Risk management policy (RMS)

Risk Management function is a centralized operation. It is the sole responsibility of the RMS team to measure and manage the risk. The RMS Process flow comprises following important stages.

End of Day processes:

- The end of day processes of Transaction processing system is centralized.
- The EOD process updates the positions of clients using the trade and position files received from the exchanges.
- Funds received from clients are updated based on actual entry in back office systems.
- Mark to Market of all Stock and Derivative positions is carried out and SPAN plus EXPOSURE based margins are applied to derivatives positions based on the latest risk margin file received from exchange.

RMS Processes:

- Trade placed with Intraday product will consumed **Minimum 20%** or **VAR+ELM** margin. Say for example if client purchase scrip- RELIANCE then it's **VAR+ELM** is 15.54% then to trade same if client want to purchase shares of Rs 1.00 Lakh then minimum Rs.20,000/- as upfront margin will be required

- Trade placed with Delivery product then it will consumed total client margin. Say client want to purchase scrip- RELIANCE shares of Rs.1.00 Lakh then minimum Rs.1.00 Lakh fund should be available while placing trade in form of CASH OR COLLATERAL(stock which is pledge as a margin).

- If clients wants to placed fresh order then clear balance should be available prior to trade in form of **CASH Margin or COLLATERAL**.

- Client agree and accept that he/she will not hold WIINANCE FINANCIAL SERVICES PVT. LTD , their directors, officers or employees liable for any loss that may sustain as a consequence of availing of this facility. All terms and conditions of the agreement that are executed shall remain effective and in force in all respect until terminated in terms thereof.

Limits Parameter:

Particulars	Parameter
Default Limit	Zero

Intraday Limit
    Cash segment
 	
    Derivatives Segment
	Up to VAR+ELM margin on available margin in CASH segment (based on clear ledger & margin pledge stock after haircut)
	
	 &
	
	In Derivates segment as per available balance or margin pledge stock after VAR+ELM haircut

Carry Over Limit
    Cash segment
    Derivatives Segment
	Upfront margin in terms of client margin/balance available in Cash & Derivates segment

Limits in case of Margin Funding clients	NIL

Further exception limit approval will be bases on management decision.

Requirement of Margin:

- Eligible securities given as a pledge will be accepted as margin. Stock list will change from time to time.

- A client has to provide upfront margin **(VAR+ELM)** in the form of either cash or stocks as a margin pledge and is valued after appropriate haircut.

- For every fresh position that the client wish to take, the client has to have sufficient upfront margin **(VAR+ELM)** available in his account. The margin requirement for any trade depends upon margin available(clear ledger plus margin pledge stock after hair-cut) in beginning of day

- The margin requirement imposed by the Exchange is subject to change as may be decided by Exchange from time to time. Client is required to maintain minimum margin to the extent of MG13 report for every segment. Further based on the assessment of market volatility, member reserves the right to levy additional margin which is over and above the exchange defined margins.

Ageing Debit Square off (T6):

- It is client's obligation to clear his/her outstanding dues by T+2 (T indicates Trading day). The client shall ensure timely provision of funds / securities to Wiinance Financial Services Pvt. Ltd. so as to meet echange obligations. Prudent reserves the right to close the positions / sell securities to the extent of ledger debit and /or to the extent of margin obligations.

- Selling will be done in clients account on T6 days for the ledger debit which is more than T+5 days on age-ing basis. For e.g: All trades executed on Monday will be squared off on next Tuesday (T+6) where "T" in-dicates Trading day. In other words, if funds are not received or stock not sold on T+5, Wiinance Financial Services Pvt. Ltd. shall liquidate securities to the extent of ledger debit.

- Intimation SMS/email will go on T+5 day (for regular client amt Rs. 1.00 & above and client who don't have POA & demat with us for that total ageing days debit till zero rupees) .

- **I**n case of market volatility RMS has rights to liquidate stock as per requirement without prior notice to client.

- If client does not clear debit by 5th day by giving funds or selling off securities, then RMS will not allow further exposure on T+6 day . Stock selling slab will be for debit of Rs.1.00 & above (for those who is having POA with Wiinance Financial Services Pvt. Ltd.) and total debit (for those who don't have POA with us & Demat account is outside Wiinance Financial Services Pvt. Ltd.)

- Any NEFT/IMPS/RTGS is to be done, and then it should be before 2:00 pm for ignoring the ageing square off initiated by Branch and RMS.

