



RUDRA SHARES & STOCK BROKERS LIMITED (RUDRA SHARES)
RISK MANAGEMENT POLICY

1. Introduction: Investment in securities is susceptible to market risks. While the risk of loss is inherent in the market, we at RUDRA SHARES, seek to minimize the risk of loss through a dynamic risk management policy which is an essential feature of our product offering. As our customer, it is important for you to be aware of our Risk Management Policy and how the Policy would operate to regulate your transactions. It is also important to note that the Risk Management Policy is not an insurance against losses; these are measures and precautions that are adopted to contain risks to the minimum. The Policy is subject to change according to our risk perceptions of the market and relevant regulations for the time being in force.
2. Clearance of Debit balance:
 1. Clients who have opted for monthly or quarterly settlement should also ensure they abide by the same, failing which we will settle their account by selling the holdings in case of continuous debit balance.
 2. The debit to be considered for selling may be for trading (MTM losses and obligations) and non-trading debits (DP Dues, other charges etc)

2-SEBI guidelines (November 2022 onwards) with regards to the unpaid securities state that the securities that have not been paid for in full by the clients; should be transferred to respective client's demat account followed by creation of an **auto-pledge** (without any specific instruction from the client) with the reason "**unpaid**" in favor of a separate account titled "**client unpaid securities pledgee account**", which would be opened by TM/CM.

Accordingly, we may at our discretion on a case-to-case basis create the pledge for unpaid securities for any debit balance with approximately **150% of the debit value** (or as per regulatory guidelines) to take care of any movement in market prices of securities. Such securities shall be **liquidated*** to clear any debit from the CUSPA account on **T+1 working day** or at any time thereafter as per our discretion with or without any prior notice to the client.

(i) In case there are multiple securities; "**First in First Out**" (**FIFO**) logic will be followed wherever. However, in case the stock basis FIFO logic could not be sold due to less liquidity or due to security in lower circuits or any other reason, then we may sell any other security to clear the outstanding debits

3. Imposition of penalty/delayed payment charges:

1. The Clients are required to settle the pay-in/ provide margin within the time limits provided by Exchanges/ SEBI or earlier as per our internal policy if any for a particular product.

2. Any amounts which are overdue from the clients towards trading or on account of any other reason to us will be charged with delayed payment charges at the rate up to 24% per annum notified by us from time to time. Such Interest on delayed payment shall be directly debited to the account of the Client at the end of every month\Week\Daily basis.

3. We may impose fines / penalties for any orders / trades / deals / actions of clients which are contrary to this agreement / Rights & Obligations rules / regulations / bye laws of the exchange any other law for the time being in force, at such rates and in such form as it may deem fit.

4. Further where we must pay any fine or bear any punishment from any authority in connection with / as a consequence of / in relation to any of the orders / trades / deals / actions of the client, the same shall be borne by the client.

5. Further we may restrict the client to trade or take further positions.

4. Scrip categorisation for leverage and collateral benefit:

1. For risk management, we categorize scrips listed on NSE and BSE into different categories based on different parameters.

2. These parameters are decided by us considering our internal policies.

3. The leverage shall be revised at any time (including non-offering of leverage all together) based on the market conditions and the decision shall be at the sole discretion of the company.

4. Scrips blocked for trading: We shall not be responsible for non-execution/delay in execution of orders in restricted scrips and contracts and consequential opportunity loss or financial loss to the customer. We shall have the discretion to place such restrictions, notwithstanding the fact that the customer has adequate credit balance or margin available in his account and/or the customer had previously purchased or sold such securities / contracts on our platform earlier. We shall have the right to revise the list of such securities / contracts on a periodic basis.

