

RMS POLICY (Margin Base)

We have implemented trading limit policy based on Margins, keeping in mind the benefits, safety and wealthiness of our associates and their respective clients.

Difference between margin based limits and exposure based limits

Take an example: Suppose the rate of RELIANCE is ₹1500 and the exchange margin on it is 10% and client want to buy 100 shares of RELIANCE.

In Exposure Bases limit system, we have to give exposure of ₹1,50,000 (Total value of RELIANCE 100 shares i.e. ₹1500 * 100) as exposure limit and;

If we are providing limits on the basis of Margin then we need to give required margin for RELIANCE i.e. ₹15000 (10% of total value).

At present the margin levied as per exchange on some of the following scrips as follows:

Scrip Symbol	VaR Margin	Exposure allowed against ₹10,000
INFOSYSTCH	12.50	₹80,000
NTPC	12.50	₹80,000
RELIANCE	12.50	₹80,000
RNRL	24.71	₹40,400
BPL	30.98	₹32,200
HBSTOCK	30.98	₹32,200
DEWANHOUS	48.30	₹20,700
EMKAY	48.30	₹20,700
CREATIVEYE	100.00	₹10,000
EMAMIINFRA	100.00	₹10,000

Trading Limits Policy

1 Trading limits in Capital Market Segment:

Available margin for trading in Equity will be 1 time of Financial Credit and 1 time of Stock Value (after VaR) held in Pool A/c .

2 Trading Limits in Derivative Segment:

For Futures: Limits available for Future trading will be 1 time of financial *plus* 50% of Stock Value (NSE Approved securities after VaR margin) held in Pool A/c. For overnight carry future contracts only financial balance will be considered.

For Options: One time of financial credit for option buying.

3 Branch Limits:

Intraday limits will be 1 times of NET Financial ledger balance of Branch and 1 times of pool stock value after VaR.

Points on payment and recovery:

- (1) All or Any stock of the client may be sold any time after 2 days if the debit of the client is not cleared in any manner at the discretion of RR
- (2) It will be discretion of RR to decide the time, price and stock composition for sale to recover the debits.
- (3) It is the duty of the client and / or his sub broker / Branch / RM to square off or pay addition funds timely and confirm the same to RR Head Office Risk Deptt.
- (4) Fresh intra day limit enhancement only against RTGS / Cheques (high value branches or normal clearing) / Demand draft with scan copy.

Points on Delivery Selling:

1. The most important part of this scheme is that the client can sell Pool Stock without consuming intraday limits.
2. Kindly note the delivery payout will receive after two days as per T+2 settlements. So the delivery buying on T1 can be sold only after receiving the payout i.e. 4th day onwards. If however any sell is allowed before delivery payout receiving, all auction cost (in case) will be imposed in client a/c.
3. Repetitive auction in client account will be penalized by RR and RR can close the account on its discretion.