



Date:

**To,
Econo Broking Private Limited,
Eva 1, 105 to 112, Atabhai Chowk,
Bhavnagr- 364002**

Consent to avail Margin Trading Facility (MTF)

Dear Sir/Madam,

I/We am/are registered client with you and dealing having client code as mentioned below.

I/We is/are interested and wish to avail Margin Trading Facility (MTF) offered by Econo Broking Private Limited (EBPL).

Further, I /We hereby confirm that I/We have read and understood the Rights and Obligations with regard to Margin Trading Facility and Terms and Conditions prescribed by EBPL and agree to abide by the same.

Name	
Client code	
MTF Interest (%)	18% ANNUALLY
MTF Client Maximum Amount (Rs)	
MTF Per Script Maximum Amount(Rs)	
MTF Client Auto Funding(Y/N)	YES
Signature of Client	
Name and Signature of AP/BM/RM	

To,
Econo Broking Pvt Ltd.,
SEBI Registration Number - INZ000056334.
105 to 112, EVA-1 Complex, Opp. Jogger's Park,
Atabhai Chowk, Bhavnagar – 364002.

I/We, _____ (Name of Client)
am/are a registered client with having Trading account No (Client Code) I/We would like to purchase shares and securities through Margin Trading Facility (herein after referred as "MTF") in the Capital market of NSE CM segment and BSE CM Segment. I/We hereby accord my consent to avail this MTF product facility and shall deposit approved Securities as collateral or fund for getting the initial margin and there by transacting in shares and securities

I/we shall have read and understand the MTF Rights & Obligation. Further, I/we shall abide by the MTF Terms and Conditions as prescribed herein under;

TERMS AND CONDITIONS FOR AVAILING MARGIN TRADING FACILITY (MTF):

The terms and conditions 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 and the Rules, Regulations, Bye laws, Rights and Obligation, Guidelines, circulars issued by SEBI and Exchanges from time to time.

A) The Client undertakes, authorizes, confirms and agrees to/that:

- 1) Avail MTF in accordance with the terms and conditions of MTF offered by Econo Broking Pvt Ltd. (herein after referred as "Member").
- 2) Give consent to the Terms and Conditions herein through email / SMS from his email id / mobile number registered with MEMBER or by online mode by logging-in on the website of MEMBER in a secured manner or by physical mode.
- 3) MEMBER at all times shall have the liberty to exercise its right in its sole discretion to determine the extent to which the MTF to be made to the Client.
- 4) Pay interest at the rate agreed under the voluntary terms and conditions at the time of opening the client's account and/or modified and communicated from time to time by MEMBER.
- 5) If the transaction is entered under MTF, there will not be any further confirmation that it is margin trading transaction other than contract note.
- 6) Transaction/s to be considered for exposure to MTF shall be informed to MEMBER in writing or in any other irrefutable mode of communication not later than T+1 day, else the same shall be considered under normal trading facility. Additional exposure over debit balance (arising out of trade executed under normal trading facility), beyond fifth trading day reckoned from pay-in date, may be granted under MTF to the extent the Client is eligible and subject to availability of required margin. In such event, MEMBER in its discretion may identify the eligible/excess securities available with the client and mark as collateral towards MTF. All credit arising out of sale transaction under MTF shall be first adjusted towards the debit under normal trading facility, if any and subject to adequate margin being maintained for the outstanding MTF debit.
- 7) Member shall not be bound to grant MTF to the Client (which decision shall be at the sole and exclusive discretion of MEMBER) and MEMBER shall not be required to provide any reasons thereof nor shall MEMBER be liable for any damages (whether direct or consequential or whether financial or non-financial) to the Client by reason of MEMBER refusal to grant MTF to the Client.
- 8) The Client understands that under MTF, Client would not be able to take further positions and/or existing positions may be squared off by Member at its discretion on occurrence of any of the following events :
 - a. If at any point of time total exposure across all stocks of all the Clients of Member taken together under this facility exceeds the SEBI / Stock Exchange prescribed maximum allowable exposure limit specified for a stock broker. Client agrees that Member may set this limit at its discretion which can be lower than the limits

Clients' Signature X_____

prescribed by SEBI as part of its risk management process.

