

**Mandatory document dealing with Policies and Procedures pursuant to SEBI's Circular MIRSD/SE/Cir-19/2009 dated 03rd December 2009 Policies and Procedures forms integral part of the Mandatory Documents**

- 1. Refusal of order for Penny Stocks :** RLP shall have the 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, stocks in B, S,Z, ASM/GSM etc. category and any other contracts / stocks which are extremely volatile or subject to Market manipulation. The term stocks include shares and Commodities.

RLP may permit restrictive acceptance of orders in such stocks / contracts in controlled environments like orders received from clients being forwarded by branches / authorized persons to HO instead of allowing them at branch / Authorized persons level. RLP may cancel orders in such scrips received from clients before execution or after partial execution without assigning any reasons there off. RLP may take appropriate declarations from the clients before accepting such orders. RLP shall not be responsible for delay in execution of such orders any opportunity / financial loss to the client. RLP reserves the right to stop the payouts of the Client.

- 2. Setting up Client's Exposure Limits:** RLP may have its own policy to allow differential purchase limits and sell limits varying from client to client, depending upon credit worthiness, integrity and past trading record of each client and volatility in the market which may vary from time to time.

RLP at its exclusive discretion, may provide an exposure limit for intraday and delivery to a client which would be a multiple of the clear ledger balance in the account of the client along with collateral values after appropriate haircut. The value of multiple and haircut shall be decided as per Market volatility, quality of collaterals, credit worthiness, integrity and past trading record of each client which may vary from client to client and from time to time.

Derivatives / Futures and Options, would mean Derivatives / Futures and Options for Equity, Commodity, Currencies or any other Derivative segments that are being offered by the Exchanges.

RLP may provide a sell limit to the client equivalent to the value of securities held by the client in his POA enabled Demat account with our CDSL DP and the collaterals held with us in our Beneficiary / Margin account on behalf of clients after making appropriate adjustments for the unsettled delivery positions of the Client.

RLP may provide Exposure for Trading in Futures And Options writing in Derivatives segment based on the availability of Initial Margin (Span + MTM) and additional margin as may be levied by RLP depending on the volatility and the risk involved, in the form of clear ledger balance. Considering collateral's after appropriate haircut is at the sole discretion of RLP. However the buying of Options in Derivatives segment may be allowed on the premium value against the clear ledger balance available in Client's Account.

For all such contracts in F&O, which end up with physical delivery at the end of expiry date, RLP may not allow fresh exposure before two days of expiry of such contract or tender period or any such period at the description of RLP, unless the client maintains 100% deliverable value of the contract money as clear Credit in his account in case of Buy and total deliverable shares or Commodities, in case of sell.

In case the Debit Balance in Client Account Exceeds Five Days, No fresh exposure will be allowed till such time the Account comes to Credit Balance.

- 3. APPLICABLE BROKERAGE RATES:** Brokerage shall be applied as per the rates agreed upon with the client in the KYC at the time of registration of the client and as agreed upon subsequently through a written agreement between the client and RLP. The rate of Brokerage shall not exceed the maximum brokerage permissible under Exchange bye laws.

The slab rates of brokerage fixed by us are function of the quality and cost of services provided to the client and the volume and revenue expected from an account. It shall be reviewed by us from time to time and may be increased with prospective effect at a notice of 15 days sent to the email address or postal address of the client registered with us.

The Brokerage shall however be exclusive of STT, GST, DP Charges, Delayed payment charges, penalties levied by Exchanges, courier charges, bank charges towards cheque bounces and SEBI / Exchange / CM turnover or any other charges as may be levied by regulatory and statutory bodies from time to time.

- 4. Imposition of Penalty / Delayed payment charges by either party, specifying the rate and the period (This must not result in funding by broker in contravention of the applicable laws):** As per the Rules, Regulations and Bye Laws of the Exchanges, the Member has to make pay in of funds to the Exchange by T+2 morning and arrange delivery of securities to the Exchange latest by T+2 morning, T+1 in case of Derivatives Segment.

Further Member broker is also required to maintain adequate upfront margins with the exchange to avail exposure for trading. The exchanges have also defined the ratios in which the cash and collaterals are to be maintained by the member broker. In order to manage its operations, RLP requires full cooperation of the clients in meeting their respective obligation towards pay in and margins.

RLP is therefore authorized by the client to charge delayed payment charges not exceeding 2% per month, on account of delays / failure by the client in meeting the pay in obligations on the scheduled date in both Cash & F&O Segment. While levying delayed payment charges in the running account of a client, RLP may not consider any credit balance in the other family or group accounts of the client.

RLP may provide exposure against the upfront margins received in the form of cash / collateral from the client and the client also has the right to withdraw Cash and collaterals at his/ her discretion, RLP shall not pay interest or other benefit to the client for maintaining cash balances or depositing collateral margins.

