



Veriquis Partners Pvt Ltd

Risk management Policy and Framework

THE POLICY IS 'CONFIDENTIAL' DOCUMENT AND IS INTENDED STRICTLY FOR USE WITHIN VERIQUIS PARTNERS PVT. LTD. The policy will be reviewed and amended when any changes are introduced by Regulators. Further the same will be reviewed annually.



TABLE OF CONTENTS

INTRODUCTION	3
SCOPE.....	3
OBJECTIVE	3
ROLE OF RISK MANAGEMENT DEPARTMENT	3
EXPOSURE	4
1. SCOPE AND APPLICABILITY	4
2. TRADING PRODUCTS, ASSOCIATED RISK AND MITIGATES.....	5
3. MARGIN COLLECTION POLICY	7
4. MARGIN APPLICABILITY ACROSS CLIENTS AND PRODUCTS	9
5. SETTLEMENT OF TRADES	10
6. LIQUIDATION POLICY.....	11
7. ERRORS AND PENALTIES	14
8. CLIENT DOCUMENTATION	15
9. SPECIAL PROVISIONS OF RISK POLICY.....	16
10. SPECIAL PROVISIONS OF RISK POLICY.....	17
CLIENT PROFILE EVALUATION (HIGH/ MEDIUM / LOW) AND LIMIT SETTING.....	17
LIMITS	17
CHANGES IN POLICY DURING HIGH MARKET VOLATILITY	18
PROCESS TO REVIEW CLIENT LIMITS	19
SECURITIES ACCEPTABLE AS MARGINS	19
SALE OF SECURITY	19
TRADING RESTRICTIONS.....	19
RMS CONTROLS IN PLACE TO AVOID PUNCHING ERRORS.....	20
OTHER TRADING RESTRICTIONS	20
SQUARE OFF/ LIQUIDATION POLICY.....	20
SELECTION OF SECURITIES.....	20
THIRD PARTY FUNDS AND STOCK TRANSFER.....	21
PAYOUT OF FUNDS AND SECURITIES	21
DELAYED PAYMENT CHARGES / MARGIN SHORTFALL CHARGES/PENALTY RECOVERY POLICY	21
DEACTIVATION / REACTIVATION OF CLIENT CODE	21

VERIQUIS PARTNERS PRIVATE LIMITED

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REVIEW OF POLICY AND UPDATES 21

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INTRODUCTION

Veriquis Partners Pvt. Ltd. hereby also referred to as (“Veriquis” or “the Company”) is incorporated under the Companies Act, 2013 with CIN No. U66190MH2024PTC431418. Veriquis Partners Pvt. Ltd. is a SEBI-registered Stock Broker with registration number INZ000329631 (NSE membership No.- 90471 and BSE membership No.- 6966) and Depository Participant with registration number IN-DP-829-2026. (NSDL DP ID - IN304908). Veriquis Partners is also registered with AMFI with Reg No. ARN-322042.

SCOPE

- This Risk Management Policy applies to all broking operations of the Company across all segments and exchanges where it is registered, including Equity, Derivatives, Currency and any other segment permitted by SEBI and the Stock Exchanges. The policy provides a structured framework to identify, monitor and mitigate risks inherent in broking operations, in compliance with SEBI regulations and Exchange bye-laws.
- It covers client risk profiling, margin and exposure management, monitoring of open positions, handling of margin shortfalls, square-off procedures, operational controls and regulatory compliance. The policy ensures uniformity, transparency and consistency in risk-related activities and is applicable to all clients, authorized persons, branches and employees involved in trading, operations, risk and compliance functions.

OBJECTIVE

The policy / process applies to the Broking Operations of the Company. The Company’s Risk Management process and framework for broking operations encompass the establishment, implementation, and monitoring of comprehensive controls to identify, assess, and mitigate potential risks. Key risk components include:

- a) Ensuring full compliance with applicable rules, regulations, bye-laws, circulars, and guidelines issued by SEBI, NSE, and BSE.
- b) Setting trading limits.
- b) Managing margin deposits with exchanges, including increases and releases as required.
- c) Defining quantity limits, order limits, pending order limits, and price limits at dealer levels.
- d) Implementing controls across Non-NEAT and NEAT terminals of the NSE Exchange and the BOLT terminal of the BSE Exchange.
- e) Monitoring margin levels and ensuring timely submission of related files.
- f) Identifying various risk areas inherent in the Company’s broking operations and establishing appropriate processes and controls to mitigate or minimize such risks.

ROLE OF RISK MANAGEMENT DEPARTMENT

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The Risk Management function's responsibilities include:

1. Establishing risk management policies and strategies.
2. Fostering a risk-aware culture within Veriquis Partners Pvt. Ltd., including providing appropriate training and education.
3. Designing and regularly reviewing risk management processes.
4. Developing risk response processes.
5. Preparing risk reports for Management Information Systems (MIS).