- b. If the Client exceeds or is about to exceed the maximum allowable exposure for a single Client. Client understands that SEBI has prescribed a maximum limit for allowing exposure to a single Client. Client agrees that Member may set this single Client exposure limit at its discretion which can be lower than the limits prescribed by SEBI as part of its risk management process.
 - c. If the total exposure in a particular stock of all the Clients of Member taken together under this facility reaches the maximum allowable limit for that stock as defined by Member.
 - d. If the exposure in a particular stock by a single Client under this facility reaches the maximum allowable limit for that stock for a single Client as defined by Member.
 - e. If the stock moves out from the list of eligible stocks under MTF and becomes ineligible for offering under MTF.
 - f. Any other circumstances due to change in regulatory requirements from time to time or risk management process due to changing market conditions.
- 9) Client includes Individual, Company, Partnership firm, Trust, Hindu Undivided Family, Association of Person and Body of Individuals etc.
 - 10) The dues, wherever mentioned herein, includes but not limited to outstanding balances, interest, statutory taxes, duties, charges, penalties etc. in respect of MTF availed by the Client.
 - 11) MTF Terms and Conditions shall be governed by Exchange and SEBI circulars in this regard.
 - 12) The client agrees that, securities purchased by the client shall be retained by Member in it's demat account until the client fulfils the contractual obligation for the respective BUY transaction in which the securities are bought. On settlement of the contractual obligations, the securities will be delivered to the linked Demat account of the client.
 - 13) If the client fails to make the necessary Funds PAY in by the stipulated time (if any), the securities will be sold by Member, at its discretion, in the subsequent settlement(s) for the purpose of settling the outstanding amount.
 - 14) The client agrees that there can be a short delivery of securities from the Exchange. For such transactions, the Exchange would either give delivery of shares through market auction or shall closeout the buy transactions as per the Exchange Regulations. All costs and consequences, if any, arising out of such auction or close out shall be fully borne by the client and Member would not be held responsible for any such short delivery received by the client and the consequential impact thereof.
 - 15) The client agrees that Member may at its discretion, in accordance with its risk management policy; disable certain securities and square off all open positions in such scrip which are not converted to delivery irrespective of margin availability on account of corporate action such as stock split, issue of bonus shares, merger and the like. Client agrees that Member cannot be held liable for any losses arising out of such disablement or squaring off of security.
 - 16) The Client confirms that he is aware of the charges and other statutory levies as are prevailing and as they apply to the facility. The schedule of charges would be provided to the Client, by displaying such schedule on the Website. The schedule of charges would be subject to change by Member and statutory levies may change from time to time and client agrees and accepts to comply by these charges.
 - 17) The client agrees that he/she shall be liable to pay Interest rate as may be decided from time to time on all outstanding payment beyond the due date (i.e. pay-indate) by the client to Member.
 - 18) The client understands that Member shall be reporting to stock exchanges on a daily basis the details of client's funded positions/collateral stocks and such other details as may be required by stock exchanges from time to time.
 - 19) The client understands that client is required to disclose whether he is a promoter or forming of the promoter group of the stock in which he has taken an MTF position or given as collateral which is required for daily reporting to stock exchanges. In absence of any such disclosure, Member shall consider the client as a non promoter and will report to stock exchanges accordingly.
 - 20) The Client understands that regulators have prescribed stocks which are eligible to be offered in MTF. Hence, MTF shall not be offered in all the stocks traded on Stock Exchanges. The client agrees that Member shall have the discretion to select securities that will be enabled for trading under the Facility as per its internal risk management policy and the number of stocks enabled for trading under MTF by Member can be smaller than the number of stocks allowed by regulators.
 - 21) The client agrees that Member may require the client to provide such margin (in such form and manner as acceptable to Member) depending on the security and market volatility as it deems fit in its sole discretion as

Clients' Signature X_____

necessary for risk mitigation. This margin requirement may be more than the margin prescribed by SEBI/ stock exchanges. Margin may be taken in cash, Cash equivalent or eligible shares as may be acceptable to Member.