Block Type	Exchange	Scrip group / Series	Comments
Buy	NSE and BSE	GSM Scrips	GSM Scrips stage 1 and above

Buy and Sell**	NSE and BSE	Unsolicited messages (Current Historical) /	Stock Tip / Recommendation circulated
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Any securities as per regulatory mandate / communication or at the discretion of the company might be blocked on case-to-case basis

5. Intraday and leverage products: (restricting exposure and square-off and important points)
 1. Time based Intraday Square off* – Daily – Starting from 10 minutes before close of normal trading session.
 2. This includes all types of Intraday products.
 3. Every day system will stop allowing any further intraday order anytime after 3.20 PM. The system first removes all pending orders and then squares off all Intraday orders. At the time of Intraday order square off* trigger, all pending orders would be canceled, and orders will be sent to exchange for square off*. The orders sent to the exchange will be executed on the best effort basis. In case the positions cannot be squared off* due to lack of liquidity, any technical/system failure, Upper/Lower circuit or any other issue the trade will result in delivery trade.
 4. This is irrespective of target reached / profit and loss position.
 5. i).In case the positions cannot be squared off* due to lack of liquidity, any technical/system failure, Upper/Lower circuit or any other issue, the trade will result in delivery trade and will be settled accordingly.
 - ii).In case of Non squared off* short positions, 30% (or above) extra margin will be blocked till auction settlement is completed.
 - iii).In case of Non squared off* long positions, clients need to pay the balance amount to the extent of the entire obligation on T Day only. We will initiate a square off* of non-paid up obligations on T+1 day from the start of market hours.
6. This is in addition to the MTM based square off* across product and exchange segments.

7. Client agrees and accepts that enlisting him/her for the Intraday Trading Facility shall not oblige him/ her to place Intraday Orders requested in any scrips even though margin required for placing a trade order under the Facility is available in the account.
8. Client also understands and agrees that the option to convert Intraday trade positions to carry forward positions is subject to full margin being made available upfront unless such margin is already lying to the credit of the account.
9. Client agrees and accepts that if for any reason beyond our control, like force majeure causes, disruptions in the communication network, system failure, slow or delayed response from system, trading halts, or the Exchange applying circuit filters because of which the open Intraday positions could not be squared off* and are carried forward, the client is expected to Square them off on a best effort basis, as soon as possible, and any and all losses arising from such events will be to the client's account.
10. Client also agrees and accepts that he/she will not hold the broker, their directors, officers, or employees liable for any loss that they may sustain because of availing of this facility.
11. Maximum permissible exposure limit to a client for a day may be capped irrespective of Ledger and collateral.
6. Real time Risk based forced Square-off:
 1. We may initiate square off* for a particular client without prior intimation due to market volatility, intimation by regulators or as prescribed in any other rules or regulation.
 2. We shall have no obligation of communicating the same to the Client although as a measure of good governance all possible steps will be undertaken subject to market volatility and time for timely communication.
 3. We shall not be responsible for any losses incurred by the Client due to such squaring off the open position of the Client.
 4. At MTM loss the position will be reduced on the best effort basis and customers will be liable for such losses.
 5. In case the positions cannot be squared off* due to lack of liquidity, any technical/system failure, Upper/Lower circuit or any other issue customer will be liable for such losses.
 7. Trading limits and caps: We may levy certain limits (either mandated by regulator or as per our internal policies) on trading on our platform. These are to ensure no fat finger error is multiplied and results in systemic risk for either the client or us. Below are the most common limits and caps we have on our platform. We shall not assume any liability in respect of orders rejected by reason of their quantity or value exceeding the cap value.
1. Single order quantity and value cap

2. Turnover limit at client and scrip level
3. Product level cap at scrip level
4. Concentration capping for collateral limit at client level and scrip level
8. Shortages: As per the prevailing guidelines, clients are required to make securities pay-in on or before settlement day as per our policy. However, we are not obliged to deliver any securities to the client unless and until the same has been received by us from the clearing corporation/ clearing house or other entity liable to deliver their securities. In case of default in security pay-in by the client, we as per the internal settlement guidelines shall debit an amount known as valuation debit to the clients. In case of default in security pay-in by the client there is a possibility of internal shortages at our end. These internal shortages are marked against clients randomly at the sole discretion of the broker. In case of internal shortage, the obligation will be closed out at the highest traded price in Exchange from the day of trading till the auction day or at a percentage as applicable from time to time above the official closing price on the auction day, whichever is higher, as a penalty on the defaulting client and the benefit will be passed on to the respective beneficiary client. The close-out rate excludes any penalty levied due to short selling of securities/ Non-delivery of shares. Scrip which is settled on a Trade-to-Trade basis at Exchange does not fall under the above-mentioned policy.
9. Futures and Options (Equity Derivatives):
10. Contracts available for trading:
11. Derivatives trading is offered in the Equity-Derivatives segment offered on NSE & BSE only.

