

**APPLICATION FORM FOR MARGIN TRADING FACILITY (MTF)**

Client Code: \_\_\_\_\_

Date: \_\_\_\_\_

To,  
Swastika Investmart LTD.  
48, Jaora Compound,  
MYH Road,  
Indore – 452001

Dear Sir,

**Sub: Request for availing Margin Trading facility (MTF)**

I/We am/are having trading code \_\_\_\_\_ opened on the basis of duly filled Know Your Customer form and on submission of all other related documents for the purpose of trading in securities market on the recognized Stock Exchange(s) (herein after referred as "Exchange").

I/We am/are interested in availing the Margin Trading facility (MTF) of the company for the purpose of Margin Trading Facility permitted to be dealt with on Stock Exchanges: (NSE and BSE).

For the purpose of availing MTF, I/we state that Know Your Client details as submitted by me/us for the trading account, may be considered for the purpose of MTF FACILITY and I/We further confirm that the details provided in KYC are same.

I/We have read and understood the contents of the Information Document (Policy), Rights & Obligations according to SEBI Circular no.CIR/MRD/DP/86/2017 dated August 2, 2017 &SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020. I/We agree to abide by the terms and conditions, rules and regulations of the MTF and further agree to abide by any terms and conditions as may be specified by Swastika Investmart Ltd., the Exchanges or SEBI from time to time in this regard.

I further agree that the POA executed for specific purpose of operating Demat account with CDSL/ NSDL having DP ID and Demat account no. \_\_\_\_\_ will also be applicable for pledge of collateral stock to your CLIENT SECURITIES MARGIN PLEDGE ACCOUNT (Demat A/c) having account no. 1204370000915204 & IN30383310360979 in CDSL & NSDL respectively and funded stock to your CLIENTS SECURITIES UNDER MARGIN FUNDED ACCOUNT (Demat A/c) having account no. 1204370000915812& IN30383310360987 in CDSL & in NSDL respectively.

I further agree that in case initial margin is provided in form of cash then my trading account shall be debited against your MTF Bank account in pursuance to which the funding would be provided.

**I/We am/are aware that I can avail this facility from any one broker and undertake that I have not availed MTF FACILITY with any other broker.**

I hereby indemnify Swastika Investmart Ltd. For any breach or any loss arising from any of the information provided in this application.

I/we therefore request you to register me/us as your client for participating in MTF FACILITY.

Date: \_\_\_\_\_

Place: \_\_\_\_\_

Client Signature: \_\_\_\_\_

## **RIGHTS & OBLIGATIONS OF STOCK BROKERS & CLIENTS FOR MARGIN TRADING FACILITY (MTF) - 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 shall have the right to retain and pledge the securities provided by the client as collateral. Additionally, the broker shall have the right to retain and pledge, but not repledge, the securities purchased by the client under the Margin Trading Facility (MTF).
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 - 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 any time.
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 Stock Broker/ 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.
11. 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.

## **TERMS AND CONDITIONS FOR MARGIN TRADING FACILITY**

### **BY SWASTIKA INVESTMART LIMITED**

The Margin Trading Facility would be available in accordance to the additional terms and condition laid down below:

- 1) Equity Shares that are approved by the Swastika Investmart Ltd. classified in 'Group I security' shall be eligible for margin trading facility.
- 2) The initial margin payable by the client to Swastika shall be in the form of cash or Group I equity shares approved by Swastika with appropriate VAR as specified by exchange or hair cut decided by Swastika.
- 3) In order to avail margin trading facility, initial margin required shall be VAR + 3 Times of ELM (Extreme loss Margin) on the securities lying in Group-I and available for trading in F&O Segment. Otherwise, initial margin required shall be VAR+ 5 Times of ELM (Extreme loss Margin).  
\*VAR and ELM rate as per NSE Exchange and if any scrip is not listed at NSE than as per BSE.
- 4) If at any time the funded stock moves out of the Group 1 category, client would be compulsorily required to liquidate or convert such position within 6 days from the date such shares moves out of the Group 1 category. In case such a position is not liquidated or converted by the client, Swastika shall liquidate such position any time after the 06th day.
- 5) In order to avail margin trading facility clients would deposit the required collateral to SWASTIKA by pledging their stocks (after appropriate haircuts) to CLIENT SECURITIES MARGIN PLEDGE ACCOUNT (Demat) account of Swastika.

After commencement of the direct payout system effective from Feb 24, 2025 there is no need to pledge funded securities from customer's side and now the brokers have the right to pledge the stocks purchased under MTF.

- 6) For Usage of MTF facility, the client must have their Power of Attorney (POA) active or needs to mandatorily subscribe to DDPI (Demat Debit and Pledge Instruction).
- 7) In case Initial Margin is provided in form of cash, clients funds shall be transferred in MTF (bank) account to provide further exposure.
- 8) In case there is a shortfall in receipt of securities against the buy position of the client, such shortfall shall be dealt with in the following manner:
  - a) In case there is a payout shortage(s) on the settlement day for bought MTF position(s), the same would be converted to normal delivery in the client's account. The shares thus received on the settlement date or under Auction payout would be delivered to the client's demat account upon full payment of the position else would be held back in CUSPA account. The client will have to make the payment for the unpaid part within the timelines as prescribed under the regulatory norms, else such shares shall be squared off by the end of such timeline.
  - b) In case of the closeout credit for the bought MTF position(s), the same would be credited to the client's account.

