



## **MATA – POLICY & PROCEDURE**

This document contains important information connected to trading and all prospective constituents should read this document before commencing trading.

### **POLICY OF PENNY STOCKS:**

Any stock which is trading on a stock exchange at a price less than a face value is defined as a penny stock. Further, such stocks may be fundamentally weak in terms of net worth, sales, market capitalization and / or profitability and may have violated provisions of the Listing Agreement of the exchange in which they are listed or have large number of investors' complaints pending against them.

Mata Securities India Private Limited (the member) can refuse or restrict the client from placing an order for penny stock, as the list of illiquid securities issued by the exchanges from time to time, small cap stocks which quote below face value, illiquid stocks, Z to T group securities and any other securities restricted to the member based on its internal evaluation. The member shall have the absolute discretion to accept, refuse or partially accept; any buy or sell order from a client in respect of such securities. The exposure limit shall vary subject to the member's discretion based on the prevalent market condition from time to time. The member shall not be responsible for any delay in execution, opportunity or financial loss to the client. The member shall have the prerogative to place such restrictions, notwithstanding the fact that the client has adequate credit balance or margin available and / or had previously brought / sold such stocks through the member.

### **SETTING UP EXPOSURE LIMIT**

The member has absolute discretion in setting the exposure limit of a client.



Exposure varies from time to time. The member may provide exposure limit for intraday and delivery for buying and selling based on ledger balance, stocks purchased, value of securities and collaterals computed after and selling based on ledger balance, stocks purchased, value of securities and collaterals computed after appropriate haircut (as decided by the member from time to time). This limit can be increased only after an analysis of credit balance of funds / securities in line with respective client's trade history / experience, his financial capacity and/ or credit worthiness and referrals and such other criteria and solely at the member's discretion. In case where the payment by the client towards the margin is made through a cheque issued in favor of the member, any trade(s) would be executed by the member only upon the realization of the funds of the said cheque or at the discretion of the member. 100% credit balance is required in the trading account for trading in trade to trade scrips. The member shall have absolute authority to restrict the volume of business (including exposure limit, order quantity limit, turnover limit as to the number, value and / or kind of securities in respect of which orders can be placed, the company's in respect of whose securities orders can be placed etc) depending up on

1. the volatility in the market
2. in view of impending price sensitive announcements
3. any restrictions in relation to volume of trading / outstanding business or margins stipulated by any exchanges
4. political instability in the country
5. presence of any other price sensitive factors
6. Failure by the client to maintain the applicable collateral / margin; and / or delays by the client in meeting its obligations / dues relating to the business / dealings done under this agreement of pursuant to any other agreement between the client and the stock broker, including but not limited to the general terms and conditions.



## **APPLICABLE BROKERAGE RATE:**

The Member is eligible to change brokerage with respect to transactions effected by it in various segment as mentioned here in below.

**For Capital Market Segment:-** the maximum brokerage in relation to trades effected in the securities admitted to dealings on the Capital Market Segment of the exchange shall be 2.5 % of the contract price exclusive of statutory levies. It is further clarified that where the sale / purchase price value of a share is Rs. 10/- or less, a maximum brokerage of paise per share may be charged.

**For Options Contracts:** - Brokerage for options contracts shall be charged on the premium amount at which the option contract was bought or sold and not on the strike price of the option contract. The brokerage on option contracts shall not exceed 2.5% of the premium amount of Rs. 100 (per lot) whichever is higher.

- a. The Member may charge different brokerage for delivery and intra day transactions.
- b. The clients have to send request for any change in brokerage rate in writing to the member. Acceptance / rejection of such request are at the discretion of the member.
- c. Other levies charges, services tax etc. will be charged on brokerage as per the rules prescribed by the government / regulatory agencies. All the above charges and levies debited to clients would be mentioned in the contract note sent to clients.

## **DELAYED PAYMENT CHARGES:**

Any amounts which are overdue from the client to the member will be charged delayed payment charges at the rate of 24% per annum or such other rate as



may be determined by the member from time to time and notified in advance, which will be debited to the amount of the client at the end of each month.