EXPOSURE

The exposure can be in the Cash and Derivatives segment. In the cash segment, exposure can be on purchase as well sell side. On sell side, share delivery obligation to the exchange can be considered as an exposure until actual delivery happens.

- The exposure can also be to the extent of the derivatives exposure and/ or of securities that are considered for margin purposes.
- In the best interest of the clients, Veriquis may disallow or cap exposures in certain stocks and/or derivatives contracts time and again.
- Credit Committee approves exposures to clients beyond a stipulated exposure and / or specific exposure to a particular security. The Credit Committee comprises the MD, COFO, and Risk Head.

1. SCOPE AND APPLICABILITY

1.1. Risk management is an integral part of any organization. Implementation of strong and effective risk management and controls promotes stability in the organization. At Veriquis Partners Private Limited (Veriquis), internal risk management policy and control are defined to address various risks that may arise in nature of broking business. Customers should be aware about the policy adopted by a broker towards margin collection, various checks that are built in by the broker risk management system, liquidation policy etc. This policy will articulate framework around this major aspect of risk management.

1.2. Veriquis is registered with SEBI as a Stock Broker for Equity and Derivatives segments only and following segments are available to clients for trading purpose

- a) BSE – Cash Segment
- b) NSE – Cash Segment

1.3. Veriquis is not registered as broker for following

- a) BSE – Derivatives segment
- b) currency derivatives,
- c) commodity derivatives,

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d) or any other market segment not specified herein.

1.4. Further, being first year of start of broking business, to maintain simplicity in overall Operations and reduce risk of regulatory breaches, Veriquis is currently not offering following types of products / orders / services. Veriquis may start offering few of them in future.

1.4.1. Segment Types

- a) NSE Derivatives Segment
- b) Margin Trading Facility (MTF) - *Where investor can buy and take delivery using broker funding.*
- c) SLBM - *Securities lending and Borrowings, where stringent margin policies apply.*

1.4.2. Order Types

- a) Margin Intraday Square-off (MIS) - *Where investor buys for taking intraday positions which are auto-squared off before market close.*
- b) Bracket Order (BO) - *Intraday orders with target, stop loss, and trailing stop loss.*
- c) GTC orders – Good till Cancel - *Where client trades are carried forward to next business/trading day until executed or cancelled*
- d) ODD Lot - *Client places trades for shares held in physical form & quantity is less than exchange specified lots.*
- e) Algo Trading - *Trades executed via Algorithms built in RMS/OMS system*

1.4.3. Collaterals types

- a) Collaterals other than listed Securities - *Collaterals like Mutual Funds Units, Fixed Deposits, G-Sec Securities etc.*
- b) Credit for Sell (CFS) - *Where early pay-in of sell trades will release credit equivalent to 80% of the trade value*

2. TRADING PRODUCTS, ASSOCIATED RISK AND MITIGATES

2.1 Risk Management system

2.1.1. Veriquis will implement its Risk Management system in due course and once it is ready will place orders through such system.

2.1.2. Veriquis will maintain client level funds/margin available as credit in client's ledger a/c and will upload following as quantity shares available for sell trades

- a) Plg Qty - All the holdings available in Veriquis's pool, pledged with Veriquis
- b) T0 Qty - Quantity available in POA DP A/c with Veriquis and in free status.
- c) T1 Qty - Unsettled holding – stocks bought and pending settlement on T+1 basis, including holidays and including pending settlement of physical delivery.
- d) Open positions for Futures and Options as per previous trading day closing

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- 2.1.3. Veriquis will also set-up limits to restrict large value orders – to mitigate risk of erroneous execution.
- 2.1.4. Trades will be validated against scrip limit set for ASM/GSM categorized securities and order shall be ejected in case of limit breach
- 2.1.5. While Veriquis does not provide MIS (Margin Intra-day Square-off) as product/feature, clients can place square off their trades during market hours. However intra-day trades are not allowed for trades placed either by NRI clients or for trades placed in T2T securities by any clients.
- 2.1.6. Veriquis Risk team will have a discretion to alter/change any of Exposure limit, selling parameter defined in this policy on the basis of prevailing market conditions with or without prior intimation and can use their discretion to grant any kind of exemption/permission in case they deem fit on case to case basis. For clients not satisfying with internal surveillance guidelines, both buy and sell may be blocked for trading in all or a particular security

2.2. CNC (Cash and Carry)- Equity Segment

- 2.2.1. Used for delivery-based trades in the equity segment. Client must have clear cash/funds to place buy trades and free shares to place sell trade.
- 2.2.2. Margin Applicability
 - a) Buy trades will consume 100% cash margin
 - b) Sell trades will consume margin as follows
 - o NIL for sell of Plg Qty/T0 Qty as such stocks can be marked for Pay-in on the same day.
 - o 100% for sell of T1 holding, since there is risk of pending obligation settlement from the client or possibility of shortage in payout received against previous day buy trade.
 - o Veriquis at its sole discretion may not allow selling of T1 qty on any settlement holiday.
 - o In case of sell trade from any DP a/c where DDPI is not a logged and free qty is not available for sell in the RMS, Veriquis Risk Team may allow the same on case to case basis however in such case minimum 20% margin will be applicable.
- 2.2.3. Newly listed securities will be traded under CNC on listing day.

