RUDRA SHARES & STOCK BROKERS LTD

RMS Policy

Capital market

1- For providing limits we divide clients into four categories like HNI clients/Normal clients/Risky clients/New clients.
   - HNI Clients: - These are the clients which have high intraday/delivery volumes with sound financial track record.
   - New clients: - All newly registered clients are kept in this category for first three months and after reviewing performance their trading account their status are changed to other categories.
   - Risky clients: - Risky clients are those who have cheque bouncing history or continuous Auction history or they are not managing their pay in on time.
   - Normal Clients: - Other than all above three categories remaining clients are kept in normal client category.

2- Clients are provided limits only on clear credit balance.

3- We maintain strict accounting pattern segment wise. Actually client total ledger balance is divided into segments in which he deposit payments or sell stocks. He will be getting limits in each segment as per respective segment balance or clients preferred segment.

4- Client may send request on E-mail Id rms@rudrashares.com for transfer of balance from one segment to another segment which will be granted to him provided he has given the authorisation letter for securities / fund transfer. However, please note company provides limits as per segment wise balance not as per total ledger balance.

5- Branches are requested to take due care while punching cheques just to ensure that cheque is punched in correct segment in which client wants limits.

6- If Normal/Risky/New client ledger balance is NIL or in debit, his trading account will remain locked for buying very next day.

7- Intraday limits will be available min 25% VAR of previous day`s ledger balance (This may vary subject to market condition and advance information will be given before opening of market hours)

8- Delivery limit will be available 2 times or VAR whichever highest only (This may vary subject to market condition and advance information will be given before opening of market hours)

9- All position of intraday will get squared up to 3:20 pm by system itself

10- Conversion to delivery trades from intraday trades allowed up to 3.10 pm.

11- Fund recd on same day (during trading hours) will be incorporated automatically to enhance trading limits and this will be done thrice a day like at 10 AM, 12.30 PM and 2 PM.

12- Every branch has to ensure that cheques are deposited in bank very next day of receiving, if received after banking hours and if cheque is received within banking hours it should be deposited in bank on same day.
13- Company would reverse cheque in trading account if it is not cleared within 3 days of deposit day.
14- Company will debit Rs. 500/- charges if cheque is bounced or company is forced to reverse entry if after cheque punching, cheque is not deposited /reflected in concerned bank.
15- All clients will get auto sell limit against share lying in beneficiary account as well as in Demat account (The Demat account should be in RUDRA).
16- Please note that pending sauda positions are also counted in available limits. So please remove any pending position to get your limits free for further trading.
17- In market hours due to losses if client`s Mark to Mark position reaches 80% and client does not make any payment to increase his available balance in market hours, company will have full right to square up his position as soon as he reaches 80%. So every branch is requested to take care of client mark to mark position on real time basis. Client should remain cautious about his mark to mark losses himself so that company is not forced to take any tough decision.
18- T+3 will be mandatory to clear debit balance in ledger through cheque or by selling stock. Otherwise company will clear the debit balance in ledger by selling of available stock.
19- While selling collateral stock from F&O/commodities/currency please intimate on E-mail ID rms@rudrashares.com for release of stock then sell after of such request is sent and confirmation is received from HO that shares will be released.

<u>F&O, Commodities Market and currency market</u>

1- The limits are set on total value of F&O /Commodities/Currency collateral after haircut plus clear ledger balance of F&O segment/Commodities segment (MCX & NCDEX)/Currency segment. This total value will work as available margin for span margin monitoring. However mark to mark will be monitored on clear ledger balance only.
2- Limits in FO/Commodities/Currency segments are provided against cleared payment only.
3- Mark to Mark (MTM) loss is settled on day to day basis and if ledger balance is in debit no fresh position will be allowed next day and only squaring up would be allowed.
4- In market hours due to losses if client`s Mark to Mark position reaches 85% and client does not make any payment to increase his available ledger balance in market hours, company will have full right to square up his position as soon as he reaches 85%.
5- We are collecting Initial/Span Margin along with exposure Margin as per exchange rules. Limits are available strictly on real time Span margin applicable by exchange. Exposure margin are applicable on the end of the day position.
6- While leaving position at the end of day please ensure that adequate margin is available in your trading account otherwise hand over cheque to your branch on the same day.
7- Company has to upload margin collection file to NSE every day, in case of any shortage the exchange penalizes us by up to 20% of shortage margin amount and that may be debited to concerned client account.
8- While trading in Call & Put option of NSE F&O segment and in case of purchase of options premium amount is paid in advance.
9- Client can also sell call & put option in NSE F&O segment, and in this case span and exposure margin are applied as per exchange rules.

10- If margin is short in any client account, the RMS department will inform accordingly either by E-mail or Phone. After information if client fail to deposit the amount short in margin, the outstanding position will be squared-off next day or same day as per market condition without any further notice.
11- Always take care of market wide limit position in case client holds position in derivatives. If exchange bans fresh position in any derivative instrument and client make fresh position in that he will be debited the exchange penalty for his action as per exchange rules.
12- Collateral Value of shares will not be considered against debit ledger balance. If ledger is in debit then client will have to clear by payment otherwise company will have full right to square up the position.
13- Normally in hedging position fewer margins is charged by exchange but if client breaks his hedging, extra limits would be provided against payment only. If client do not have extra exposure limits he should square up his full hedging position.
14- Client may avail cross margin facility for adjustment of margin between Cash & F&O segment in case of same scrips. Mail already sent regarding conditions for cross margin facility few days back. for any further clarification send email on rms@rudrashares.com