. 12-Index Futures and Options-

- **Price Range Restrictions:** Contracts outside the range of **+/- 25%** of the underlying price will be blocked for trading. However, squaring off existing positions will be allowed.
- **Discretionary Blocking:** Any contracts within the +/- 25% range might be additionally blocked based on open interest and liquidity at the discretion of RUDRA SHARES (e.g., for Sensex it can be +/- 10%, for MidCap Nifty it can be +/- 5%).
- **Expiry Period:** Contracts will be allowed for a maximum expiry period of **3 months** (current and next 2 months only). Contracts for later months may be opened nearing the current month's expiry.
- **Weekly Contracts:** Weekly expiring contracts may be restricted to fewer weeks within the 3-month period.

Stock Futures and Options

- **Price Range Restrictions:** Contracts outside the range of **+/- 15%** of the underlying price will be blocked for trading. Squaring off existing positions will still be allowed.
- **Liquidity Based Blocks:** Any contracts within the +/- 15% range might be additionally blocked based on open interest and liquidity at the discretion of RUDRA SHARES.
- **Expiry Period:** Contracts will be allowed for an expiry period of **2 months** (current and next) only. Later months may be opened nearing the current month's expiry.

1. Margin and Margin Collection:

2. Margin is the minimum amount which is required to take a position in the equity derivatives segment as prescribed by stock exchanges from time to time.
3. This includes all the exchange mandated margins (E.g Span, Exposure, Delivery, Additional etc) and any additional margins as levied by RUDRA SHARES at its discretion

For buying options: The premium amount + Any other delivery margin as charged before physical settlement

For shorting options and for Futures: Span + Exposure + Delivery margin charged during physical settlement + Any other additional margin as levied by the exchange / RUDRA SHARES.

Hedge benefit (if any) may be provided on Span margin only as per the relevant positions of the client and as per the hedge benefit calculation available from exchange mandated Span.

RUDRA SHARES at its sole discretion may levy additional margin which is over and above the margins already levied by the Exchange from time to time.

1. Clients need to give upfront margins which are defined by stock exchanges before taking positions in the derivatives segment. RUDRA SHARES reserves the right to charge higher margin than the margin stipulated by the stock exchanges based on our internal Risk Management policy from time to time.
2. Clients are advised to monitor their positions on a real time basis and never keep any shortfall.
3. The clearance of shortfall based on the timelines if any given by RUDRA SHARES for liquidation in case of shortfall being continued should be strictly followed.
4. The payments are accepted only in the electronic forms and may include NEFT/RTGS/UPI or any other mode of transfer which is made available by RUDRA SHARES.
5. Any Shortfall in margin may result in penalties from the exchange which may be transferred (for the type of shortfall penalties transferrable to the client as per regulations in force) to the client's ledger. This includes penalty levied for margin shortfall arising due to a hedge break / loss of cross margin benefits

like square off* by the client of some leg(s) of the hedged positions or expiry of some leg(s) of the hedged positions of the client, leading to higher margin obligations on the open position(s).

6. Shortfalls and Risk based force square off*:

7. Shortfall can arise due to increase in margin required (e.g. increase in margins due to volatility or additional margin levied for physical settlement etc) OR fall in margin available (e.g. payout of funds, Mark To Market (MTM) losses etc) OR Both.

8. Shortfall = Margin Available – Margin

Margin Available = Adjusted Ledger Balance after considering successful pay-in and pay-out (complete or initiated) of funds + post haircut value of pledged securities (if any) – Unrealised and Realized losses for all exchange segments (note that profits — realized and/or unrealized will be ignored till it is posted in the ledger where it will then be considered in the form of ledger balance) – applicable brokerage & charges

Margin = Margin blocked for any trades in Equity segment + Span margin + Exposure margin + Delivery margin (for physical settlement if any) + any other exchange mandated / additional margin imposed by RUDRA SHARES
Client will be duly intimated about the shortfall amount after clearance as the clearance of shortfall is immediately on any amount of shortfall on real time basis post the peak margin norms.

