NORTHEAST BROKING SERVICES LTD
EXPOSURE POLICY

How Exposure should be given and RMS should be handled.

Base for Exposure
1. Ledger balance : It will not be exchange wise and will be only one figure (Billing T+2 day for CM and T day for F&O)
2. Securities in client account (Less T1 Sales)
3. Securities in constituents ben account (Less T1 Sales)
4. Stock in transit (T1 Holdings, Only pending purchases)

Capital Market :
1. CNC :
    a. If Buy order is placed Buy Exposure (Ledger balance) should be reduced accordingly.
    b. If Sell order is placed, It should check for buy Trade for same scrip + T1 Holding + Holding which if present should allow the order to be placed and Exposure should not be altered
    c. Short sale should not be allowed in CNC.
    d. In CNC, MTM should not be adjusted from Ledger balance.
    e. In CNC, If shares are sold, Sale value can be added to Ledger balance to enable client to purchase securities worth ledger balance or use it for any other purpose/product
2. MIS and NRML :
    a. If Buy order is placed, VAR + ELM applicable to the scrip should be deducted from Buy Exposure (Ledger balance) and not the full value of transaction.
    b. If Sell order is placed for existing positions (T1 holding + Holding) No Margin should be charged
    c. For Short sales VAR + ELM should be deducted.
    d. Pending orders under this product type should be deleted before squaring off of existing positions, Hence client should change form MIS/NRML to CNC before cut off time if intends to take delivery (At the time of conversion, System will check for RMS).
    e. MTM should be checked at the time of placing orders.

In futures :

1. The CNC Product will not be available.
2. MIS/NRML : Position limits should not be checked. Market availability under this product will be cut off time (Say 15 minutes before actual closure)
   a. For Buy order, Check existing short position of same contract, and if exists, Margin should not be charged. For fresh Buy position, Charge Initial margin.
   b. MTM loss should be collected on a daily basis and if for any reason the MTM loss reduces the margin available to less than SPAN margin then the position should not be allowed to be carried forward
   c. For Sell order, Check existing long position of same contract, and if exists, Margin should not be charged. For fresh Sell position, Charge Initial margin.
   d. All pending orders should be cancelled and Days net Positions Less T1 Positions, should be squared off at cut off time.

In Options :

1. The CNC Product will not be available.
2. MIS/NRML : Position limits should be checked. Market availability under this product will be till end of market.
   a. For Buy order, Check existing short position of same contract, and if exists, Availability of sufficient buy premium should not be checked. For fresh Buy position, Charge premium only and MTM Loss should be deducted before checking availability of premium.
   b. For Sell order, check existing long position of same contract and if exists, order should be sent to market without checking MTM. For fresh sell orders, SPAN + AEM + MTM LOSS should be sufficient (Ledger balance + Value of approved holdings after haircut)

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