2.3. NRML (Normal Order) – Equity Segment

- 2.3.1. This product offers features of buying securities against either cash margin or approved collaterals. Client needs to maintain adequate margin at all point in time against his outstanding obligations.
- 2.3.2. Client needs to settle debit obligations that have arisen out of buy trades within settlement cycle. Further, in case of debit obligations, pay-out of stock will be pledged in favour of CUSPA (Client Unpaid Securities Pledgee Account) of the Veriquis and subject to T5 liquidations described in relevant section of this policy.

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2.3.3. Buy/sell orders under NRE account are not allowed under NRML product.

2.3.4. Margin Applicability

- a) Buy trades will consume 20% margin either in the form of cash or collaterals.
- b) Sell trades are not allowed under this product.

2.4. NRML (Normal Order) – Derivatives Segment

2.4.1. This is the only and default product for the derivatives segment. All contracts available in derivatives segment may be allowed, however, Veriquis Risk Team may restrict certain contracts for trading based on liquidity and other aspects. Orders in the derivatives segment are validated as per available cash and collateral margins.

2.4.2. Clients will be activated for Derivatives only after completion of necessary KYC and onboarding process is completed.

2.4.3. Appropriate Margins will be blocked for placement of trades and maintaining M2M.

2.5. Summary

Details	CNC (Cash and Carry)	NRML (Leverage)
NSE – Equity / BSE - Equity	Yes	Yes
NSE- Derivatives	No	Yes
SLBM / MTF products	No	No
MIS / BO / GTC / Algo Orders	No	No
Collaterals other than listed securities or credit for Sale	No	No
BTST Sell trades	Yes	No
Offer for Sell / Buy-back	Yes	No

3. MARGIN COLLECTION POLICY

3.1. Veriquis will collect margins from its respective client, after considering internal risk management policy and liquidity aspects along with regulatory guidelines. Various Forms of margin to be collected :-

3.1.1. Cash Collaterals Funds

Clients will transfer funds in the brokers designated margin pool bank account

3.1.2. Non-Cash Collaterals –

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Securities pledged (in demat form) – should be pledged in favour of Veriquis as per Margin Pledge process mechanism in line with SEBI guidelines.

- a) Only Listed Securities should be pledged
- b) Mutual Funds, G-Secs and Bonds not traded on capital markets are not accepted.

3.2. Veriquis will accept margin pledge of all Securities as allowed by Regulations. However, to mitigate inherent risk of price movement and liquidity risk or for any other Operational reason, Veriquis Risk team may define its internal list of approved non-cash collaterals along-with applicable haircuts, based on indicative parameters for any Security.

3.2.1. Few examples of such indicative parameters are

- a) Should be listed on either of Exchanges
- b) Should not be part of exchange defined list of T2T, ASM, GSM, ESM, Illiquid Collateral
- c) Other parameters
 - o Exchange defined VAR margin
 - o Scrip part of derivatives segment
 - o Market Capitalization
 - o Circuit Limit-to be checked
 - o Trading Volume
 - o No. of non-Promoter Shareholders
 - o Promoter Pledge
 - o Institution Holding
 - o Credit rating of the company or ISIN
 - o Issuer of debt instruments like Public or Private

3.3. Newly listed securities may also form part of the approved collateral if fits within the evaluation parameters.

3.4. Veriquis may apply cap on the maximum quantity benefit that a client can get against a particular pledged security. This may be due to Regulatory capping as defined under SEBI peak margin framework or as per risk parameters evaluated by Veriquis Risk Team.

3.5. For valuation of non-cash collaterals, Veriquis will apply appropriate haircut which shall be at least equal to the VAR margin rate prescribed by the Exchanges/SEBI or Veriquis Risk team may apply higher haircut calculated based on internal risk parameters for a valuation of collateral.

3.6. Veriquis Risk team may at its discretion modify the above parameters and acceptable form of margin from time to time depending on overall market condition and Veriquis's assessment of risk.

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3.7. Veriquis shall ensure strict segregation of client funds and securities as per Exchange / SEBI guidelines.

3.8. EOD margin has to be 50-50 or 100% from client-for Equity & Fno?

4. MARGIN APPLICABILITY ACROSS CLIENTS AND PRODUCTS

4.1 For institutional clients, margin exemption shall be applied as per SEBI/Exchange guidelines.

4.2 For non-institutional clients, in case clients are trading through Custodian for settlement purposes, then Veriquis will not apply any Margin requirements.

4.3 For non-Institutional and non-custodial clients, Veriquis shall apply margin applicability as prescribed by exchanges before trade execution through its RMS system.

