

EXPOSURE RULES :

Each and every client registered with **CELEBRUS CAPITAL LTD** needs to provide initial deposit by way of cheque / fund transfer. The term 'Exposure' means the extent to which the client's initial deposit can be utilized for trading activities.

CELEBRUS have different exposure policy for Investors and day traders. For an investor, **CELEBRUS** is providing 4 to 5 time's exposure for taking delivery positions in Capital Market. For e.g.: If a client is having Rs.100000/ in his account as clear funds, he is allowed to take a delivery position up to Rs.400000/- to Rs.500000/-. The difference amount needs to be brought in the form of a cheque / fund transfer on the same day itself or latest by T+1 day.

A day trader is provided with 15 to 20 times exposure **ON APPROVED SCRIPS** for intraday trading activities. This may vary from time to time in accordance with the market conditions. The positions taken for intra-day should be cleared by 3.15 PM on the same day. Once the MTM loss of the intra-day positions reach 75% of the margin available, the positions should be cleared from the concerned branch / associate, failing which the positions taken for the intra-day will be cleared off from surveillance dept. Intra-day exposure in Capital Market Segment can be availed based on the POA stock(Approved stock) & POOL stock(Approved Stock) subject to a haircut in the valuation and with available credit balance in the A/C.

The exposure set in Capital Market segment and Futures & options segment (including Currency Derivatives) is different. In capital market the client is allowed to take the exposure on multiplier basis which can be anywhere up to 20 times of initial deposit. Whereas, in Futures & options segment, where exchanges have stipulated fixed initial margins and exposure margin, it is compulsory to keep 100% margin either in the form of clear fund balance or as collateral securities.

The term clear fund (Total Margin Available) means the account balance available for the client in his ledger account. Collateral shares means the share which are bought by the client in respect of which no payments are outstanding and are available in the margin account of the client.

In short, the total margin for exposure purpose is the sum total of fund balance + value of approved stocks available in the Margin Account. Un-cleared funds will not be considered for calculating the Total Margin available.

As a conclusion, clients are provided with an exposure of either 4 to 5 times delivery margin or 15 to 20 times intra-day margin in Capital Market segment or 1 times Futures & options margin.

Notes to the Exposure rules :

1. Un-cleared Funds: Every payment from clients should be in the form of cheque / FT 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 un-cleared funds.
2. However, based on the client's previous track record and the value of collaterals available with

CELEBRUS CAPITAL LTD, exposure can be provided to clients based on un-cleared funds. All exposure requests against un-cleared balance will be processed only after getting approval from Head of RMS.

3. Shares in Pool Account & DP (POA) Account will be considered for intra-day exposure in Capital Market segment subject to a haircut... Outstation cheques are not entertained. All the cheques collected against trading positions should carry a valid MICR number.
4. All the cheque dishonor/ chq reversal cases are viewed seriously and debit amounts in such accounts will be cleared from surveillance dept.

DEBIT Policy :

Exchanges follow a settlement schedule of T+2 in Capital Market segment, daily MTM settlement & Final Settlement in Derivatives segment. Accordingly, the exposure policy designed by **CELEBRUS CAPITAL LTD** directing the customers to pay the debit balance on the next day. The left out clients' debit will not be allowed to carry forward beyond 5 days however RMS have the right to liquidate such positions in case of any risk . No extension is possible beyond 5 days in whatsoever circumstances. All the debits ageing more than 5 days will be cleared from Surveillance dept without further intimation to branches / associates. All the requests with genuine reasons for retaining debit above 5 days shall be considered only after getting approval from Head of RMS through mail.

Futures & options Segment (Including Currency Derivatives) :

In this segment, the exchanges stipulate that every position taken should be based on the available initial margin. Apart from the initial margin, exchanges have introduced exposure margin in order to meet the market volatility and risk associated.

Based on the requirements of exchanges, **CELEBRUS CAPITAL LTD** insists that all the clients in F&O segment should have sufficient margins (Initial + Exposure margin) for taking position in the F&O segment. The margin should either be clear credit balance or in the form of exchange approved collaterals or shares duly transferred to Margin Account or as a combination of these three. The nominal hair cut is applicable for collaterals in the form of approved shares before taking the valuation.

