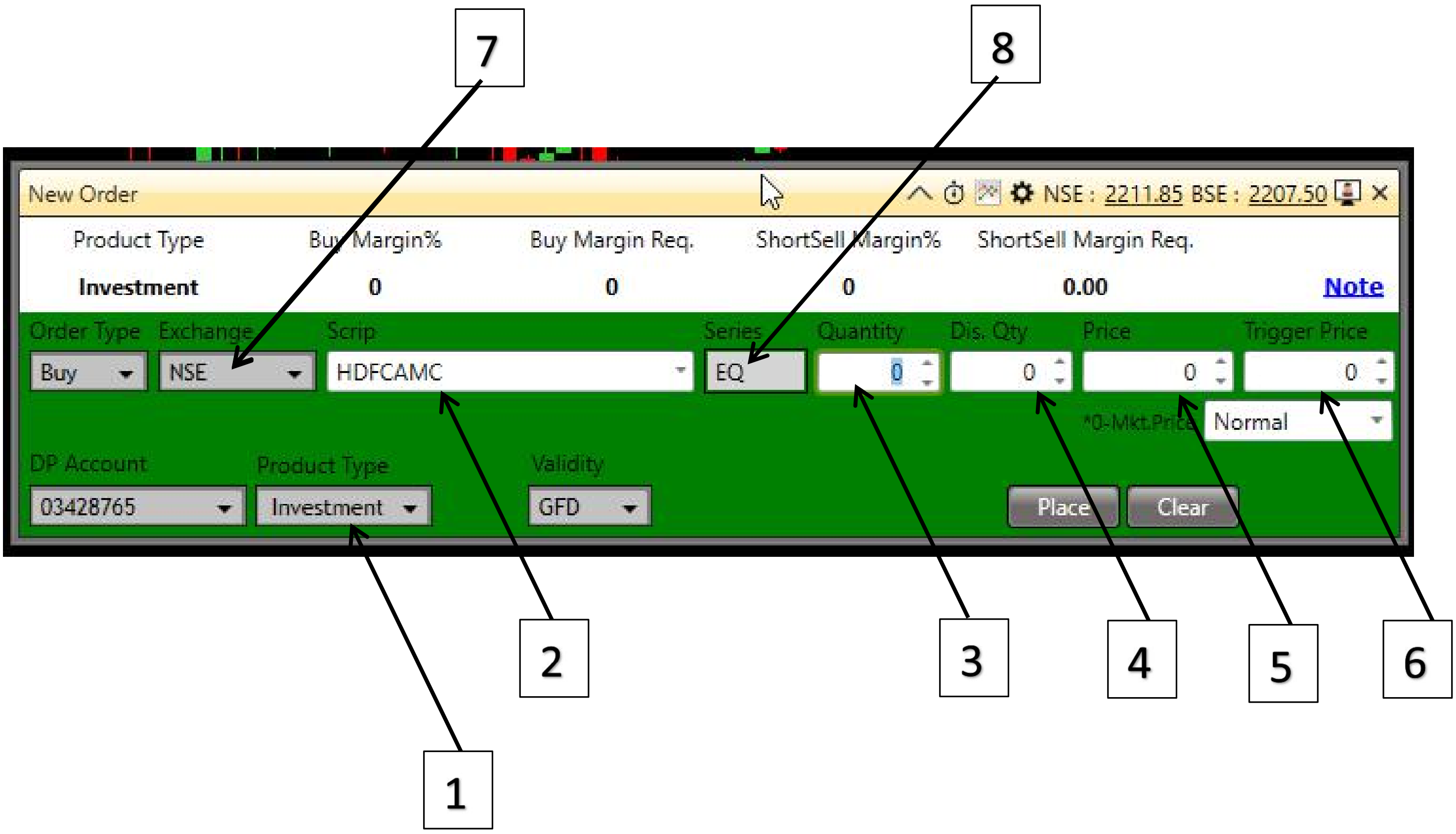
COMPONENT OF ORDER PANEL



1. Product Type: There are several types of order I.e, Investment (Delivery), Intraday (Bigtrade) . Some broker use this as MIS, CNC and NRML order. CNC, MIS and NRML are the Product type to be used in many brokers.