4.4 Following rules will be applicable for compliance to upfront margin collection.

- a) For all equity cash segment trades, currently this is stated as 20% of the trade value in case of NRML product and 100% in case of CNC product.
- b) For taking Futures positions, Exchange defined SPAN & Exposure (ELM) margins
- c) For Options writing contracts, Exchange defined SPAN & Exposure (ELM) margins.
- d) For Options buy trade, the entire premium amount shall be collected upfront at the time of order placement.
- e) In case of Options contracts getting converted to Delivery on the expiry date, applicable Delivery margin, shall be applicable on all in-the-money options starting **four** trading days prior to expiry and remain in force until settlement.
- f) Benefit of Early pay-in of securities will not be provided on T-day or T+1 morning to avail margin benefit for placing further trades.
- g) Veriquis Risk Team may base on assessment of risk parameters apply higher Margin in case of trade in Derivatives segment. This may be a mark-up percentage defined over and above Regulatory requirement of VAR + ELM.

4.5 Pre-Trade checks

- a) Veriquis will have appropriate checks built in the Risk management System (RMS) to ensure collection of upfront margin as a part of Pre-trade checks before

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placement of any orders. Orders are passed after validation of sufficiency of margin as defined by Veriquis risk management or gets rejected orders rejected.

- b) Options strike prices are dynamically blocked at 20% away from underlying LTP.
- c) Trades in long dated options (LDO) are allowed only upto 3 months expiry, considering illiquidity. Veriquis Risk Team, can however allow trades beyond 3 months only on case-to-case basis.
- d) To mitigate risk of illiquidity and loss to investor, Veriquis will monitor Deep OTM Options Traded on real-time basis and restrict order placement in such contracts or apply higher margins requirements.
- e) Any orders placed beyond the defined limit for Single order value limit is rejected by system.
- f) Restrictions with respect to Securities placed under GSM (Graded Surveillance Measure), ASM (Additional Surveillance Measure), ESM (Enhanced Surveillance) will be applied for while placement of orders.

4.6 MTM Adjustments and ongoing checks

- a) Calculations of MTM Mark To Market is done on real time basis by trading system based on the price feed received from the exchange for all open positions including carried forward positions.
- b) For MTM calculation Veriquis will apply worst-case scenario principle and calculate margin on all open positions and pending orders for margin blocking. Realised and Unrealised Losses are reduced from available margin on real-time basis, however no benefit is given in case of Realised or Unreliased Gain.
 - c) Benefits of credits from Option Sell trade and Booked Profits can be utilised only for Options Buy orders or futures orders and not for placing trades in Equity segment.
 - d) MTM loss for a trading day would be posted to the ledger on T day itself and subject to collection from the client on T+1 basis.
 - e) Peak margin requirements shall be monitored on a real-time basis, and any margin shortfall shall be addressed promptly to avoid regulatory penalties
 - f) Securities placed under GSM (Graded Surveillance Measure), ASM (Additional Surveillance Measure), ESM (Enhanced Surveillance) will be monitored on real-time basis..

Checks for Cumulative orders – TBD

5. SETTLEMENT OF TRADES

5.1 Funds Settlement

- 5.1.1 Client needs to clear his Funds obligation for Pay-in by settlement day (T+1 basis)

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- 5.1.2 Fund Transfer from his bank a/c registered with Veriquis.
- 5.1.3 Clients should ideally transfer funds through online mode. Credit for any cheque will be provided only on realisation basis.
- 5.1.4 In case of PoA Bank A/c maintained by clients with Veriquis, amount will be debited from clients such PoA Bank A/c.
- 5.1.5 In case of clients with Running A/c authorisation, amount will be debited to the clients ledger and any credit available in the ledger will get adjusted accordingly. In case ledger goes in debit than such debit needs to be paid-off by client in any of the above manners.
- 5.1.6 Veriquis will settle clients Funds Payout obligation as per regulatory timelines ie. Within 24 hours. For other clients, Veriquis will issue payouts to clients registered bank account which may be clients PoA Bank Account maintained with Veriquis.
- 5.1.7 For clients with Running Account authorisation, amount will be credited to the clients ledger and any debit balance therein will get adjusted accordingly. For periodic settlement of running a/c authorisation, Veriquis will follow regulatory guidelines and client's consent provided in Account Opening Form (or any subsequent authorisation from time to time).

5.2 Securities settlement

- 5.2.1 For buy trades – Clearing corporation directly credits securities into client's default demat accounts mapped therein.
- 5.2.2 For Sell trades - Veriquis shall obtain client authorization for transfer/pledge of securities exclusively through DDPI, in line with SEBI circulars, or if DDPI is not granted client needs to ensure appropriate pay-in instruction is submitted to Veriquis DP team before cut-off on T day itself.

