

## **T + 2 PAYMENT FOR CM SEGMENT & LIQUIDATION PROCESS:**

### **Collection of Margin :**

The margin is collected in CASH ONLY. Collaterals in any form will not be considered for setting exposure.

### **Setting of Exposure:**

Trading is allowed only against available margin in client's account. For this purpose, margin should be actually available at the time of entering trade in the cash segment of NSE in the form of credit balance in the trading account.

**The client will be allowed to trade in NSE Cash (NSE CM) Segment only under this category / Product TPLUS2 and the client will not be allowed to place order for F&O and Currency Derivatives Segment.**

### **Exposure for Approved Securities Buying under Product TPLUS2 :**

Clients can buy shares with an obligation to make the payment on or before T + 2. The facility will be applicable only for approved securities (apprx. 700 Scrips – List will be placed in our Website download page) and the **order should be placed under Product TPLUS2**. Approved Securities List will be reviewed on monthly basis and the changes can be taken place with addition / removal of stocks. The clients will be provided additional One Time Margin for purchase of approved securities and the payment for the debit needs to be made to Fortune Capital Services Pvt. Ltd., latest by T + 2. For purchase of unapproved stocks, client has to make the payment in full.

Client should not be allowed for fresh buying if the Trading Account goes to Debit irrespective of any No. of day (i.e. even for a single day). Exposure for additional One Time will be available for the Cash Margin on Beginning of the Day (BOD) basis & Additional Cash Margin during the day through Fund Transfer only and the proceeds through sale of shares during the day will not be considered.

### **Effective margin is computed as under:**

If a Client has Cash Margin of 25K and purchased approved stocks for 35K. On T+1 day, the client account has 10K debit and the client will not be allowed for fresh buying from next day onwards till the client clears the debit. In Short, Client should not be allowed for fresh buying if the Trading Account goes to Debit even for a single day.

We wish to state that **we will not initiate square-off on T + 7 day to clear the debit in Clients Trading account**, but fresh exposure will be blocked / stopped automatically when the client account falls on Debit. **In short, unless and untill the Mark-to-Mark (MTM) losses of the Clients are reached 70% or more, we will not initiate square-off under any circumstances.**

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**It is in the interest of the Client to sell their holdings to reduce the debit / losses and client should not blame the Trading Member for the Square off not happened @ T + 7 under any circumstances.** They will be provided fresh exposure on the next day after clearing the debit in full i.e. make their ledger end up with Credit balance.

### **Penal Charges for Delayed Payments:**

If the payment is not received within the stipulated time, Penal Charges will be levied @ 24% p.a. from T + 2 onwards to payment realised date. e.g. If a client makes online payment on T + 4, Penal Charges will be charged for 2 days. If a client adjusting the debit by selling shares on T + 4, Penal Charges will be charged from T + 2 to prior date of Payout date of T + 4. Clear balance will be considered for computation of delayed payment charges and not the Ledger balance. The Penal Charges will be levied to the client ledger on daily basis.

### **Liquidation for Debits:**

Risk Management Section perform a real time monitoring on the inter and intra day position of the client through ODIN screen.

Current Market (real time) price will be taken for valuing the stocks available while computing for liquidation. **Liquidation of stocks will be taken place during any day after the purchase, if the value of stocks erodes on or above 70% of Margin.** i.e. applying formulae of  $\text{Debit} / \text{Value of Stocks (real time/LTP)} * 100$ . eg. Client has Purchased 2 Lakhs worth of stocks against 1 Lakh Margin resulted in 1 Lakh debit. In this case,  $100000/200000 * 100$  comes to 50%. As and when the MTM % reaches 70% i.e. stock value erodes to below 142850/-, the square-off will be initiated. For evaluation of stocks value against debit, POA stocks available in the client DP account will also be considered.

If a client holding 1 Lakh worth of shares in his/her DP account, the value of 1 Lakh will also get added to the purchased value of 2 Lakh resulted into 3 Lakh in total value against 1 Lakh debit for the above example. **In this case, if MTM erodes 70% or more, the POA stocks alongwith the stocks purchased will get liquidated to the extent of debit + certain % to cover up the Brokerage and statutory charges.**

Square-off order initiated when the MTM reaches 70% of loss or more and the order can be matched only on the available price in the market and we can't guarantee the square-off taken place exactly at 70% all the time. The % can vary depending on the matched price of the square off order.

**Such Liquidation may be in full or partial to the extent of Shortfall / debit and the liquidation of Securities / Position would be at the discretion of the Company and Clients have no role to play for the stock selection for liquidation. Securities lying in Ben / Margin / POA stocks would be used for liquidation where the sale proceeds of unpaid securities are inadequate to cover the pay-in obligations and or where the unpaid securities appear to be comparatively illiquid and cannot be sold at reasonable rates to the extent required.**

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**In the event of client's failure to increase the cushion and the market conditions remain turbulent, the position/s will be squared off. We will send Margin Calls via SMS to the client for MTM erosion before square-off the position/s. Margin Calls will be sent via SMS on or above MTM loss of 50% onwards for every 5% to the Registered Mobile No. updated in our Master and it is the clients responsibility to top up the Margin immediately when Margin calls received by them.**

If the liquidation done by the Member against debit, the client will not be provided fresh exposure to buy or intraday trading on the liquidation day. But, the clients will be allowed only for delivery selling for the shares lying in their Ben / Margin / POA account after making specific request with the RMS Team.

### **Purpose of Risk Management Policy:**

The basic motive of Risk Management Policy is to minimize the losses / prevent the occurrence of loss due to the "Credit Risk" to which company is exposed to while dealing with the clients on day today operations. The Company is committed in adopting appropriate mechanisms.

### **Disclaimer**

**Fortune Management will have a discretion to alter / change any of the information / parameter defined in the policy on the basis of prevailing market conditions and will communicate the Complete Policy Note to the clients by e-mail or the clients can get the same from download page of our Website. Fortune Management use their discretion to grant any kind of exemption / permission in case they deem fit on case to case basis. We request the clients to read the Policies at regular intervals from our Website Download Page > Fortune Policies > Policies > TPLUS2 RMS Policy to update themselves with up to date changes.**

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### **Client Declaration :**

I/we hereby confirm that I/we will continuously monitor the positions and the Margin Calls issued to me/us by Fortune Capital Services Pvt. Ltd., and I/we will top up the Margin immediately. I/we hereby confirm that I/we am/are aware that the Policy is tends to be changed depending on the market scenario and we will update myself/ourselves by reading the Policy from your Website at regular intervals.

**Client Code :**

**Client Name :**

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**Signature :**