

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

### ***Rights & Obligations / Terms of Use to avail MTF***

Ashika Stock Broking Limited (Ashika), member of National Stock Exchange of India Limited (NSE), BSE Limited (BSE), Multi Commodity Exchange of India Limited (MCX), Indian Commodity Exchange Limited (ICEX) and Metropolitan Stock Exchange of India Limited (MSE) 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 and the Rules, Regulations, Bye laws, Rights and Obligations, Guidelines, circulars issued by respective Stock Exchanges from time to time.

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

1. Ashika shall have the liberty to exercise its right in its sole discretion to determine the extent at all times to which the MTF to be made available to the Client.
2. Ashika shall have discretion to allocate available securities/funds as collateral against MTF.
3. The Initial Margin payable shall be in the form of cash, cash equivalent, or Group I Equity securities with appropriate hair cut.
4. Ashika shall not be bound to grant MTF to the Client (which decision shall be at the sole and exclusive discretion of Ashika) and Ashika shall not be required to provide any reasons thereof nor shall Ashika be liable for any damages (whether direct or consequential or whether financial or non-financial) to the Client by reason of Ashika's refusal to grant MTF to the Client.
5. Client includes the followings: - Individual, Company, Partnership Firm, Trust, Hindu Undivided Family, Association of Persons and Body of Individuals etc.
6. The terms / conditions / Obligations of the Client as amended from time to time shall be irrevocable and shall not be revoked by the death/dissolution/ winding up of the Client.
7. Ashika to hold and / or to appropriate the credit lying in the Client account and/or any unutilized/ unpledged shares/ securities lying in demat account ( Client Margin Trading Securities Account , Client Collateral Account ( MTF) & Collateral Account, Client Respective Demat Account) / Mutual Funds / IPO account of the Client towards the repayment of the outstanding dues thereof under MTF.
8. Ashika to retain and / or pledge the securities and its corporate benefits lying in the Client Collateral Account ( MTF) with Clearing Member/Clearing Corporation, if any, utilized for availing MTF till the amount due in respect of the said transaction including the dues to Ashika is paid in full by the Client.

9. If the transaction is entered under MTF, there will not be any further confirmation that it is margin trading transaction other than contract note or statement sent on T+1 day in case client confirms MTF trade after issuance of contract note.
10. Consider the securities available in the Margin account/s linked to the trading account of the Client towards the MTF availed.
11. Ashika shall release/ unpledge / transfer the securities utilized for MTF within 7 working days from the date of clearing the dues to Ashika.

### **Client's Right & Obligations**

1. May change the securities collateral offered for MTF at any time so long as the securities so offered are approved for MTF by Ashika.
2. Free to take the delivery of the securities at any time from its MTF account to normal trading account by repaying the amount that was paid by Ashika to the Exchange towards securities after paying all dues.
3. By agreeing to avail MTF with Ashika, client is deemed to have authorized Ashika to retain and/or pledge the securities provided as collateral under the MTF till the amount due in respect of the said transaction including the dues to Ashika is paid in full by the client.
4. Transaction/s to be considered for exposure to MTF shall be informed to Ashika in writing or in any other irrefutable mode of communication viz. email, SMS, Mobile notification or through telephone call not later than T+1 day, else the same shall be considered under normal trading facility.

### **Ashika undertakes, authorizes, confirms and agrees to/that:**

1. 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, Ashika in its discretion may identify the eligible/excess securities available with the client in its Normal Client Collateral Account and transfer the same to its MFT Client Collateral Account. 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.
2. Ashika shall monitor and review on a continuous basis the client's positions with regard to MTF.

### **Ashika's Rights & Obligation**

1. Ashika has a right to retain and/or pledge the securities provided as collateral by the client under the MTF.
2. Ashika may set up its own risk management policy that will be applicable to the transactions done under the MTF.

3. Ashika may make amendments thereto at any time but give effect to such policy after the amendments are duly communicated to the clients registered under the MTF.
4. Ashika and client may agree between themselves the terms and condition including commercial terms if any before commencement of MTF.
5. Ashika may liquidate the securities (Collaterals & Funded Stock) as mutually agreed of liquidation terms.
6. The Securities deposited as collateral for availing MTF (Collaterals) and the Securities purchased under the MTF (Funded Securities) shall be identifiable separately and no comingling shall be permitted for the purpose of computing funding amount.
7. The daily margin statements sent by Ashika to the client shall identify the margin/collateral for Margin Trading separately.
8. Ashika shall not use the funds and securities of one client to provide MTF to another client, even on the authority of the client.
9. The Client may opt to terminate the MTF in the event of Ashika committing any breach of any terms or conditions herein or for any other reason.
10. In case the client determines to convert a normal trade into MTF after the issuance of contract note, Ashika shall issue appropriate records to communicate to the 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.
11. Ashika when makes a 'margin call' to the client, shall clearly indicate the additional / deficient margin to be made good.
12. Ashika shall close/terminate the account of the client forthwith upon receipt of request from the client subject to the condition that the client has paid the dues under MTF.
13. Whenever securities are liquidated by Ashika, 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.

