

WEALTHSTREET FINANCIAL SERVICES PRIVATE LIMITED

**RISK MANAGEMENT POLICY**

<b>Policy Version</b>	5.0
<b>Effective Date</b>	25.03.2026
<b>Review Frequency</b>	Annually or upon regulatory change
<b>Prepared By</b>	Compliance Department
<b>First Approval</b>	Risk Committee
<b>Final Approval</b>	Operations Committee/ Board of Directors

**Wealthstreet Financial Services Private Limited**

*Formerly Known as Wealthstreet Advisors Private Limited*

**CIN: U74999GJ2016PTC094432**

**Regd. Off :** A-1101, Mondeal Heights, 11th Floor, Besides Wide Angle, S.G Highway, Ahmedabad-380015

**P :** +91 79 66775500 • **E :** info@wealthstreet.in • **W :** www.wealthstreet.in

## **OBJECTIVE**

The objective of this Risk Management Policy is to establish a robust risk management framework for monitoring and controlling various risks associated with the broking activities of Wealthstreet Financial Services Private Limited (“WFSL”).

This Policy aims to:

- Ensure compliance with applicable SEBI, Exchange and other regulatory requirements;
- Define margining, collateral management and exposure control mechanisms;
- Mitigate operational, market, credit and liquidity risks;
- Safeguard the interests of clients and the Company;
- Establish prudent surveillance and liquidation mechanisms for risk containment.

## **Client Margin Policy**

Wealthstreet Financial Services Private Limited follows prudent margin collection policy for its broking business. Client can infuse Margin in any of the following form:

- Cash Collateral
- Non-Cash Collateral

## **Cash Collateral**

Cash collateral forms a part of ledger. Cash margin can be infused in trading code by transferring funds through:

1. RTGS / NEFT / IMPS transfers
2. Using Payment Gateway
3. Cheque

Margin shall be provided only against clear funds and no margin shall be provided against UNCLEAR Cheques.

Physical Cash shall not be accepted and Third Party Cheques shall not be considered for Margin.

Client’s available funds shall be updated as Cash Margin at BOD which can be utilized for creating positions under various products offered by WFSL.

Online Fund Transfer using Payment Gateway shall have immediate addition to Available margin.

## **Wealthstreet Financial Services Private Limited**

*Formerly Known as Wealthstreet Advisors Private Limited*

**CIN: U74999GJ2016PTC094432**

**Regd. Off :** A-1101, Mondeal Heights, 11th Floor, Besides Wide Angle, S.G Highway, Ahmedabad-380015

**P :** +91 79 66775500 • **E :** info@wealthstreet.in • **W :** www.wealthstreet.in

## **Non-Cash Collateral**

### Equity Shares

Equity Shares pledged in favor of WFSL are accepted as margin. The shares are valued as per latest available closing price or last trading price (LTP) available during market hours. The collateral benefit against such shares shall be considered post applying appropriate hair-cut as defined by Risk team. (No Collateral benefit shall be given against Shares available in Client's Demat Account but are not pledged in favor of WFSL). A separate Scrip hair-cut policy shall be followed for the same. The scrip level hair-cut shall be reviewed on Weekly basis or on happening of specific event in the scrip.

If the scrip has not traded on a particular day, the valuation of such scrips shall be considered as ZERO and client shall not be able to avail any collateral benefit.

In the event of scrip moving from Eligible to Non-Eligible category, the collateral benefit shall be withdrawn with immediate effect. Client will have to replenish the margin on immediate basis to avoid any liquidation of stock / position due to shortfall.

In order to avoid scrip concentration, client level scrip limit and scrip level limits shall be made applicable.

WFSL may change its collateral valuation norms, depending upon but not limited to the following factors:

- Market Volatility
- Shifting of scrips by exchange between categories (e.g. scrip shifting into T2T or Z group)
- Mergers and Acquisition activity / Corporate Actions like Bonus, Split etc.
- Exchange Restriction on specific scrip
- Delisting of scrip

### **Exchange Traded Bonds and NCD's**

Bonds which are actively traded on exchanges, i.e. NSE and BSE, can be considered as collateral on an exception basis post evaluating various parameters like coupon, maturity, rating, liquidity etc.

Only NSE listed bonds shall be considered for Derivative margin shortfall reporting. However, in case the bond is not traded on a particular day, no collateral benefit shall be considered against these bonds.

### **Mutual Fund Units (MFs)**

MFs held in dematerialized form and are pledged in favor of WFSL are accepted as margin. Hair-cut on such MFs are considered as per internal hair-cut policy after considering parameters such as AUM's, nature of scheme, fund house etc.

