

MARGIN TRADING FACILITY (MTF)

RIGHTS & OBLIGATIONS OF STOCK BROKERS & CLIENTS / TERMS AND CONDITIONS FOR AVAILING MTF

SKP Securities Limited (SKP), member of National Stock Exchange of India Limited (NSE), and BSE Limited (BSE) is eligible to provide Margin Trading Facility (MTF) in NSE to its clients in accordance with prescribed guidelines, rules and circulars issued by SEBI / Stock Exchanges from time to time. The Client is desirous to avail the MTF facility provided by SKP on the terms and consideration including commercials mentioned hereunder.

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/MRD/DP/54/2017 dated June 13, 2017 and the Rules, Regulations, Bye laws, Rights and Obligation, Guidelines, circulars issued by SEBI and Exchanges from time to time.

Client's Right

1. Client shall accept all communications including order & trade confirmation, revision in margin, margin calls, decision to liquidate the position, security, collateral, Margin statements, margin policies on haircuts, VAR margin, Risk Management Policies, allowable exposure, specific stock exposure etc. to be communicated to its E-mail-id /SMS or telephone call at the mobile number registered with SKP.
2. Any communication done with any of the aforesaid means shall be deemed to have been received by the client.
3. Client shall be free to take the delivery of the securities at any time by repaying the amounts that was paid by the SKP to the Exchange towards securities after paying all dues.
4. Client may change the securities collateral offered for MTF at any time so long as the securities so offered are approved for MTF.
5. Client may close / terminate the MTF account at any time after paying the dues.

Client's Obligation

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

1. SKP shall at its sole decision allow/continue to allow/discontinue/determine the extent to which it shall allow MTF without assigning any reasons whatsoever and SKP shall not be liable for any damages (direct or consequential or financial or non-financial) suffered by the Client by reason of its refusal to grant such facility/extent of facility to the Client.
2. Once the transaction is entered under MTF, no further confirmation other than contract note will be required to state that it is margin trading transaction
3. In case any transaction was not under MTF and client opts to shift it to MTF then, it shall in writing within 10 A.M. of T+1 day of the transaction, inform SKP of its intent to shift such transaction under Margin Trading Facility failing which the transaction will be treated under the normal trading facility.
4. The Initial Margin payable shall be in the form of cash, cash equivalent or Group I Equity securities with appropriate hair cut.
5. SKP, based on the risk assessment, shall have the discretion to impose/collect higher initial margin than the margin specified below:

Category of Stock

Present Applicable margin

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 in the cash segment for a particular stock

6. SKP at its sole and absolute discretion may increase / revise the limit of initial margin and maintenance margin, minimum transaction amount from time to time, subject to SEBI / Exchange / SKP requirements in this respect.

7. To abide by such revision, and if there is a margin call for reasons whatsoever, it agrees to make up the margin call immediately but not later than 5 working days from the day of such margin call, failing which SKP may at its sole discretion, liquidate the security / collateral and / or close out the position immediately without any further reference. All losses and financial charges on account of such liquidation/closing out shall be charged to and borne by the client
8. By agreeing to avail MTF with SKP, client is deemed to have authorized SKP to retain and/or pledge the securities provided as collateral or purchased under the MTF till the amount due in respect of the said transaction including the dues to SKP is paid in full by the client.
9. The Client agrees that all outstanding dues under MTF shall carry Interest of 18% p.a. unless mutually agreed otherwise.

SKP Rights:-

1. SKP shall set up its own risk management policy that will be applicable to the transactions done under the MTF.
2. SKP 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 MTF.
3. SKP has a right to retain and/or pledge the securities provided as collateral or the securities bought by the client under the MTF.
4. SKP may liquidate the securities if the client fails to meet the margin call made by SKP as per liquidation terms but not later than 5 working days from the day of margin call.
5. Collateral and Funded stocks shall be marked to market on a daily basis. In case of increase in the value of Collaterals, SKP may have the option of granting further exposure to their clients subject to applicable haircuts. However, no such exposure shall be permitted on the increased value of Funded stocks

SKP Obligations:-

1. SKP shall make all communications including order & trade confirmation, revision in margin, margin calls, decision to liquidate the position, security, collateral, Margin statements, margin policies on haircuts, VAR margin subject to minimum requirement specified by SEBI and exchanges from time to time, Risk Management Policies, allowable exposure, specific stock exposure etc. to be communicated to its E-mail-id /SMS or telephone call at the mobile number registered with SKP.
2. SKP shall monitor and review on a continuous basis the client's positions with regard to MTF.
3. The daily margin statements sent by SKP to the client shall identify the margin/collateral for Margin Trading separately. Margin call made to the client shall clearly indicate the additional / deficient margin to be made good.
4. In case any transaction was not under MTF and client opts to shift it to MTF then, it shall in writing within 10 A.M. of T+1 day of the transaction, inform SKP of its intent to shift such transaction under Margin Trading Facility failing which the transaction will be treated under the normal trading facility. In case the Client determines to convert normal trade into MFT after issuance of contract note, SKP shall issue appropriate records to communicate to the Client, the change in status of transaction from normal to Margin trading and would include information the original contact number and the margin statement and the changed data.
5. If transaction is entered under MTF, there will not be any further confirmation that it is MTF transaction other than contract note.
6. The SKP may liquidate the securities if the client fails to meet the margin call made by the SKP but not later than 5 working days from the day of margin call. Whenever securities are liquidated by SKP, 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.
7. Margin Trading Accounts where there have been no transactions 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. Further, Client's balances in any other segment / exchange can be adjusted / recovered against dues in MTF account.

