

EQUIRUS WEALTH PRIVATE LIMITED
(AMFI Registered Mutual Fund Distributor)
21st Floor, A Wing, Office No. A-2102 B, Marathon Futurex,
N. M. Joshi Marg, Lower Parel, Mumbai 400 013
Tel: +91-22- 4332-0600, Fax: +91-22-4332-0601

Risk Management Policy

The Risk management policy is developed by us considering the rules and circulars as issued by the SEBI/Exchanges time to time. The said policy is subject to change as per rules/regulation issued by SEBI/Exchange and also as per the ruling market environment. Salient features of the policy are as follow.

Exposure limits

Exposure limits are allotted to the clients on the basis of his available ledger balance and/or margin pledge securities with us. For this purpose, available securities are valued using previous days closing price. Haircut is then applied, VaR margin rate, to this value. Sum of available ledger balance and residual securities value, after applying haircut, is the Exposure limit of the client for Cash segment. In case of F&O segment, besides the aforesaid items. We accept only those securities which are accepted by the exchange against margin obligation of F&O segment. These securities are also valued after applying proper haircut as instructed by the exchange.

Margin limits:

Aforesaid exposure limit, allotted to client, is subject to VAR, Extreme loss margin and other margins as charged by the exchange. MoneyMaker, supplied by Saral Information Technologies Pvt. Ltd., is being used by us for trading activities. It contains features to control trading limits at ID level, Client level and Scrip level. Available exposure limit of the clients is updated daily at MoneyMaker server. On entering the order in the trading system by the client, the trading system (MoneyMaker) calculates VAR margin and Extreme loss margin requirement of the entered order and as per available exposure limit allows order to flow to the exchange. If the available exposure limit is not sufficient as per the VAR margin and Extreme loss margin requirement the order gets rejected. RMS team on its own discretion can impose additional Margin or increase the margin and can also increase the haircut on script on its risk preparations.

Discretions on limits:

- (i) Equirus Wealth Private Limited has discretion to change the limits on the basis of risk perception and other factors Considered relevant (such as broker level/exchange level limits in specific securities or Income declaration or volume Specific exposures based on surveillance measures)
- (ii) Equirus Wealth Private Limited shall not be able to inform the client of such variation, reduction or imposition in advance.
- (iii) Equirus Wealth Private Limited shall not be responsible for client's inability to execute any order on account of any such variation, reduction or imposition of limits.

Pay-in / Pay-out of funds and securities

Pay-in amount of clients is collected at regular basis. If there is debit ledger balance the securities purchased by the clients are not transferred to his De-mat account. If client fulfills his pay-in obligation the securities are immediately transferred to De-mat account of the client.

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Clients are required to deposit deliveries against their securities pay-in obligation at our pool a/c. In case the deliveries are lying with us, against margin obligation, same are released to the pool a/c well in time. There is a facility of at our DP through which the client executes the Power of Attorney in favour of us to the DP for transfer of the shares from his account to our pool a/c. If the shares are lying at the DP account of the client and the client has executed the power of attorney in our favour, DP transfers the shares from the client de-mat account to our pool a/c. In case of short deliveries, short amount is immediately debited to the client account.

Monitoring

Risk management department monitors obligation positions of the clients. Concerned group executive contacts the sub-broker / remiser for collection of overdue debits. In such cases either the client fulfills his obligation or else square offs his outstanding position. In case if there is debit balance in client account and no securities are available with us as margin, concerned group executive informs the sub-broker / remiser for collection of the overdue within a time limit. After that the Account department adjusts the default amount of client from the sub-brokerage / commission account of sub-broker / remiser. As per the recent circular we do not carry forward the client position in cash segment over 7 days of trading. In case debit continues to the extent of debit balance securities are sold out in the market on any day after T+1 days and for all the debits outstanding for more than T+1 days the company will charge delay penalty.

Delay Penalty shall be chargeable @18% p.a. on outstanding debit from the date of debit.

In the market event, Equirus Wealth Private Limited has the risk perception that further trading in the securities /contracts may not be allowed to its clients and/or the market for trade or further position.

The right to sell clients securities or close client's positions, without giving notice to the client, on account of non-payment of Clients dues

Equirus Wealth Private Limited shall have the right to sell client's securities, both unpaid securities as well as collaterals deposited towards margins, or close out client's open positions, without giving notice to the client where there is a delay /failure of the client to the pay-in obligations and/or there is a failure of the client to bring Margins and/ or additional margins to cover the increase in risk in the market conditions.

Equirus Wealth Private Limited shall not be responsible for any losses and penalties / charges levied by exchanges(s) caused on such square off.

