

## **POLICIES ON CLIENT EXPOSURE, SQUARING OFF CLIENT POSITIONS & INTERNAL NETTING**

CCSPL means Crosseas Capital Services Pvt. Ltd.

Last Reviewed on 16th October, 2023

### **a. Setting up client exposure Limits / Granting of Exposure to clients:-**

CCSPL Computes and assign exposure limits based on its own assessment of market / security risks in combination with its assessment of client specific risk. The limits and exposure shall therefore vary from client to client and portfolio to portfolio. In the F&O segment, the minimum margin applicable shall be the statutory margin as required to be collected upfront by the concern exchange. The risk management risk shall be available during the market hours to inform the clients of their set exposure limits upon request / telephonic enquiry.

### **b. Squaring off client positions in case of non-payment of funds / Right to sell client securities or close client position & margins Internal Shortages:-**

CCSPL reverses the right to sell client's securities and / close out position without any intimation to the client in the following circumstances:

- The client is running debit balance which is overdue by more than 24 hrs.
- In the circumstance where the real time MTM loss of the client crosses 90% of the total available credit balance at the time.
- The client fails to bring in minimum margins as required to be collected by the respective exchanges as per the margin statement sent to the client.
- The client fails to bring in additional margin over and above statutory margins as required by CCSPL based on its own assessment of risk within 24 hrs of receiving written / email communication from CCSPL of such requirement.
- The cash component margin provided by the client falls below 50% of the total margin provided by the client. In this circumstances, CCSPL reserves the right to liquidate securities to the extend required to increase the cash component to 50%.
- CCSPL also reserves the right to close out position of the client who is in breach of any of terms and conditions / agreement signed between the client and CCSPL. Provided that CCSPL shall sell clients securities and / close out position to the extend of the debit balance / margin required for compliance as mentioned above, rounding off amounts excluded.

### **c. Shortage arising out of internal netting of trades.**

If the client fails to deliver a stock sold for delivery which is to be received internally by the another client, client shall be given till T+1 day to buy the stock to enable delivery to the receiving client. The following rules shall be apply for the same:-



- The client responsible for the first instance of shortage shall be responsible for the any further auction of securities should the receiving client fail to deliver the same owing to delay in pay out to him.
  - For the client not covering the short on T+1 day, a close out at LTP +10% shall be effected on the price of the security on T+1 day.
- d. Informing Clients : CCSPL has a system in place to inform the clients of their Margin Obligation, Cash Obligation, Margin Short fall, Margin Penalty etc. through SMS, email, Website etc. Where by client is aware of the Margin/Cash Obligation that is to be fulfilled. The clients are provided with secured ID and Password to view their Contract Notes, Margin, Paying Obligations and all other financial position through our Web site <https://crosscap.co.in/>
- e. **Penalties levied by the Exchanges**  
Further Exchanges levy various penalties on the member brokers on auction resulting from short deliveries, non-adherence to client wise exposure limits, client wise shortfalls in F & O Margin and for other reasons which may be defined by the Exchanges from time to time. CCSPL is therefore authorized by the client to pass on any penalty imposed by the Exchange/SEBI and or any other regulatory authority to the client, which arises on account of the client.

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