Cash and Carry (CNC) is used for delivery based trading in equity. In delivery based trade, you intend to hold the stocks overnight for however long you wish. Using CNC product type, you will not get any leverage, nor will your position be auto squared off. You will not be able to take any short positions using CNC. However, you can sell the stock from your Holding using this product type.

Note: CNC is just a product type. If you use CNC to buy and sell a share on the same day, it will still be considered as an intraday trade, and the brokerage will be levied as per intraday.

Margin Intraday Square Off (MIS) is used for trading Intraday Equity, Intraday F&O, and Intraday Commodity. MIS product type is used to get the intraday leverage. You can check the Margins provided in Intraday using MIS product type on our Margin Calculator in every broker. All open positions under the MIS product type will get automatically squared off if they are not closed before the auto-square off time.Some broker the auto square time is starting from 3:15 to 3:25pm.

Normal (NRML) is used for overnight trading of futures and options. You can use the NRML product type in derivatives to carry your position till expiry. Intraday leverages won't be provided using this product type. NRML product type is also used for Delivery based trading of Currency.

2. Script Name: The script that you want to buy/sell. It can be equity/ commodity future or options script.

3. Quantity: Qty or Lot that you want to purchase or sell.

4. Disclosed Qty: Disclosed quantity or DQ order is a special type of order wherein only a part of the actual quantity that you want to buy/sell is displayed to the market. You need to specify the quantity to be disclosed for such an order. Once this is done, the order is sent to the Exchange and only the DQ is shown on the market screen.

How does a DQ order work?
If a user places an order with an order quantity of 500 and DQ set as 100, the order is sent to the Exchange and only the DQ of 100 is displayed on the market screen. Once this quantity of 100 is fully traded, the next DQ of 100 will be released for trade. This will happen until the complete order quantity is filled.

What are the uses of a DQ order?
Disclosed quantity is useful when a user wants to Buy / Sell stocks in bulk quantities at one time such as few thousand or hundreds of thousands. It may not be relevant for small order quantities like 10 or 100.
Used by HNIs, the disclosed quantity feature is used to mask an order size. This is done so that the demand and price of the ordered stock don't rise up and the person placing the order is protected from paying higher prices for his/her order.

5.Price: Price that you want purchase or sell of the particular stocks/commodity or future. By putting the price in panel you always get the share on the particular price. Hence it is a limit order also.

A **market order** is an instruction to buy or sell a security immediately, regardless of the current price.

A **limit order** specifies an upper or lower value for a buy or sell transaction.

A **market order** is an order to buy or sell a security immediately, guaranteeing an execution but not a price.

A **limit order** is an order to buy or sell a security at a specific price, or better, and isn't guaranteed to be executed.

Each of these order types give investors more control over their money, but they do have their drawbacks.

6. Trigger Price: Trigger price is the price at which your buy or sell order becomes active for execution at the exchange servers. In other words, once the price of the stock hits the trigger price set by you, the order is sent to the exchange servers.

After the stop-loss order has been triggered, the limit price is the price at which your shares will be sold or bought.

The stop loss (SL) order has two price components to it.