Equirus Wealth Private Limited therefore not be under any obligation to compensate / or provide reasons of any delay or omission on its part to sell clients securities or close open positions of the client.

Illiquid Contracts.

RMS shall have absolute discretion to accept, refuse or partially accept any buy or sell order for execution from a client in respect of penny stocks, illiquid stocks, stocks having low liquidity, illiquid "options", far month "options", writing of "options", and any other contracts which as per the perception of EWPL are

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extremely volatile or subject to Market manipulation. Exchange launches contracts from time to time for trading in derivatives and further the liquidity of these contracts is monitored time to time on the basis of their trading volume and availability of buyers and sellers. Trades of the clients on these contracts are blocked /unblocked at our trading /RMS software accordingly. The Concerned officer will be made responsible to monitor every new launched contract and will be responsible to block the same from its back end immediately. When liquidity comes to these contracts the responsibility of the executive will be to unblock the same for trading purpose and/or if any client willingly to trade in these illiquid contracts, he will immediately refer the matter to its RMS Head. RMS head will permit client after monitoring his trades and volumes and will permit the client to further trade in these contracts with caution. The client itself will be liable for the loss incurred done in such trades and Equirus Wealth Private Limited shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to the client. Equirus Wealth Private Limited shall have the prerogative to place such restrictions, notwithstanding the fact that the client has adequate credit balance or margin available in his account and/or the client had previously purchased or sold such securities/contracts through Equirus Wealth Private Limited itself.

Penalty Levied By Clearing Corporations On Short/Non-Collection Of Upfront Margins

As per the Exchange Circular, penalty levied by clearing corporations on short/non-collection of upfront margins may be passed on to the client, if short/non collection of upfront margins is on account of following reasons attributable to client:

- I. Cheque issued by client to trading member is dishonoured
- II. Increase in margins on account of change in hedge position by client/ expiry of some leg(s) of the hedge positions of the clients.

Policy for voluntary freezing of client's online access

1. Background:

SEBI vide its circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024 and Exchanges vide their circulars dated April 08, 2024 mandated trading members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients on account of suspicious activities. The said circular also requires the trading members to frame a policy in line with the framework specified by the Exchanges, which shall be the part of the trading member's Risk Management Policy. The trading members shall disclose the said policy on their website. The said policy shall also form a part of the account opening kit for all new clients on boarded with effect from July 01, 2024.

2. Scope:

This policy shall be applicable as and when clients requires to freeze / block online access to their trading account and subsequently desires to unfreeze the same.

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3. Framework for voluntary freezing of online access of client's trading account:

A. Request for freezing

Client may request for voluntary freezing / blocking the online access to their trading account by sending an email at stoptrade@equiruswealth.com or via tele calling at helpline no. **079-61909543** with the below mentioned details.

- UCC code
- Name of the client
- PAN
- Request of freezing / blocking the online access

On receipt of such request, an acknowledgement email will be shared. Team will verify the application and freeze the online access of the client's trading account or reject the application in case of any discrepancy. An email with regards to deactivation of trading application or rejection of request will share to the client at their registered email address.

Once the online access of the trading account is freeze / blocked such client may place orders through alternate channels such as call and trade.

Simultaneous cancellation of all the pending orders of the said client:-

- All pending orders of the client in all segments shall stand cancelled.
- No fresh orders shall be allowed to be placed through online access.

Scenario and timelines:-

Scenario	Timelines for issuing acknowledgement as well as freezing/ blocking of the online access of the trading account
Request received during the trading hours* and within 15 minutes before the start of trading.	Within 15 minutes
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

* Trading hours shall be as follows: Capital Market Segment: 9.15 a.m. to 3.30 p.m., Equity Derivatives Segment: 9.15 a.m. to 3.30 p.m.,

B. Request for Un-freezing

Client may request for unfreezing / unblocking the online access to their trading account by sending an email at stoptrade@equiruswealth.com or via tele calling at helpline no. **079-61909543** with the below mentioned details.

- UCC code
- Name of the client
- PAN
- Request of un-freezing /un-blocking the online access

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On receipt of such request, team will verify the application and un-freeze the online access of the client's trading account. Upon successful completion of the un-freezing process, an email in this regard will be sent to the client at their registered email address.

4. Important points:

- a.** Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of the company.
- b.** The request for freezing/ blocking does not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.
- c.** This policy shall be informed to all clients and shall also be a part of the account opening kit for all accounts opened with effect from July 01, 2024.
- d.** The freeze, unfreeze, issue of communication shall be within the timelines specified by SEBI / Exchanges in this regard.

5. Policy Review:

The said policy is a part of company's Risk Management Policy and shall be reviewed along with the said policy on a yearly basis.