8. The stocks deposited as collateral with SKP for availing MTF (Collaterals) and stocks purchased under MTF (Funded stocks) shall be identifiable separately and there shall not be any comingling for the purpose of computing funding amount.
9. SKP shall close / terminate the MTF account of the Client forthwith upon receipt of such request from the Client subject to the condition that the Client has paid dues under MTF facility.
10. SKP shall not use the funds and securities of one client to provide MTF to another client, even on the authority of the client.
11. SKP shall ensure maintenance of the aforesaid margin at all times during the period that the margin trading facility is being availed by the client.

OTHER TERMS & CONDITIONS:

Eligible Securities & Margin Required for MTF:

The Initial Margin payable by the client shall be in the form of cash, cash equivalent, or Group I Equity securities with appropriate hair cut as specified in SEBI Circular SEBI/HO/MRD/DP/CIR/P/2016/135 dated December 16, 2016 as amended/ may to be amended from time to time. Where the margin is made available by way of securities, SKP is empowered to decline its acceptance of any securities as margin and/or to accept it at such reduced value as SKP may deem fit by applying haircuts or by valuing it by marking it to market or by any other method as SKP may deem fit in its absolute discretion.

Charges

1. Client agrees to avail MTF on transactions in cash market in accordance with the terms and conditions of MTF offered by SKP Securities Limited.
2. All outstanding dues under MTF shall carry Interest upto 18% p.a. unless mutually agreed otherwise.
3. 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.
4. Brokerage, Statutory Charges and Other Charges will be charged as mutually agreed between the client & SKP within the prescribed limits as specified by SEBI / Exchanges.

Liquidation / Squaring-off of MTF Collaterals / Funded Securities

SKP may by giving 5 working days notice liquidate the security / collateral and or close out the position and withdraw MTF on the happening of the following events:

- a. if any instrument for payment of Margin Money / Monies is / are dishonored.
- b. If the client fails to meet the margin call and margin shortage continued for 5 trading days from the day of margin call.
- c. if the Client violates/breaches any provision of this arrangement or provides any incorrect or misleading information;
- d. if the Client has voluntarily or compulsorily become the subject of any proceedings under any bankruptcy or insolvency law or winding up or liquidation proceedings or has a receiver or liquidator appointed in respect of itself or its assets or makes an application or refers itself to any authority for being declared as a "sick company", relief undertaking, bankrupt or insolvent or seeking financial reconstruction or any other like scheme or there is change in constitution.
- e. if there is reasonable apprehension that the Client is unable to pay its outstanding dues or has admitted its inability to pay its dues, as they become payable;
- f. if the Client is convicted under any criminal law in force;
- g. the death, lunacy or other disability of the Client;
- h. Order passed by any regulatory, courts, statutory bodies etc.
- i. Default under any other arrangement or facility with any Stock broker is made by the client
- j. There exists any other circumstance, which in the sole opinion of SKP, is prejudicial to the interests of SKP

- k. If any asset or any security is seized or made subject to any distress, execution, attachment, injunction or other process order or proceeding or is detained or taken into custody for any reason.

Dispute Resolution

1. Client shall lodge protest or disagreement with any transaction done under MTF within 24 hours from the date of receipt of such document / statements / contract notes/ any other communications.
2. Any disputes arising between the client and SKP in connection with the MTF 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

1. Client may close / terminate the MTF account at any time after paying the dues.
2. The margin trading arrangement between SKP and the client shall be terminated; if the Stock Exchange, for any reason, withdraws the MTF provided to SKP or SKP surrenders the facility or SKP ceases to be a member of the stock exchange.
3. The MTF facility may be withdrawn by SKP, 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 MTF in the event of SKP committing any breach of any terms or conditions therein or for any other reason.
4. In the event of termination of this arrangement, the client shall forthwith settle the dues of SKP. SKP shall be entitled to immediately adjust the Margin Amount against the dues of the client, and the client hereby authorizes SKP to make such adjustment.
5. After such adjustment, if any further amount is due from the client to SKP, the client shall settle the same forthwith. Upon full settlement of all the dues of the client to SKP, SKP shall release the balance amount to the client.
6. If the client opts to terminate the MTF, SKP shall forthwith return to the client all the collaterals provided and funded securities retained on payment of all the dues by clients.

I/We agree to the above terms and conditions and thereby provide my/ our consent for the margin trading facility.

CLIENT CODE_____

CLIENT NAME_____

CLIENT SIGNATURE_____

Date :

Place :