



## **MARGIN TRADING FACILITY (MTF)**

Findoc Investmart Private Limited. (FIPL), member of National Stock Exchange of India Limited (NSE), BSE Limited (BSE) is eligible to provide Margin Trading Facility (MTF) in NSE and BSE to its clients in accordance with prescribed guidelines, rules and circulars issued by SEBI / Stock Exchanges from time to time. The Rights & Obligations / Terms & Conditions for MTF prescribed hereunder form part of account opening form, shall be read in conjunction with the rights and obligations as prescribed under SEBI circular no. CIR/ MIRSD/ 16/ 2011 dated August 22, 2011, SEBI Circular No. CIR/MRD/DP/54/2017 Dated June 13, 2017 any other subsequent circular issued in this regards and the Rules, Regulations, Bye laws, Rights and Obligations, Guidelines, circulars issued by respective Stock Exchanges from time to time.

### **RIGHTS & OBLIGATIONS OF STOCK BROKERS & CLIENTS** **FOR** **MARGIN TRADING FACILITY (MTF)** **AS PRESCRIBED BY NSE:**

#### **CLIENT RIGHTS**

1. Client shall receive all communications in a mode mutually agreed between the broker and the client regarding confirmation of orders/trades, margin calls, decision to liquidate the position / security.
2. Client shall be free to take the delivery of the securities at any time by repaying the amounts that was paid by the Stock Broker to the Exchange towards securities after paying all dues.
3. Client has a right to change the securities collateral offered for Margin Trading Facility at any time so long as the securities so offered are approved for margin trading facility.
4. Client may close / terminate the Margin Trading Account at any time after paying the dues.

## **CLIENT OBLIGATIONS**

1. Client shall, in writing in his own hand or in any irrefutable electronic method, agree to avail of Margin Trading Facility in accordance with the terms and conditions of Margin Trading Facility offered by the broker, method of communication for confirmation of orders/trades, margin calls and calls for liquidation of collateral/security/position.
2. Client shall inform the broker of its intent to shift the identified transaction under Margin Trading Facility within the time lines specified by the broker failing which the transaction will be treated under the normal trading facility
3. Client shall place the margin amounts as the Stock Broker may specify to the client from time to time.
4. On receipt of „margin call“, the client shall make good such deficiency in the amount of margin placed with the Stock Broker within such time as the Stock Broker may specify.
5. By agreeing to avail Margin Trading Facility with the broker, client is deemed to have authorized the broker to retain and/or pledge the securities provided as collateral or purchased under the Margin Trading Facility till the amount due in respect of the said transaction including the dues to the broker is paid in full by the client.
6. Client shall lodge protest or disagreement with any transaction done under the margin trading facility within the timelines as may be agreed between the client and broker.

## **STOCK BROKER RIGHTS**

1. Stock Broker and client may agree between themselves the terms and condition including commercial terms if any before commencement of MTF.
2. Stock broker may set up its own risk management policy that will be applicable to the transactions done under the Margin Trading Facility. Stock broker may make amendments there to at any time but give effect to such policy after the amendments are duly communicated to the clients registered under the Margin Trading Facility.
3. The broker has a right to retain and/or pledge the securities provided as collateral or the securities bought by the client under the Margin Trading Facility.
4. The broker may liquidate the securities if the client fails to meet the margin call made by the broker as mutually agreed of liquidation terms but not exceeding 5 working days from the day of margin call.

