PP Capital
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PAWAN PARMESHWAR CAPITAL PVT LTD
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Member: NSE Code: 00188 | **BSE Code: 0550**

Unexecuted Orders Policy

Version 2.0

Policy Title	Unexecuted Orders Policy
Version	2.0
Date of Approval	16th Oct 2025
Effective Date	20th Oct 2025
Owner	Compliance Department
Approving Authority	Board of Directors of Pawan Parmeshwar Capital Pvt Ltd
Next Review Date	Annually, or earlier upon regulatory change
Replaces	Unexecuted Orders Policy (legacy version, in force prior to this revision)

1. Introduction and Purpose

Pawan Parmeshwar Capital Pvt Ltd ("the Company") is a Stock Broker registered with the Securities and Exchange Board of India ("SEBI") and a Trading Member of the National Stock Exchange of India Ltd (NSE Code 00188) and BSE Limited (BSE Code 0550).

In the ordinary course of business, certain client orders may not be executed in part or in whole on the date of receipt due to reasons such as the order being a limit order beyond the prevailing market price, partial execution due to liquidity constraints, the order being a stop-loss order that is not triggered, the order being placed after exchange close, system interruptions, or other reasons. This policy lays down the framework for the treatment, communication, cancellation and recordkeeping of such Unexecuted Orders.

The policy is framed for compliance with the SEBI Master Circular for Stock Brokers SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/90 dated June 17, 2025, the SEBI (Stock Brokers)

Regulations, 1992 (as amended), the Code of Conduct in Schedule II thereto, and the bye-laws and circulars of NSE and BSE.

2. Scope and Applicability

This policy applies to all unexecuted client orders across all segments (Cash, Equity Derivatives, Currency Derivatives, etc.) and Exchanges (NSE, BSE) where the Company is a Trading Member. It applies to all employees of the Company involved in order management, including dealers, dealing-desk supervisors, the risk management function, and the Compliance Officer.

3. Definitions

4. Regulatory Framework

- SEBI (Stock Brokers) Regulations, 1992 (as amended), including Chapter IVA inserted by SEBI (Stock Brokers) (Amendment) Regulations, 2024 notified on June 27, 2024.
- SEBI Master Circular for Stock Brokers SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/90 dated June 17, 2025.
- Code of Conduct for Stock Brokers in Schedule II of the SEBI (Stock Brokers) Regulations, 1992.
- Bye-laws, Rules, Regulations and Circulars of NSE and BSE relating to order types, order validity and order book management.
- Circulars of the Clearing Corporations (NSE Clearing Limited and Indian Clearing Corporation Limited) relating to order to trade ratios and order management.

5. Order Validity Framework

5.1 Day Orders

Unless the client specifies otherwise and the Exchange permits, all orders shall be treated as Day Orders. A Day Order shall be valid only for the trading session for which it is placed. Any portion of a Day Order that remains unexecuted at the close of the trading session shall lapse automatically and shall not be carried forward.

5.2 IOC Orders

Where the client specifies an IOC validity, the Exchange order matching system shall execute the order to the extent possible immediately and shall cancel any unexecuted portion automatically. The unexecuted portion shall not be available for execution at any later time.

5.3 GTC and GTD Orders

The Company shall accept GTC or GTD orders only to the extent that the Exchange and the relevant segment expressly permit such validity types. Where so accepted, the Company shall communicate to the client in advance:

- The maximum validity period permitted (e.g., one calendar week, the contract expiry, etc.).
- The circumstances in which the order shall be automatically cancelled prior to execution (e.g., corporate action affecting the security, suspension of trading, change in client status, change in regulatory framework).
- The treatment of the order during the validity period, including the requirement for adequate margins and limits to remain available.

5.4 Stop-Loss Orders

A Stop-Loss order shall remain in the Exchange order book until the earlier of: (i) the trigger price being reached and the order being executed (in whole or in part); (ii) the close of the trading session (for stop-loss orders with Day validity); (iii) cancellation by the client; or (iv) cancellation by the Company for risk management or regulatory reasons in accordance with this policy.