Positions will be squared off* to the extent of covering the entire shortfall. In case of extreme MTM loss due to movement of prices, the positions will be reduced on a best effort basis and customers will be liable for such losses.

1. In case of increase of margin by the exchange post trading hours, the customer should fund the account before the end of day on the same day else there might be a penalty for short collection of margin which will be passed on to the client (as permitted by the regulations in force).
2. All losses from daily settlements and losses from square off* which are not paid shall be recovered by selling available shares of the Client and Client shall be liable to pay the remaining balance forthwith.
3. Intimation of Shortfall:
 4. RUDRA SHARES may initiate communication through call / email / sms / whatsapp or any other mode of communication for intimation if, shortfall along with the stipulated time for reducing the shortfall either through infusion of funds / squaring off of positions
 5. In case the timeline is not followed, RUDRA SHARES reserves the right to liquidate the positions to cover the entire shortfall.
6. Note that the intimation of shortfall is at the discretion of RUDRA SHARES and we shall have no obligation of communicating the same to

the Client although as a measure of good governance all possible steps will be undertaken subject to market volatility and time for timely communication. Clients should monitor the position at all times.

7. We may initiate square off* for a particular client without prior intimation due to market volatility, any shortfall where there is penalty by exchange, intimation by regulators or as prescribed in any other rules or regulation.
8. In any case, if the available margin falls below the threshold for forced square off*, the positions may be liquidated* by RUDRA SHARES without further notice.
9. We shall not be responsible for any losses incurred by the Client due to such squaring off the open position of the Client.
10. Ban period: No fresh positions OR Rollover of existing positions will be allowed if the security is in ban period. Clients can square off* their existing positions.
11. Limits and Caps: There will be certain restrictions on placing transactions and for total turnover as per the internal policy of RUDRA SHARES as updated from time to time. Some of the most relevant caps are highlighted below.
12. Single order limit (in Quantity and value in Rs)
13. Exposure and Turnover cap at client level
14. Exposure and Turnover cap at underlying level
15. Client wise position limits

Stock Underlying: As per exchange prescribed limits

Index Underlying: As per exchange prescribed limits

1. Other points:
2. Premium received from option selling will be allowed to buy options and not for any other purpose including taking positions in futures. This is to ensure the margin reporting framework and avoid short margin collection penalties.
3. Any Mark to Market profit on T day (Realized or Unrealised) will not be considered for exposure and also for monitoring purposes. This is to ensure that the benefit of profit is given only on settlement. However losses will be reduced from available margin (both – realized and unrealised).
4. Physical Settlement: All open position(s) in the F&O segment (except those who have opted for physical settlement through mobile application) should be squared off* on expiry day (Monthly expiry) otherwise it may be converted into physical delivery.

Further, the client needs to have the entire margin for the notional contract value on T day

This is in addition to the Span and Exposure Margin and the exchange mandated Delivery margin for ITM Long options

No hedge / spread benefit will be given on this and notional value will be gross notional value for all legs.

For a long open position (Long Futures, Long Call Options, Short Put Options) : This will result in Buy Equity Delivery obligation; and you will be liable to pay the entire settlement amount as per Equity segment settlement.

For a short open position (Short Futures, Short Call Options, Long Put Options) : Your short position will get converted into; Sell Equity Delivery Position, and you will be liable to deliver the shares. In case of short delivery, an auction obligation will arise and all the costs / charges / losses will have to be borne by the customer.

2023. Policy regarding Close to Money contracts (CTM) and Do Not Exercise (DNE) facility: NSE has discontinued the DNE facility from March 2023.

2024. We encourage squaring off all open F&O trades which might result in physical delivery to avoid these hassles.

2025. Hedge positions - Preventive Square off* based on projected shortfall:

1. In case of any hedge (e.g. calendar hedge) where one leg of the position is expiring on (trading day) T-day and any / all other legs are expiring on later days, there exists a possibility of margin shortfall at the end of the day when the benefit of the leg expiring on T-day is not available.

2. In such cases there might be a shortfall and resultant penalty from the regulators / exchanges for upfront margin / peak margin.

3. To avoid any shortfall or levy of penalty, clients should ensure that sufficient margin is available excluding the hedge benefit (assuming that the hedge benefit for the leg(s) expiring today is no longer available) 30 minutes before market close on any given T-day.