## **STOCK BROKER OBLIGATIONS**

1. Stock broker shall agree with the client the terms and condition before extending Margin Trading Facility to such client. However, for clients who already have existing trading relationship and want to avail of Margin

- Trading Facility, stock broker may take consent in writing in his own hand or in any irrefutable electronic method after stock broker has communicated the terms and conditions of Margin Trading Facility to such existing clients.
2. The terms and conditions of Margin Trading Facility shall be identified separately, in a distinct section if given as a part of account opening agreement.
  3. The mode of communication of order confirmation, margin calls or liquidation of position/security shall be as agreed between the broker and the client and shall be in writing in his own hand or in any irrefutable electronic method. Stock broker shall prescribe and communicate its margin policies on haircuts/ VAR margins subject to minimum requirements specified by SEBI and exchanges from time to time.
  4. The Stock Broker shall monitor and review on a continuous basis the client's positions with regard to MTF. It is desirable that appropriate alert mechanism is set up through which clients are alerted on possible breach of margin requirements.
  5. Any transaction to be considered for exposure to MTF shall be determined as per the policy of the broker provided that such determination shall happen not later than T + 1 day.
  6. If the transaction is entered under margin trading account, there will not be any further confirmation that it is margin trading transaction other than contract note.
  7. In case the determination happens after the issuance of contract, the broker shall issue appropriate records to communicate to Client the change in status of transaction from Normal to Margin trading and should include information like the original contract number and the margin statement and the changed data.
  8. The Stock Broker shall make a „margin call“ requiring the client to place such margin; any such call shall clearly indicate the additional/deficient margin to be made good.
  9. Time period for liquidation of position/security shall be in accordance declared policy of the broker as applicable to all MTF clients consistently. However, the same should not be later than 5 working (trading) days from the day of „margin call“. If securities are liquidated, the contract note issued for such margin call related transactions shall carry an asterisk or identifier that the transaction has arisen out of margin call.
  10. The daily margin statements sent by broker to the client shall identify the margin/collateral for Margin Trading separately.
  11. Margin Trading Accounts where there was no transactions for 90 days shall be settled immediately.
  12. The stocks deposited as collateral with the stock broker for availing margin trading facility (Collaterals) and the stocks purchased under the margin trading facility (Funded stocks) shall be identifiable separately and there shall not be any comingling for the purpose of computing funding amount;
  13. Stock Broker shall close/terminate the account of the client forthwith upon

receipt of such request from the client subject to the condition that the client has paid dues under Margin Trading Facility.

### **TERMINATION OF RELATIONSHIP**

1. The margin trading arrangement between the stock broker and the client shall be terminated; if the Stock Exchange, for any reason, withdraws the margin trading facility provided to the Stock Broker or the Stock Broker surrenders the facility or the Stock Broker ceases to be a member of the stock exchange.
2. The MTF facility may be withdrawn by the broker, in the event of client committing any breach of any terms or conditions therein or at any time after due intimation to client allowing such time to liquidate the MTF position as per the agreed liquidation terms without assigning any reason. Similarly, client may opt to terminate the margin trading facility in the event of broker committing any breach of any terms or conditions therein or for any other reason.
3. In the event of termination of this arrangement, the client shall forthwith settle the dues of the Stock Broker. The Stock Broker shall be entitled to immediately adjust the Margin Amount against the dues of the client, and the client hereby authorizes the Stock Broker to make such adjustment.
4. After such adjustment, if any further amount is due from the client to the Stock Broker, the client shall settle the same forthwith. Upon full settlement of all the dues of the client to the Stock Broker, the Stock Broker shall release the balance amount to the client.
5. If the client opts to terminate the margin trading facility, broker shall forthwith return to the client all the collaterals provided and funded securities retained on payment of all the dues by clients.

### **RIGHTS AND OBLIGATIONS RELATING TO MARGIN TRADING FACILITY PROVIDED BY STOCK BROKER/ TRADING MEMBER TO CLIENTS AS PRESCRIBED BY BSE.**

1. Stock Broker/ Trading Member is eligible to provide Margin Trading Facility (MTF) in accordance with SEBI & Exchange Guidelines as specified from time to time.
2. Stock Broker/ Trading Member desirous of extending MTF to their clients is required to obtain prior permission of BSE. Stock Broker/ Trading Member may note that BSE has the right to withdraw the permission at anytime.
3. Stock Broker/ Trading Member shall extend the MTF to the client, on such terms and conditions as specified by the Stock Exchange / SEBI from time to time. Stock Broker/ Trading Member and the client shall abide by the requirements of the margin trading framework, including rights and obligations, as prescribed by Stock Exchange/ SEBI/ Stock Broker/ Trading Member.