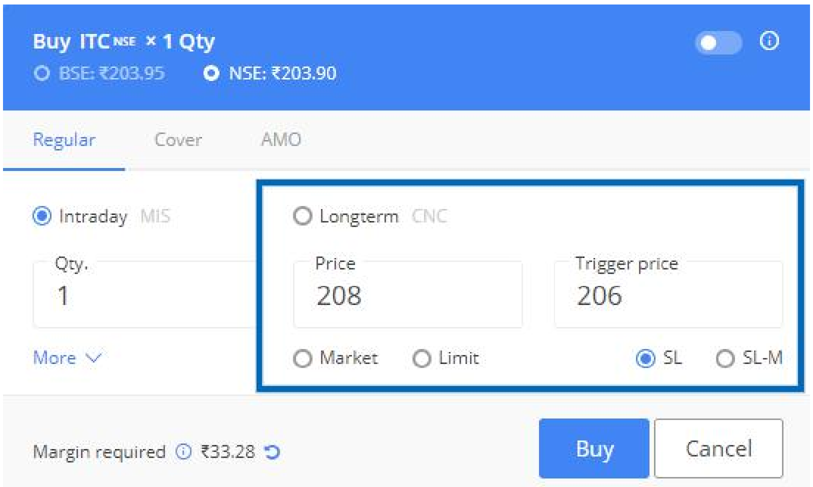
1) The stop loss price, also called the stop loss limit price.

2) The stop loss trigger price, simply called the trigger price.

Please refer to the below example for a clear understanding.

Once the stock price hits Rs 206/-, your order will become active, i.e. your order will be triggered, and a limit order of Rs 208/- will be sent to the exchange. So the stock will be bought either at Rs 208/- or lower than that provided sellers are available at that price point.

A stop-loss order is a passive order. To activate it, we need to enter a trigger price. Above or below the stop-loss price, a trigger price acts as a price threshold and only after crossing this price does the stop-loss order change from a passive order to an active order.



7. **Exchange:** The exchange from that you are buying or selling stock or commodities. In INDIA there are several exchange NSE,BSE, MCX, NCDEX are the major exchanges.

Stock Series: There are several stock series available in the NSE.

EQ: It stands for Equity. In this series intraday trading is possible in addition to delivery.
BE: It stands for Book Entry. Shares falling in the Trade-to-Trade or T-segment are traded in this series and no intraday is allowed. This means trades can only be settled by accepting or giving the delivery of shares.
BL: This series is for facilitating block deals. Block deal is a trade, with a minimum quantity of 5 lakh shares or minimum value of Rs. 5 crore, executed through a single transaction, on the special "Block Deal window". The window is opened for only 35 minutes in the morning from 9:15 to 9:50AM.
BT: This series provides an exit route to small investors having shares in the physical form with a cap of maximum 500 shares.
BZ: Stocks that are blacklisted for violation of exchange rules. This series stocks falls under Trade-to-Trade category and hence BTST (Buy Today Sell Tomorrow) and intraday is not allowed in such stocks.

GC – This series allows Government Securities and Treasury Bills to be traded under this category.
IL – This series allows only FIIs to trade among themselves. Permissible only in those securities where maximum permissible limit for FIIs is not breached.

MARGIN RULE:

Ref: ***https://www1.nseindia.com/products/content/derivatives/equities/margins.htm***
NSE Clearing has developed a comprehensive risk containment mechanism for the Futures & Options segment. The most critical component of a risk containment mechanism for NSE Clearing is the online position monitoring and margining system. The actual margining and position monitoring is done on-line, on an intra-day basis. NSE Clearing uses the SPAN® (Standard Portfolio Analysis of Risk) system for the purpose of margining, which is a portfolio based system.
Initial Margin

Span Margin
NSE Clearing collects initial margin up-front for all the open positions of a CM based on the margins computed by NSE Clearing-SPAN®. A CM is in turn required to collect the initial margin from the TMs and his respective clients. Similarly, a TM should collect upfront margins from his clients.

Initial margin requirements are based on 99% value at risk over a one day time horizon. However, in the case of futures contracts (on index or individual securities), where it may not be possible to collect mark to market settlement value, before the commencement of trading on the next day, the initial margin is computed over a two-day time horizon, applying the appropriate statistical formula. The methodology for computation of Value at Risk percentage is as per the recommendations of SEBI from time to time.