#### **Eligible Securities & Margin Required for MTF:**

1. Securities specified under "MTF Approved Category List" by Ashika from time to time which must be a part of 'Group I security' as per Exchanges /SEBI shall be eligible for MTF as available on its website [www.ashikagroup.com](http://www.ashikagroup.com). Ashika reserves the right to exclude any Securities from its "MTF Approved Category List" as per the discretion of Risk Management Team without any prior intimation.
2. Ashika reserves the right to transfer any of the trades done in the normal market in the "MTF Approved Category List" to MTF trades at its discretion after bring the same to the knowledge of the respective client and preservation of relevant correspondence in this regard.

3. The client shall deposit the following initial margin, in order to avail MTF:

<b>MTF Approved Category of Stock</b>	<b>Applicable Margin</b>
Stocks available for trading in the F & O Segment	VaR + 3 times of applicable ELM
Stocks other than F&O stocks	VaR + 5 times of applicable ELM

4. Applicable Margin on the securities purchased i.e. “Funded Securities” under MTF shall be computed by grossing the following:-

- a) Initial Margin as computed in Point No. 3 above.
- b) MTM Loss (Reduction in the value of purchased stock due to Marked to Market)
- c) Maintenance Margin as computed below:-

130% of Outstanding Balance – { Deposits ( Collateral + Funded Stock)\* + Shortfall in Initial Margin + MTM Loss }

\*Collateral shares and Funded Shares shall be marked to market daily for the purpose of computing the margin/shortage of margin.

5. Ashika at its sole and absolute discretion may revise the limit of initial margin, minimum transaction amount from time to time, subject to SEBI / Exchange / Ashika requirements in this respect. The Client shall abide by such revision, and where there is an upward revision of such margin amount, the client agrees to make up the revised margin immediately, not later than 5 working days from the day of margin call.
6. 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. Where the margin is made available by way of securities, Ashika is empowered to decline its acceptance of any securities as margin and/or to accept it at such reduced value as Ashika may deem fit by valuing it by marking it to market and applying haircuts.

### **Communication Mode & Margin Call**

1. Accept all types communications including consent to the terms and conditions, 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, rights & obligations, allowable exposure, specific security exposure etc herein through email / SMS from his email id / mobile number registered with Ashika or by online mode by logging-in on the website of Ashika in a secured manner or by physical mode, based on client’s preference.
2. Any communication done with any of the aforesaid means shall be deemed to have been received by the client.
3. 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 Ashika. Margin call will be made if Margin available falls below the applicable margin as computed under **point 4 – “Eligible Securities & Margin Required for MTF”**.

## **Charges**

1. Brokerage, Statutory Charges and Other Charges will be charged as mutually agreed between the client & Ashika within the prescribed limits as specified by SEBI / Exchanges.
2. All outstanding dues under MTF shall carry Interest @ \_\_\_\_\_% 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.

## **Settlement of MTF Account**

1. 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.
2. Client's balances in any other segment / exchange can be adjusted / recovered against dues in MTF account.

## **Liquidation / Squaring-off of MTF Collaterals / Funded Securities**

MTF Collaterals / Funded Securities of client may be liquidated / squared off immediately in case of any of the following situations/conditions, without any further notice / intimation and all the losses and financial charges on account of such liquidation shall be charged and borne by the respective client:

1. If the value of the Collaterals deposited by client with Ashika to purchase Securities under MTF (Funded Securities), falls below the required Initial Margin as computed under **point No 3 - Eligible Securities & Margin Required for MTF** and such shortage continues for 5 trading days from the day of margin call.
2. If the client fails to meet the Marked to Market Loss against the Funded Securities as computed under **point No. 4 - Eligible Securities & Margin Required for MTF** and such shortage continues for 5 trading days from the day of margin call (MTM Loss)
3. If the total Deposits (Collateral + Funded Stock)\* fall below 130% but remains above 120% of the total outstanding dues under MTF and such shortage continues for 5 trading days from the day of margin call.
4. If the total Deposits (Collateral + Funded Stock)\* fall below 120% of the outstanding dues under MTF.
5. If any instrument for payment of Margin Money / Monies is / are dishonoured;
6. If the Client violates/breaches any provision of this Arrangement or provides any incorrect or misleading information;

\* After marked to market on daily basis

7. 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 (by whatever name called) or is dissolved or there is a change in the constitution whether on account of the admission of a new partner or the retirement, death or insolvency of any partner or otherwise;
8. The death, lunacy or other disability of the Client;
9. 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;
10. If the Client is convicted under any criminal law in force;
11. 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;
12. Default under any other arrangement or facility with any Stock Broker is made by the Client;
13. There exists any other circumstance, which in the sole opinion of Ashika, is prejudicial to the interests of Ashika;
14. Order passed by any regulatory, courts, statutory bodies etc.

### **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 Ashika 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 Ashika and the client shall be terminated; if the Stock Exchange, for any reason, withdraws the MTF provided to Ashika or Ashika surrenders the facility or Ashika ceases to be a member of the stock exchange.
3. The MTF facility may be withdrawn by Ashika, 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 Ashika 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 Ashika. Ashika shall be entitled to immediately adjust the Margin Amount against the dues of the client, and the client hereby authorizes Ashika to make such adjustment.

5. After such adjustment, if any further amount is due from the client to Ashika, the client shall settle the same forthwith. Upon full settlement of all the dues of the client to Ashika, Ashika shall release the balance amount to the client.
6. If the client opts to terminate the MTF, Ashika 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.**

<b>CLIENT CODE</b>	
<b>CLIENT NAME</b>	
<b>CLIENT SIGNATURE</b>	

**Date :**

**Place :**