4. Stock Broker/ Trading Member shall intimate all the terms and conditions, including maximum allowable exposure, specific stock exposures etc., as well as the rights and obligations to the client desirous of availing MTF.
5. Stock Broker/ Trading Member may, at its sole and absolute discretion, increase the limit of initial and/or maintenance margin, from time to time. The Client shall abide by such revision, and where there is an upward revision of such margin amount, he agrees to make up the shortfall within such time as the StockBroker/ Trading Member may permit. It may however, be noted that the initial/ maintenance margins shall never be lower than that prescribed by Stock Exchange/ SEBI.
6. Stock Broker/ Trading Member shall provide MTF only in respect of such shares, as may be permitted by Stock Exchange/ SEBI.
7. Stock Broker/ Trading Member shall liquidate the securities and other collateral, if the client fails to meet the margin call to comply with the margin requirement as specified by Stock Exchange/ SEBI/ Stock Broker/ Trading Member. In this regard, Stock Broker/ Trading Member shall also list down situations/ conditions in the which the securities may be liquidated (Stock Broker/ Trading Member to list down situations/ conditions):
8. Stock Broker/ Trading Member shall not use the funds of one client to provide MTF to another client, even if the same is authorized by the first client.
9. The stocks deposited as collateral with the Stock Broker/ Trading Member for availing margin trading facility (Collaterals) and the stocks purchased under the margin trading facility (Funded stocks) shall be identifiable separately and no comingling shall be permitted for the purpose of computing funding amount.
10. IPF shall not be available for transactions done on the Stock Exchange, through MTF, in case of any losses suffered in connection with the MTF availed by the client.

The rights and obligations prescribed hereinabove shall be read in conjunction with the rights and obligations as prescribed under SEBI circular no. CIR/ MIRSD/ 16/ 2011 dated August 22, 2011.

**POLICIES & PROCEDURES FOR MARGIN TRADING FACILITY**  
**AS PRESCRIBED BY FINDOC INVESTMART PRIVATE**  
**LIMITED.**

**APPLICABILITY**

1. We, Findoc Investmart Private Limited (FIPL), are member of National stock Exchange of India Limited (NSEIL), BSE Limited (BSE) and Metropolitan Stock Exchange of India Limited and are eligible to provide Margin Trading Facility (MTF) in National stock Exchange of India Limited (NSEIL) and BSE Limited (BSE) to our clients in accordance with prescribed guidelines Rules and circulars issued by Stock Exchanges / SEBI from time to time.
2. Providing Margin Trading Facility (MTF) shall be at the discretion of FIPL. Client's request for availing MTF may be rejected without assigning any reason.
3. Transactions / Trades executed under MTF are subject to "Policy & Procedures for MTF" as specified by FIPL. FIPL may amend the policies from time to time according to its risk perceptions and inform the Clients of the amendments made. Any modifications to the terms and conditions shall be intimated to the Clients, except otherwise for the clauses specified separately.
4. In addition to Right and Obligation as specified by Exchanges and SEBI, the client agrees to abide by the terms & conditions as enumerated hereafter in "Policy & Procedures for MTF". Further, FIPL and clients agree to abide by any other requirements of the margin trading framework, including other rights and obligations, if any, prescribed by the Stock Exchange/ SEBI/ FIPL from time to time.
5. This policy prescribed herein below shall be read in conjunction with the framework for Margin Trading Facility as prescribed under SEBI Circular No. CIR/MRD/DP/54/2017 dated June 13, 2017, the circulars relating to MTF issued by the Stock Exchanges/SEBI, any modifications thereto from time to time and the Policies and Procedures as prescribed by FIPL and the terms and conditions as mutually agreed between the client and FIPL.