6. Cancellation of Unexecuted Orders

6.1 Automatic Cancellation

Unexecuted orders shall be cancelled automatically in the following circumstances:

- Day Orders: At the close of the trading session for which the order was valid.
- IOC Orders: Immediately upon the unexecuted portion arising.
- GTC / GTD Orders: At the end of the specified validity period, or upon the occurrence of a circumstance triggering automatic cancellation under Section 5.3.
- Corporate actions in respect of the security (e.g., record date for bonus, split, demerger, name change), where the Exchange so requires.

- Suspension of trading in the security or segment.

6.2 Client-Initiated Cancellation

A client may at any time during the validity period instruct the Company to cancel an unexecuted order (or unexecuted portion thereof). Cancellation instructions shall be received only through the permitted channels listed in the Order Acceptance Policy v2.0 and shall be processed in accordance with the same identity verification and capture standards.

6.3 Cancellation by the Company

The Company may, in its discretion and in the interest of the client and the market, cancel an unexecuted order in any of the following circumstances:

- Where the client's margin or available funds have fallen below the level required to support the contemplated trade.
- Where the client's account has been classified as Inactive/Dormant under the Inactive/Dormant Accounts Policy v2.0 during the validity period.
- Where the security or client has been placed under any trading restriction by SEBI, the Exchange, the Clearing Corporation or under the Risk Management and Surveillance Policy v2.0 or SORM Policy v2.0.
- Where the order, if executed, would breach client-level or Company-level exposure limits or risk thresholds.
- Where the Exchange, Clearing Corporation or SEBI has directed cancellation, suspension or modification of orders.
- Where there is a system disruption, cyber-incident or other operational reason rendering continued maintenance of the order in the order book inadvisable.

Where the Company cancels an unexecuted order, the reason for cancellation and the timestamp shall be recorded in the order register, and the client shall be informed without delay through the registered communication channel.

7. Communication to Client

The Company shall communicate the status of unexecuted orders to the client as follows:

- Daily contract notes and trade confirmation reports shall reflect only executed trades. Orders that remained unexecuted on the trading day shall not appear on the contract note.
- Where an order placed by the client is wholly or partly unexecuted at the close of the trading session, the Company's order management system shall reflect the lapsed

status, and the client may access this information through the order book provided to him (where applicable).

- Where the Company has cancelled an order under Section 6.3, the cancellation and the reason therefor shall be communicated to the client by email or such other registered channel as the client may have nominated, on the same trading day or, where not feasible, on the next working day.
- Where a GTC / GTD order is automatically cancelled prior to execution (e.g., due to corporate action), the client shall be informed at the time of cancellation.

All client communications shall be in writing (email being treated as written) and shall be retained for the standard record retention period.

8. Treatment of Modifications to Unexecuted Orders

A client may, within the validity period of an unexecuted order, modify the price, quantity, validity or other parameters of the order. Modification instructions shall be received and verified in accordance with the Order Acceptance Policy v2.0. The modification shall be processed promptly and the audit trail shall reflect both the original and modified parameters.

Modification of an unexecuted order shall not extend the original validity period unless the modification is to validity itself and the Exchange permits such modification.

9. Risk and Margin Considerations

Unexecuted orders that, if executed, would result in a position consume margin and exposure limit ("pre-trade exposure") in the manner prescribed by the Clearing Corporation. The Risk Management function shall:

- Monitor the aggregate pre-trade exposure of each client at the order placement stage and continuously through the trading session.
- Reject or cause to be cancelled any unexecuted order that, in combination with other open orders and existing positions, would exceed the client's permitted exposure.
- Communicate to the dealing desk and the client (where appropriate) where unexecuted orders are at risk of cancellation due to margin shortfalls.

Cross-reference: Risk Management and Surveillance Policy v2.0; Pre-Funded Instrument Policy v2.0.

10. Order-to-Trade Ratio (OTR) Compliance

The Company is subject to the order-to-trade ratio framework prescribed by the Exchanges in respect of certain segments and contracts. Unexecuted orders, particularly those that are repeatedly modified or cancelled, can contribute to a high OTR and attract penalties or trading restrictions.

The Risk Management and IT functions shall:

- Monitor OTR at the trading member level on a real-time basis to the extent the Exchange systems permit.
- Identify clients or terminals contributing disproportionately to OTR and engage with the dealing desk to manage order behaviour.
- Train dealers to avoid speculative order placement and aggressive cancellation patterns that could attract OTR penalties.
- Coordinate with the Compliance Officer on any OTR breach communication received from the Exchange.

