

VED BROTHERS SECURITIES PVT LTD CLIENT RISK MANAGEMENT POLICY



Background

This Client Risk Management Policy (CRMP) is issued to meet inter alia

- Directions of Securities and Exchange Board of India (SEBI)
- Directions issued by Market Infrastructure Institutions (MIIs)
- Internal good practices.

Ved Brothers Securities Pvt Ltd (VBSPL) is a member of the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and is registered with SEBI as a stockbroker with SEBI Registration Number INZ000273631. VBSPL is currently active in the Cash Market and the Futures and Options/ Equity Derivatives Segment.

Various clients trade with VBSPL. To manage the risk of such trading and to comply inter alia with the requirements of law, the following updated Client Risk Management Policy is being issued for the knowledge and information of the clients, employees, Authorized Persons and other stakeholders of VBSPL.

1. All of VBSPL's clients are required to provide:

- 100% funds before purchasing the securities in cash segment
- Advance early pay-in of securities before selling securities in the cash segment
- 100% margins before trading in the equity derivative segment in 50:50 cash non-cash ratio

and limits will be set accordingly. Orders not fulfilling the above criteria may be rejected on the ground of "not as per CRMP".

2. Restriction of further exposure on T + 5 days

For any client continuously in debit for more than 5 days, further buying/ exposure would be stopped and only sale/ exposure reduction will be permitted till debit is cleared.

3. Non meeting of settlement obligations

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Wherever settlement obligations are not met per the MII deadlines, VBSPL will square up the positions/ sell collateral in the market after giving notice the day prior.

CRO/ DCRO may at their discretion give extra time (to the extent permitted by law) to meet the settlement obligations based on request (one time or standing) made by the clients to VBSPL/ its dealers/ its Authorized Persons.

In case of account still being in debit post square up the positions/ selling of collateral, notices to be issued and thereafter arbitration will be filed against the clients.

4. Transfer of Securities

In case of securities not fully paid up, the securities will be transferred in the form of Client Unpaid Securities Pledgee Account (CUSPA) pledge to the client demat account. The clients will have an alternate option (where permitted by law) to provide the securities in the form of a Margin Pledge as an alternative to CUSPA pledge.

5. Approval

This revised policy has been approved at a meeting of the Directors of VBSPL and is subject to annual review.