**ELIGIBLE SECURITIES & MARGIN**

6. Securities specified under "*MTF APPROVED CATEGORY LIST*" by FIPL from time to time which must be a part of "Group I" security as per Exchanges /SEBI shall be eligible for margin trading facility. FIPL reserves the right to include or exclude any Securities from its "*MTF APPROVED CATEGORY LIST*"

as per the discretion of Risk Management Committee without any prior intimation.

7. The client shall maintain the following initial margin, in order to avail margin trading:

<b>Category of Stock</b>	<b>Applicable margin</b>
Group I stocks available for trading in the F & O Segment	VaR + 3 times of applicable ELM*
Group I stocks other than F&O stocks	VaR + 5 times of applicable ELM*

\*For aforesaid purpose, the applicable VaR and ELM shall be as per CapitalMarket segment for a particular stock. Based on the risk assessment, FIPL shall have the discretion to impose/collect higher margin than the margin specified above without any prior intimation to the client.

8. The Client shall maintain the Maintenance Margin with the member at all the times.
9. The client may pay Initial Margin in the form of cash, cash equivalent, or "Group I" Equity securities with appropriate hair cut as specified in SEBI Master Circular No. SEBI/HO/MRD/DP/CIR/P/2016/135. Where the margin is made available by way of securities, the stock broker is empowered to decline its acceptance of any securities as margin and/or to accept it at such reduced value as the stock broker may deem fit by applying haircuts or by valuing it by marking it to market or by any other method as the stock broker may deem fit in its absolute discretion.
10. Applicable Margin on the securities purchased i.e. "Funded Securities" under MTF shall be computed by grossing applicable margin i.e. minimum initial margin plus maintenance margin, if any, on each security and accordingly shortage shall be computed by deducting available margin from gross margin. Collateral shares and Funded Shares shall be marked to market daily for the purpose of computing the margin/shortage of margin.

## **MODE OF COMMUNICATION**

11. Any communication between FIPL and the client shall be made in any one or more of the following ways:
- i. Telephonic Calls
  - ii. Sending by SMS
  - iii. Any other electronic mode including Email, fax etc.
  - iv. Sending by registered post/ under certificate of posting
  - v. Sending by express delivery post / courier services.
  - vi. Sending by Telegram
  - vii. Sending by Hand Delivery
  - viii. Affixing on the door at the last known business or residential address
  - ix. Advertising it at least once in any prominent Daily Newspaper
  - x. Sending a message through the Trading System.

Any communication done with the client through any of the aforesaid means shall be deemed to have been received by the client.

## **RIGHTS OF THE CLIENT**

12. Client may take the delivery of the securities at any time by repaying the amount that was paid by the Stock Broker to the Exchange towards securities after paying all dues.
13. Client may change the composition of securities provided as collateral with other approved securities provided that the same is sufficient to meet the margin obligations.

## **OBLIGATIONS OF THE CLIENT**

14. If the Client is intimated about the Margin shortage through any of the mutually agreed mode of communication, then the client shall make good such deficiency in the amount of margin placed with FIPL in the below mentioned defined time.

<b>Intimation of Margin Call</b>	<b>Time limit to clear the margin deficiency</b>
Margin call made before 10.30 AM	Shortage to be cleared before 1.30 PM on the same day



15. If client fails to clear the shortage, FIPL reserves the right to liquidate the securities without any further notice to client. If the instrument i.e, cheque / pay order / DIS (delivery instruction slip) deposited by client is not credited within 2 trading days it is assumed that client has not made its obligation and FIPL reserves the right to liquidate the securities without any further notice to the client.
16. Notwithstanding anything contains herein, if at any point of time if there is margin deficit of more than 50%, FIPL reserves the right to liquidate the securities without any prior notice to the client.
17. In case of lower circuit in any security, FIPL has the discretion to calculate the shortage of client at less than closing price including exclusion of the same security from client"s margin and can demand the full shortage amount accordingly.
18. Client, desirous to purchase security other than as specified under "MTF APPROVED CATEGORY LIST" and not specifically banned by FIPL, shall be carried out as Normal Trading (Other than MTF) and subject to applicable margin.
19. If any security is excluded from "MTF APPROVED CATEGORY LIST", Client shall be under obligation to pay the full consideration value for such security on intimation of the same within the specified time, failing which FIPL shall have the right to sell such security without further notice to the Client. Any and all losses and financial charges on account of such liquidations shall be charged to & born by the client.
20. Speed-e facility will not be provided to the client once the MTF facility provided to the client.

