

POLICIES & PROCEDURES

a) Refusal of Orders for Penny Stocks:

“VCPL” allows their client to deal in various compulsorily dematerialized stocks listed on designated stock exchanges. However, VCPL may at anytime at its sole discretion prohibit or restrict the clients' dealing or refuse completely/partially acceptance of the orders of the client for various reasons including but not limited to the trading in penny stocks. Penny stock shall include any illiquid stocks as declared by the stock exchanges and/or illiquid options and/or dealing in far months options and/or highly speculative stocks and/or stocks having low market capitalization and/or securities which are not in dematerialized form and/or securities which are restricted/ not permitted by the stock exchanges/SEBI/VCPL.

VCPL, however, may allow solely on its own discretion, acceptance of orders of the client in penny stocks. Prior to acceptance of such orders, VCPL reserves the right to ask the client for compulsory settlement / pay full upfront margin/ delivery of securities for settlement. It is known that trading in penny stocks are highly risky and that any financial obligations/ losses thus aroused will be borne exclusively by the client alone. VCPL shall not be liable for any losses caused due to any delay in execution of such orders or any other orders/ enhancement of the limit/ limitation on order quantity/ any unexpected technical fault in the trading system. By means of internal control, VCPL may restrict such orders on Internet Based Trading terminals facilitated to the client and/or any dealer terminals operated at designated branches.

Client shall indemnify and keep indemnified the VCPL or its directors or its employees from and against any loss, claims, liabilities, obligations, damages, deficiencies, actions, suits, proceedings or liability suffered or incurred or fastened due to any partial/complete refusal and/or delay/failure in execution of the client orders in penny stocks, clients' inability to use internet based trading terminals, limit enhancement and/or by incomplete information provided by the client in relation to trade in penny stocks.

b) Setting up client's exposure limits

Setting up the client's exposure limit is subject to internal control mechanism of the VCPL where client is provided collectively a variable trading limit for placing the orders in various segments of exchanges. Normally the client exposure limit is calculated by adding the available ledger balance, cash equivalent collaterals and purchased securities in the margin account with applicable variable haircuts. The list of approved stocks for the purpose of margin consideration is provided to the client by the regulator/exchanges/VCPL from time to time.

However, the VCPL can at its sole discretion vary the applicable haircut on the approved stocks from time to time.

Client exposure limit vary as the margin components varies. However, VCPL can vary or reduce or impose the exposure limit at anytime without any prior notice to the client. VCPL shall not be responsible for any such variation or reduction or imposition or the clients' inability to route any order through the VCPLs' trading system on account of any such variation or reduction or imposition of limits.

Other factors can also influence the set client exposure limit that may include but not limited to the market condition, SEBI and/or exchange restrictions/limitations on either script-wise or VCPL-wide set limits. Exposure limits can also vary from client to client based variable factors such as financial status and/or residential status and/or risk tolerance of the client. RMS department of the VCPL shall assess and evaluate the risk involved in the transactions of each client on one to one and at any time on case to case basis. If the clients' available margin diminishes, RMS may reset the limit immediately to manage the risk exposure while and in the open market. It is provided that client shall execute his/her trades within the set limit only. If the client wishes to increase the exposure limit, client shall deposit additional fund/margins in the designated form as stated above into the designated account.

Client exposure limit for intraday, carry forward and delivery based transactions may vary from each other. Within the set exposure limit for a client, allocation of the limit may vary based on clients' transactions/position in various categories of stocks and/or in derivatives (futures and options). Defining the categories of the stock is discretionary and shall be communicated to the client from time to time. VCPL may at its sole discretion and without prior notice, prohibit or restrict the clients' ability to place orders or trades in securities due to but not limited to the reason of lack of margin or the order being outside the limits set by VCPL/exchanges/SEBI or any other reason which the VCPL may deem appropriate. Setting up exposure limit doesn't entitle any right to the client and that VCPL at any time without any notice withdraw the set exposure limit. Client shall indemnify and keep indemnified the VCPL against any loss/damage incurred due to such withdrawal of the exposure limit. Any loss thus occurred shall be borne by the client only and client shall clear all his/her/its outstanding debit balance along with any other applicable charges.

