



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.

- **Limit Settings**

Exposure Limits

The client agrees and confirms to abide by the exposure limits, if any, set by Pratibhuti Vinihit Ltd., or by the Exchange or Clearing Corporation or SEBI from time to time.

The Stock Broker/ Trading Member may from time to time, at its sole discretion, impose and vary limits on the orders that the client place (including but not limited to exposure limits, turnover limits, limits as to number, value and / or kind of securities / contracts in respect of which buy or sell orders can be placed etc.) The client is aware and agree that the stock broker/ trading Member may need to vary or reduce the limits or impose new limits urgently on the basis of Member's risk perception and other factors considered relevant by Member and Stock Broker/ Trading Member may be unable to inform to the client of such variation, reduction, imposition in advance. The client agrees that the Pratibhuti Vinihit Ltd. shall not be responsible for such variation, reduction and imposition of limits.

- **Credit and Settlement**

Trading and Exposure Limit if any set for the client is based on the Funds/Securities lying in the client's account from time to time. In case of non fulfillment of margin obligations/settlement obligation, Pratibhuti Vinihit Ltd may squared off whole or part of the positions at its discretion. In case of any outstanding dues arising out of square off of open positions/settlement obligation, Pratibhuti Vinihit Ltd may initiate legal proceedings.

- **Margin Requirement**

We hereby classify the risk as under

1. In Cash Segment

Margin Requirement in cash segment is at the sole discretion of the Pratibhuti Vinihit Ltd. Further, Pratibhuti Vinihit Ltd may grant limit in cash segment on a case to case basis. Also Dealer is in direct touch with the client and he is well versed with the client's Financial Position and hence Pratibhuti Vinihit Ltd may or may not rely upon the Dealer's decision on limit setting in Cash Segment.



Refusal of Order

Pratibhuti Vinihit Ltd. shall have the absolute discretion to accept, refuse or partially accept any buy or sell order for execution from a client, in respect of penny stocks, illiquid stocks, stocks having low liquidity, stocks in S, Z and B2, T and TS category and any other contacts which as per the perception of Pratibhuti Vinihit Ltd. are extremely volatile or subject to market manipulation. Pratibhuti Vinihit Ltd. may permit restrictive acceptance of orders in such scrips / contacts in controlled environments like orders received from clients being forwarded by branches to centralized desk at HO instead of allowing trading in such scrips at branch level. Pratibhuti Vinihit Ltd. shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to client. Pratibhuti Vinihit Ltd. may cancel orders in such scrips received from clients before execution or after partial execution without assigning.

Systemic Management

We ensure to provide uninterrupted trading to the client though in case of any technical fault, there is back up line and further we are also having Branch Network through which transaction can be routed. We have transparent dealing mechanism for the trades done by the clients are confirmed through voice recording lines.

- **Role of Risk Manager**

For the better survival of organization as well as clients, the Risk Manager plays important roles and provides co- operation for better Risk Management and Surveillance so as to provide maximum transparency while dealing with the client.

- **In brief The Risk Manager has to perform following functions:**

1. Identify Risk
2. Analyzing Risk
3. Verify the Limit Setting and Exposure Limit
4. Monitoring Member Wise Margin Limit
5. Generating Alert on reaching maximum% of loss in the client credit balance.
6. Co-ordinate with other Department for Collection/Recovery

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



Branch Buy/ Sell Limits

In Equity Segment Branch 'Buy Value' and Branch 'Sell Value' limits shall be set by the Branch Head.

Dealer Buy/ Sell Limits

In Equity Segment Dealer wise 'Buy/ Sell Value' limits shall be set by the Branch Head.

Order Value Limits

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

- **Conclusion**

The above LIMIT & RMS Policy is designed for better function and investor safe guard which intelligently helps to take decision based on various logics and parameters whether the company is exposed to Risk or not.

You may also find the same on our Web Portal www.pratibhuti.com

Sd/-

Omprakash Damani

Director DIN .00393350

Pratibhuti Vinihit Ltd

The above revised policy was approved by Pratibhuti Vinihit Ltd at the Board meeting held on 30-Sep-2021