#### **RIGHTS OF THE MEMBER**

21. FIPL, at its own discretion, may allow client to buy further shares under MTF on the basis of increase in the value of collateral shares, subject to applicable haircut. However, purchase shall not be permitted on the basis of increase in the market value of funded shares.
22. FIPL shall have the right to restrict the maximum gross exposure as well as individual stock-wise exposure of a client under the MTF at any point of time without giving any reason to the client. The client is not entitled to seek

exposure beyond the limit as specified by FIPL by furnishing applicable margin.

23. FIPL shall have the right to liquidate the securities if the client fails to meet the margin call as per the agreed terms.

#### **OBLIGATIONS OF THE MEMBER**

24. FIPL shall not use the funds and securities of one client to provide MTF to another client, even on the authority of the client.
25. The stocks deposited as collateral for availing margin trading facility (Collaterals) and the stock purchased under the margin trading facility (Funded Stock) shall be identifiable separately and no comingling shall be permitted for the purpose of computing funding amount.
26. Daily Margin Statement sent to the MTF clients shall identify margin/collateral for MTF transaction separately.

#### **CHARGES**

27. Brokerage, Statutory Charges and Other Charges will be charged as mutually agreed between the parties within the prescribed limits as specified by SEBI.
28. All outstanding dues under MTF shall carry Interest @ 1.5% per month unless mutually agreed otherwise.

#### **SETTLEMENT OF ACCOUNT**

29. Margin Trading Accounts where there was no transaction for 90 days shall be settled immediately provided there are no dues outstanding in the MTF account. Debit balance, if any, in the normal trading account shall be first adjusted against the MTF account and the remaining amount shall be paid to the Client.
30. Client's balances in any other segment / exchange can be adjusted / recovered against due in MTF account.

#### **DISPUTE RESOLUTION**

31. The Client shall first approach FIPL to redress his/her grievance, if the client is not satisfied with the redressal/response provided by FIPL, then he/she may approach the Exchange to redress the same.
32. Any disputes arising between the client and FIPL in connection with the margin trading facility shall be resolved through the investor grievance redressal mechanism and/or arbitration mechanism of the stock exchanges as in the case

of normal trades.

### **TERMINATION OF RELATIONSHIP**

33. The margin trading arrangement between the stock broker and the client shall be terminated; if the Stock Exchange, for any reason, withdraws the margin trading facility provided to the Stock Broker or the Stock Broker surrenders the facility or the Stock Broker ceases to be a member of the stock exchange.
34. FIPL reserves the right to withdraw MTF provided to any Client without giving any reason after giving a 30 days" notice to the Client. The dues, if any, in the account of the client shall become payable after the notice period. Failing which FIPL shall have the liberty to sell such security without further notice to the Client. Any and all losses and financial charges on account of such liquidations shall be charged to & born by the client.
35. Client may terminate the MTF account after paying all dues in the MTF account. The client shall settle the dues of FIPL. FIPL shall be entitled to immediately adjust the Margin Amount against the dues of the client, and the client hereby authorizes FIPL to make such adjustment.
36. If a client is debarred by order of lawful authority from dealing in the securities market, FIPL shall have the liberty to liquidate Collateral Stock and Funded Stock of the client to recover its dues to the full extent forthwith. Any and all losses and financial charges on account of such liquidations shall be charged to & born by the client.
37. In case of death of a client, FIPL shall be entitled to liquidate the Collateral Stock and Funded Stock under MTF and recover the outstanding dues, if any. Any and all losses and financial charges on account of such liquidations shall be charged to the client.