Date

Consent to avail Margin Trading Facility

To,
JK Securities Private Limited
Opp. Peoples Bank Park,
Sardar Gunj, Anand-388001

Dear Sir,

l/We am/are registered client with you and having client code as mentioned below. l/We is/are interested and wish to avail Margin Trading Facility offered by JK Securities Private Limited(JKSPL)

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

Name	
Client Code	
Signature	

RIGHTS & OBLIGATIONS OF STOCK BROKERS & CLIENTS FOR MARGIN TRADING FACILITY (MTF)

PART A - As prescribed by NSE:

RIGHTS & OBLIGATIONS OF STOCK BROKERS & CLIENTS FOR MARGIN TRADING FACILITY (MTF)
CLIENT RIGHTS

1. Client shall receive all communications in a mode mutually agreed between the broker and the client regarding confirmation of orders/trades, margin calls, decision to liquidate the position / security.

2. Client shall be free to take the delivery of the securities at any time by repaying the amounts that was paid by the Stock Broker to the Exchange towards securities after paying all dues.

3. Client has a right to change the securities collateral offered for Margin Trading Facility at any time so long as the securities so offered are approved for margin trading facility.

4. Client may close / terminate the Margin Trading Account at any time after paying the dues.

CLIENT OBLIGATIONS

1. Client shall, in writing in his own hand or in any irrefutable electronic method, agree to avail of Margin Trading Facility in accordance with the terms and conditions of Margin Trading Facility offered by the broker, method of communication for confirmation of orders/trades, margin calls and calls for liquidation of collateral/security/position.

2. Client shall inform the broker of its intent to shift the identified transaction under Margin Trading Facility within the time lines specified by the broker failing which the transaction will be treated under the normal trading facility

3. Client shall place the margin amounts as the Stock Broker may specify to the client from time to time.

4. On receipt of 'margin call', the client shall make good such deficiency in the amount of margin placed with the Stock Broker within such time as the Stock Broker may specify.

5. By agreeing to avail Margin Trading Facility with the broker, client is deemed to have authorized the broker to retain and/or pledge the securities provided as collateral or purchased under the Margin Trading Facility till the amount due in respect of the said transaction including the dues to the broker is paid in full by the client.

6. Client shall lodge protest or disagreement with any transaction done under the margin trading facility within the timelines as may be agreed between the client and broker.

STOCK BROKER RIGHTS

1. Stock Broker and client may agree between themselves the terms and condition including commercial terms if any before commencement of MTF.

2. Stock broker may set up its own risk management policy that will be applicable to the transactions done under the Margin Trading Facility. Stock broker may make amendments there to at any time but give effect to such policy after the amendments are duly communicated to the clients registered under the Margin Trading Facility.

3. The broker has a right to retain and/or pledge the securities provided as collateral or the securities bought by the client under the Margin Trading Facility.

4. The broker may liquidate the securities if the client fails to meet the margin call made by the broker as mutually agreed of liquidation terms but not exceeding 5 working days from the day of margin call.

STOCK BROKER OBLIGATIONS

1. Stock broker shall agree with the client the terms and condition before extending Margin Trading Facility to such client. However, for clients who already have existing trading relationship and want to avail of Margin Trading Facility, stock broker may take consent in writing in his own hand or in any irrefutable electronic method after stock broker has communicated the terms and conditions of Margin Trading Facility to such existing clients.

2. The terms and conditions of Margin Trading Facility shall be identified separately, in a distinct section if given as a part of account opening agreement.

3. The mode of communication of order confirmation, margin calls or liquidation of position/security shall be as agreed between the broker and the client and shall be in writing in his own hand or in any irrefutable electronic method. Stock broker shall prescribe and communicate its margin policies on haircuts/ VAR margins subject to minimum requirements specified by SEBI and exchanges from time to time.

4. The Stock Broker shall monitor and review on a continuous basis the client's positions with regard to MTF. It is desirable that appropriate alert mechanism is set up through which clients are alerted on possible breach of margin requirements.

5. Any transaction to be considered for exposure to MTF shall be determined as per the policy of the broker provided that such determination shall happen not later than T + 1 day.

6. If the transaction is entered under margin trading account, there will not be any further confirmation that it is margin trading transaction other than contract note.

