortfall at a rate of 24 % per annum until the margin is released.

### **Delayed Payment Charges**

On ledger debit, if debit obligation is not clear up to the settlement day, then Alice will charge delayed payment charges at 24%. As per exchange norms, in order to trade in derivatives, the margin needs to be 50% cash/cash equivalent and only 50% non-cash. Thus, any shortfall in Cash or Cash equivalent will levy Interest at the rate of 24% per annum.

With respect to SEBI Circular SEBI/HO/MRD2\_DCAP/CIR/2021/0598 dated 20th July 2021 for Segregation and Monitoring of Collateral at Client Level please note w.e.f. 02nd May 2022, Trading Members shall be required to maintain Cash and Non-Cash Collateral in the ratio of 50:50 client level segment-wise.

Starting May 2, 2022, you will have to maintain at least 50% of funds in cash compulsorily in your trading balance. This change is due to the SEBI Mandate which says Clients are required to maintain at least 50% of the total collateral in the form of cash or cash equivalents.

For overnight /Intraday positions, 50% of the margin needs to compulsorily come in cash or cash equivalent collateral (Exp- Liquid MF ETF, GSEC, SGB, etc) and the remaining 50% can be in terms of non-cash collateral Margin (Pledged shares).

Delayed Payment Charges of 24% per day will be levied if any cash margin shortfall on overnight position.

We highly recommend you to maintain 50% cash or cash equivalent in your trading balance, so as to avoid any delayed payment charges.

### **Deregistering a client:**

Notwithstanding anything to the contrary stated in the arrangement, Alice Blue shall be entitled to terminate the arrangement with immediate effect in any of the following circumstances:

- i. If the action of the client is prima facie illegal improper or such as to manipulate the price of any securities or disturb the normal/proper functioning of securities either alone or in conjunction with others;
- ii. If there is commencement of any legal proceedings against the client under any law in force;
- iii. On the death/lunacy or other disability of the client;
- iv. If the client being a partnership firm, steps taken by the client and/or its partners for dissolution of the partnership;
- v. If the client suffers any adverse material change in his/her/ its financial position or defaults in any other/arrangement with Alice Blue.
- vi. If there is reasonable apprehension that the client is unable to pay its debts or the client has admitted



its inability to pay its debts, as they become payable;

vii. If the client is in breach of any terms, condition or covenant of this arrangement;

viii. If the client has made any material misrepresentation of facts, including (without limitation) in relation to the security;

ix. 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;

x. If the client has taken or suffered to be taken any action for its reorganization, liquidation or dissolution;

xi. If the client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board of Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;

xii. If the covenant or warranty of the client is incorrect or untrue in any material respect;

xiii. On the order from the appropriate authority;

xiv. In accordance with the provisions of arrangement entered into with the client.

**Contract Note:** Alice Blue will issue contract notes & margin statements to its clients within 24 hours of the trade taking place. Along with the Contract Note, the client shall also be furnished with a copy of the daily margin status which is also available to be viewed on their respective Backoffice Personal Ledger.

**Closing of accounts/dormant account:** Client can close the account by giving notice 30 days before to Alice Blue. However, we will close the account based on the request from client side. Closing of account shall mean that there is no outstanding balance of shares or funds in the client Ledger. As far as dormant accounts are concerned, we do not close such accounts, but mark the same as "Inactive" till further action by the concerned client.

**Inactive Policy:** All that you need to know in case your trading account is not active for more than 12 months as per the circular Ref No: NSE/INSP/46506 Dated: December 01, 2020. If the client wants to reactivate post Inactive marked, necessary due diligence undertaken.

<b>Name of The Policy</b>	RMS
<b>Prepared By</b>	RISK Department
<b>Approved By</b>	Board of Directors
<b>Approval Date</b>	April 6,2026
<b>Last Reviewed on</b>	Feb 20,2026