Collateral Based Limit

Policy and Procedures:

The below mentioned policies and procedures framed by Alice Blue Securities (P) Ltd with respect to its dealing with clients for capital market transactions to ensure transparency and facilitate understanding on various aspects related to service delivery. This policies and procedures are subject to change from time to time, depending upon our internal risk management framework, market and external environment and clients can refer the Alice Blue Online website.

For more details : http://www.aliceblueonline.com/downloads

Exposure setting: Collateral based limit / exposures will be set for clients for transacting in Cash and F&O segment. While computing the available margin, clear credit lying in client's ledger plus securities held in client's demat account for which power of attorney is available with ABSPL may be considered. Margin can be paid in the form of cash and approved collateral. Collateral will be valued on daily basis at latest / previous day closing price and appropriate hair-cut shall be applicable. List of approved collateral / securities along with applicable haircut, is subject to revision from time to time based on Exchange approved list, market volatility, quality of collateral and internal guidelines; and same can be obtained from the website. **For margin calculation 50% of collateral will be considered for setting limits.**

Margin Calculation:

Segment	Group	Margin Required (avg)	Exposure	MIS	CNC
NSE EQ	A	5%	20 times	20 times intraday	3 times CNC
NSE EQ	B	12.50%	8 times	8 times intraday	1 time in CNC
NSE FNO	ALL	10%	10 Times	10 Times	1 Times NRML

Collateral based limits will be given to clients falling under the below scenario

Scenario 1 : ledger Credit + Approved collateral

Ex: Client having a ledger credit of Rs 10000+ Approved collateral of Rs 20000. After Considering a hair cut of 50%
i.e, for example assuming haircut value is (20000*50%) = Rs 10000. In this scenario client will be availing the limits for Rs 10000+10000=20000.

Client can carry forward F&O position to the extent of available credit + Approved Collateral.

In NSE EQ segment
- 20000*20 times for intraday
- 20000*3 times for carry forward (only A category)

In F&O segment
- 20000*10 times for intraday
- 20000*1 time for carry forward

Scenario 2: Nil balance + Approved collateral

Client having approved collateral of Rs 20000. After considering haircut of 50% i.e for example assume haircut is (20000*50%) 10000. In this scenario client will be availing limits for Rs 10000

In NSE EQ Segment

- 10000*20 times for intraday
- 10000*3 times for carry forward (only A category)

In F&O Segment

- 10000*10 times for intraday
- 10000*1 time for carry forward

Scenario 3: Negative balance + Approved collateral

Assume client is having debit of Rs 5000 on trading day and Approved collateral of Rs 20000. After Considering hair cut of 50% , for example assume haircut (20000*50%) =Rs 10000. In this scenario client will be availing limits for Rs 10000(approved securities) - Rs5000(debit balance)= Rs5000.

In NSE EQ segment

- 5000*20 times for intraday
- 5000*3 times for carry forward (only A category)

In F&O segment

- 5000*10 times for intraday
- 5000*1 time for carry forward

Note:

- Client is not supposed to carry forward the debit beyond 5 days.
- Penalty of 0.01% P.A will be imposed on debit against collateral.
- More than 5 days debit will be squared off by Service delivery team by flashing a message in the terminal.
- MTM loss in F&O positions taken based on collateral has to be cleared /settled within 3 days. Failing which DP holding will be sold to the extent of MTM loss.