4. Any failure to maintain adequate margin may result in squaring off those leg(s) of positions expiring at a date later than T-day to regularize the projected shortfall based on simulation of positions excluding the positions expiring on T-day.

5. We reserve the right (but not an obligation) to square off* your open positions where your positions are hedged and our Risk management system foresees a margin shortfall in your account (based on simulation) when one leg expires.

6. Kindly note that we shall not be liable for any loss, damages etc caused to you as a result of such square off*.

11. Pledge:

1. Collateral margins will be made available from T+1 day i.e. next trading day.
2. Collateral value will be calculated in real time and the worst case is considered for valuation. (Worst case means lowest of LTP or previous day's closing price).
3. For the purpose of margin Reports and exchange margin reporting, standard margins (VaR + ELM or any other rate of margin as defined in regulatory guidelines from time to time) will be applicable as the haircut. Thus, Collateral valuations in the margin report will be as per regulatory margins whereas on the trading platform for the purpose of collateral limit, it will be as per internal haircut policy which may be more stricter/higher than regulatory applicable margins.
4. Further exposure will be blocked from T+4 trading days in case of 'ageing' debit.'Ageing' debit may be liquidated* beyond T+4 as per the due date defined internally (currently this will be liquidated* on T+5 days) which may be changed and duly communicated whenever changes made are applicable.
5. In case of MTM loss / steep fall in value of pledge collateral affecting coverage, the pledge collateral and the open positions will be squared off* without any further notice and the client shall be solely responsible for all the costs and consequences arising therefrom. The threshold of square off* may be defined and changed as per internal policies which may be changed and duly communicated whenever changes made are applicable.
6. Margin calls / liquidation communications will include the collateral value post haircut / at LTP depending on the liquidation parameters.
 - i. For regulatory shortfall reporting - the valuation will be post haircut as per the rate (LTP or previous close) mentioned in regulatory guidelines.
 - ii. For MTM loss on open position And / Or Steep fall in collateral valuation to the extent of more than 70% (or any other threshold as per internal policies which may be changed and duly communicated whenever changes made are applicable) , the calculation will be based on LTP and positions will be liquidated* without any further notice to the client and the client shall be solely responsible for all the costs and consequences arising there from.
7. In case of corporate action / removal from the approved list, collateral may be removed from the approved list to mitigate the price risk. In such a case if any other collateral / funds are not provided as replacement for coverage / margins, the collateral will be liquidated* to prevent shortfall / debit and the client shall be solely responsible for all the costs and consequences arising there from.
8. RUDRA SHARES reserves the right to make any changes in the policy with due intimation to the client and the client will be bound by the same.

The Company reserves the right to amend/modify any of the policies/procedures mentioned above from time to time depending upon regulatory, market, external conditions and our internal risk management framework, and the customers can obtain such change/ modification from the Company's website / app.

14. Commodities Risk Policy

1. Derivatives trading in the Commodity segment is offered on NSE / MCX /NCDEX (exchanges) respectively.
2. Intraday Sq off: The square off* initiation time for intraday orders is as follows: 11.20 PM onwards (11.45 PM onwards during Daylight Saving Time)
3. Contracts available for Trading:-
 1. All the variants of underlying which are allowed by RUDRA SHARES are displayed on its App and Web site.
 2. RUDRA SHARES also the right to allow/disallow any underlying at any time based on the internal assessments from time to time.
4. Contract range allowed for trading –
 1. Contracts will be allowed for an expiry period of 3 months for Futures and 1 month for Options (current month only). Contracts for later months may be opened nearing the current month expiry or at any time at the sole and absolute discretion of RUDRA SHARES.
5. Due to exchange-imposed member level open interest restrictions, not all strike prices for option contracts may be available for trading in case the Open Interest (OI) level is hit.
6. Margin and Margin Collection
 1. For buying options: The premium amount + Any other delivery margin as charged before physical settlement
 2. For Shorting options and for Futures: Span + Exposure + Delivery margin charged during physical settlement + Any other additional margin as levied by the Exchanges / RUDRA SHARES.
 3. Hedge benefit (if any) may be provided on Span margin only as per the relevant positions of the client and as per the hedge benefit calculation available from exchange mandated Span.
 4. RUDRA SHARES at its sole discretion may levy additional margin which is over and above the margins already levied by the Exchanges from time to time
 5. Margin is the minimum amount which is required to take a position in the commodity derivatives segment as prescribed by stock exchanges from time to time.
 6. This includes all the exchange mandated margins (E.g. Span, Exposure, Tender, Delivery, Additional etc.) and any additional margins as levied by RUDRA SHARES at its discretion
 7. Clients need to give upfront margins which are defined by stock exchanges before taking positions in the commodity derivatives