**SALE OF SECURITIES / CLOSE OUT IN CASE OF DEFAULT BY THE CONSTITUENT:**

In case a client fails to make payment of consideration to the member of any or more securities purchased by him/her, before the pay-in date notified by the exchange from time to time, the member shall be at the liberty to sell the securities received in pay-out, in proportion to the amount not received, after taking into account any amount lying to the credit of the client, by selling equivalent securities at any time on the exchange not later than the fifth trading day reckoned from the date of pay-in. If the securities are not sold for any reason whatsoever, such securities shall be deemed to have been closed out at the close out price declared by the exchange for the fifth trading day. Loss, if any, on account of the closeout shall be to the client's account.

In case a client fails to deliver any one or more securities to the member's pool account in respect of the securities sold by him / her, before the pay-in date notified by the exchange from time to time, such undercharged obligation in relation to delivering any one or more securities shall be deemed to have been closed out at the auction price or close out price, as may be debited to the member of the close out the price on the date of pay out declared by the exchange. Losses, if any will be to the account of the client.

If the payment / securities towards the margin or the shortfall in margin is not received instantaneously to enable restoration of sufficient margin in the client's account, all or some of the positions of the client may be squared off or the securities placed as margin by the client may be sold off by the member at its own discretion, "without any further reference to the client and without prior



notification, and any resultant or associated losses that may occur due to such squaring off or sale of securities shall be borne by the client.

### **SHORTAGES IN OBLIGATION ARISING OUT OF INTERNAL NETTING OF TRADES:**

In case of purchase of securities by the client, some times Member may be unable to deliver the securities to the said purchaser on the payout day due to non-receipt of the securities from another client of Member who has sold the securities against the said purchase transactions. In case of such short delivery, the securities shall be delivered to the purchaser as per the policy of the company as amended from time to time.

The present policy for the shortages arising out of the internal netting of trades is given below:

1. Internal short selling positions will be squared off @ 5% plus over and above the T+3 closing price or actual buy rate which ever is higher. And the same will be credited to buyer.
2. Auction Squaring Credit will be intimated to the buyer on the day of credit (T+3 day).
3. One percent (1%) penalty charge will be imposed on the total auction price for all auction trades. This penalty is being imposed to discourage the practice of short selling among the clients.

The internal shortages are marked against the clients randomly at the sole discretion of member, taking in to account of the delivery obligation through respective exchange. Member shall not be responsible for the losses to the



client on account of such shortages. Under such cases, no further claims shall lie between the client and member.

**CONDITIONS UNDER WHICH A CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITION OR THE BROKER MAY CLOSE THE EXISTING POSITION OF A CLIENT**

As per the RMS policy of the company, a client may take exposure only upto the amount of margin available. The client may not be allowed to take position in case of non availability / shortage of margin. The existing position of the client is also liable to square off/close out without giving notice due to shortage of margin / not making payment for their pay in obligation /outstanding debts.

**TEMPORARY SUSPENSION / CLOSURE OF ACCOUNTS:**

The client may request member for temporary suspension / closure of his trading account by sending a written request. For executing the request, the client would be required to clear all his dues / settlement of obligations before his account is temporarily suspended.

Incase the client account is inactive (No Transaction) for more than 6 months, member, may suspend the trading account temporarily. For removing the suspension the client has to provide written request along with any documents has required by member for updating the KYC records. Along with this client is also required to pay any due in his account.

**DEREGISTERING A CLIENT:**

In all cases of non-payment, fraud, malpractice, violation of rules and regulations by the client, debarred by SEBI or any other regulatory authority, if



a client appears to be indulging in manipulative practices, violates any of the terms of the agreement or if the continued association with the client is prejudicial to the interest of member and the market in general, at the absolute discretion of member, the account shall be suspended to cancelled of the client shall be deregistered with or without notice of 30 days or of a lesser tenure as the case may be.

A client, if wishes to deregister his/her account, he/she has to give a written request for the same to member, and pay of all his/her dues.