- T+2+5 (T denotes Trade Day) ageing debit has to be cleared by 2:30 PM by client. If the debit is not cleared by client Compulsory Square off by RMS in the case of non-payment of debit balance in the same day. Cheque would not be considered as payment on same day.

- Debit clients/UCC more than T+2+5 (T denotes Trade Day) will be on square-off mode. No fresh trade will be allowed in such case even if client squared-off his/her position.

Dealing in restricted scripts:

- Scripts as mentioned below category will have restrictions as under:

Particulars
Trade to Trade

GSM stage I & above in NSE & BSE segment
Illiquid Script
Scripts in circuit filter
Ban Scripts (Derivatives stock reaching market wide open interest limits)

Square Off Policy And Conditions

- The positions taken for Intraday should be cleared within last 15 **(30)** minutes of respective market close. WFSPL shall not be responsible for any Loss/uncovered open position on account of any technical failure/ Circuit**.**

- Once the MTM loss reach 80% of the margin available, Positions will be squared off irrespective of any product.

- In case client MTM loss reaches to 60-70% at the end of the day, client will have to reduce the position up to the level of 50% or need to enhance the limit by additional fund/security deposit.

- If the open position clearance not been initiated from branch and AP, then same would be cleared from RMS department. In this regard, company shall not be responsible for any loss that incur to the client on individual basis.

- Any probability or guarantee of client cheque receipt/fund transfer request will not be considered on the day of square off.

At the time of selling any stocks, sequence of stock will be considered as mentioned below: -

    1. CUSA Account

    2. Pledged Stocks

    3. Stock from POA Account.

- All outstanding positions will be squared off and Client will be responsible to pay the Dues to clear the outstanding in his/her ledger.

- In-case stock valuation falls below 20% of the total ledger debit, square off can be done even before 5th day of debit.

- In any Circumstances client fails to pay the dues, Company will switch to Legal activities to recover such amount from client.

- Two Consecutives Margin Shortfall client's position may be squared off or reduced up to margin available.

- All Physical Delivery Contract of NSE derivatives will be on square-off mode at its last trading day. Outstanding Position will square off if client has not sufficient margin towards his delivery obligations.

- The MTM loss arising in F&O positions need to be paid on the same day (Trade day) so that MTM settlement can be performed properly, failing which the positions will be reduced to the available margin level.

RMS may Square-off the positions in case of :-

- Script highly volatile
- Margin /MTM Shortfall
- Cheque bounce / third party cheque deposit
- Scrip is banned / not allowed for trading / withdrawal from F&O/ as per exchange

- Suspicious trade or transaction under PMLA Act
- Synchronized trading.
- Regulatory body Prohibits or suspended the client.
- Circular Trading.
- Pump and Dump.
- Any type of consideration shall not be given to client, if any instances of cheque bouncing or cheque reversal have taken place in the account.

General Rules and Guideline:

- Any penalty by the exchange on transaction will be debited to the respective client only.
- In case of regulatory body suspend or client name appear under debarred list.
- Any observation like false commitment, fake deposit slip, cheque scanned but not deposited, false receipt of the cheque, cheque reversal instances, cheque bouncing instances and or any such instances come to the notice of Risk department; no further exposure shall be given to the client and strict action shall be taken against respective person.
- No family adjustment of ledger or cheque is allowed.
- No limit or exposure on uncleared cheques.
- No third-party cheque or collateral securities will be accepted
- Positions taken as intraday is allow to convert to Delivery Product subject to the availability of credit balance or on confirmation of fund transfer.
- Positions will be squared off immediately, if a cheque bounces (due to any reason).
- Any unethical and unpractical practice seen, observe or done by client or dealer or BM or AP or staff, strict action will be taken and the decision will solely by the department.
- Margin Shortage Penalty shall be levied in case of short reporting by trading/clearing member per instance as per exchange rule and guidelines.

Password Policy

- Password reset for dealers/ clients are through option forgot password. Reset password will be sent on registered mobile number or registered email id.

Note : From the below Calculation net Margin arrived for Trading.

Limit construction derived by formula: -

Combined ledger Balance of across exchange as on Trading Day – Unclear Cheque (if any available) - Previous day net equity purchase obligation (if any) – Previous day net Equity MTM obligation (if any) + 80% value of Early Pay-in (Only Successful Early Pay-in) of previous day sale obligation + Pledge Stock valuation after appropriate haircut.

Further on Real Time Basis we add 80% value to limit on Sale of DP Stock.

Risk Management Team
Wiinance Financial Services Pvt. Ltd.