

POLICIES AND PROCEDURES

- **Penny Stocks :**

Penny stocks may inter alia include those classified by BSE/NSE as 'T'/'TS'/'Z' group stocks in Cash Segment.

Trading in 'T'/'TS'/'Z' group scrips are permitted with quantitative and other restriction as may be announced by the Exchanges from time to time and may even attract upfront payment of margin upto 100 percent. Trading in 'Z' group scrips may be blocked and not permitted for diverse reasons at the member's discretion.

- **Exposure Limits :**

Exposure limits for the trading by any client will be based on segment wise financial ledger balances (credits) of NSE Cash/NSE F & O/NSE Currency Derivatives or BSE Cash/BSE F & O segments or any other segment that may be introduced by the Exchanges and the stocks made available by the client with applicable hair cut on values). 'T' and 'Z' group securities will not be considered for fixing the exposure limits and F & O exposure limits will be granted on approved stocks only.

In case of Ledger debit, only delivery based sale transactions will be permitted.

Exposure limit multiples are subject to change and may vary depending on prevailing market conditions, client's profile or other factors. The member can alter/change it with or without intimation to constituents at its sole discretion.

- **Brokerage :**

The member can charge a maximum brokerage of 2.5% of the trade value and the same will be within the prescribed limit on the trade value exclusive of statutory levies but inclusive of sub-brokerage, if any.

- **Penalty/Delayed Payment Charges :**

Any penalty imposed by SEBI, the Exchanges, or any other regulatory authority for violation of trading or dealing regulations or restrictions, by or on behalf of any constituent, will be debited to the constituent's ledger account. The constituent shall be liable to pay the same as and when called upon by the Member.

The Member shall also be entitled to recover the following charges from the Client:

(i) For non-fulfilment of margin obligations, including cases where cash and cash equivalents constitute less than 50% of the total margin required, from the day of such shortfall until it is fully regularized.

(ii) For utilization of margin in the Derivatives segment in excess of 90% of the total collateral available for use by the Client.

(iii) For non-payment of dues by the Client, where the delay extends beyond the prescribed period of T+1 day in respect of Cash and F&O transactions, including margins and/or mark-to-market losses, from the date of delay until the date of actual realization of funds by the Member.

Such charges shall be levied at the rate of up to 24% per annum on the amount of shortfall, excess utilization, or debit balance, as the case may be. The rate may be revised by the Member with prior intimation to the Client.

- **Right to sell shares and close positions :**

The member shall be entitled to liquidate/close out all or any of the constituent's position including any collateral for non-payment of outstanding debit including the margins etc. and adjust the proceeds of such liquidation/close out, if any, against the constituent's liabilities/obligations/debit balance.

The member reserves the right to decide upon the threshold limits for liquidation of constituent's positions. The constituent understands and agrees to Mehta Equities Ltd. communicating such threshold limits periodically, orally, and/or through e-mails, written correspondences through its trading terminals, branch representative, website and SMS or any other mode.

However, in the event of extreme volatility and/or constituent's open (outstanding) position resulting in marked to market losses beyond the member's thresholds any time during a Trading Session, and/or constituent's positions or collateral being unsaleable, the member may be forced to liquidate any of the constituent's available positions and collateral even during the course of a trading session without prior intimation to the constituent.

- **Temporary suspension or closing and re-activation of account on constituent's request :**

In the under-mentioned circumstances, the constituent's account may be temporarily suspended and may be reactivated on written request from the constituent:-

The member will be entitled to claim from the client delayed payment charges/interest/late payment charges for non-fulfilment of obligations/non-payment of dues by the client when such delay extends beyond the prescribed period of T+1 day in case of cash and FNO segment transactions, including margins and/or M to M losses. The delayed payment charges will be calculated @18% p. a from the date of delay to the date of payment on the amount covered by the delay. The said period and the rate may be varied by the member under intimation to the client.

- (i) Constituent not stationed in town for trading and/or gives a written request accordingly.
- (ii) Account has been inoperative for a period of 6 months.
- (iii) If any discrepancies are found by the Surveillance Department.
- (iv) On account of non-compliance of any requirement of the Exchanges/SEBI or any other statutory authority.
- (v) Any grievance raised by/against the constituent.

- **A client may be de-registered in the following events :**

- (i) On a written request from the client.
- (ii) If the client is debarred by SEBI or any other authority.
- (iii) If any regulatory action is initiated/taken against the constituent.

- **Policy for inactive clients :**

Any Client who has not traded in any segment of any of the Exchanges with Mehta Equities Ltd. for the last two year calculated from the beginning of every financial year or such other period as may be decided by Mehta Equities Ltd. at its sole and absolute discretion, then such client would be termed as a Dormant/Inactive Client.

The broking/trading account of such client shall be de-activated/suspended temporarily by Mehta Equities Ltd. If the client wants to activate the broking/trading account then a request for re-activating the broking/trading account should be sent in writing/via e-mail (through e-mail ID registered with Mehta Equities Ltd.) to Mehta Equities Ltd. Such request for re-activation should be accompanied along with such documentary evidence as may be specified by Mehta Equities Ltd. from time to time.

- **Shortage in obligation of trades:**

In case of Purchase: If delivery of securities is not effected in a purchase transaction, the buyer's account shall be credited by the Exchange at the close-out price, after deduction of all applicable charges, levies, and statutory fees.

In case of Sale: If the seller fails to deliver the securities on the scheduled settlement date, the seller's account shall be debited at the auction price determined by the Exchange for the relevant security, along with all applicable charges, penalties, and statutory levies as prescribed by the Exchange.