Under both the above points (a & b) Swastika shall first recover the funded amount and only the balance amount (if any) would be credited to the client's ledger on the settlement date. Swastika shall not be liable for any loss arising to the client.

- 9) To satisfy any obligation / dues of the client under Margin Trading Facility funds from the client's normal ledger would be moved to his / her MTF ledger by passing a JV.
- 10) In case of increase in the value of Collaterals, Swastika reserves 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.
- 11) Swastika shall ensure maintenance of the aforesaid margin at all times during the period that the margin trading facility is being availed by the client. In case, value of collateral stocks declines by 15%, SWASTIKA Shall make necessary margin calls.
- 12) In case, value of collateral stocks of client declines by 30% Swastika shall liquidate the securities without any prior intimation for disposal, if the client fails to meet the margin call to comply with the conditions as mentioned in the circular or specified in the "Rights and Obligations Document" specified by exchange.
- 13) While providing the margin trading facility, maximum allowed exposure to any single client at any point of time shall be as per the discretion of Swastika, Stock exchanges, and SEBI.
- 14) Client has the option to avail MTF (Margin Trading Facility) on a Manual Basis. On a Manual Basis, the client must specifically choose the MTF product while placing an order. The client can buy securities under the MTF facility based on their available cash and collateral. If no MTF product is chosen during the order placement, the order will not be liable for MTF facility.
- 15) Swastika is charging 18% p.a. on the funding provided for MTF account. However, It reserves right to revise the interest rate to the extent of 36% p.a.
- 16) Any disputes arising between the client and the Swastika in connection with the margin trading facility shall have the same treatment as normal trades and should be covered under the investor grievance redressal mechanism, arbitration mechanism of the stock exchange.
- 17) Swastika Investmart Ltd. (Swastika), at all times, shall have its sole discretion to determine the extent to which the MTF will be offered to the Client.
- 18) Swastika has sole discretion to grant or reject MTF to a client without give any reason thereof. Swastika shall not be liable for any damages (whether directly or indirectly or whether financial or non-financial) to the Client by reason of its refusal to provide MTF to the Client.
- 19) MTF will be available only in cash segment for the list of shares permitted by Swastika, This list will be available on our website as MTF approved securities & it can be changed by Swastika at any point of time without any prior intimation.
- 20) Swastika can retain the securities and its corporate benefits, if any, till clearance of all debits including the outstanding balances, interest, statutory taxes, duties, charges, penalties in respect of MTF and Trading Account.

- 21) Swastika can hold any credit balance lying in the client trading accounts, securities lying in CLIENT SECURITIES MARGIN PLEDGE ACCOUNT and hold by clients in their respective demat account (s) maintained with Swastika, towards repayment of the outstanding dues under MTF.
- 22) MTF may be withdrawn by Swastika at any time on any breach or non-adherence to the terms and conditions as enumerated in the policies is committed by the client.
- 23) The client agrees that Swastika may ask the client to provide additional margin in form of cash or collateral depending on the security and market volatility to minimize the risk without any prior notice, this can be an additional margin as specified by the SEBI/Stock exchanges.
- 24) Maximum MTF limit for the client will be as specified by Swastika from time to time. Further Swastika reserves the right to revise the maximum MTF limit without intimating or assigning any reason thereof.
- 25) Swastika has the right to transfer any clear credit balance from the Normal trading account to the MTF account if any in case of margin call in MTF account without any intimation to client.
- 26) Swastika can square off clients' securities both funded and collateral to clear all the debits under MTF after 90 days of MTF funding and any direct or indirect loss incurred due to this square off than client shall be solely responsible for the same. If square off can't be done by Swastika than it will not be liable for any direct or indirect losses to client.
- 27) Post squaring-off of the position funds would first be allocated towards satisfying the funded, interest accumulated to Swastika and statutory charges as applicable and only the balance would be credited to the client ledger.
- 28) Post square off (whether by client or Swastika), margins would be released from the settlement day.
- 29) If no transaction taken place in MTF account for 6-12 months than it will become dormant and the client may ask to reactivate it before making further transactions.
- 30) The client understands that Swastika shall be reporting to the stock exchanges on a daily basis the details of the client's funded position/collaterals position and such other details as may be required.
- 31) The client understands that from the date of signing this document if there are any regulatory / operational changes in the functioning of the Margin Trading Facility, such changes shall apply without any intimation to the client.
- 32) Swastika shall not be liable for any loss suffered by the client for usage of MTF product.
- 33) The client understands that the service provided hereunder is through the use of software and systems. If at any point of time there is any technical failure, Swastika or the exchange shall not be responsible for any loss suffered by the client.
- 34) The client understands that Swastika reserves the right to modify any of the terms in the relation to Margin Trading facility so provided here in the document.