5.3 Internal Auction

- 5.3.1 With introduction of Direct Pay-out of all Buy trade are now centralised by CC, now Auction process is handled centrally by CC, considering all CM Brokers are delivering gross obligations.
- 5.3.2 Veriquis will pay Valuation amount, calculated at settlement price +20% as Pre-auction deposit through its settlement Bank a/c and based on this deposit, CC will invoke Auction process.
- 5.3.3 For Broker, it will be either successful Auction or close-out of trade.
- 5.3.4 Client's ledger should be debited with Actual obligation amount in case of Auction settlement.

6. LIQUIDATION POLICY

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- 6.1. Client is required to maintain margin as specified by Veriquis and Exchanges at all point in time. In case margin is not sufficient or obligations are not cleared within stipulated time frame, then it may lead to liquidation of client positions.
- 6.2. Decision to liquidate positions will be taken by Veriquis risk team based on prevailing market conditions while monitoring client positions. Client positions are monitored on real time and reported to Veriquis Risk Team for appropriate corrective actions are taken wherever required.
- 6.3. Veriquis may liquidate clients positions if sufficient margin is not maintained by the client from regulatory perspective or as defined by Veriquis based on this Policy.
- 6.4. Clients falling in Liquidation mode (T5 Liquidation)
 - 6.4.1. T+5 amount shall be derived by considering due balance which shall be T-5 day balance. Such due balance shall be adjusted for all subsequent realized and unrealized credit bill posted in ledger at EOD of T+5. All credit JV passed in client's ledger as well as clear funds received shall be considered while deriving T+5 amounts by 5.00 PM. Such credit amount realized will be apportioned on FIFO basis towards T-5 day balance. The debit amount so derived shall be considered for T+5 liquidation as per the Liquidation Policy prevailing from time to time.
 - 6.4.2. No fresh exposure will be given to client under T+5 debit (for any debit amount) and account will be blocked for fresh exposure across all segments despite having surplus collateral.
 - 6.4.3. Clear funds received till 8.00 AM on liquidation day i.e. (T+1+4) will be considered towards debit clearance.
 - 6.4.4. Selection of Stock for Liquidation
 - a) Stock will be picked for liquidation from auto-pledged in client's DP account in favour of "Client Unpaid Securities Pledgee Account"
 - b) Priority of stocks selection,
 - o Lowest haircut stock to be picked up first for liquidation.
 - o For stock having same haircut, stock with lowest market price as on the previous closing will be picked for liquidation.
 - c) Stock will be picked equivalent to T+5 debit amount calculated by valuing stock at last closing price of process day. No mark-up will be used for stock pick up.
 - d) If a client is having single scrip as auto-pledge in his account and value of one quantity is higher than T5 debit amount, the same will be picked for liquidation.
- 6.5. Unrealized credit bill till process day will be considered towards debit as such credit will be realized within T+7 (T+1+5).

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- 6.5.1. Stock sold by client on liquidation day will not be considered towards clearance of T+5 debit.
- 6.5.2. Any residual debit left after liquidation of shares auto pledged under “Client Unpaid Securities Pledge Account” will be cleared by T+5 by utilising stocks from margin pledge. All other policy parameters will remain same.
- 6.6. While Liquidation of collateral stock will be done on a best effort basis, there are chances that sell orders may remain untraded due to lower freeze in a stock or any other reason beyond the control of Veriquis. In such cases, clients are liable to pay funds for clearance of debit.
- 6.7. Risk Liquidation for Derivatives Positions
- 6.7.1. Veriquis Risk Team will define a percentage of margin threshold for considering positions for liquidation. Currently this threshold is 85%, however Veriquis Risk Team
- 6.7.2. Positions will be liquidated as per below threshold-
- a) Clients having margin cover more than threshold are normally excluded from liquidation.
 - b) Other Clients not meeting the threshold margin will be considered for liquidation, however Veriquis risk team may allow to carry positions based on internal risk assessment.
 - c) Threshold cover is also calculated without considering expiring positions on expiry day, to assess if there is any increase in margin post expiry.
 - d) Veriquis Risk Team may liquidate position for any clients with following scenarios even without considering threshold criteria
 - extreme market or scrip volatility
 - having concentrated or large exposure
 - not covered as per Veriquis and/or Exchange margin policy.
 - clients appearing in PEAK margin shortfall is also done.
 - Client where exchange penalty is applied or may get applied
 - Clients where FNO Delivery Margin is in shortfall
- 6.8. Veriquis may apply various parameters as directed by Regulator such as:
- a) Scrip-Level Exposure Cap
 - b) Portfolio Concentration Rules
 - c) Scrip Eligibility Restrictions
 - d) Leverage Throttling Based on Volatility
 - e) Client-Specific Risk Banding (say High Risk clients)
- 6.9. These parameters, if applied, restricts client to build positions in given scrip under leverage products. These pre-trade checks controls are further covered under various trading products that Veriquis offer on its trading platform.

