

Policy Setting of Limits

Objective

To pre- define limits for each terminal and monitor the same on an ongoing basis. There may be possibility of orders for large quantity and value being placed due to punching error or otherwise which might lead to execution of unrealistic orders. In cases where the quantity/value of such orders is high, the Company may be exposed to huge losses.

In order to avoid such a situation, it has been considered imperative to prescribe limits for each terminal being operated at the Company.

Scope

This policy covers the procedure and checks in place for allotting limits to each of the terminals. Regulator circular reference no. Date of circular NSE/COMP/21990 23rd October, 2012, NSE/COMP/21991 23rd October, 2012, NSE/COMP/21992 23rd October, 2012.

Types of Limits:

- Quantity limit for each order
- Value limit for each order
- User value limit for each user ID
- Branch value limit for each branch ID
- Spread order Quantity and Value Limit

Branch Buy/ Sell Limits

- a. In Equity Segment Branch 'Buy Value' and Branch 'Sell Value' limits shall be set by the Group Head.
- b. In F&O Segment Branch 'Buy Value' and Branch 'Sell Value' limits shall be set by the Group Head for both Futures and Options.

Dealer Buy/ Sell Limits

- a. In Equity Segment Dealer wise 'Buy/ Sell Value' limits shall be set by the Group Head.
- b. In F&O Segment 'Buy/Sell Value' limits shall be set by the Group Head.

Order Value Limits

Apart from setting up of branch/ terminal wise limits, Group Head shall set 'Order Value' limits for both maximum order quantity and maximum order value.

Market Price protection Limit

Group Head shall also set up market price protection limit for each dealer.

In equity segment, Group Head shall also set up symbol wise limit for each scrip as and when required.

Group Head shall review these limits from time to time and in case any amendment is made to the existing limits, record of such modification shall be maintained. Group Head shall also ensure that none of the limits mentioned above has been set as 'unlimited'.

Review

This policy may be reviewed as and when there are any changes introduced by any regulatory/statutory authority or as and when considered necessary on account of business needs and risk management policy.