11. Audit Trail and Records

The Company shall maintain the following records in respect of unexecuted orders:

- Complete order book log capturing the placement, modification, partial execution, cancellation and lapse of every order, generated by the order management system or downloaded from the Exchange trading terminal.
- Communications with clients regarding cancellation of unexecuted orders.
- Risk function records relating to cancellation of orders for margin or exposure reasons.
- OTR monitoring reports and any Exchange communication received in this regard.

All records shall be retained for not less than 8 (eight) years from the date of creation, in accordance with the Registers and Records Manual v1.0.

12. Roles and Responsibilities

- Board of Directors: Approves this policy and reviews periodic reporting on order management exceptions.
- Compliance Officer (Mr. Rajkumar Pandey): Owns this policy; reviews exception reports relating to unexecuted orders; coordinates client complaints, if any, arising from unexecuted orders; reports to the Board.
- Dealing-Desk Supervisor: Oversees day-to-day management of the order book; ensures timely communication of cancellations to clients; conducts random review of cancellation patterns.
- Risk Management Function: Monitors pre-trade exposure of unexecuted orders; cancels orders breaching risk limits; coordinates OTR compliance.

- Dealers and order-management personnel: Capture and audit-trail every cancellation, modification and lapse; communicate cancellations to clients promptly.
- Information Technology Function: Maintains order management systems and Exchange terminal logs; preserves audit logs for the prescribed retention period.

13. Reporting and Review

The Compliance Officer shall present to the Board:

- A quarterly summary of unexecuted-order cancellations made by the Company under Section 6.3, including pattern and reasons.
- OTR-related communications received from the Exchanges, if any, and corrective actions.
- Any material client complaint arising from unexecuted orders, with root cause analysis and corrective action.

This policy shall be reviewed annually and amended in response to changes in the regulatory or Exchange framework relating to order types, validity, OTR and order book management.

Annexure A — Cancellation Communication Template (Sample)

Sample text for communication to client where the Company has cancelled an unexecuted order under Section 6.3 of this policy.

Subject: Cancellation of Unexecuted Order — UCC [____] — [Date]

Dear [Client Name],

This is to inform you that the following order placed by you on [Date] has been cancelled by us today for the reason set out below:

Particulars	Details
Order Reference	
Exchange / Segment	
Security / Contract	
Buy / Sell	
Quantity (Unexecuted Portion)	
Order Type and Price	
Date and Time of Cancellation	
Reason for Cancellation	

If you wish to re-place this order, please do so through any of the permitted channels for order placement. For any clarification, please contact the dealing desk at our Head Office on the registered dealing lines.

Yours faithfully,

For Pawan Parmeshwar Capital Pvt Ltd

[Authorised Signatory]

Board Approval

This Unexecuted Orders Policy (2.0) has been reviewed and approved by the Board of Directors of Pawan Parmeshwar Capital Pvt Ltd at its meeting held on 16-10-2025.

The Board has also recorded, on the same date, the following:

- The Board notes that this policy is framed for compliance with the SEBI Master Circular for Stock Brokers dated June 17, 2025, the SEBI (Stock Brokers) Regulations, 1992, and the bye-laws of NSE and BSE relating to order types and order validity.
- The Board confirms Mr. Rajkumar Pandey as the policy owner and Compliance Officer responsible for implementation, exception monitoring and reporting.
- The Board confirms that all client communications relating to cancellation of unexecuted orders shall be in writing (email being treated as written) and shall be retained for the standard 8-year record retention period under the Registers and Records Manual v1.0.
- Cross-references to related policies (Order Acceptance Policy v2.0, Risk Management and Surveillance Policy v2.0, Pre-Funded Instrument Policy v2.0, Inactive/Dormant Accounts Policy v2.0, SORM Policy v2.0, Registers and Records Manual v1.0) are noted.

For PAWAN PARMESHWAR CAPITAL PVT. LTD.

P K Choudhary

~~Director / Authorised Signatory~~

PAWAN PARMESHWAR CAPITAL PVT. LTD. MUMBAI

Director / Authorised Signatory

Name: Pawankumar Choudhary

Designation: Director

Date: 16-10-2025

Place: Mumbai