



R.L.P. Securities Private Limited.

Corporate Member – NSE, BSE, MCX, NCDEX. DP - CDSL.
SEBI Regn. NO: INZ000166638. DP : IN-DP-224-2016.



Policy on Squaring off client positions in case of non payment of funds & margins

RLP is under obligation to fulfill all the obligations of its clients on running market conditions to the Exchanges and it should fulfill all the Margin obligations on live basis, to protect itself from default and hence, the Clients are under obligation to monitor their positions and fulfill all the required funds and Margin obligations which includes ledger debit balances (if any), margins, upfront margins, peak margin, MTM losses and additional margins as levied by the Exchanges and member **on live basis from time to time**, in case the clients are not able to fulfill their obligations, **they will be in default** and RLP reserves the right to close out the client's open positions without giving notice to the client where there is a delay / failure of the client to meet the pay in obligations and / or there is a failure of the client to bring additional margins to cover the increase in risk under dynamic market conditions. In such a case, if still there exists a shortfall, RLP reserves the right to sell such client securities / commodities both unpaid securities as well as ledger collaterals deposited towards margins, shares held in POA supported BO account to the extent of shortfall or obligation to be received.

In case of unpaid equity pay in obligations on settlement basis where payment is not received within the stipulated period, such shares may be liquidated by RLP at any time on or before 5 trading days from the day of Pay In obligation, to recover the unpaid obligation without giving any notice. Where the sale proceeds of unpaid securities are inadequate to cover the pay in obligations and where the unpaid securities appear to be comparatively illiquid, inactive/suspend shares, lower circuit, regulatory/enforcement/court order and cannot be sold at reasonable rates to the extent required, RLP may Confiscate and sell the collaterals pledged by the client and or the securities lying in POA enabled demat account and further losses if any may be recovered from the client. RLP shall not be responsible for any financial loss to the client in this regard.

RLP may follow LIFO method or the most liquid shares for liquidation of securities but it may not be binding on it to follow this method in all cases.

Margin shortfalls in F&O: Positions of the client may be closed out to the extent of margin shortfall on T or T+1 day basis, where client is not in a position to fulfill Margin obligations including that of Live MTM and additional Margins as may be levied by the Exchanges and Member from time to time. While computing margin shortfall, value of unapproved securities shall not be considered. RLP reserves the right to consider or not to consider the stock pledged with RLP for margin purpose. The Client's dues if any would be recovered, as per the policy mentioned above.

Intraday Positions: RLP shall have right to close out any intra-day positions taken by the client after a defined "Cut off" time (generally within 15 minutes of the close of the trading hours) Or when the client MTM exceeds 80% of the credit balance available or As decided by RLP depending on the Market Volatility and the client relation. While selling the securities / closing the client's positions, RLP may take into account the sales made by the client, positions closed by the client or payments received from the client till a cut off time. While selling the securities / closing the clients positions, RLP may not take in to consideration cheques /drafts/ pay orders deposited by the client with RLP, until clear proceeds of such instruments are received by RLP in its bank account.

Even though, Member will be intimating the Margin Short Fall, Open Positions and other obligations, It will be the prime responsibility of the client to monitor their positions and fulfill the Margin Obligations on live basis to avoid default.

The client is said to be in default , when the client is not able to meet the Margin obligations as levied by the exchanges and such additional margins as levied by us from time to time, including that of MTM on dynamic market conditions at any point of time. Even though, we would be informing the client the

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margin obligation through email, SMS etc.. it is binding on the client to monitor his transactions on live market conditions and make good the Margins, failing which RLP may square off the positions and sell the holdings to the extent of the payment obligation.

RLP shall have the right to sell client's securities or close out client's open positions but it shall not be under any obligations to undertake this exercise compulsorily. RLP shall therefore not be under any obligation to compensate /or to provide reasons for any delay or omission on its part to sell client's securities or close open positions of the client. The ultimate responsibility risk and liability of the trades are binding on the client. All the positions are subject to maintenance of margins including that of MTM on live basis and any other margins as prescribed by exchanges from time to time.

Approval Authority:

This Policy was placed before the board in its Board of Directors and meeting held on **27/08/2021** at our Head office and was approved on **27/08/2021**.