VNS FINANCE & CAPITAL SERVICES LTD.

Mandatory policy and procedures

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 significantly. Brokerage rate may also increase significantly.
Exposure limit in cash segment	For cash segment - for day trading - upto 8 times of your deposit and value of securities after haircut, subject to 50% of applicable VaR margin. For delivery upto four times of deposit of value of securities after hair cut. 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.
Exposure limit in derivative segment	For Derivative segments: for intraday trading upto 50% of applicable span and exposure margin, depending upon the market conditions. The stock broker may not be able to inform the client of such variation or reduction in advance. In case the position is carried forward at the end of the day, the applicable short margin is payable on T+1 otherwise position may be squared off. Further the exposure is based on the combined ledger balance and combined position in all exchanges across all segments. Therefore if higher Exposure is taken in Derivatives, the client may not be able to buy /sell in margin/ mis in cash segment and vice versa.
Trading in illiquid scrips in Capital Market and illiquid contracts in Derivative segment	Risk of trading in illiquid scrips/ contract has been given in SEBI's risk disclosure document. Illiquid scrips are prone to market manipulation and hence exchanges, timeto time release the list of such illiquid scrips. Besides there may be some scrips with very low daily volume. These scrips may or may not be in Z or trade for trade category. The company has a policy of allowing trading in such scrips only against 100% margin. Similarly there are illiquid future & option contracts also. While the buyers of the illiquid contracts may not get exit, the seller may incur heavy loss on account of absence of counter party particularly in options. The company has a policy to restrict the trading in such illiquid option contracts and the client may not be able to trade in illiquid contracts
Stop buy or taking fresh position	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. 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
Conversion of open position in Delivery	SEBI has plans to convert open positon 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	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, the broker reserve the right to charge upto 2% per month late payment charges on the daily debit balance. However this levy of 2% should not be construed as funding to the clients. Client shall be liable to penalty and other charges on nonpayment 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 time being in force as per Rules, Regulations, Guidelines and Circulars issued by SEBI and stock exchange time to time. 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. In the case of daily trading in Margin/ MIS on higher exposure basis the outstanding position can be squared up if margin is eroded by mark to market/ loss by 80%. Further such position in Margin/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 Margin/MIS can be squared off at the discretion of the broker
Shortages in obligations arising out of internal netting of trades	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. 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, which ever is higher + upto 5% of such rate. Similar amount will be credited to 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. 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.
Early pay-in of shares	In the normal course the stock brokers makes 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.
Applicable brokerage rate & charges	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 instruct 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 paisa (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 & holding statement(s) for [BO account] are asked inspite of stipulated Digital E contract, ledger statements, transaction and holding statements.
Suspending or deregistering the client	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 writing, 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. 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 with hold the payouts of client and suspend his trading account due to his surveillance action or judicial or / and regulatory order/action requiring client suspension.
Policy relating to Dormant/ inactive account	In case the client does not trade for a period of one year (Twelve months) 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 written request from the client and on receipt of updated information related to KYC his/her account will be activated. The period of one year can be varied as per discretion of the broker.
Risk of STT levy to the in the money option holder on expiry day	An in the money option holder has the risk of additional STT (Securities Transaction Tax) levy at settlement price based on closing price of the underlying on the final expiry day. In this case, if the settlement price is higher than the strike price in case of call option or lower then the settlement price in the case of put option, then the STT is payable on settlement price. It generally happens that the incidence of STT payable is much higher than the option premium received by the client.