

ACML CAPITAL MARKETS LIMITED

Risk Management Policy For Trading Operations

(Ref: Board Meeting dated 04.05.2026)

ACML Capital Markets Ltd. (formerly: ASE Capital Markets Ltd. (herein after referred as “ACML”) is a subsidiary stock broking company of Ahmedabad Stock Exchange Limited (herein after referred as “ASEL”). It was formed to provide trading platform to members of ASE as per SEBI guidelines.

ACML is SEBI registered Stock broker and Depository Participant and deals in Cash, Equity Derivative, Currency Derivative and other segments of the nationwide exchanges as well as provide depository participant services to its registered trading and demat clients.

ACML does not deal on its own account and is not having proprietary trading. It only deals in the market with the registered clients through the exchange approved Authorised Persons who are originally the stock brokers of the erstwhile stock exchanges i.e. ASEL. ACML also appoints persons (other than erstwhile ASEL stock brokers) as its Authorised Persons.

Pursuant to SEBI circular CIR/HO/MIRSD/DOP/CIR/P/2019/139 dated November 19, 2019 and other applicable provisions of SEBI / Exchange circulars, Risk Management System Policy (RMS Policy) of the company is reviewed and approved by the Board of Directors at their meeting held on 10.12.2019 and is applicable to all constituents who deal with ACML, in order to minimize the risks and maximize the compliance level. The RMS Policy is subject to amendments in future in line with the regulatory requirements, guidelines, clarifications etc. and is made available through the various modes of communications to all concerned.

As per SEBI requirements, Trading Member should have prudent Risk Management Policy in place. It should be well documented and made available to the clients. The company therefore lays down the following RMS policy for its trading operations in various segments of the Exchanges:

Sr. No.	Segment	Policy criteria as per Regulatory and Company requirement for trading operations
1	Cash	<ol style="list-style-type: none"> 1. ACML sub-brokers or authorized persons (hereinafter referred to as SB/AP) shall keep money in the form of Security Deposits (SD) or Base Minimum Trading Capital (BMC) as per the requirement of ACML in order to continue to be eligible as active SB/AP. 2. SB/AP shall also maintain Additional Security Deposit (ASD) or Additional Base-minimum Trading Capital (ABMC) as may be required from time to time as may be required by ACML Sub-broker deposit towards margins. 3. For point no. 1 as above the minimum SD or BMC shall be Minimum Rs. 1 lac in cash. 4. The clients are mandatorily required to pay upfront Value at Risk (VaR) margins and Extreme Loss Margins (ELM) as per the exchange criteria in advance of trade. 5. It should be noted that period of T+2 days has been allowed to Trading Member (TM) or Clearing Member (CM) by SEBI and should not be construed as clients have been allowed 2 days to pay margin due from them. 6. After pay-in is over, the exchange releases margins of ACML of T-1 and the same would be released to the concerned clients. 7. For early pay-in of securities and funds, exemption of Margins would be as per exchange norms. 8. Trading quantity restrictions for settlement, at SB/AP level (total of all clients of any SB/AP) would be <ul style="list-style-type: none"> • Group A/EQ - No limits • Group B/BE - No limits • Group S – 50% of total volume at respective exchange • Group T and TS - – 50% of total volume at respective exchange • Group Z - only sale in demat form

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		<ul style="list-style-type: none"> • ASM/GSM and other Scrips under Surveillance Measures of the Exchange – Trading in such scrips would be as per norms of the exchange and permit of trading will be considered under the sole discretion of the management. <p>9. In case of early pay-in of funds by the Clients’ for the security purchase, margin (VAR, ELM, MTM) requirement would be exempted for such security as per Exchange norms.</p>
2	Equity Derivative	<ol style="list-style-type: none"> 1) Authorized Person’s shall deposit Interest free security deposit; minimum Rs. 1 lac in cash to be maintained on continuous basis. 2) Eligible securities in form of collateral would be accepted from client after considering Hair Cut as per Exchange norms. 3) Valuation of collateral would be done on daily basis to arrive margin deposit of client. For the same purpose ACML maintains custodian account with the exchange. 4) Every client should maintain 50% cash component of total collateral. 5) Upfront Initial Margin collection shall be mandatory at client level. 6) Clients can deposit equity shares as collateral in ACML security margin account. The same would be considered after proper hair cut and would be valued on daily basis. 7) Clients should maintain 50% cash component in Initial margin given by them. 8) ACML would charge Total of SPAN/exchange Margin to be collected on upfront basis as per exchange norms. 9) Limits would be allocated at client level only, which would be set by the ACML.
3	Commodity Derivatives	<p>1.1 Margin Requirement</p> <ul style="list-style-type: none"> • Clients are required to maintain 100% of the total margin upfront in the form of: Clear fund balance, and/or Approved collateral securities (post applicable haircut). • The total margin includes all components prescribed by the Exchange such as: SPAN Margin, Exposure Margin, and Extreme Loss Margin (ELM). • Leverage or additional exposure beyond collected margins shall not be permitted under any circumstances. <p>1.2 Cash and Non-Cash Margin Composition: A minimum of 50% of the total margin must be maintained in the form of cash or cash equivalents. The remaining 50% may comprise approved non-cash collaterals after applicable haircuts. Any shortfall in the cash component will attract interest at market-aligned rates, computed daily on the deficit amount until rectified.</p> <p>1.3 Exposure Calculation</p> <ul style="list-style-type: none"> • Exposure limits in the MCX Segment will be determined based on: Client ledger credit balance, and Valuation of pledged collateral securities after applicable haircut. • ACML may revise exposure limits intraday in response to market volatility, regulatory changes, or system alerts. <p>2. Short Selling and Options Writing</p> <ul style="list-style-type: none"> • Short Selling: Strict margin requirements (as per exchange guidelines) must be met upfront. Short positions will be permitted only if sufficient margins are available. • Options Writing: Since writing options involves unlimited risk, clients must maintain higher upfront margins as specified by the exchange. • No exposure benefit or leverage shall be provided for naked option writing positions. <p>3. Risk-Based Monitoring Framework</p>