Initial margin requirement for a member:

- For client positions - is netted at the level of individual client and grossed across all clients, at the Trading/ Clearing Member level, without any setoffs between clients.
- For proprietary positions - is netted at Trading/ Clearing Member level without any setoffs between client and proprietary positions.

For the purpose of SPAN Margin, various parameters are specified from time to time.
In case a trading member wishes to take additional trading positions his CM is required to provide Additional Base Capital (ABC) to NSE Clearing. ABC can be provided by the members in the form of Cash, Bank Guarantee, Fixed Deposit Receipts and approved securities.

Additional Base Capital

Clearing members may provide additional margin/collateral deposit (additional base capital) to NSE Clearing and/or may wish to retain deposits and/or such amounts which are receivable from NSE Clearing, over and above their minimum deposit requirements, towards initial margin and/ or other obligations.
Clearing members may submit such deposits in any one form or combination of the following forms:

- Cash
- Fixed Deposit Receipts (FDRs) issued by approved banks and deposited with approved Custodians or NSE Clearing
- Bank Guarantee in favour of NSE Clearing from approved banks in the specified format.
- Approved securities in demat form deposited with approved Custodians.

Premium Margin

In addition to Span Margin, Premium Margin is charged to members. The premium margin is the client wise premium amount payable by the buyer of the option and is levied till the completion of pay-in towards the premium settlement.

Assignment Margin

Assignment Margin is levied on a CM in addition to SPAN margin and Premium Margin. It is levied on assigned positions of CMs towards interim and final exercise settlement obligations for option contracts on index and individual securities till the pay-in towards exercise settlement is complete.

The Assignment Margin is the net exercise settlement value payable by a Clearing Member towards interim and final exercise settlement and is deducted from the effective deposits of the Clearing Member available towards margins.

Effective deposits

All collateral deposits made by CMs are segregated into cash component and non-cash component.

For Additional Base Capital, cash component means cash, bank guarantee, fixed deposit receipts, T-bills and dated government securities. Non-cash component shall mean all other forms of collateral deposits like deposit of approved demat securities.
At least 50% of the Effective Deposits should be in the form of cash.

Liquid Networth

Liquid Networth is computed by reducing the initial margin payable at any point in time from the effective deposits.
The Liquid Networth maintained by CMs at any point in time should not be less than Rs.50 lakhs (referred to as Minimum Liquid Net Worth).
Assignment margin is released to the CMs for exercise settlement pay-in.
Initial Margin requirement = Total SPAN Margin Requirement + Buy Premium + Assignment Margin

Exposure Margin

The exposure margins for options and futures contracts on index are as follows:

For Index options and Index futures contracts:

3% of the notional value of a futures contract. In case of options it is charged only on short positions and is 3% of the notional value of open positions.

For option contracts and Futures Contract on individual Securities:

The higher of 5% or 1.5 standard deviation of the notional value of gross open position in futures on individual securities and gross short open positions in options on individual securities in a particular underlying. The standard deviation of daily logarithmic returns of prices in the underlying stock in the cash market in the last six months is computed on a rolling and monthly basis at the end of each month.

For this purpose notional value means:

- For a futures contract - the contract value at last traded price/ closing price.
- For an options contract - the value of an equivalent number of shares as conveyed by the options contract, in the underlying market, based on the last available closing price.

In case of calendar spread positions in futures contract, exposure margins are levied on one third of the value of open position of the far month futures contract. The calendar spread position is granted calendar spread treatment till the expiry of the near month contract.

The benefit of calendar spread in exposure margin is not provided for option contracts as exposure is made applicable only for short positions. As no exposure margin is levied on long positions there cannot be any offset provided.