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Veriquis risk may apply more controls and parameters from time to time as per its own discretion and assessment of risk

- 6.10. Securities which form the part of physical settlement shall be squared off from risk for clients not meeting internal risk margin norms on best effort basis prior to expiry.
- 6.11. All Options contracts are now compulsorily settled with Delivery on the expiry day.

7. ERRORS AND PENALTIES

7.1. Errors

- 7.1.1 “Error Trades” refer to trades executed inadvertently due to genuine errors such as typing or punching mistakes, miscommunication, system malfunctions, or incorrect client/exchange codes—subject to amendment in line with SEBI and stock exchange guidelines.
- 7.1.2 Error Trades typically devolve on the broker and require immediate unwinding or settlement as per regulatory timelines and internal controls.
- 7.1.3 Error Trades to be reviewed periodically by the Board or Risk Committee, along with deviations from internal controls and proposed remediation.
- 7.1.4 Error Trade register to be maintained by Compliance officer as follows
 - a) All Error Trades to be logged comprehensively in a separate Error Trade Register, detailing client code, security, quantity, price, nature of error, timestamp, and corrective steps.
 - b) A monthly Management Information System (MIS) report on Error Trades shall be prepared and circulated to the Head – Operations, COO, Head-compliance and Veriquis Risk Team.
 - c) Error Trades are deemed exceptions and must not be a routine mechanism. Authorization for unwinding or transferring such trades to an “Error Account” to be obtained promptly from the authorised risk committee or designated senior personnel, as per internal SOPs.
- 7.1.5 Veriquis Risk Team should take immediate corrective action in case of an error in reporting of client margins the exchange,
 - a) Identifying and correcting the error in the back-office system.
 - b) Uploading revised margin reports to the exchange within the permissible window.
 - c) Informing affected clients of the error and any implications on their margin status.All such incidents shall be logged and reviewed to prevent recurrence.

7.2 Penalties

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- 7.1.1 In accordance with SEBI/Exchange framework, any shortfall in upfront/peak margin collection shall attract the penalties.
- 7.1.2 Regulatory penalties or charges shall be passed on to the client only if they are directly attributable to the client's trades, positions, or actions. Each such penalty will be supported by relevant correspondence from the exchange or SEBI.
- 7.1.3 Penalties arising from system issues, exchange actions not related to client conduct, or operational errors on the part of Veriquis shall not be passed on to clients.
- 7.1.4 Appropriate client communication needs to be completed for Penalties attributed to the client's account.
- 7.1.5 The penalty amounts shall be transparently reflected in the client ledger with narration specifying the reason and source (Exchange/Sebi).
- 7.1.6 All penalties levied by exchanges to be reviewed by Compliance, and where applicable, a waiver request may be submitted within stipulated timelines.

8. CLIENT DOCUMENTATION

- 8.1 For activation of Derivative product, Veriquis shall obtain explicit client consent through either digitally signed or recorded acceptance of the Risk Disclosure Document (RDD) and Product Consent Form which clearly outlined leverage risks, mark-to-market losses, margin call procedures, and liquidation policies.
- 8.2 All clients shall be deemed to have read, understood, and agreed to the terms and provisions of this Risk Management Policy upon commencement of trading with Veriquis.
- 8.3 Veriquis shall send daily Margin Statement to clients as prescribed by Regulations and in case of any clients in margin call (Margin falls below threshold), a separate communication will be sent to client to cure margin call either by topping-up Funds/Collaterals or reducing positions.
- 8.4 Any penalties levied by the exchanges or SEBI in relation to the client's trades, margin shortfall, short delivery, or other regulatory breaches shall be communicated to the client on the same day of receipt or latest by T+1 working day.
- 8.5 The latest version of the policy shall always be available on our website, and continued trading shall constitute acknowledgment and acceptance of any updates.

VERIQUIS PARTNERS PRIVATE LIMITED

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- 8.6 Veriquis shall prominently display the SEBI-mandated “Investor Charter” and “Complaint Data Disclosure” on its website and update them monthly, in line with SEBI circular SEBI/HO/MIRSD/DOP/P/CIR/2021/676 dated December 13, 2021. Clients shall be deemed to have accessed and acknowledged the contents of the Investor Charter upon commencement of trading.
- 8.7 Any client grievance relating to margin collection, position liquidation, product eligibility, or RMS controls will first be addressed by the designated RMS grievance officer within T+2 working days. If unresolved, the grievance will be escalated to the Compliance Officer. Clients may also lodge complaints on SEBI’s SCORES platform or directly with the exchanges, and Veriquis shall ensure timely resolution as per the regulatory grievance redressal mechanism.
- 8.8 Client will not be able to place trade in case of Inactive Trading Accounts. For such clients who wish to trade needs to follow specified procedures as laid down in policy on treatment of inactive trading accounts.
- 8.9 *#inactive account refers to such account wherein no trades have been carried out since last 24 (Twelve) months across all Exchanges.*