Following hair-cut shall be applied on MF schemes placed as collateral:

## **Wealthstreet Financial Services Private Limited**

*Formerly Known as Wealthstreet Advisors Private Limited*

**CIN: U74999GJ2016PTC094432**

**Regd. Off :** A-1101, Mondeal Heights, 11th Floor, Besides Wide Angle, S.G Highway, Ahmedabad-380015

**P :** +91 79 66775500 • **E :** info@wealthstreet.in • **W :** www.wealthstreet.in

Categories of Mutual Funds	Hair-cut %
Equity Mutual Fund Schemes	20%
Debt Mutual Fund Schemes	10%
Liquid Mutual Fund Schemes	10%

The hair-cut list shall be generally reviewed on monthly basis or on as and when required.

#### Utilisation of Cash and Non-Cash Collaterals

Funds in the form of Cash collateral which forms part of clients' ledger can be utilized for the purpose of trading / buying of shares or creating derivatives position on exchange platforms.

Non-Cash collaterals, pledged in favor of WFSL, post applying appropriate hair-cut can also be utilized for the purpose of trading / buying of shares or creating derivatives position on exchange platforms. Non-cash collaterals of client shall be held in WFSL CUSPA account and shall be unpledged in clients demat account post clearing debit arising in ledger. Post unpledging of shares in demat account, client needs to pledge the shares in favor of WFSL to avail the collateral margin benefit.

#### WFSL Products Offering

WFSL is committed to providing best trading experience to the clients. Hence product offering plays most important role.

WFSL shall be offering following Products under different segments:

Products	BSE Equity	NSE Equity	NSE FO
MARGIN	Y	Y	N
DELIVERY	Y	Y	N
INTRADAY	N	N	Y
CARRYFORWARD	N	N	Y

Products are further classified as Cash Segment Products and Derivative Products.

#### Cash Segment Products

- MARGIN (Intra-day Square off Product)
- DELIVERY (Delivery Product against Collateral)

### Wealthstreet Financial Services Private Limited

Formerly Known as Wealthstreet Advisors Private Limited

CIN: U74999GJ2016PTC094432

Regd. Off : A-1101, Mondeal Heights, 11th Floor, Besides Wide Angle, S.G Highway, Ahmedabad-380015

P : +91 79 66775500 • E : info@wealthstreet.in • W : www.wealthstreet.in

### **MARGIN (Intra-day Square off Product)**

- Product offering for intra-day trading facility
- Client needs to give % of buy value instead of 100%
- List of scrips available for buying under this product along with % of hair-cut is defined basis internal risk policy and parameters
- Both buy and sell orders are allowed, however, T/TS/BE/MT and other trade for trade groups shall be blocked
- Orders are allowed against available Cash and Collateral value (After hair-cut)
- Scrip basket containing list of scrips along with appropriate hair-cut shall be assigned to this product
- Orders are validated against scrip limit and are liable to get rejected in case of breach in limit in spite of having sufficient available margin
- Conversion of open position to DELIVERY product and vice versa shall be allowed post validating the margin sufficiency
- New listing scrips are not allowed under this product
- All the pending orders shall be cancelled at 3:15 pm and open position remaining shall be squared off by risk team on best effort basis
- In case of breach in threshold loss, the open position shall be squared off.

### **DELIVERY Product**

- Leveraged Product offering facility to buy scrips giving % of buy value instead of 100%
- List of scrips available for buying under this product along with % of hair-cut is defined basis internal risk policy and parameters
- Scrip basket containing list of scrips along with appropriate Utilisation % shall be assigned to this product
- Only Buy orders are allowed
- Buy orders are allowed against available Cash and Collateral value (After hair-cut)
- In order to avoid risk of Auction, sell orders are not allowed to be placed through this product. Scrips bought today are allowed to be sold basis availability of sufficient margin to avoid any penalty.

## **Wealthstreet Financial Services Private Limited**

*Formerly Known as Wealthstreet Advisors Private Limited*

**CIN: U74999GJ2016PTC094432**

**Regd. Off :** A-1101, Mondeal Heights, 11th Floor, Besides Wide Angle, S.G Highway, Ahmedabad-380015

**P :** +91 79 66775500 • **E :** info@wealthstreet.in • **W :** www.wealthstreet.in

- Orders are validated against scrip limit and are liable to get rejected in case of breach in limit in spite of having sufficient available margin
- T/TS/BE/MT and other Trade for Trade group scrips are allowed for buy orders only without square off option
- Conversion of open position to Margin Product shall be allowed post validating the margin sufficiency
- 100% margin shall be charged for new listing scrip on listing day