segment. RUDRA SHARES reserves the right to charge higher margin than the margin stipulated by the stock exchanges based on its internal Risk Management policy from time to time.

8. Clients are advised to monitor their positions on a real time basis and never keep any shortfall.
 9. The clearance of shortfall based on the timelines if any given by RUDRA SHARES for liquidation in case of shortfall being continued should be strictly followed.
 10. The payments are accepted only in the electronic forms and may include NEFT/RTGS/UPI or any other mode of transfer which is made available by RUDRA SHARES.
 11. Any Shortfall in margin may result in penalties from the exchange which may be transferred (for the type of shortfall penalties transferrable to the client as per regulations in force) to the client's ledger and the client will be liable to pay the same to RUDRA SHARES. This includes situations resulting in a hedge break / loss of cross margin benefits like square off* by the clients / expiry of some leg(s) of the hedge positions of the clients, leading to higher margin obligations on the open position(s)
7. Shortfalls and Risk based force square off*:
1. Margin Available = Adjusted Ledger Balance after considering successful pay-in and pay-out (complete or initiated) of funds + post haircut value of pledged securities (if any) – Unrealised and Realised losses for all exchange segments (note that profits — realized and/or unrealized will be ignored till it is posted in the ledger where it will then be considered in the form of ledger balance) – applicable brokerage & charges
 2. Margin = Margin blocked for any trades in Equity and commodity derivatives segment including (Span margin + Exposure margin + Delivery margin (for physical settlement if any) + any other exchange mandated / additional margin imposed by RUDRA SHARES)
 3. Shortfall can arise due to increase in margin required (e.g. increase in margins due to volatility or additional margin levied for physical settlement etc) OR fall in margin available (e.g. erroneous payout of funds, Mark to Market (MTM) losses etc) OR Both. Hence the client is expected to have a tab on the margin required on the open positions at all times.
 4. Shortfall = (Margin Available – Margin)
 5. Clients position may be squared off* if any of the following 'Time based' square off*:
 1. Client will be duly intimated about the shortfall amount after clearance as the clearance of shortfall is immediately on any amount of shortfall on real time basis post the peak margin norms.

2. Positions will be squared off* to the extent of covering the entire shortfall. In case of extreme MTM loss due to movement of prices, the positions will be reduced on a best effort basis and clients will be liable for such losses.

1. In case of increase of margin by the exchange post trading hours, the client should fund the account before the end of day on the same day else there might be a penalty for short collection of margins which will be passed on to the client (as permitted by the regulations in force).

1. All losses from daily settlements and losses from square off* which are not paid shall be recovered by selling available shares of the Client and Client shall be liable to pay the remaining balance forthwith.

1. Intimation of Shortfall: As applicable for the Equity Derivatives segment.

2. Limits and Caps: There will be certain restrictions on placing transactions and for total turnover as per the internal policy of RUDRA SHARES as updated from time to time. Some of the most relevant caps are highlighted below.

1. Single order limit (in Quantity and value in Rs)

2. Exposure and Turnover cap at client level

3. Exposure and Turnover cap at underlying level

4. Client wise position limits

5. Underlying: As per exchange prescribed limits

1. Other points:

1. Premium received from option selling will be allowed to buy options and not for any other purpose including taking positions in futures in commodities derivatives segment only. This is to ensure the margin reporting framework and avoid short margin collection penalties.

2. Any Mark to Market profit on T day (Realized or Unrealised) will not be considered for exposure and also for monitoring purposes. This is to ensure that the benefit of profit is given only on settlement. However losses will be reduced from available margin (both – realized and unrealised)

1. Physical Settlement/Cash Settlement: As per the policy, we only allow physical delivery of any commodities if client intimate.

