**POLICY ON SQUARING OFF CLIENT POSITIONS IN CASE OF NON PAYMENT OF FUNDS AND MARGINS**

ISL is having the right to sell client's securities, 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, ISL may sell the unpaid / partially paid securities. In addition ISL 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. ISL may follow LIFO method for liquidation of securities but it may not be binding on it to follow this method in all cases.

Any positions squared off for nonpayment of Margins will be flagged in the Contract Note.

**Margin shortfalls in F & O:** Positions of the client may be closed out to the extent of margin shortfall on the T+1 basis. While computing margin shortfall value of unapproved securities shall not be considered. ISL reserves the right to consider the collateral.

 ISL has a system in place to inform the clients of their Margin Obligation, Cash Obligation, Margin Short fall, Margin Penality etc.. through SMS, email, Website etc… Where by client is aware of the Margin / Cash Obligation that is to be fullfilled. The clients are provided with secured ID and Password to view their Contract Notes, Margin, Payin Obligations and all other financial position through our Web site [www.inanisec.in](http://www.inanisec.in)

 **Intra day Positions:** ISL 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, ISL 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 client's positions, ISL may not take into 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.

ISL 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. ISL shall therefore not be under any obligation to compensate / or to provide reasons of 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.

**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. ISL is therefore authorized by the client to pass on any penalty imposed by the Exchange / SEBI and or any other regulatory authority to the client, which arises on account of the client.