The MTM loss arising in F&O positions need to be paid on the same day (T day) so that MTM settlement can be performed properly, failing which the positions will be reduced to the available margin level. No fresh positions will be granted against uncleared cheque.

Clients can provide margin in the form of securities only by transferring the securities to margin account. In such cases also sufficient credit balance should be maintained in client's trading account in order to meet the daily MTM requirements. Exchanges are charging penalty on margin short fall in F&O and currency segment.

Special Points relating to Options segment :

1. The options buying should be allowed only against premium margin which should be in the form of clear credit balance / approved POA stocks / POOL stocks.
2. 100 % margin required for taking position in Future & Options segment.
3. Options selling involve unlimited risk and thereby Exchanges specify high initial margin & exposure margin and hence we are not promoting option selling. However case to case selling can be allowed after taking the approval.

Securities under Ban Period- [Market-wide Position Limit (MWPL)] :

A facility is available on the trading system to display an alert once the open interest in the futures and options contract in a security exceeds 80% of the market wide position limits specified for such security. Such alerts are presently displayed at time intervals of 10 minutes. The aggregate open interest of the security across Exchanges shall be considered for the purpose of monitoring of MWPL. If the aggregate open interest of the security across exchanges exceeds 95% of the MWPL, no fresh positions shall be permitted for the said security from the subsequent trading day. The normal trading in the security shall be resumed only after the aggregate open outstanding position across Exchanges comes down to 80% or below of the MWPL. Once a client is taking any further position in the security for which MWPL has crossed 95% will be penalized with the amount of penalty as fixed by the exchanges. We are not allowing the clients to trade in such scrip.

Internet Based Trading (IBT) :

CELEBRUS CAPITAL LTD provides internet based trading facility for its clients through ODIN software. There are two different versions of IBT available for trading.

Exposure for IBT clients can be allowed only on clear balance or exposure against the approved scrip's. The exposure for IBT clients in capital market segment for intra-day will be **TEN** times on approved scrip's and Delivery will be **TWO** times of the margin available.

ANNEXURE-I Exposure Policy in Brief

Capital Market Segment :

1. Clear Funds (Total Margin Available) consists of Ledger Balance and the Value of shares in Pool Account & DP Account subject to a haircut.
2. Un-cleared funds will not be considered for calculating Total margin Available.
3. Intraday Exposure will be fixed in between 15-20 times of the Total Margin Available. Maximum intraday exposure will be 20 times of the Total Margin Available.

4. Delivery Exposure will be 4 to 5 times of the ledger balance / POA / POOL stock.
5. Intraday square off should be made before 3.15 PM.
6. Timer based auto square off system has been implemented. Hence all positions in margin - intraday will be squared off automatically @ 3.15 pm.
7. MTM loss beyond 80% will not be allowed.
8. Positions taken as intraday can be converted to Delivery subject to the availability of credit balance or on confirmation of Fund transfer or stock.
9. Payment should be collected from clients on T+1 day itself so that the cheques are cleared on or before the 3rd day. After 3rd day all the debits will be cleared from surveillance dept.
10. No outstation cheque will be entertained for meeting the obligations due to trading activities.

Futures & options (Including Currency derivatives) Segment :

1. Total Margin Available consists of ledger Balance and the value of shares provided as Collaterals in Margin account subject to a haircut.
2. Un-cleared funds will not be considered for calculating Total margin Available.
3. Positions will be allowed only against Sufficient Margin.
4. 100 % margin required to take positions in F&O segment.
5. All the MTM losses should be either replenished by way of cheque / Fund transfer failing which the positions will be cleared from surveillance Dept. Carry forward of such positions will be allowed only against successful fund transfer of amounts at least equal to the MTM loss.
5. No outstation cheque will be entertained for meeting the obligations due to trading activities.
6. Deviations from the standard policy, if any, should get approval from the HOD RMS.