

## VNS FINANCE & CAPITAL SERVICES LTD.

### Mandatory policy and procedure

RELATING TO NON MANDATORY DOCUMENTS	Kindly note that non mandatory documents, in particular * marked documents/ running account authorisation/ power of attorney are for the purpose of easy working and the same are also part of risk management system. If you chose not to sign & execute these documents, your trading exposure may be reduced. Brokerage rate may also increase significantly.
RELATING TO EXPOSURE LIMIT IN CASH SEGMENT	For cash segment - for day trading - Intraday exposure will be available as per 20% of trade value or 100% of applicable VaR and ELM whichever is higher for individual scrips. However depending upon the market conditions & conduct of account, the broker may enhance or reduce the exposure. The stock broker may not be able to inform the client of such variation or reduction in advance.
RELATING TO EXPOSURE LIMIT IN DERIVATIVE SEGMENT	For Derivative segments: Initial margin (SPAN margin & Extreme loss margin) will have to be deposited upfront on the trading day i.e. in advance. Delivery Margin (applicable during expiry) and Mark-to-market margin (MTM) and any other margin shall be deposited latest by T+1 day.
RELATING TO TRADING IN PENNY STOCKS	In the case of Z group or trade for trade or penny/ illiquid securities client required to give the 100% margin. In the case of sale of such shares broker may require advance pay-in of securities. Depending upon the market conditions & conduct of account, the broker may deny the trading in Penny stocks. Such shares may not be accepted as margin for further trading. The broker may deny the trading in shares which are not in compulsory demat form of delivery.
STOP BUY OR TAKING FRESH POSITION	<p>The value of securities in client's account (including sales and purchase pending delivery) after haircut should not go below debit balance. In such cases the client is not able to buy further and he may be required to sell by choosing delivery/CNC option in trading platform. For day trading client should choose MIS/MARGIN option.</p> <p>In case the broker's terminal is in square off mode, the client may not be able to take fresh position in Capital and/ or Derivative segments. The client's transactions may be executed under IOC mode in which the trades are executed at market rate</p>
CONVERSION OF OPEN POSITION IN DELIVERY	SEBI has plans to convert open position in delivery and it may be announced in future. If so happens and if the open position in derivatives gets converted into delivery due to non square of or some other reason, the payin of funds or securities will be provided by the client one day prior to pay-in day failing which the auction / penalty/ late payment charges will be to client's account
DELAYED PAYMENT CHARGES PENALTY & SQUARE OFF	<p>In case the payment from the client in cash segment is not received one day prior to pay-in day or in the case of derivatives the short margin or mark to market is not received on T+1 and 50:50 cash to collateral ratio not maintained for derivative end of the day position the broker reserve the right to charge upto 0.05% per day late payment charges on the daily debit balance. However this levy of 0.05% should not be construed as funding to the clients.</p> <p>Client shall be liable to penalty and other charges on non maintenance of margin money, short selling of securities (including sale of securities bought but not delivered by the exchange or clearing house) or units, failure on pay-in of auction, cheque bounce, non delivery of shares, increase of open position beyond stipulated limit or on any orders / trades / deals / actions of the client which are contrary to the agreement / rules / regulations / bye laws of the exchange or any other law for the</p>

	<p>time being in force as per Rules, Regulations, Guidelines and Circulars issued by SEBI and stock exchange time to time.</p> <p>Further in such case the shares so bought may also be sold by the broker or the outstanding position in derivatives can be squared off without any notice.</p> <p>In the case of margin shortfall or insufficient cash/ cash, non cash equivalent due to upfront margin or MTM or increase in volatility or any other reason, VNS reserves rights to square off or reduce the open positions/pledge shares/trades at any time during the day without prior notice. There will be no margin call before the position is squared off during times of extreme volatility. All resulting charges or debts that might occur from such square offs will have to be borne by the client.</p> <p>Further position in Intraday/MIS is to be converted in delivery before half an hour of the close of market hours, If not converted, such daily outstanding position in Intraday/MIS can be squared off at the discretion of the broker.</p>
SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES	<p>In the cash segment, if the client's obligation results in internal short, the same will be closed out at 3% to 5% above the current market price (net of applicable brokerage) at which the shares are purchased for the clients whom shares could not be delivered in the settlement.</p> <p>If securities cannot be purchased from market due to any force majeure condition, the short delivering seller is debited upto the maximum of daily closing rates during the period trading day till auction day or auction rate or square up rate of the exchange, whichever is higher + upto 5% of such rate. Similar amount will be credited to the buyer client, net of applicable brokerage. In the case of square up by the exchange the same rate + auction difference, net of applicable brokerage will be debited/ credited to clients.</p> <p>Securities having corporate actions, which cannot be purchased or auctioned on cum basis or where the cum basis auction payout is after the book closure / record date, would be compulsory closed out upto higher of 5% to 10% above the official closing price on the auction day or the highest traded price from first trading day of the settlement till the auction takes place. Such amount will be credited to buyer clients as close out price.</p>
EARLY PAY-IN OF SHARES	<p>In the normal course the stock brokers make the early pay-in of shares and the shares are debited to client's BO account if the power of attorney is executed, on the day of trading itself and on line holding statement will show the balances as reduced. However, benefits of the corporate action till the scheduled day of pay-in are available to the client.</p>
APPLICABLE BROKERAGE RATE & CHARGES	<p>The brokerage is payable as indicated at the time of client registration, however in the case of internet trading clients the brokerage rate will increase if the client changes the scheme or instructs to execute orders on 'call n trade' basis. Such increased brokerage is subject to maximum brokerage stipulated by SEBI which is currently 2.5% exclusive of statutory levies or 25 paise (for shares having value less than Rs. 10/-) or Rs.100 per lot of options whichever is higher. Brokerage is also charged on auction, squared off, or closed out transactions. Further additional charges are payable if the physical contract notes, ledger statement(s)/transaction &amp; holding statement(s) for [BO account] are asked in spite of stipulated Digital E contract, ledger statements, transaction and holding statements.</p>
SUSPENDING OR DEREGISTERING THE CLIENT	<p>Client may instruct the member to close the account or suspend the trading in client's account for the period as specified in the request, in online/ offline mode, In case of offline duly signed by him and acknowledged by the broker at A-401, Mangalaya Marol Maroshi Road, Mumbai-400059. These instructions will be effective after settlement of pending obligations / debit balances of the client.</p>

	<p>The stock broker is entitled to disable / freeze the account or trading facility / any other service if, in the opinion of the stock broker, the client has committed a crime, fraud or has acted in contradiction of this agreement or / has evaded / violated any laws, rules, regulations, directions of a lawful authority. The stock broker can withhold the payouts of client and suspend his trading account due to his surveillance action or judicial or / and regulatory order/action requiring client suspension</p>
<p>Policy relating to Dormant/ inactive account</p>	<p>In case the client does not trade for a period of one year in any segment from the date of last transaction in any segment or there are no receipt or payment transactions, the client account shall be treated as dormant account or inactive account. In that case on the basis of an online /written request from the client his/her account will be activated. The period of one year can be varied as per discretion of the broker.</p>