

POLICIES AND PROCEDURES

This document contains the general policies and procedures adopted by Vibrant Securities Pvt Limited in line with SEBI directives as per Circular No. MIRSD/SE/Cir-19/2009 dated 3 December, 2009, which will have a bearing on the client's dealings with Vibrant Securities Pvt Limited (VSPL) and vice versa. **Client is requested to take note of the following policies and procedures before placing orders for security trading:**

a) Refusal of Orders for penny stocks:

Penny stocks are illiquid stocks generally of small companies and such stocks are traded infrequently and generate very low volume. Details of illiquid stocks are circulated by the Stock Exchanges every month in their websites.

Clients may note that Vibrant Securities Pvt Limited (VSPL) will not encourage trade in penny stocks.

b) Setting up client's exposure limit:

It is the policy of VSPL to set down rules and modalities for setting up exposure limits for its clients. Exposure limits are set taking into consideration the market volatility, risk perception about the trading client, and availability of shares in client margin account. The exposure limit is set as an integer of the clear balance available for the client, viz. balance in the trading account and value of shares held in Margin/Hold-on accounts after appropriate hair-cuts and such limits may vary from client to client depending on the risk perception and value of clients. Depending on the market dynamism exposure limit may undergo change even during a day.

c) Applicable Brokerage Rate:

The brokerage rates are fixed at the time of opening of trading account. If for any reason brokerage rate is revised upward, this will be done with prior intimation to the client and the rates would be maintained within the permissible ceiling rates prescribed by the Stock Exchanges.

d) Imposition of penalty/delayed payment charges:

It may be noted that VSPL has the right to charge penalty/delayed payment charge in the event of client's failure to make payment against purchase within the stipulated period for any outstanding debit balance in his trading account. The discretion to levy such charge in the trading account, at a rate not exceeding 2% per month, will solely rest with VSPL without any reference to the client.

e) Payment for purchase of security has to be made by the client through account payee cheque only from the declared bank a/c of the client favoring Vibrant Securities Pvt Ltd. No third party cheque is acceptable. Client should arrange for deposit of such cheque well in advance as the date on which clear fund available in the bank account of VSPL that would be treated as the date of having received the payment although a receipt may be issued at an early date for the cheque given by the client. VSPL would present the cheques in clearing and would not be responsible for any delay due to clearing in the banking system.

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

A client is not allowed to take further position or the existing position of a client can be closed on the following conditions:

- 1) If the ledger of a client shows continuous debit balances.
- 2) If there is erosion in the available cushion during the day- for example, if there is drop in available margin value by more than 50% the client may be refused to take any further position in cash segment against the same margin and existing positions in F&O segments may be closed out.
- 3) If the margin deposited by the client is insufficient vis-à-vis the exposure assumed by the client.
- 4) If the dues are not settled by the client.
- 5) If the exchange is not allowing any further position in that scrip.
- 6) If broker's limit of taking exposure in that particular scrip comes to an end
- 7) Any other reasons as considered prudent by VSPL. By way of illustration these may be irrational/illogical behaviour of the client by which the working atmosphere of the branch of VSPL may be affected, false and unfounded allegations which have a bearing on VSPL reputation brought by the client etc.

g) Temporarily suspension or closure of client's account at the client's request:

The account of the client shall be suspended /closed on receipt of written request from the client, provided there are no dues from the client. For accounts suspended on the client's request, the same can be reactivated only after receiving a written request for the same from the client.

i) Deregistration of a client:

A client shall be deregistered upon fulfillment of the following conditions:

- a) On receipt of the specific request from the client to deregister himself and to close his accounts, provided there are no dues from the client to VSPL.
- b) On account of breach of terms and conditions of the agreement by the client.
- c) On account of any action taken by SEBI/Stock Exchange/ any other authority against the client thereby debarring him from accessing the securities market.

Deregistration will be done after effecting full and final settlement of the accounts and securities of the client.