

MOHANLAL HEMCHAND PRIVATE LIMITED

Policy for setting limit of Trading Terminals:

Objective:

To pre- define limits for each terminal and monitor the same on a continuous basis as per various circulars issued by BSE Ltd.

Background:

Trading Terminals are allotted to Members by exchanges. These terminals enable members to place, modify and execute orders on behalf of clients. There may be instances where due to punching error unusual orders may be placed at high prices which might lead to execution of unrealistic orders or orders being executed at unrealistic prices. In cases where the order/price of such orders is high, it might lead to huge losses to broker. In order to avoid such a situation, it is imperative that certain limits are prescribed for each terminal allotted to member broker.

MOHANLAL HEMCHAND PVT LTD is a very small COMPANY with low turnover. It operates from a single location and all the trades are entered only from 1 registered office and hence it is very easy to monitor the orders entered on the terminal. The orders are entered only by the directors, remisier and staff who has NISM VII certificate and only after all due diligence.

The limit for the terminal is set very low and within the capital adequacy as well as well within net worth of the Company. The limit is reviewed regularly and the records of the limit are preserved on a daily basis.