1. On the day before the start of the tender / physical delivery marking period, only square off* orders will be allowed for open positions after 10 PM till 11 PM. After 11.00 PM onwards for the rest of the trading day – trading will be blocked, and open positions (if any) will be squared off* by us.

2. Open Positions will be squared off* by us at prevailing market rates. Such square-off orders will be placed by our team as “Market Orders” and / or Limit price protected orders as per regulations in force and we shall not be liable for the rate at which they are executed.

3. If we cannot square off* your positions due to any reason including but not limited to lack of liquidity, positions will be physically settled by the Exchange, and you will have to bear the costs (penalties & losses) arising from it.
4. For a long open position (Long Futures, Long Call Options, Short Put Options) : This will result in Buy commodity Delivery obligation; and you will be liable to pay the entire settlement amount as per Commodity segment settlement.
5. For a short open position (Short Futures, Short Call Options, Long Put Options) : Your short position will get converted into; Sell Delivery Position, and you will be liable to deliver the commodity as per exchange guidelines. In case of short delivery, the required steps will be taken in accordance with the Exchange/Sebi guidelines, and all the costs / charges / losses will have to be borne by the client himself.
6. Fresh positions in current month contracts will be blocked 1 day before the delivery period starts.
7. We encourage squaring off all open F&O trades beforehand which might result in physical delivery to avoid these hassles.
8. Contracts, which are cash settled will remain open till future expiry day. The settlement will happen based on the exchange guidelines and the mark-to-market profit/loss will be credited/debited to the client's ledger based on the settlement price.
9. Handling of Options positions: -
 - i. All open ITM option positions are converted into futures positions as per the exchange rules on option expiry day. And hence all the ITM option positions would be converted into futures positions from the next day onwards.
 - ii. Clients are requested to replenish the additional margins obligated due to conversion of options into futures. Any shortfall arising from such conversion will be squared off* without further intimations before the start of the tender period.
 - iii. Clients are also requested to replenish any pre-expiry margin like devolvement margin or any other margin asked by the exchanges from time to time.
 - iv. On the options expiry day: All the eligible contracts would be allowed to devolve into futures contracts based on availability of margins. The total margin required for all open positions would be calculated and in case any shortfall then all the open positions will be squared off* from risk.
 - v. If any ITM position remains open due to any reason would get converted into futures and would need margins as required by the Stock Exchanges thereon.
1. Hedge positions - Preventive Square off* based on projected shortfall:
 1. In case of any hedge (e.g. calendar hedge) where one leg of the position is expiring on (trading day) T-day and any / all other legs are expiring on later

days, there exists a possibility of margin shortfall at end of the day when the benefit of the leg expiring on T-day is not available.

2. In such cases there might be a shortfall and resultant penalty from the regulators / exchanges for upfront margin / peak margin.
3. To avoid any shortfall or levy of penalty, clients should ensure that sufficient margin is available excluding the hedge benefit (assuming that the hedge benefit for the leg(s) expiring today is no longer available) 30 minutes before market close on any given T-day.
4. Any failure to maintain adequate margin may result in squaring off those leg(s) of positions expiring at a date later than T-day to regularize the projected shortfall based on simulation of positions excluding the positions expiring on T-day.
5. We reserve the right (but not an obligation) to square off* your open positions where your positions are hedged and our Risk management system foresees a margin shortfall in your account (based on simulation) when one leg expires.
6. Kindly note that we shall not be liable for any loss, damages etc caused to you as a result of such square off*.
7. Further this is to in notify that Rudra Shares will not be responsible for any losses / otherwise in any manner caused to any client in case of –
 - a. Trading could not done for any technical reasons
 - b. Pending could not be cancelled due to any reason including technical and / or in rare conditions
 - c. GTT order cancelled due to any reason including technical and / or in rare conditions

NOTE

*In case the positions cannot be squared off/liquidated/reduced due to lack of liquidity, any technical/system/internet/app failure, Upper/Lower circuit or any other issue beyond the control of Rudra Shares, Rudra Shares will not be liable for any such losses in any manner and client will be solely liable to bear the said losses.

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