

RISK MANAGEMENT POLICY **Of** **PATEL WEALTH ADVISORS PVT LTD**

In order to mitigate the Risk in Securities Business of the Company, the management of the Company is agreed to accept and implement the below mentioned Risk Management Policy. The Policy will help the Member to mitigate the risk, monitor the different margin obligations, and protect the clients.

➤ **SETTING UP CLIENT EXPOSURE LIMIT**

Exposure is allowed to the clients depending upon the margin available in form of funds or approved securities values after deducting an appropriate haircut. Clients is liable to pay Applicable initial margins, withholding margin, special margins or such other margin as Are considered necessary by the Exchange. Further Patel Wealth at its discretion may collect additional margin or may even reduce the margin even though not required by the Exchange. Clients are supposed to maintain sufficient balance with the Patel Wealth Pre Trade Depending on the channel through which they trade. Patel Wealth may even levy additional Margin or relax the margins earlier imposed based on factors such as, client's level positions, Volatility in particular stock or the market in general. Exposure allowed to clients may very Depending in the clients past trading performance, quality of collateral market circumstances And dynamics and other such factors.

➤ **IMPOSITION OF PENALTY/ DELAYES PAYMENT CHARGES**

1. The client is required to adhere exchange/members' guidelines and due diligence with trading.
2. Clients are required to make
 - a. Securities pay in on T+1 day
 - b. Funds pay in on T+1 day
3. In case of default in security pay in by the client and the shortage is at member level, the member shall Be procuring the defaulting securities/quantities from the market and the value of the security + shortfall in the value of the original transactions, if any, and penalty (decided by the Member from time to time) shall be recovered from the defaulting client. Further the client shall borne all Expenses, cost incurred by PWAPL with respect to default in security pay in. In case of the default of securities pay in by the client and the shortage is from exchange, auction value of the respective exchange plus penalty (decided by the member from time to time) shall be recovered from the Defaulting client.
4. In case of funds default by the client, the member shall be liquidating the stocks to recover the money; any shortfall arising out of liquidating securities by the members shall also be recovered from the defaulting Client along with interest (decided by the member from time to time).
5. In case of debit balance in the client account, the same shall be liable for the delayed payment charges. The calculation of these charges is an automated process.
6. In accordance with the SEBI circular No. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019, regarding handling of client's security by Trading Members / Clearing Members, effective from 01 October, 2019 If there is overdue debit balance in clients trading account for more than 5 days from the date of purchase, The securities shall be squared off from Risk management team without any pre confirmation from the client.
7. Similarly, if clients' ledger is credit on settlement day, the securities purchase by clients' shall directly be transfer to his/her/its beneficiary account and PWAPL shall not retain those securities.

8. In accordance with the SEBI circular No. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019, in case client fails to pay due on settlement day, PWAPL shall retain that/those security/ies and no any trading related benefit will given to client/s.
9. In case client/s wishes to give securities as collateral for the purpose derivative transaction, he/she/it needs to transfer such securities in separate beneficiary account as define by PWAPL. Also securities purchase by client/s either paid or unpaid, shall not transfer directly to collateral account.

➤ **CONDITIONS UNDER WHICH A CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITION OR THE BROKER MAY CLOSE EXISTING POSITION OF A CLIENT:**

1. In the event where overall position in any scrip or derivative contract has reached the Limit prescribed by regulators or exchanges.
2. In case the there is debit balance in client's account.
3. On the basis of risk management system of Patel Wealth.
4. in case there is apprehension that the client is debarred entity by any regulatory authority.
5. In case where Patel Wealth perceives risk with regard to any regulatory action or with regard To delay or non-payment of margin or any other obligations Patel Wealth may block or suspend the trades of such clients.
6. In case where suspicious transactions are observed, including but not limited to off market Transactions.
7. in any other case where the Patel Wealth deems fit according to its internal policy on management.
8. In Case of debit balance:- Client will not be granted further exposure when debit balance arise Out of clients failure to pay the required amount ans such debit balances continues beyond the fifth Day ,as reckoned from date of Pay-in.
9. Further, we have change in our RMS policy w.e.f 01 May 2017 to consider client ledger balance And stock balance of across all exchange and across all segments and same practice continue onwards.