	POLICIES & PROCEDURES
c)	Applicable Brokerage Rates
	<p>The VCPL imposes the brokerage on the clients' transactions in various segments as provided by the SEBI/Exchanges/ any other competent authority from time to time. However, the maximum brokerage chargeable for each transactions in the</p> <ul style="list-style-type: none"> • Cash/Capital Market segment shall be 2.5% of the transaction value excluding statutory levies. however in capital market segment VCPL can charge brokerage upto 0.25 paisa per share if the market value of the scrip is less than Rs.10/-. • Futures contracts in derivative segment shall be 2.5% of the transaction value excluding statutory levies. • Option contracts in derivative segment shall be 2.5% of the premium amount or Rs 100 whichever is higher.
d)	Imposition of penalty/ delayed payment charges/ other charges
	<p>Clients are required to settle all their dues on time. If the client fails to settle the amount outstanding/overdue towards his/her trading or any other reasons, VCPL would impose penalty/delayed payment charges on the account(s) of the client, at such rates as may be determined by the VCPL from time to time. Not exceeding 2% per month.</p> <p>In addition, it is provided that client shall pay to the VCPL the applicable brokerage charges, all statutory charges applied by exchanges due to clients' trading/dealing in securities, penalty on clients' material default in pay-in obligation or any penalty imposed on VCPL by exchanges/SEBI/any other competent authority in relation to clients' default/action/dealing/ trading, any incidental charges such as postage, courier etc as they apply to the clients' account from time to time and any other charges/penalty as imposed to the clients' account by the VCPL due to the clients' non-performance/ misrepresentation of any facts/evidence/ commitment provided in any manner whatsoever or by any other reason as may be provided by the VCPL from time to time.</p> <p>Clients shall abide by the Member Client Agreement executed with the VCPL. VCPL at any time may impose penalty/fines on the client account if the clients' orders/trades/any action breaches the terms of this agreement. Also if the clients' any other action breaches any statutory laws/ rules/Bylaws/ regulations of the exchanges/SEBI orders and/or circulars/orders of any other competent authority in force at time, VCPL may impose fines/penalties as it deem fit. However, due to the clients' action if the VCPL has been imposed any fine/penalty by any such authority the same shall be borne exclusively by the client.</p>
e)	The right to sell clients' securities or close clients' positions, without giving notice to the client, on account of non-payments of clients' dues
	<p>The VCPL shall have the right to sell client's securities purchased which are lying in VCPLs demat account, or close out clients' positions without giving prior notice to the client to meet clients' pay-in obligation and/or delay or failure to meet the margin obligations towards his/her/its trading and/or any other reason as may be decided by the VCPL. Client would be responsible to monitor its open position and review continuously the valuation of his/her/its position in the open market. Client is aware that stock market is volatile in nature, at any time, if the clients' open position attracts the additional margin client shall immediate, whether or not communicated by any way or received any margin call, deposit in the designated account an additional fund/approved securities in the form as may be decided by the VCPL. In case, if the client fails to provide the additional margin requirement, RMS can at its own risk perception at any time without any prior information to the client sell the clients' securities or close the clients' position at market rate/price or at such rate as the VCPL deem fit. The losses/deficit if any on account of such square off by the VCPL shall be borne exclusively by the client alone.</p> <p>If the client gives orders/trades in the anticipation of the required securities being available subsequently for pay in through anticipated payout from the exchange or through borrowings or any off market delivery(s) and if such anticipated availability does not materialize in actual availability of securities/funds for pay in for any reason whatsoever including but not limited to any delays/shortages at the exchange or VCPL level/ non release of margin by the VCPL or by any other reasons, the loss which may occur to the client as a consequences of such shortages in any manner such as on account of auctions/square off/closing outs or any other manners as the case may be, shall be solely to the account of the client. The VCPL shall not be responsible for the same in any form or manner whatsoever.</p> <p>Client shall be responsible for the timely availability of funds/securities in the designated form and manner at designated time and place in designated account, for meeting his/her/its pay-in obligation.</p> <p>Margin thus provided in the form of funds/securities by the client to the VCPL are subject to the actual realization in the designated account of the VCPL. In any case if the provided fund instruments/instruction slips undergoes any clarification/verification than in such case client alone shall be responsible for any loss/</p>

POLICIES & PROCEDURES

damage/ square off/auctions/imposition of penalty or any other penalty as applied due to any delay/rejection of the instruments by the competent authority/banks/depository participants/SEBI/Exchanges/VCPL.

