



AN ISO 9001:2008 CERTIFIED COMPANY

## FAQ on 8 Times Exposure

### 1. How much exposure will I get on my cash margin?

The equity delivery exposure will be 8 times w.e.f 1<sup>st</sup> Jan, 2017

### 2. How can we use this 8 times delivery exposure?

You have to select the product type "NRML" in NOW trading terminal to avail 8 times delivery.

### 3. Till how many days I can carry the position?

You can carry the position beyond T + 5 days subject to M2M not hitting 70% loss

### 4. What will charge/ cost of carrying position?

You will be charged a nominal delay payment charge of 0.66% per day.

### 5. From when will you be charged late payment charges?

You will be charged from T+2 days on your debit balance in ledger.

### 6. How the exposure will be calculated?

It will be calculated on Cash Ledger balance + Approved DP stock value, less haircut.

Example	-	Cash Balance (A)	-	100000
		Approved Stock Value(B)	-	200000
		Value after Hair Cut (C)	-	100000
		Total Margin(A+C)	-	200000
		Exposure Eligible	-	1600000

**7. Will I get exposure on the shares in hold back account?**

No, the exposure will not be given on shares in hold back account due to your debit balance in ledger.

**8. What is Hold Back Account?**

Shares which are bought by you using additional margin from us and you have obligation to pay back are kept in Hold Back Margin. Once the debit balance is cleared your stock will be transferred to your DP Account.

**9. Can I sell my shares from Hold Back Account?**

Yes you can always sell your shares from Hold Back Account. Apart from that you are also eligible for whatever corporate action took during the transition period in your socks.

**10. What will be the haircut percentage ( %) ?**

Your collateral valuation will be given after 50% haircut of share valuation.

**11. Give an example of how 8 times exposure works?**

- a. If you have 1 lac cash balance in ledger you will simply get 8 lacs delivery exposure.
- b. Suppose you want to buy 100 shares of Reliance Industries @ 1060. Then the total valuation will be  $1060 \times 100 = 106000$ . But you need to pay only Rs.13250/- ( i.e  $106000/8$  times )

## 12. How RMS policy will work?

Date	Client Margin (cash)	Client Collateral	Exposure (8T)	Buying Limit	CNC Funding	Stock Value Down in %	Actual M2M in Rs	Net Liquidation Value (NLV) (% of Client's Own Margin Eroded due to M2M)	Available Client Margin (after M2M Loss adjustment)	Violation % / M2M Loss %
1-Dec-16	10000	0	8	80000	70000	0	0	80000	10000	
2-Dec-16	0	0	0	0	70000	2%	1600	78400	8400	-16%
3-Dec-16	0	0	0	0	70000	1.5%	1176	77224	7224	-28%
4-Dec-16	0	0	0	0	70000	1%	772	76452	6452	-35%

## 13. When will client receive margin call?

1st level Margin Call will be done at erosion of 2.5 % of the Portfolio Value. Next call at 5% level.

At 8.75% down of the entire holding valuation or 70% (MTM loss during the day or Value after EOD) of the actual cash balance hit...position will be squared off from admin.

\*\*\*Note: For high volatile/ abnormal market situation, RMS desk may square off positions without any margin call to clients as the exposure is high.