


Annexure 3

Root Cause Analysis report (RCA)	
1. Name of the Member Member Code:	Zerodha Broking Limited NSE: 13906; BSE: 6498, MCX: 56550
2. Reporting Officer details	
Name: Designation:	Pankathi H Jain Compliance Officer
3. Date and time of technical glitch incident Date of incident Time of Incident	05-12-2025 02:26 PM
4. Date and Time of recovery Date of recovery Time of Recovery Duration of the Incident	05-12-2025 02:42 PM 16 minutes
5. Incident Description & chronology of event (please use additional sheets if required)	<p>On December 5th, between 2:26 and 2:42 PM, Cloudflare, a leading global network security provider, suffered a significant global outage. During this 16-minute window, public access to the trading platforms of most major Indian brokers, including Zerodha, was unavailable, in addition to large swathes of services across the internet globally across all sectors.</p> <p>It is important to note that our internal trading systems (OMS, RMS, and databases) remained fully operational throughout this period. The issue was limited to the front-end connectivity layer.</p> <p>During this period, we would like to report that our alternate WhatsApp-based platform (Kite Backup) remained fully operational, enabling clients to manage their existing positions and minimize</p>

	<p>potential losses.</p> <p>The issue was resolved at 02:42 PM when normal connectivity was restored.</p>
6. Category of incident (hardware, software application, server, network, bandwidth, vendor-related, other-please specify)	Network
7. Business Impact: Number and percentage of clients affected (duly certified by the Auditor) No. of complaints received No. of complaints resolved till RCA date Amount of claim made by complainant Amount of claim paid to complainant	<p>Number and percentage of clients affected - Given that this was a global network outage affecting the edge security layer, we are unable to precisely quantify the number of clients impacted. However, the availability of our alternate WhatsApp-based platform (Kite Backup) throughout the incident significantly mitigated the impact. Preliminary data indicates approximately 2,640 clients actively used Kite Backup during the incident, placing around 4,018 orders to manage their positions.</p> <p>Complaints received - As of the date of filing this RCA, there are seven exchange complaints across all segments. One complaint has been amicably resolved. The remaining six complaints, which were recently raised, are currently being pursued through the SEBI Scores system to resolve the matter amicably.</p> <p>Complaints resolved - All the client complaints via tickets and calls have been resolved as on the date of filing this RCA.</p> <p>Amount of claim made - The amount claimed by the complainants is approximately Rs. 14 lakhs as on the date of filing this RCA.</p> <p>Amount of claim paid - Verified customer claims amounting to about Rs. 30k have been paid.</p>
8. Immediate action taken (Please give full details. Use additional sheets if required.)	All stakeholders and clients were immediately notified of the global outage through multiple

	<p>channels - IVR, in-app notifications, and social media (X/Twitter). As the primary website was inaccessible, we utilized these alternate communication channels.</p> <p>Clients were immediately redirected to use our alternate WhatsApp-based platform (Kite Backup) to manage their existing positions during the outage.</p> <p>Our technical team continuously coordinated with Cloudflare throughout the incident duration and provided regular updates to stakeholders.</p> <p>The issue was resolved within 16 minutes when connectivity was restored by the provider.</p>
<p>9. Root Cause Summary (Pl attach the detailed Report separately)</p>	<p>We utilize Cloudflare, which operates as a protective edge layer between our internet-facing trading applications and client systems. This layer provides critical protection against DDoS attacks and various cyber threats.</p> <p>On 5th December 2025, Cloudflare experienced a worldwide outage affecting its edge infrastructure. The outage was caused by a configuration change deployed by the provider while implementing security enhancements. This change triggered a critical error in their network edge systems, affecting approximately 20% of global traffic routed through their network, including services of major broking firms and organizations worldwide.</p> <p>While this edge layer connectivity was impacted, our internal infrastructure (OMS, RMS, databases, and core trading systems) remained fully operational and healthy throughout the incident.</p> <p>The provider identified and reverted the problematic configuration change at their end, restoring normal service within 16 minutes.</p>

	Cloudflare RCA .
10. Action taken to prevent such an incident in the future	<p>Following the incident, our CTO and technical team immediately engaged with Cloudflare to review the incident in detail and discuss preventive measures.</p> <p>Further, we are implementing a failover mechanism that can automatically detect any downtime in the Cloudflare edge layer and alert the ops team, enabling them to switch the trading application's front-end tier to non-Cloudflare endpoints.</p> <p>Additionally, we will continue to maintain and enhance our Kite Backup (WhatsApp-based) platform as a proven alternate channel that successfully enables clients to manage their positions during such incident.</p> <p>We are also working closely with the provider to understand the enhanced rollout and validation procedures they are implementing to prevent similar configuration-related outages in the future.</p>
Name and Signature of Compliance Officer/CTO - Pankathi H Jain  Date: 16/12/2025	

Non-Confidential