

LIMIT SETTING POLICY

Elite Wealth Ltd.

1. Objective

To pre-define, implement, monitor and periodically review trading and exposure limits for terminals, user-IDs, branches and clients in order to: (a) prevent unauthorized/erroneous trades; (b) control market / credit / operational risk; and (c) ensure compliance with NSE circulars and SEBI/exchange guidelines.

2. Scope

Applies to all trading terminals, broker terminals, branch offices, authorised persons, employees, and clients of Elite Wealth Ltd. across all segments (Equity Cash, F&O, Currency, MTF / Margin Trading Facility, and any new segments as permitted).

3. Regulatory Basis

- NSE Circulars: NSE/COMP/21990 & NSE/COMP/21991 (23-Oct-2012) require members to define and review limits at order placement.
- SEBI Master Circulars and exchange master circulars provide updated prudential, margin and exposure guidance that members must follow; Elite Wealth will ensure alignment with these documents and any subsequent exchange/SEBI directions.

4. Definitions

- **Terminal:** Any trading terminal / API / OMS user used to place orders on behalf of the member or clients.
- **User-ID:** Login ID used by an authorised person/employee/authorized representative to place orders.
- **Value limit per order:** Maximum monetary value allowed for a single order.
- **Quantity limit per order:** Maximum number of shares / contracts allowed for a single order.
- **User value limit:** Daily / intraday exposure cap per user-ID.
- **Branch value limit:** Aggregate exposure or order value cap per branch (if applicable).
- **Security-wise limits:** Limits set for specific scrips / contracts / series.

5. Types of limits (minimum)

Elite Wealth shall implement, at minimum, the following limit types (exchange may require additional types):

1. Quantity limit per order (security-wise where applicable).
2. Value limit per order.
3. User-ID daily/intraday value limit.
4. Branch value/exposure limit (where branches place orders).
5. Security-wise user limit (optional/where risk warrants).
6. Position / exposure limits for margin / MTF / product specific facilities.

6. Governance — roles & responsibilities

- **Board of Directors:** Approve the Policy and any material changes; set the overall risk appetite.
- **COO:** Ensure resources & authority for implementation.
- **RMS Head — Risk:** Design limit framework, propose limit matrix, monitor breaches, and report to senior management.
- **Compliance Officer:** Ensure regulatory compliance; submit certifications / returns to exchange as required under the NSE circulars.
- **IT / Trading Ops:** Implement technical controls at order entry modules, enforce hard stops where feasible, maintain audit trails and logs.
- **Internal Audit:** Quarterly review of limit setting process, sampling of logs and certification of process adherence.

7. Limit-setting process (procedure)

1. **Risk Assessment & Baseline:** Risk team prepares baseline limits using: client profile, trading history, collateral / deposit, product type, scrip volatility and exchange prescribed parameters.
2. **Limit Proposal:** Risk Team proposes User, Terminal, Branch and Security limits documented in a Limit Matrix (Annex-A).
3. **Approval:** CRO + Compliance sign-off; material limits (e.g., for high net-worth clients, MTF facilities) require MD/CFO approval. Board approval for any material changes to risk appetite.
4. **Configuration & Enforcement:** IT/Trading Ops configure limits in OMS / trading platform. Where hard enforcement is not feasible, system should at minimum flag & block suspicious orders pending manual confirmation.
5. **Communication:** Notify concerned users / branches / clients (if client limits apply) in writing about their limits and any changes.
6. **Effective Date:** Limits take effect once configured and tested on the live platform.

8. Monitoring & Real-time controls

- Real-time checks at order placement must enforce per-order quantity and value limits; orders exceeding limits should be rejected or require higher authorization.
- Intraday and end-of-day aggregation of exposures to detect breaches.
- Automated alerts (email/SMS/dashboard) to Risk Team and Compliance on exception / breach events.
- All rejected/blocked orders and manual overrides must be logged with user, time, reason and approver.

9. Exception handling & overrides

- **Override authorization:** Overrides to limits may be permitted only with written authorization from an authorised approver (CRO/Head–Risk/Designated Senior Officer). Overrides must be time-bound and recorded.
- **Post-facto review:** All overrides reviewed daily by Risk and reported in weekly risk exception report. Recurrent overrides require policy escalation.
- **Client disputes:** Documented process to investigate and resolve disputes; retain records for regulatory review.

10. Review frequency & certification

- Limits and the limit-setting process must be reviewed at least **quarterly** and whenever major market / product / regulatory changes occur. Internal audit to perform an independent quarterly check.
- As required by NSE circulars, Compliance Officer shall submit a **quarterly certificate** confirming the status of compliance with limit-setting requirements at the time of order placement (or as required on the exchange portal).

11. Record retention & reporting

- Maintain complete logs of: limit matrix versions, configuration screenshots, order rejection / acceptance logs, override approvals, exception reports, and audit trail for a minimum period as per SEBI / exchange record retention rules (currently as per SEBI master circulars).
- Escalate material breaches (as defined in Annex-B) to Senior Management and to Exchange / Regulator as per statutory timeline.

12. Integration with margin / exposure rules

- Limit framework must incorporate exchange/SEBI margin and exposure rules (including any changes like peak margin / exposure monitoring) and must not permit any internal limit that contravenes exchange or SEBI mandated caps. Elite Wealth will implement additional prudential caps where internal risk appetite requires (e.g., lower than exchange limits).

13. Training & awareness

- Periodic training for all authorized users, branch heads and sales staff on: order limits, consequences of breach, override procedures, and compliance obligations.

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14. Annexures (samples)

Annex-A: Sample Limit Matrix (illustrative)

Entity	Limit Type	Value
Terminal (T-001)	Quantity per order (Equity)	50,000 shares
Terminal (T-001)	Value per order (Equity)	₹10,00,000
User-ID (U-MM01)	Daily user value limit	₹1,00,00,000
Branch (B-DEL)	Branch aggregate limit	₹10,00,00,000
Security-wise (RELIANCE)	Max qty per order	5,000 shares

(Actual numeric limits to be defined by Risk Team based on client / product / scrip profile and updated quarterly)

Annex-B: Material breach — examples

- Repeated overrides (>3 in a rolling month) for same user/security.
- A single unauthorized trade that exceeds exposure by >50% of assigned limit.
- Any trade leading to regulatory non-compliance (e.g., allowing exposure contrary to SEBI/exchange cap).

15. Authority & approval

This policy is approved by the Board of Directors of Elite Wealth Ltd. and shall be reviewed at least annually (or earlier if regulatory change mandates).

Approved By:

Board of Directors
Elite Wealth Ltd

Last Review Date-25.07.2025

Next Review Due:24.07.2026