



**ESCORTS
SECURITIES**

Policy for Limit Setting

EXPOSURE RULES :

S. NO.	PROCEDURES	EXPLANATION
1	EXPOSURE – INTRA DAY	As per NSE- VAR margin rates.(subjected to min. 25%) e.g. if var margin is 25% clients is allowed to take G.E of 4 times of deposit given to us.
2	EXPOSURE – DELIVERY	As per NSE- VAR margin rates.(subjected to min. 25%)
3	DERIVATIVES EXPOSURE	As per SPAN + G.E. margin rates+Additional Margin (if any made applicable by the Exchange) e.g. if span+g.e. is 15% clients is allowed to take G.E. 6.5 times of deposit given to us.
4	LIMITS BEYOND WHICH POSITION CARRY-OVER NOT PERMITTED	If MTM loss reaches 50% of Deposit during the day, then: 1. Account would be marked in square off mode, i.e. only existing open positions would be allowed to close and fresh bids would not be accepted. 2. (If time is > 3:00 PM) Open/leveraged positions would be squared off commensurate with the available deposit in account.
5	CURRENCY DERIVATIVES EXPOSURE	As per SPAN + G.E. margin rates. e.g. if span+g.e. is 5% clients is allowed to take G.E. 20 times of deposit given to us.

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| 6 | MTM SQUARE OFF | If MTM loss reaches 70% of Deposit, all outstanding Positions including client's in our Beneficiary A/c and their DP acc. With POA will be squared off. |
| 7 | T+7 days BASED PAYMENT SYSTEM | If the payment for deliveries bought, is not received within 7 days, then deliveries (by random choice) to the extent of Debit can be squared off . If stock valuation of client's holding kept with goes down , top-up margin is required either through stock selling or by payment even before 7 days. |
| 8 | STOCK VALUATION LYING WITH US FOR TRADING LIMITS | Valuation of stocks given to us for margin and stocks lying in client's DP acc.(With POA given to ESL) will be considered as collateral on the basis of previous days closing price after cutting hair cut .
Hair cut will be the same as provided by exchange on regular + top up hair cut if needed |

Notes to the Exposure rules :

- 1 Uncleared Funds: Every payment from clients should be in the form of cheque and the same will be considered for margin only after clearance of the instrument. There will not be any exposure provided to clients based on the uncleared funds.
- 2 However, based on the client's previous track record and the value of collaterals available with ESL, exposure can be provided to clients based on uncleared funds.
- 3 If any security(s) is/are not available in our Beneficiary Account and DP acc, of client with POA is not available, it has to be transferred to our DP A/c first only then limit to sell those would be granted for those who is not having margin for selling.

Disclaimer

ESL Management will have a discretion to alter/change any of Exposure limit , selling parameter defined in this policy on the basis of prevailing market conditions with or without prior intimation and can use their discretion to grant any kind of exemption/permission in case they deem fit on case to case basis

DATE -09.02.18