Client is aware and understands that if the such selling of shares is not enough to recover the any dues/debit balance in the clients' account, Stock broker can legally send the notice to the client and ask to clear the outstanding balance to avoid any legal action by the competent court of law.

f) Shortage in obligations arising out of internal netting of trades

VCPL as a member of the exchange delivers/receives securities to/from the exchange on net obligation basis in respect of a settlement. In such a process, if a client, who has sold securities, short delivers the securities, which are to be delivered to another client of VCPL, auction is not possible as positions are internal and hence it is treated as internal shortage of securities. VCPL has an internal shortage closeout policy.

So as per our internal policy, close out price in case of Internal Shortages of a symbol would be determined as below:

Any type of costs, risk, loss occurring as a result of treatment of internal shortage by VCPL shall be solely on account of client and VCPL shall not be responsible for the same. In the event a client fails to deliver to VCPL any securities that have been sold by the client to meet the sale obligation by the stipulated pay-in-time or informs VCPL of the shortage earlier, VCPL shall be entitled to obtain such securities to enable VCPL to deliver securities to the client who has purchased these securities.

If for any reason, obtaining such securities is not possible, seller delivering short shares (i.e. client failing to deliver shares against sell transactions) would be debited at the closing rate (as per bhav copy) on T+2 day or Auction day on Exchange plus additional 1%

The client on the buy side would be credited with the same amount which was debited to the defaulting (i.e. selling) client as computed above. The provisional entry, if any, debited to the short delivering client (i.e. seller) would get reversed on T+2 day.

This policy would be applicable in case of corporate action also, where the scrip is suspended or not traded in further.

g) Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client

The VCPL may not allow a client to take further position or may close the existing position of a client at any time without any prior notice to the client if they fail to meet the required margin in time. VCPL may prohibit or restrict the clients' ability to place orders or trades in securities or it may subject any order placed by the client to a review before its entry into the trading systems and may refuse to execute/allow execution of orders due to but not limited to the reasons of

- Lack of margin
- Securities or the order being for securities which are not in the permitted list of the VCPL/exchanges/SEBI
- The order being outside the limits set by the VCPL/exchanges/SEBI
- Delay in meeting pay in obligation of funds/securities
- Breach of member client agreement/ rules, Bylaws and regulations of the exchanges and/or SEBI
- Non availability/disown/default in the committed fund instruments/securities instruction slips deposited/provided for margin consideration
- Non clearance of debit balance in the trading account accumulated over five (5) days from the date of settlement.
- Client being squared off and have not provided fresh margin to place new orders
- Fail to meet mark to market losses in his/her/its open positions in various segments of exchanges
- Breach of market wide and/or client-wise permitted position limit
- Any other reasons as may be provided by the VCPL from time to time.

h) Temporary suspending or closing a client's account.

VCPL shall have right to suspend or close the client's account at its own discretion without any prior notice to the client if at any point of time the VCPL observe the followings.

- Clients' breach of any of the terms of member client agreement/ rules, Bylaws and regulations of the exchanges and/or SEBI directives.

POLICIES & PROCEDURES

- Clients' involvement in suspicious transactions, price manipulation of the securities, matching of trades and/or money laundering.
- Client has not traded in his/her/its account for last one year.
- Clients' failure to complete the KYC due diligence.
- Delivery failure of important communication from the VCPL such as contract notes, statement of account, statement of holding etc. sent to the client at its registered correspondence address, email id, mobile no. as per the record
- Under any unpleasant event such as death/disablement as reported to the VCPL
- Client restricted/ prohibited to deal in the securities by the SEBI/ Exchanges
- Clients' inability to provide important financial/ non-financial documents / any such mandatory document as may be required by VCPL from time to time and/or as directed by the exchanges/SEBI to maintain such document in the records of the VCPL.

Client can also request to the VCPL at any time in writing with atleast 15 days in advance for temporary suspension/ closure of his/her/its account. After suspension of the account, client can't place any order/trade through the trading system of the VCPL.

From the date of closure of the client account, VCPL shall be free from any/all liabilities/ obligations towards the client for any reason whatsoever and the client indemnify and keep indemnified the VCPL from any such liabilities/loss/damage/ suit/ proceedings arising from or in respect of transactions entered into prior to such closure / suspension.

If the client wishes to reactivate his/her/its account requested temporarily to be suspended by the client, client shall fulfill the KYC norms of the VCPL and submit the necessary details to the VCPL.

