

## POLICY AND PROCEDURES FOR CLIENT DEALINGS

**1. Mandatory Document :** This is a mandatory / compulsory document from Broker and requires your utmost care, attention and understanding. This is an additional requirement from Broker which if contravened any rules, regulations, articles, byelaws, circulars, directives and guidelines of SEBI and Exchanges, shall be null and void. (Refer SEBI Circular No. MIRSD/SE/CIR-19/2009 Dated 03.12.2009)

**Dealing in Penny Stocks :** Generally, the Broker refuses to enter any order of clients for penny stocks. The client is required to adhere to exchange/members' guidelines and due diligence while trading in such scripts. Even trading in such scripts is very risky. As such, we the broker, do hereby warn the client not to deal in any penny stocks. However, Broker at its sole discretion, may allow or disallow the clients (on case to case basis) to deal in penny stocks, subject to rules, regulations, articles, byelaws, circulars, directives and guidelines of SEBI and Exchanges as well as considering the prevalent market and other circumstances, at related point of time. The exposure limit in such scrips shall vary from client to client subject to RMS Policy of Broker and prevalent market condition from time to time without prior notice.

**Client's Exposure Limit :** "The client's combined limit for Capital and Derivatives market, is fixed as per the Ledger balance in line with respective client's trade history / experience, if available, his financial capacity and/or credit worthiness and referrals."

**Brokerage Rate :** The Broker discloses that it shall charge a brokerage at the rate being agreed by the client with Broker (including its branches or sub-brokers) depending upon market circumstances or as may be prescribed in KYC document / Back office Software. However, the Broker shall adhere to the maximum permissible limit (presently not to exceed 2.5%) as may be prescribed by SEBI / Exchanges from time to time. On option segment of Exchanges, it is hereby disclosed that brokerage shall not exceed 2.5% of the premium amount or Rs. 100/- (per lot) whichever is higher.

**Penalty/Delayed Payment Charges by either party:** The client discloses that he/she/it is aware and agree that pay-in of Securities or Funds are required to be delivered / made to Broker on T+2 day. In case of any default or if any amount is overdue from Client over such period as may be allowed by you, penalty / delayed payment charges ranging from 12% to 21% p.a. (depending upon prevalent market rate) may be charged. However, the client discloses that he/she/it is aware and specifically agree that this is just an additional / ad-hoc facility and shall not be construed / resulted into permanent practice leading to funding by broker in contravention of applicable laws.

For **VSE Stock Services Ltd.**

Signature:

Authorised Signatory

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(Sub-Broker)

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(Client)

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**Sell of Securities or Closing Open Position :** The client also agree and confirm that in case of any delay (beyond permissible time limit as per SEBI's or Exchange's rules, regulations, bylaws, circulars and other applicable laws/provisions) or inordinate delay in market the payment or clearance of or meeting up of any obligations, dues, debit balances, margin, MTOM debit balance etc. by client, then client's open positions might be squared-off, credit balance of securities or securities lying with Broker might be sold off, credit balance of funds might be adjusted against client's obligation, debit balances or liabilities **WITHOUT ANY NOTICE** from Broker as per prevalent RMS policy from time to time.

**Shortages in Obligation and Internal Auction :** Clients are required to make Securities / Funds pay in on T+2 day. In case of default in security pay in by the client and the shortage is at member level i.e. internal shortage then close out rate is calculated as 5% above the higher closing price between trading day and pay-in day shall be recovered from the defaulting client and passed on to the respective beneficiary client.

In case of the default of securities pay-in by the client and the shortage is from the exchange, auction value of the respective exchange plus penalty (decided by the member from time to time) plus brokerage and other statutory charges shall be recovered from the defaulting client.

In the case of funds default by the client, the members shall be liquidating the stocks to recover the money. Any shortfall arising out of liquidating securities by the members shall also be recovered from the defaulting client along with interest (decided by the members from time to time).