9. SPECIAL PROVISIONS OF RISK POLICY

- 9.1 In the event of market-wide circuit breaker activation or exchange-imposed trade halts, Veriquis shall cancel all pending orders, review client positions for risk, and may reduce limits before resumption of trading-review with Dealer & exchange action.
- 9.2 Cybersecurity & Cyber Resilience
- i. A Cybersecurity & Cyber Resilience Framework shall be implemented in line with SEBI guidelines, which will be also subject to Audits.
 - ii. In the event of a cybersecurity incident that impacts client orders, margin status, or positions,
 1. Shall be reported to SEBI/Exchanges, in line with SEBI’s Cybersecurity and Cyber Resilience Framework (currently within 6 hours of detection)
 2. Shall be additionally informed to impacted clients promptly via registered email/SMS/app notification.
 - iii. **Resiliency framework**
 1. there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond the control of and may result in delay in processing or not processing buy or sell orders either in part or in full.
 2. In the event of trading system switchover to a Disaster Recovery (DR) site or during invocation of Business Continuity Plan (BCP), Veriquis shall ensure that all

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- a. pre-trade and post-trade risk controls remain active and intact, including margin checks, scrip-level limits, and exposure caps.
- b. DR site testing shall be carried out periodically, and any RMS control exceptions during switchover shall be logged, reviewed, and reported to the exchanges if required.
- c. all pending orders shall be cancelled to prevent unintended execution unless otherwise mandated by the exchange or regulator.
- d. Clients shall be informed promptly via email/SMS/online notices regarding the order status, execution risk, and RMS controls applied during such an event.

10. SPECIAL PROVISIONS OF RISK POLICY

10.1 Any changes to this Policy can be done by Board of Directors

- a) On periodic review of this Policy on Annual basis (next due in Apr-2027)
- b) upon any Regulatory changes impacting this policy
- c) introduction of new products/line of business

10.2 Until dedicated Risk manager/ team joins, Veriquis Risk Team currently shall mean and include following people

- d) Chief Operating Officer
- e) Head of Operations
- f) Head of Compliance

10.3 Veriquis Risk Team can take actions as defined in this Policy.

10.4 Veriquis Risk Team & Compliance officer, jointly, has the authority to give directions to undertake additions, changes, and modifications, etc. to this Policy, and the same shall be effective as per date agreed by them, however the same needs to be ratified by the Board of the Directors at its next review of this Policy.

CLIENT PROFILE EVALUATION (HIGH/ MEDIUM / LOW) AND LIMIT SETTING

Limits granted to clients in the Cash and F&O segments shall be determined based on the collateral provided to Veriquis, subject to an overall upper cap. Upon introduction of intraday and F&O trading facilities, a Client Limit Approval Matrix shall be implemented.

LIMITS

Limit Calculation Methodology:

- Client limits will be determined based on their ledger balance and the value of stocks available as margin collateral.

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Limit Blocking Criteria:

- Limits will be blocked under the following circumstances:
 - a. The client's account has outstanding aging beyond a specified number of days, as defined from time to time in compliance with regulatory norms.
 - b. The client is in span margin shortfall. Exceptions to this may be approved by the Head of Risk upon a specific request from the Business Head.

Intraday Limit Enhancement:

- During the trading day, client exposure may be restored or enhanced under the following circumstances, subject to relevant approvals:
 - Receipt of cheque.
 - Funds transfer.
 - Security transfer.
- In addition to the above, limit enhancements may be granted based on the approval matrix detailed previously.

CHANGES IN POLICY DURING HIGH MARKET VOLATILITY

A market is considered volatile when any of the following events occur:

- Market price movement of 5% or more in a single day, in either direction.
- 5% or more price movement in a single day, followed by a partial or full recovery within the same day.
- Any other exceptional market circumstances.

During periods of high market volatility (generally a downward trend), Veriques reserves the right to modify its Risk Management System (RMS) policy as deemed necessary to protect its interests and prevent unforeseen events. Changes that may be implemented during such periods include:

- Modifications to the limit computation methodology.
- Addressing exposure margin shortfalls.
- Eliminating limits against uncleared cheques or funds in transit.
- Withdrawal of default limits.
- Increases in haircuts applied to collateral.
- Prohibition of trading in illiquid or T2T scrips.
- Prohibition of trading in scrips affected by adverse news.

VERIQUES PARTNERS PRIVATE LIMITED

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- Discretionary release of payouts.
- Withdrawal of any special benefits previously extended to all client categories.

In exceptional circumstances, Veriquis reserves the right to further tighten these parameters. The adjusted parameters will remain in effect if the downward trend persists or until the market stabilizes. A formal review will be conducted to reset parameters to normal levels. Any changes to these parameters will be communicated to the business team.

PROCESS TO REVIEW CLIENT LIMITS

Client limits will be reviewed periodically to assess account performance. Based on an analysis of various parameters, including, but not limited to, cheque bounce instances, aging analysis, trading patterns, and margin shortfalls, client limits may be increased or decreased.

