

POLICY ON LIMIT SETTING

The below mentioned policy on Pre- funded instruments / Electronic fund transfers has been approved by the Board of Directors. All the employees are required to follow the same and take due care for its proper implementation.

Exposure limit for each client is determined by the Risk Management Department based on client's net worth information, client's financial capacity, prevailing market conditions and margin deposited by client in the form of funds / securities with Pankaj Mangaldas Sec Pvt Ltd. These limits may be set exchange-wise, segment-wise, and scrip-wise.

The limits are determined by Risk Management Department based on the above criteria and the payment history of the client in consultation with Sales / Sales traders.

Risk Manager retains the discretion to set and modify, from time to time, any client's exposure limit decided as above.

Whenever any client has taken or wants to take exposure in any security, Risk Manager may call for appropriate margins in the form of early pay-in of shares or funds before or after execution of trades in the Cash segment.

In case of any margin shortfall, the clients will be told to reduce the position immediately or they will be requested to deposit extra margin to meet the shortfall. Otherwise, Dealer may refuse to trade on behalf of such client at its own discretion.