- 22) In the event the client offers securities as margin to Member, then the Terms and conditions as mentioned under "MARGIN SECURITIES" elsewhere in this Terms and conditions shall apply.
- 23) The Client agrees that Member may at its sole discretion, change the margin requirement on the Transactions, in which the Client has taken or proposes to take positions depending on its own risk mitigation measures and without intimating or consulting the client. Due to increased volatility in the prices, the margin requirement may be increased and in such event the Client undertakes to allocate additional funds/securities to continue with the open position. If such Margin requirement is not met, the position may come in MTM loop and may be squared off by Member due to insufficient Margin. The Client undertakes to maintain sufficient Limit in the Equity segment to safeguard the open position from being squared off or pending orders being cancelled.
- 24) The Client agrees that under the Facility, Margin shall be blocked at the time of order placement after taking into account the current market price / weighted average price. For market orders, margin shall be blocked considering the order price as the last traded price of the security. In the event the actual trade execution takes place at a price different from the price at which the Margin was blocked, the required Margin would then be re-calculated and the limits would be blocked at the actual Traded Price. In case of order modification also, the required Margin shall be re-calculated and excess margin, if any, shall be released or additional margin needed, if any, will be blocked. In case the available Margin with Member is insufficient, then the order modification request would get rejected.
- 25) The Client understands that the Client's positions are continuously monitored and the Client agrees to provide Margin (including additional Margin) as may be determined by Member from time to time.
- 26) The Client understands that securities enabled under the facility are continuously tracked and if, during the day, the last traded price for any security moves above or below its previous trading day closing price at such percentage as may be prescribed by Member from time to time, the security will be disabled from further trading in MTF for that day.
- 27) If, during the day, a security is in negative compared with the previous trading day closing price then, for that security, all pending MTF orders will be cancelled and all MTF open positions will be squared off at market price.
- 28) The Client understands that the Intraday MTM process will be run on a daily basis at discretion of Member, prior to the stipulated time (if any) for the AUTO SQUARE off process. The Client understands that the Intraday MTM process is run separately for the positions marked under the Broker Square Off Mode and MTF (positions taken in the current settlement) and the Pending For Delivery positions. Member reserves the right to decide the timing and frequency for running the Intraday MTM process.
- 29) The client confirms that he has read and understood the modalities of the Intraday MTM Process and risk management processes as mentioned herein below.
- 30) In the Intra-day MTM process, if it is observed that the Available Margin on the position has fallen below the Minimum Margin required, Member would block additional Margin required from the Limits available. In case Limits are not sufficient to meet the additional Margin requirements then Member may place a square off order at market rate to close the position. However, before placing the square off order all pending orders in MTF in that security may be cancelled by Member.
- 31) If the available Limit is not sufficient to meet the demand for additional Margin, Member may close out the open position taken by the Client and the Client shall be solely responsible for any losses arising on account of the same. It shall be the responsibility of the Client to regularly monitor and review the Margin availability and furnish the additional Margin to Member.
- 32) Clients are bound to monitor and review their open positions and margin requirements all the times and furnish the additional margin to the Company. Member reserves the right to close out the open position at any time in case the Client does not satisfy the additional Margin requirements. The Client shall maintain sufficient Limit to provide Margin as and when required by Member. Client agrees that the client's position shall be liquidated if there is margin shortfall while running the daily Intraday MTM process and Member shall not wait further for liquidation of positions. Client agrees that the mode of communication to clients pertaining to order/trade confirmation, margin requirements/shortfall and liquidation of stocks will be electronic through SMS/Email/customer's IBT Terminal/Phone call.
- 33) The client understands that Stocks bought under the MTF shall be marked to market on daily basis and collateral stocks shall be revalued frequently. Further, client agrees that no exposure shall be given on increased value of stock funded by Member.
- 34) The Client agrees that Member would have the discretion to square off, without giving any notice, the client's position and cancelling pending orders under the facility in following circumstances:

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- a. If the Available Margin in any security has fallen below the Minimum Margin and the Client has not taken any steps either to replenish the margin or square up the open position.
 - b. All positions under the MTF in a particular security, if the last traded price for that security moves by a particular percentage as maybe specified by Member from time to time, below its previous trading day closing price.
 - c. All positions under the MTF in a particular security, if such security is shifted from a higher price band/ no price band category to a lower price band category or is shifted from Normal to Trade to Trade (i.e under compulsory delivery) category as maybe specified by Member from time to time.
 - d. All other cases where the margin or security placed by the Client falls short of the requirement or where the limits given to the Client has been breached or where the Client has defaulted on his existing obligation.
 - e. SEBI/ Stock Exchanges have specified category of securities which are eligible to be accepted as collateral towards MTF by the stock broker. The client agrees that if specific stock given by the client towards collateral moves out of the eligible list of securities, then open positions of the client may fall under MTM loop due to shortage of margin and positions may get squared off if sufficient additional margin is not replenished by the client. Client agrees that Member reserves the right to decide the securities which it may accept as margin from clients.
 - f. If the stock moves out from the list of eligible stocks under MTF and becomes ineligible for offering under MTF as per SEBI defined norms.
- 35) Client agrees that although the auto square off trigger point is pre-defined, subsequent to which Member could exercise its discretion to carry out the square off within a reasonable period of time, the actual execution could happen at a price different from the trigger point and the Client agree to bear the loss based on actual executed price. Member shall also have the right to cancel any or all open orders and/or close any or all outstanding positions.
- 36) If it is considered necessary for its own protection, Member may require the Client/s to immediately deposit cash or collateral into their account prior to any applicable settlement date in order to assure due performance of their open contractual commitments. If Client/s do not provide the additional cash or collateral, Client/s hereby understand and acknowledge that Member has the right to sell any or all securities and other property in their account, buy any or all securities and other property which may be short in their account, cancel any or all open orders and/or close any or all outstanding contracts. In addition, Client/s understand and agree that Member may exercise any or all of the above rights without demand for additional cash or collateral, or notice of sale or purchase, or other notice or advertisement. Any such sales or purchases may be made at any time at Member's discretion on any exchange or other market where such business is usually transacted, or at public auction or private sale, or Member may be the purchaser/seller for its own account.
- 37) Member, at its sole discretion, reserves the right to either temporarily or permanently, withdraw or suspend the Facility at any time without giving any notice or assigning any reason for the same, whether in respect of one or more Clients. In case of a temporary withdrawal, the privileges may be reinstated by Member at its sole discretion.
- 38) Member shall decide upon the list of Securities in which the Clients would be permitted to take Fresh Margin Trading Positions under the Facility. This list of Securities would be provided to the Client, by displaying such list on the Website. Such list of Securities would be subject to change by Member from time to time. Member may also at its sole discretion decide to withdraw a particular security from the list without notice to the clients and without assigning any reasons whatsoever.
- 39) Member shall decide upon the Security specific Margin applicable for taking Fresh Margin Trading Positions in various Securities under the Facility. Member reserves the right to alter the Security specific Margin applicable for a Security without notice to the Client and without assigning any reasons whatsoever. The Security-specific Margin rates would be provided to the Client, by displaying such list on the Website. Client understands that Member may impose margins higher than the margin requirements prescribed by SEBI/Stock Exchanges.
- 40) No delay in exercising or omission to exercise any right, power or remedy accruing to Member upon any default by the Client or otherwise under these Right and Obligations document or the Client Agreement shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of Member in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of Member in respect of any other default. The rights of Member under these Terms and Conditions and the Client Agreement are cumulative and not exclusive of their rights under the general law and may be waived only in writing and specifically and at the sole discretion of Member.
- 41) Client agrees that in case of any disagreement or dispute pertaining to transactions done under MTF, client shall lodge the complaint with Member within 30 days of execution of the disputed transaction or such other time as maybe specified by Member from time to time.

