

LOTUSDEW

POLICY ON SETTING OF LIMITS FOR TERMINALS

Objective:

To pre-define limits for each terminal and monitor the same on a continuous basis.

Scope of the Policy:

This policy covers the procedure and checks in place for allotting limits to each terminal.

Defining of Limits:

The following limits shall be defined for each terminal:

- Quantity Limit for each order
- Value Limit for each order
- User value limit for each user ID
- User quantity limit for each user ID
- Branch value limit for each Branch ID
- Market Price Protection Percentage

Procedure for setting of Limits:

We follow the practice of setting of limits at each level namely Admin, Branch Manager and Dealer. Limits shall be reviewed on a regular basis and if required revised post consultation of head during the day. The Limits utilization shall be continuously monitored during the day. Any request of upward revision in limits by dealer will be done post receipt of specific consent of Corporate Manager and after necessary risk assessment.

Checks in place:

- Terminals limits will be set up by the Front Office official designated at Registered Office.
- No user/ branch will be provided unlimited limit.

Review of process and maintenance of records

The Risk Management team at Registered Office shall be responsible for maintenance of records as prescribed by regulators and demonstrating the adequacy of system to auditors and exchanges.

The process of setting of limits shall be reviewed on a quarterly basis. The Compliance Officer may review the process on test check basis and based on the report and confirmation of auditors, the Compliance officer shall issue a certificate to the exchange on quarterly basis.