#### **Derivative Segment Products**

- INTRADAY Product
- CARRYFORWARD Product

#### **INTRADAY Product**

- Default product for taking intra-day position in Derivatives segments of FO / Currency / MCX.
- All scrips available with current month expiry shall be available and positions can be created based on Available Cash + pledged stock as Collateral (Post Hair-cut)
- All orders are validated against Available Margin calculated on real time basis and SPAN + Exposure + Others Margins as applicable shall be charged for the same
- MTM losses whether realized or unrealized shall be deducted from available margins while assigning limits. No credit for realized profits or unrealized profits shall be considered.
- Buy Options orders are allowed validating cash + Pledged stock collateral as margin. Margin shall be charged equivalent to premium payable. Option Buy orders are allowed against sell of carry forward options in that segment only. No Option buy orders are allowed against Option sell in other segments.
- Facility to convert open position in INTRADAY product to CARRYFORWARD product and vice versa is available post validating margin sufficiency
- Open position in INTRADAY product attracts both Time based as well as Margin based liquidation
- All the pending orders shall be cancelled at 3:15 pm and open position remaining shall be squared off by risk team on best effort basis
- Risk of positions remaining open due to system failure, loss of connectivity etc persists
- Also, at the breach of threshold loss (Margin based liquidation), all open positions in INTRADAY and CARRYFORWARD Product shall be squared off

### **Wealthstreet Financial Services Private Limited**

*Formerly Known as Wealthstreet Advisors Private Limited*

**CIN: U74999GJ2016PTC094432**

**Regd. Off :** A-1101, Mondeal Heights, 11th Floor, Besides Wide Angle, S.G Highway, Ahmedabad-380015

**P :** +91 79 66775500 • **E :** info@wealthstreet.in • **W :** www.wealthstreet.in

**CARRYFORWARD Product**

- Default product for taking Carry Over position in Derivative segments of FO / Currency / MCX
- All scrips available in F&O shall be available and positions can be created based on Available Cash + pledged stock as Collateral (Post Hair-cut)
- All orders are validated against Available Margin calculated on real time basis and SPAN + Exposure + Other applicable margin shall be charged for the same
- MTM losses whether realized or unrealized shall be deducted from available margins while assigning limits. No credit for realized profits or unrealized profits shall be considered.
- Buy Options orders are allowed validating cash + collateral as margin. Margin shall be charged equivalent to premium payable. Option Buy orders are allowed against sell of carry forward options in that segment only. No Option buy orders are allowed against Option sell in other segments.
- Long dated Options (LDO) or Options where difference between strike price and underlying is > 20% are blocked on trading terminals. It shall be allowed post approval only after validating margin sufficiency.
- Facility to convert open position in CARRYFORWARD product to INTRADAY product and vice versa is available post validating margin sufficiency.
- Also, at the breach of threshold loss, all open positions in INTRADAY and CARRYFORWARD Product shall be squared off

**Following contracts shall be available in F&O segments. All other contracts shall be blocked:**

Sr No	Instrument	Expiry	Symbol
1	FUTSTK	2 MONTHS (Current / Near Month)	All
2	FUTIDX	3 MONTHS (Current / Near / Far Month)	NIFTY / BANK NIFTY / MIDNIFTY / FINNIFTY
3	OPTSTK	2 MONTHS (Current / Near Month)	ALL
4	OPTIDX	3 MONTHS (Current / Near / Far Month)	NIFTY / BANKNIFTY / MIDNIFTY / FINNIFTY

**Wealthstreet Financial Services Private Limited**

*Formerly Known as Wealthstreet Advisors Private Limited*

**CIN: U74999GJ2016PTC094432**

**Regd. Off :** A-1101, Mondeal Heights, 11th Floor, Besides Wide Angle, S.G Highway, Ahmedabad-380015

**P :** +91 79 66775500 • **E :** info@wealthstreet.in • **W :** www.wealthstreet.in



#### **IPO Application in Bonds / OFS / Mutual Funds**

- Applications are allowed basis minimum of clear cash margin and available free margin, calculated on real time basis
- No application shall be allowed to be made basis cheque under clearing or receipt of third party cheques
- No application shall be allowed to be made basis Unsettled credit balance

#### **REVIEW OF POLICY**

This Policy shall be reviewed at least annually or earlier, if required, due to:

- Changes in SEBI/Exchange regulations;
- Changes in business operations or risk management framework;
- Market conditions or volatility;
- Internal audit/compliance observations;
- Any other regulatory or operational requirements.

Any modification(s) to this Policy shall be approved by the Board of Directors / Authorized Committee of WFSL.

Further, the Policy shall stand automatically modified to the extent of any changes prescribed by SEBI, Stock Exchanges or any other statutory authority from time to time.

### **Wealthstreet Financial Services Private Limited**

*Formerly Known as Wealthstreet Advisors Private Limited*

**CIN: U74999GJ2016PTC094432**

**Regd. Off :** A-1101, Mondeal Heights, 11th Floor, Besides Wide Angle, S.G Highway, Ahmedabad-380015

**P :** +91 79 66775500 • **E :** info@wealthstreet.in • **W :** www.wealthstreet.in