Clients' Signature X_____

- 42) The Client agrees and undertakes to provide Member with all the documents and particulars, which may be required by Member, pursuant to the Client availing of this Facility.
- 43) The use of this facility is entirely voluntary and the facility has to be used in accordance with the applicable rules/regulations/ guidelines specified by the Securities and Exchange Board of India and other competent authorities from time to time. Member disclaims all liability for any loss caused to the Client out of the purchase or sale of securities through use of this facility.
- 44) The Client hereby agrees and undertakes not to hold Member liable for any claim, action, grievance or dispute that the Client may suffer and shall indemnify and save harmless Member from any claim, action, dispute or grievance that any third party may have, on account of Member having acted in pursuance of the directions and/or authorisations of the Client and/or Member.
- 45) Under no circumstances shall Member be liable to the Client for indirect, incidental, consequential, special or exemplary damages arising from or in connection with the Facility provided to the Client, even if Member have been advised of the possibility of such damages, such as, but not limited to, loss of revenue or anticipated profits or lost business.
- 46) The Client agrees and understands that the client shall, at all times, be responsible for the client's investment decisions and/or orders placed, or applications preferred by the Client, either electronically or otherwise.
- 47) The client further understands that trading through trading platforms provided by Member is in electronic mode, based on satellite/leased line based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond control and may result in delay in processing or not processing buy or sell orders either in part or in full. The client understands and agrees that although these problems may be temporary in nature, in case when the client has outstanding open positions or unexecuted orders, these represent a risk because of the client's obligations to settle all executed transactions. The Client understands that placing an order with Member, either electronically or otherwise, does not guarantee execution of the said order or acceptance of an application. The Client shall not hold, nor seek to hold, Member and/or any of its officers, directors, employees, agents, subsidiaries or affiliates, liable for any loss including but not limited to trading losses incurred by the Client due to exchange or market regulation, suspension of trading, war, strike, equipment failure, communication line failure, system failure, security failure on the Internet, unauthorised access, theft, or any problem, technological or otherwise, or other condition beyond the control of Member that might prevent the Client from entering an order or Member, from executing an order.
- 48) The Margin Securities would constitute the security towards due performance of the Client's obligations, commitments, operations, obligations and liabilities arising out of or incidental to any Transactions made, executed, undertaken, carried out or entered into by the Client.
- 49) The Client undertakes that the Margin Securities shall be owned by the Client and shall be free of any charge, lien or other encumbrances at the time of offering the same towards margin to Member. The client understands that Member shall apply applicable haircut on the value of margin securities for giving exposure limits.
- 50) The client understands that securities provided as margin can be withdrawn by the client only to the extent of free limits available in trading account.
- 51) The client agrees that Member shall have right to accept FDRs only from banks specified by Member from time to time. The client understands that FDRs provided as margin can be withdrawn by the client only as per the terms specified by Member from time to time.
- 52) SEBI/ Stock Exchanges have specified category of securities which are eligible to be accepted as collateral towards MTF by the stock broker. The client agrees that if specific stock given by the client towards collateral moves out of the eligible list of securities, then the limit given against such stock shall be withdrawn by Member immediately. In view of the same, MTF open positions of the client may fall under MTM loop due to shortage of margin and positions may get squared off if sufficient additional margin is not replenished by the client. Client agrees that Member reserves the right to decide the securities which it may accept as margin from clients.
- 53) The Client agrees that the Client shall furnish additional Margin Securities as may be required by Member from time to time. Collateral stocks shall be either blocked/pledged by Member in client's demat a/c or will be debited from client's demat a/c to be held by Member as per its discretion. Stocks bought under MTF and not paid for by the client too shall be held by Member as a security towards outstanding payment. The collateral stocks and funded stocks shall be released by Member only when the client has cleared all the outstanding dues payable to Member.
- 54) The Client agrees that the Client shall not, without Member' prior written permission, create any charge, lien or encumbrance of any kind over the Margin Securities offered to Member and further that, the Client shall not do or allow anything to be done that may prejudice the interest of Member in respect of the Margin Securities while the Client remains liable to Member, in any manner whatsoever, without the prior written permission of Member.