**Restrictions/Prohibition to take further position or closing existing position :** Under any of the circumstances, such as, client's failure to meet pay-in or margin obligations or clearance of outstanding / debit balance with broker before permissible time limit or beyond such period as may be allowed by broker as per its RMS policy, the Client may not be permitted to take any fresh or further position until the full clearance of earlier dues, obligation, outstanding etc. Even, Broker can firstly setoff or adjust the payment or securities towards various dues and obligation of the client and until the full clearance of the same, shall not be allow the client to take further / fresh position.

Further, it would be the duty of the client to monitor his/her/its position with the Broker from time to time. In case of any delay or failure in meeting any obligation, margin requirements etc. from client side, broker might close the existing position or open position **WITHOUT ANY FURTHER INTIMATION** to the client as per RMS policy. Such Circumstances may include (but not limited to) :

For **VSE Stock Services Ltd.**

Signature:

Authorised Signatory

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(Sub-Broker)

\_\_\_\_\_  
(Client)  
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- (i) failure to meet pay-in obligation on T+2 day,
- (ii) delay in meeting the pay-in or margin requirement,
- (iii) delay or failure in clearance of outstanding or dues to the broker,
- (iv) returning or frequent returning of cheques of the client,
- (v) Unnecessary / Unwarranted dispute from client without any substantial cause/reason,
- (vi) Client's attitude of not coming to the amicable settlement from any dispute that can be settled without involvement of Exchange and/or SEBI,
- (vii) As per prevalent RMS policy of the Broker,
- (viii) Any direction from SEBI / Exchange or such other authorities,
- (ix) Under such other circumstances as the Broker might think just and proper on case to case basis.

**Suspension / Deregistering of Client Account :**

The Broker and/or client may suspend Client's Trading Account from further dealing in the securities market through the broker in following circumstances :

(a) as per Client's prior written request of at least 3 days submitted to Broker at its Vadodara Office duly acknowledged by Broker (subject to clearance of entire outstanding / obligations).

(b) Dormant or in-active status of client account beyond specified time limit as may be prescribed by Broker.

(c) Under any circumstances mentioned in (i) to (ix) above.

**Policy of Dormant / In-active account :**

As per Broker's RMS policy, the account in which no transaction has took place during the period of not less than 6 months (presently 12 months) or such other period from the date of last transaction, the same shall be considered as Dormant / In-active account. Such transaction date may related to any of the following date, which ever is later :

- (a) entry related to contract or bill generation for buy / sell transaction or,
- (b) entry related to payment of funds or securities by client or,
- (c) entry passed by the broker by way in JV due to any dues / obligation recoverable from client including but not limited to auction charges, any penalty amount whether or not imposed by Exchange or SEBI or other authorities etc.

For **VSE Stock Services Ltd.**

Signature:

Authorised Signatory

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(Sub-Broker)

\_\_\_\_\_  
(Client)

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To designate the client's account as Dormant / In-active account, the period of 12 months shall be counted from the last day of respective month in which any of the aforesaid last transaction took place.

In case Broker treat the account of client as a dormant / in-active account, the funds or securities lying with the broker shall be refunded / returned to client immediately on demand by the client. In order to reactive an account, client needs to instruct the Broker in writing atleast 2 days in advance at its Vadodara Office The Broker will try to promptly reactive the said account subject to fulfillment of such conditions as Broker may consider fit and proper. However, Broker may, in its own discretion, waive / reduce the period of 2 days as the circumstances may warrant on case to case basis.

2. I/We have fully read and understood about the contents of KYC Form Including Voluntary documents and do consent for the same.

I/We do hereby declare and confirm that NO ACTION\* is/was initiated / completed by SEBI or any other authority during last 3 years against me/us. In case, if any action is being initiated by SEBI or other authorities in future, I/We do hereby confirm to notify and provide required details to you.

- **Note : In case if any action is taken during last 3 years by SEBI / other authorities, details on separate page(s) with documentary support and duly signed are attached herewith.**

Name of Sub-broker: \_\_\_\_\_

Client Name: \_\_\_\_\_

Client ID : \_\_\_\_\_

For **VSE Stock Services Ltd.**

Signature:

Authorised Signatory

\_\_\_\_\_  
(Sub-Broker)

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(Client)

Place :

Date :

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