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		<p>3.1 Real-Time Surveillance: The RMS Team shall continuously monitor all commodity positions on a real-time basis. Alerts will be generated automatically if margin utilization crosses prescribed thresholds.</p> <p>3.2 Margin Call Triggers: Margin shortfall of total margin → Immediate margin call will be issued. If margin is not replenished within the stipulated time, positions shall be squared off at ACML’s discretion without prior consent.</p> <p>3.3 Position Square-Off Criteria: ACML reserves the right to initiate forced square-off in the following circumstances:</p> <ol style="list-style-type: none"> 1. MTM Loss exceeds 80% of the available cash margin. 2. Non-payment or delay in margin replenishment. 3. Outstanding dues or debit balance in client ledger. 4. Suspicious or non-genuine transactions under PMLA guidelines. 5. Exchange or SEBI directive mandating position closure. <p>All square-offs executed by ACML will be binding on clients, and resulting losses or charges shall be borne by the concerned client.</p> <p>4. Tender Period and Physical Delivery Handling</p> <ul style="list-style-type: none"> • ACML does not permit physical delivery of commodities. All open futures positions must be mandatorily squared off one day prior to the start of the Tender Period. • Fresh trades are strictly prohibited during Tender/Delivery Period. RMS reserves the right to close or restrict positions nearing the tender period to mitigate delivery risk. <p>5. Options Expiry and Devolvement Rules</p> <ul style="list-style-type: none"> • On options contract expiry, all In-The-Money (ITM) options shall devolve into futures contracts. • To manage devolvement risk, the exchange blocks margins as follows: T-2 Day: 25% of futures margin T-1 Day: 50% of futures margin Expiry Day: 100% of futures margin • Clients must maintain sufficient margins; failure to do so may result in square off by ACML without notice. • Strategy or hedge benefits shall not be available on expiry day of the respective contract. <p>6. Client Intimation and Margin Call Communication</p> <ul style="list-style-type: none"> • On a best-effort basis, clients shall be informed of margin shortfalls or risk square-offs via: • Email, SMS, or Phone call to the registered contact details. Notifications will include details of margin deficiency and required corrective actions. • Margin call records, contract notes, and trade confirmations shall be sent as per SEBI and Exchange disclosure requirements.
4	<p>General Points applicable to all Segment</p>	<ol style="list-style-type: none"> 1) ACML would allow SB/AP and clients introduced by them to trade/settle in Dematerialized form only. 2) ACML is using front office software “SARAL” for Trade/RMS purpose. 3) ACML would allocate trading exposure limits at client’s level for all segments. 4) All margin limits updations will be system based and process driven. 5) Any changes in margin limits during market hours shall be properly authorized and audit trail of such changes shall be maintained by ACML. 6) To minimize the loss on account of the technical or system related issues/failure, ACML as per SEBI circular ref. No SMD/SED/RCG/270/96 dated January 19th, 1996, shall ensure that it is properly insured to cover losses on account of trading and back office related issues and the minimum sum insured would be as per the exchange/depository norms. 7) Client Margin Reporting: ACML shall report by uploading files to Exchange extranet server, on a daily basis, details in respect of the

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	<p>margin amount due and collected from the constituents trading through it, with respect to the trades executed/ open positions of the constituents.</p> <p>8) Debarred Entities: SEBI issues orders through which it debars certain entities from dealing in securities for the period as stipulated in respective orders. ACML, SB/AP and the clients shall adhere to SEBI directives/orders and exercise caution before dealing with such debarred entities. The concerned debarred entities shall be refrained from dealing in the market as per SEBI orders. Debarred entities would not be allowed to open or operate their demat and trading accounts. ACML shall keep data base of such PAN Nos. of the debarred entities in its back office systems. SB/AP would be advised to check this database before entering any new client details or placing an order for trade.</p> <p>9) Anti Money laundering policy under the Prevention of Money Laundering Act 2002: ACML, its business partners and clients shall comply with applicable provisions under the Prevention of Money Laundering Act 2002. The Anti Money Laundering policy framed and amended from to time, by ACML shall be applicable to all its business partners and clients. There should be coordinated efforts to completely eliminate any possible money laundering and terrorism funding activities.</p> <p>10) Business Rules: Besides above, the business Rules of ACML and other policies and procedures for stock broking and depository operations which would be applicable and made available to all concerned either through any mode of communication to smoothen its trading activities and minimize the operational and business risks.</p>
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- 1) This Risk Management System document shall be made available to all concerned i.e. SB/AP and clients of the company, employees, BSE, NSE, SEBI etc. and is subject to amendments either by way of addition, modification or deletion of all or any of the aforesaid clauses, as per the instruction of Regulating authorities and management of the company.
- 2) The above stipulations in ACML RMS policy are not exhaustive and wherever relevant, the RMS norms stipulated by the Exchanges / SEBI/ RBI / Govt. / Depositories and ACML Business rules shall be applicable to the relevant segments.
- 3) Whenever new segments/products are introduced, ACML shall stipulate the applicable RMS policy and business rules.