Securities Transaction Tax

REF: ***https://www1.nseindia.com/products/content/derivatives/equities/sec_tranc_tax.htm***

STT Computation

As per the Finance Act 2004, and modified by Finance Act 2008 (18 of 2008) STT on the transactions executed on the Exchange shall be as under:

Sr.No.	Taxable securities transaction	New rate from 01.06.2016	Payable by
A	B	C	D
a	Sale of an option in securities	0.05 per cent	Seller
b	Sale of an option in securities, where option is exercised	0.125 per cent	Purchaser
c	Sale of a futures in securities	0.01 per cent	Seller

Value of taxable securities transaction relating to an "option in securities" shall be the option premium, in case of sale of an option in securities.

Value of taxable securities transaction relating to an "option in securities" shall be the settlement price, in case of sale of an option in securities, where option is exercised.

The following procedure is adopted by the Exchange in respect of the calculation and collection of STT:

STT is applicable on all sell transactions for both futures and option contracts.

For the purpose of STT, each futures trade is valued at the actual traded price and option trade is valued at premium. On this value, the STT rate as prescribed is applied to determine the STT liability. In case of final exercise of an option contract STT is levied on settlement price on the day of exercise if the option contract is in the money.

STT payable by the clearing member is the sum total of STT payable by all trading members clearing under him. The trading member's liability is the aggregate STT liability of clients trading through him.

Information to members

A report is provided to the members at the end of each trading day. The report contains information on the total STT liability, trading member wise STT liability, client wise STT liability and also the detailed computations for determining the client wise STT liability.

PENALTIES

Ref: ***https://www1.nseindia.com/products/content/derivatives/equities/penalties.htm***

The following penal charges are levied for failure to pay funds/ settlement obligations:

Penal Charges: A penal charge will be levied on the amount in default as per the byelaws relating to failure to meet obligations by any Clearing Member.

Type of Default	Penalty Charge per day	Chargeable to
Overnight settlement shortage of value more than Rs.5 lakhs	0.07%	Clearing Member
Security deposit shortage	0.07%	Clearing Member
Shortage of Capital cushion	0.07%	Clearing Members

Violations if any by the custodial participants shall be treated in line with those by the trading member and accordingly action shall be initiated against the concerned clearing member.

Short Reporting of Margins in Client Margin Reporting Files

The following penalty shall be levied in case of short reporting by trading/clearing member per instance.

Short collection for each client	Penalty percentage
(< Rs 1 lakh) And (< 10% of applicable margin)	0.5%
(= Rs 1 lakh) Or (= 10% of applicable margin)	1.0%

If short/non-collection of margins for a client continues for more than 3 consecutive days, then penalty of 5% of the shortfall amount shall be levied for each day of continued shortfall beyond the 3rd day of shortfall.

If short/non-collection of margins for a client takes place for more than 5 days in a month, then penalty of 5% of the shortfall amount shall be levied for each day, during the month, beyond the 5th day of shortfall.

Notwithstanding the above, if short collection of margin from clients is caused due to movement of 3% or more in the Nifty 50 (close to close) on a given day, (day T), then, the penalty for short collection shall be imposed only if the shortfall continues to T+2 day.

All instances of non-reporting are treated as 100% short reporting for the purpose of levy of penalty.

Penalty and penal charges for margin/limit violation

Penalty for margin / limit violation is levied on a monthly basis based on slabs as mentioned below or such other amount as specified by the Clearing Corporation from time to time.

Instances of Disablement	Penalty to be levied
1st instance	0.07% per day
2nd to 5th instance of disablement	0.07% per day + Rs.5,000/- per instance from 2nd to 5th instance
6th to 10th instance of disablement	0.07% per day + Rs.20,000/- (for 2nd to 5th instance) + Rs.10000/- per instance from 6th to 10th instance
11th instance onwards	0.07% per day + Rs.70,000/- (for 2nd to 10th instance) + Rs.10,000/- per instance from 11th instance onwards. Additionally, the member will be referred to the Disciplinary Action Committee for suitable action.

Instances as mentioned above refer to all disablements during market hours in a calendar month. The penal charge of 0.07% per day is applicable on all disablements due to margin violation anytime during the day.