Clients' Signature X_____

- 55) The Client agrees and acknowledges that pursuant to the Power of Attorney executed by the Client in favour of Member, acting as the Depository Participant, for enabling the Depository to block the securities or mark a pledge in favour of Member in respect of the Margin Securities and also submit further documents on behalf of the Client to request the Depository to remove the pledge/block created with respect of the Margin Securities.
- 56) Member shall also be entitled acting as the Depository Participant to block/mark a lien on the Margin Securities offered by the Client and upon such instructions, the Client shall not be able to deal or trade in such Margin Securities without consent of Member.
- 57) If in the opinion of Member, the Client has failed to perform and/or failed to fulfil any of its engagements, commitments, operations, obligations or liabilities as a Client of Member including for any sums being due by him to Member or to any other party arising out of or incidental to any Transactions made, executed, undertaken, carried out or entered into by it or in terms of regulations, laws, rules governing Member the Client in this behalf, then the Client agrees that Member without giving any notice to the Client except through the margin call process as mentioned in these terms in relevant sections, shall be empowered/entitled to invoke pledge, sell, dispose of or otherwise effect any transfer of any or all of the Margin Securities in such manner and subject to such terms and conditions as it may deem fit and that the money realized, if any, from such sale/disposal/transfer subject to dues payable to Member for such sale/ disposal/or other transfer shall be utilized/disbursed by Member in such manner and subject to terms and conditions as it may deem fit. Further, the Client shall do all such things, deeds, acts and execute all such documents as are necessary to enable Member to effect such sale/disposal/ transfer. All decisions by Member in respect of the obligations or liabilities or commitments of the Client and the amount claimed in respect thereof shall be binding on the Client. The Client agrees that Member shall not be under any liability whatsoever to the Client or any other person for any loss, damage, expenses, costs etc, either actual or notional, consequent to such sale/disposal/ transfer.
- 58) If the total amounts realized from such sale/disposal/transfer is insufficient to fulfil the Client's engagements, commitments, operations, obligations or liabilities in entirety, the Client shall, forthwith and without demur, upon being requested by Member, furnish the balance amount together with interest at such rate as decided by Member and for costs and expenses from time to time. Member shall also have the right to sell/dispose/ transfer any other securities of the Client, at the cost of the Client and without intimation to the Client.
- 59) The Margin Securities shall be at the disposal of Member and remain available in respect of the obligations, liabilities or commitments of the Client and may be utilized with the discretion of Member.
- 60) The Client agrees that Member shall be entitled to sell, pledge, block / unblock, deal with or otherwise transfer the Margin Securities to any third party, including the Clearing Corporation/House of the respective exchanges (if acceptable by exchanges)and declare to the third party that all the Margin Securities are being provided to such parties as securities being the unencumbered, absolute and disposable property of Member and free from any prior charge, lien or encumbrance, and to execute transfer documents and/or any other necessary documents, wherever applicable or other endorsements for this purpose. Member shall be entitled to receive from the Client all costs, charges, expenses incurred by Member for the aforesaid purposes as well as any consent, ratification or the like which shall not be withheld or delayed for any reason and in case of failure of which Member is hereby permitted and authorized to provide the same for and on behalf of the Client.
- 61) Further that it is hereby agreed that benefits such as dividends, bonus, redemption benefits, interest accruing on the Margin Securities during the period of transfer except post invocation of the pledge in favour of Member or selling or disposing or otherwise effecting any transfer of the Margin Securities above shall accrue to the Client and the Client shall be entitled to receive the same from Member.
- 62) The Client agrees that the Margin Securities shall continue to be available to Member under the facility and the same shall not be affected in any manner whatsoever by any action by Member against the Client including suspension or termination of any of the Account with Member or of the facility.
- 63) I/We confirm having read and understood the above terms and agree to be bound these terms.

Client Name:

Client Code:

Date:

Place:

Clients' Signature X_____

ANNEXURE A:

MTF : Rights and Obligations – Mandatory Clauses of BSE

1. Stock Broker/ Member is eligible to provide Margin Trading Facility (MTF) in accordance with SEBI & Exchange Guidelines as specified from time to time.
2. Stock Broker/ Member desirous of extending MTF to their clients is required to obtain prior permission of BSE. Stock Broker/ Member may note that BSE has the right to withdraw the permission at any time.
3. Stock Broker/ 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/ 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/ Member .
4. Stock Broker/ 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/ 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 Stock Broker/ 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/ Member shall provide MTF only in respect of such shares, as may be permitted by Stock Exchange/ SEBI.
7. Stock Broker/ 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/ Member . In this regard, Stock Broker/ Member shall also list down situations/ conditions in the which the securities may be liquidated (Stock Broker/ Member to list down situations/ conditions):
8. Stock Broker/ 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/ 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.

Rights and Obligations – Mandatory Clauses of 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 Marginn 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.

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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
8. Normal to Margin trading and should include information like the original contract number and the margin statement and the changed data.
9. 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.
10. 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.
11. The daily margin statements sent by broker to the client shall identify the margin/collateral for Margin Trading separately.
12. Margin Trading Accounts where there was no transactions for 90 days shall be settled immediately.
13. 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;
14. 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 anytime 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.

Clients' Signature X_____