TRADING LIMITS

It is defined as the maximum gain or loss on a securities market that is allowed in any one trading session. Limits are imposed by the broker in order to protect against extreme volatility or manipulation within the markets.

Exposure Monitoring and trading limits are perilous to the operative management of Client credit risk.

TSBL has in place a centralized mechanism, whereby each of the client will only be allowed to utilize its exposure margin, if allowed, by the Exposure Management System. Trading Limits to the respective client will only be assigned, after approval by the Risk Management Officer and the Chief Executive Officer.

Two categories of clients, through which exposure of the respective client is being monitored;

1. **ONLINE CLIENTS WITHOUT TRADER FACILITY**

- **Margin Facility**

❖ These types of clients are only allowed to trade on cash basis. No margin is available to them.

2. **ONLINE CLIENTS WITH TRADER FACILITY**

- **Margin Facility**

❖ These types of clients are allowed to avail margin facility, based on their Credit worthiness and relationship with **TSBL**. The maximum margin allowed to these clients, after meeting the assessment criteria of **TSBL**, & it will be **35%** of their cash margins. The clients are only allowed to use their exposure margins in Margin Trading System and Margin Financing System of NCCPL.