SECURITIES ACCEPTABLE AS MARGINS

1. Only securities on Veriquis's approved list (which is subject to periodic review) will be accepted for margin purposes.
2. All shares accepted as margin collateral are subject to haircuts as determined by Veriquis's internal policies.
3. Clients may grant a Demat Debit & Pledge instruction (DDPI)/ Power of Attorney authorizing the use of their shares as margin.
4. Clients may transfer shares to Veriquis's Demat Account for margin purposes. In the event of an F&O margin shortfall, Veriquis is authorized to transfer the shares from its Beneficiary Account to its F&O Margin Demat Account.
5. Clients may also create a pledge in favor of Veriquis for shares used as F&O margin. The margin benefit will be applied upon successful execution of the pledge request.

Share withdrawal requests will be processed in accordance with Veriquis's internal policies and procedures.

SALE OF SECURITY

The beneficiary holdings and DP holdings of the client (limited to Veriquis's DP) will be uploaded into the RMS system. This allows clients to sell shares even if they have no available margin. Exceptions to this policy may be granted based on internal norms and approval processes.

TRADING RESTRICTIONS

Veriquis, at its sole discretion, reserves the right to restrict trading in certain categories of securities, F&O contracts, and the writing of options, based on its internal analysis and prevailing market conditions

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RMS CONTROLS IN PLACE TO AVOID PUNCHING ERRORS

Veriquis employs various risk management controls to mitigate and reduce the impact of trading errors. These controls include, but are not limited to, limits on single order value and quantity, client turnover limits, and terminal turnover limits.

OTHER TRADING RESTRICTIONS

- Circular trading and insider trading are strictly prohibited.
- Any trading activity resulting in price or volume manipulation is strictly prohibited.
- Any other trade that violates applicable regulatory norms, as determined by Veriquis's internal analysis, will be blocked.

SQUARE OFF/ LIQUIDATION POLICY

A debit in the client's ledger represents an amount owed by the client to Veriquis. A client's ledger may be debited for any or all of the following reasons:

- a. Losses incurred due to intraday trading.
- b. Shares purchased for delivery or under collateral benefit.
- c. Mark-to-market losses on derivative positions.
- d. Options positions purchased.
- e. Any other charges incidental to trading, linked Demat account, and/or account opening/maintenance fees.

The client is required to clear any debit balance by transferring funds or selling shares held in their DP, unpaid account, or collateral account.

A debit balance that remains outstanding for five or more days after the settlement date will incur charges. These charges will be levied on the outstanding amount and will include:

- a. Brokerage and other statutory charges.
- b. An additional amount to account for potential share price declines on the day of forced liquidation (square off).

SELECTION OF SECURITIES

Securities held in the client's Unpaid Securities Account (Hold account) at Veriquis, in conjunction with securities held in the client's Veriquis Demat Account, will be considered for liquidation to cover the outstanding debit balance.

Note: The debit liquidation process and the transfer of securities to the Client Unpaid Securities Account will apply only to Non-Institutional Clients and Non-Custody Settled Accounts. Settlement of trades for NRI, Institutional, and Custody Settled clients will be processed according to their respective Custodian processes; i.e., stocks or funds will be transferred in advance to the custodian/client. All Veriquis Demat Debit & Pledge

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instruction/*Power of Attorney (POA) Demat Account holders' securities will be transferred to their respective Veriquis Demat Accounts, notwithstanding any debit balance, and the Risk team will recover the ledger debit amount. Only securities held by Non-Veriquis Demat Account holders will be withheld in the Client Unpaid Securities Account for debit balances.*

THIRD PARTY FUNDS AND STOCK TRANSFER

- Third-party funds and stock transfers will not be permitted.
- Fund transfers must originate from the client's own bank account.
- Stock transfers must originate from the client's own Depository Participant (DP) account.
- Transfers of funds or stocks, even from family or related client accounts, will not be permitted.

PAYOUT OF FUNDS AND SECURITIES

Payouts may be denied in the following circumstances:

- Debit balance in the ledger or unrealized bill credit.
- Uncleared funds.
- Mark-to-market (MTM) debit.
- Margin shortfall.
- Existing exposure against the credit balance and/or stock value.

DELAYED PAYMENT CHARGES / MARGIN SHORTFALL CHARGES/PENALTY RECOVERY POLICY

Delayed payment charges and the recovery of any penalties levied by the exchange will be governed by the policies outlined in the client's Know Your Customer (KYC) documentation.

DEACTIVATION / REACTIVATION OF CLIENT CODE

The deactivation and reactivation of any client code shall be conducted in accordance with the policies and procedures outlined in the client's Know Your Customer (KYC) documentation.

REVIEW OF POLICY AND UPDATES

The Board shall mandate a regular review of the outsourcing policy in response to the changing business environment. The Board shall also have overall responsibility for ensuring that all ongoing outsourcing decisions taken by Veriquis and the activities undertaken by third parties are in accordance with its outsourcing policy.

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