After closing of the account and upon request of the client, all assets (funds/securities) will be returned, after the necessary adjustment/settlement of his/her/its dues if any, to his/her/its designated bank account/ depository as per the information provided by the client to the VCPL.

i) Deregistering a client

VCPL at its sole discretion at any time without any notice to the client terminate the member client agreement with immediate effect and deregister the client in any of the following circumstances:

- If the action of the client are prima facie illegal/improper or such as to suspicious transaction or manipulate the price of any securities or facilitating money laundering/terrorist financing or disturb the normal/proper functioning of the market, either alone or in conjunction with others.
- If the client is in breach of any of the term, condition or covenant of member client agreement or any other agreement executed with the stock broker or is in breach of any rules, Bylaws and regulations of the exchanges or SEBI directives or appears in the list SEBIs' debarred entity.
- If there is any commencement of a legal process against the client under any law in force
- On the death/lunacy or other disability of the client.
- If the client has been declared/filed its bankruptcy or insolvency
- If the client, him/her/itself admitted its inability to pay his/her/its dues towards his/her/its obligations.
- Before deregistering the client, VCPL shall have right to settle any dues/debit balance in the clients' account by selling the securities lying in the margin account and/or beneficiary account of the client.
- Either party can terminate the agreement between the parties upon written notice of atleast 30 days in advance. Any such termination by either party or deregistration by the VCPL shall not affect any/all rights, obligations and liabilities of the parties arising out or in respect of the transactions entered/executed into prior to termination/deregistration.

j) Client Acceptance and Acknowledgment:

I/we have fully read the clauses and contents of these policies and procedures of VCPL. and do here by acknowledge the same and give my/our clear consent to you not to question the validity, enforceability and applicability of any provisions of this policy and procedure document under any circumstances whatsoever.

I/we understand and acknowledge that these policies and procedures are subject to change/amend and thus any change(s)/amendment(s) shall be incorporated in the document and placed/updated on the

POLICIES & PROCEDURES

I/we here by acknowledge and confirm my/our unconditional acceptance to follow these policies and procedures, any subsequent amendments made there to and the member client agreement and any other agreement(s) executed between the parties.

I/we acknowledge that a copy of this document is available on the website www.vardhamancapital.co.in and I/we are referred to the website contents and update regularly myself/ourselves for any amendment made to this document from time to time.

I/we acknowledge that in case of any dispute/ grievance arising in dealing between me/us and the VCPL, this policy and procedure document shall be referred compulsorily before any legal suit/ court proceeding/arbitration or to any other adjudicating authority.

I/we also acknowledge that the copy of this document shall be made available to me/us on my/our request to the info@vardhamancapital.net or on a telephonic request to the Help Desk at +91-33-68202020.

 Signature of Client

D	D	M	M	Y	Y	Y	Y

TARIFF SHEETS/BROKERAGE SLAB

Segment	Delivery		Square Off		Remarks	Risk Category
	(%)	(Paisa)	(%)	(Paisa)		
Cash						
Futures						
Options						
(The above rates are exclusive of STT/CTT, GST, Stamp Duty, SEBI Fee, Transaction Charges & other charges, if any, which will be separately charged as per applicable rates from time to time.)					 Signature of the Client	

FOR OFFICE USE ONLY

	Name, Designation, Code of the Employee	Signature	Date
Documents Verified with Originals		✓	
Client Interviewed by		✓	
In-Person Verification Done by		✓	

We undertake that we have made the client aware of 'Policy and Procedures', tariff sheet and all the non-mandatory documents. We have also given/sent him a copy of 'Rights and Obligations' document (s), Risk Disclosure Document (RDD), Guidance Note and made him aware of the contents therein. We have given/sent him a copy of all the KYC documents. We undertake that any change in the 'Policy and Procedures', tariff sheet and all the non-mandatory documents would be duly intimated to the clients. We also undertake that any change in the 'Rights and Obligations' and Risk Disclosure Document (RDD) would be made available on our website for the information of the clients.

Name of the Authorised Signatory		Seal/Stamp of the Intermediary							
✓ Signature of the Authorised Signatory	<table border="1"> <tr> <td>D</td><td>D</td><td>M</td><td>M</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td> </tr> </table>		D	D	M	M	Y	Y	Y
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VARDHAMAN CAPITAL PRIVATE LIMITED