**Penalties levied by the Exchanges:** Further Exchanges levy various penalties on the member brokers on auction resulting from short deliveries, non adherence to client wise exposure limits, client wise shortfalls in F&O Margin and for other reasons which may be defined by the Exchanges from time to time. RLP is therefore authorized by the client to pass on any penalty imposed by the Exchange/SEBI and or any regulatory authority to the client, which arises on account of the client

- 5. The right to sell client's securities or close client's positions without giving notice to the client, on account of non payment of client's dues (This shall be limited to the extent of settlement/margin obligations):** RLP is under obligation to fulfill all the obligations of its clients on runing 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 Margins including 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 sell such client's securities / commodities 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 meet the pay in obligations and / or there is a failure of the client to bring additional margins to cover the increase in risk in the dynamic market conditions

In case of unpaid obligations on T+3 basis, RLP may sell the unpaid / partially paid securities. In addition RLP may sell the collaterals deposited by the client towards margins and or paid securities purchased by the client in earlier settlements 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 and cannot be sold at reasonable rates to the extent required. RLP may follow LIFO method 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 the T+1 or T 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 the collateral.

**Intra day Positions:** RLP shall have right to close out any intra-day positions taken by the client after a defined "Cut off" time. 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 collections 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 it until clear proceeds of such instruments are received by it 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 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.

- 6. Shortages In obligations arising out of Internal netting of trades:** RLP shall have the right to adopt a policy of its choice for internal auctions arising out of internal netting of trades and charge to defaulter seller and compensate the impacted purchaser as per the policy.
- 7. Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client:** Where the Debit Balance of a Client Exceeds five days, Where the client is not having adequate margins as per conditions defined in Risk Management Policy, The client is under default or irregular in meeting obligations, the trading pattern of the client is not commensurate with the Income levels specified, the client is not submitting the required KYC or other documents as required by the member or statute.

**In Cash segment:** Where the client has not been able to meet his pay in obligation in cash by the schedule date of pay in, irrespective of the value of collaterals available with RLP. Clear proceeds of the cheque deposited by the client to meet the pay in obligations has not yet been received by RLP. Client is trading in

“Illiquid securities” and volumes in his account exceed internal cut off limit fixed by RLP. RLP exposure at “house level” in a specific scrip / contract exceeds the internal limits fixed by it.

**In Derivatives:** Where the client has not met the Margin, Market to Market loss and Additional Margins as levied by the member from time to time. Where the open positions in a contract exceeded or are close to market wide cut off limits. Where the client’s position is close to client wise permissible “open” positions.

For all such contracts in F&O, which end up with physical delivery at the end of expiry date, where the client does not maintain 100% deliverable value of the contract money as clear Credit in his account in case of Buy and total deliverable shares or Commodities, in case of sell contracts two days before the date of expiry or tender period or any such nearer date earlier than two days as decided by RLP, the client should square off such open positions, or else RLP reserves the right to square off such positions.

**Intraday:** Client may not be able to place intra day orders after a cut off time fixed by us

## **8. Temporarily suspending or closing a client’s account at the client’s request:**

RLP may carry a periodic review of the client accounts and may suspend the accounts from trading in the following circumstances:

Where the client is inactive for more than 6 months.

Where the client account is under investigation by any regulatory body.

Where the client has not cleared the naked or uncovered debits which are more than 7 days.

Non-delivery of statement of accounts sent on period basis.

Physical contract notes are received back undelivered due to reasons like “No such person”, “addressee left”, refusal to accept, or other reasons which create suspicion.

DCN failed (Bounced email) on more 3 instances until client submits and registers new email ID.

Non-up dation of communication details like email id, mobile number, land lines details or if it is found to be belonging to the third person.

On notices received from Regulatory, Statutory, government or local authorities and Income Tax, GST etc.

Where a client is reported to or known to have expired

Any other reason at the discretion of RLP.

Written request from the client for suspension.

## **9. Deregistering a Client:**

RLP may deregister a client on the following circumstances:

Any action taken by SEBI/NSE/BSE/NCDEX/MCX or being part of list of debarred entities published by SEBI. On basis of information found in sites of CIBIL, Watch out Investors, or client having suspicious back ground, link with suspicious organization etc.

RLP shall have right to close out the existing positions: sell the collaterals to recover its dues, if any, before de registering the client.

RLP shall have the right to deregister a client after serving a 15 days written notice without assigning any reason thereof.

**I / We have clearly understood and agree to abide by aforesaid policies and procedures.**

**I / We also understand and agree that these policies and procedures can be changed from time to time and are displayed on our website: [www.rlpsecurities.com](http://www.rlpsecurities.com)**

**I / We, understand that RLP shall have the right to implement all the above policies but shall not be under any obligations to undertake this exercise compulsorily. The ultimate responsibility, risk and liability of the trades are binding on the Client**