7. In case the determination happens after the issuance of contract, the broker shall issue appropriate records to communicate to Client the change in status of transaction from Normal to Margin trading and should include information like the original contract number and the margin statement and the changed data.

Client Signature:-……

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 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.

PART B - As prescribed by BSE:

1 . Stock Broker/ Trading Member is eligible to provide Margin Trading Facility (MTF) in accordance with SEBI & Exchange Guidelines as specified from time to time.

2. Stock Broker/ Trading Member desirous of extending MTF to their clients is required to obtain prior permission of BSE. Stock Broker/Trading Member may note that BSE has the right to withdraw the permission at anytime.

3. Stock Broker/ Trading Member shall extend the MTF to the client, on such terms and conditions as specified by the Stock Exchange /SEBI from time to time. Stock Broker/ Trading Member and the client shall abide by the requirements of the margin trading framework, including rights and obligations, as prescribed by Stock Exchange/ SEBI/ Stock Broker/ Trading Member.

4. Stock Broker/ Trading Member shall intimate all the terms and conditions, including maximum allowable exposure, specific stock exposures etc., as well as the rights and obligations to the client desirous of availing MTF.

5. Stock Broker/ Trading Member may, at its sole and absolute discretion, increase the limit of initial and/or maintenance margin, from time to time. The Client shall abide by such revision, and where there is an upward revision of such margin amount, he agrees to make up the shortfall within such time as the 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.

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.

Client Signature……

PART C - Terms and Conditions prescribed by JK Securities Private Limited (JKSPL) for Margin Trading Facility

1. JK Securities Private Limited (JKSPL) is eligible to provide Margin Trading Facility (MTF) in accordance with SEBI & Exchange Guidelines as specified from time to time

2. JKSPL is desirous of extending MTF to their clients and has obtained prior permission of BSE and NSE for providing MTF to the clients. The Exchanges have the right to withdraw the permission at anytime for sufficient reasons.

3. JKSPL is permitted to extend MTF to the clients on such terms and conditions as specified by the Stock Exchanges / SEBI from time to time and as mutually agreed by and between JKSPL and the Clients. This Rights and Obligation comprises the terms and conditions applicable to MTF and JKSPL and clients shall abide by the same and any other requirements of the margin trading framework, including other rights and obligations, if any, prescribed by the Stock Exchange/ SEBI/ JKSPL from time to time. Any modifications to the terms and conditions, other than those prescribed by SEBI/Stock Exchanges, shall be intimated to the Clients giving prior notice in advance.

4. Equity Shares that are classified as 'Group I Security" by SEBI only shall be eligible for MTF. JKSPL, at its discretion, may not provide funding under MTF to certain equity shares though classified to be "Group I Security" by SEBI.

5. Initial margin, increased margin, margin shortage, margin calls, maximum allowable exposure, maximum stock specific exposure, trade confirmation, square off intimation and such other information in relation to MTF shall be communicated to the Clients electronically through one or many or all of the following modes, viz email, SMS, mobile notifications, .

6. In order to avail of margin facility, the minimum initial margin required to be provided by the Clients, as prescribed by SEBI/Stock Exchanges, is as under: VaR + 3 times of applicable ELM in case of F & O Stocks (i.e., stocks available for trading in the F&OSegment.) VaR + 5 times of applicable ELM in case of stocks other than F & O Stocks. VaR and ELM shall mean VaR and ELM as applicable to respective stocks in the cash segment.

7. Client shall be required to provide the mini mum initial margin as applicable for a particular stock to buy that stock under MTF. The margin shall never be lower than that prescribed by the Stock Exchange/SEBI. However, JKSPL shall have the right to demand a higher initial margin than the margin prescribed by SEBI/Stock Exchanges.

8. Subject to the initial margin as aforesaid, JKSPL may, at its sole and absolute discretion, revise and increase from time to time the margin required for any stock permitted to be traded under MTF. Where client has exposure in the stock in respect of which margin has been revised but does not already have sufficient credit in the account to meet increase in margin, Client shall pay margin found short within the time prescribed for making margin payment.

9. Applicable minimum initial margin, increased margin, margin shortfall, if any, can be paid in the form of cash, cash equivalent, or Group I equity shares with appropriate hair cut as specified in

SEBI Master Circular No. SEBI/HO/MRD/DP/CIR/P/2016/135, DTD. 16/12/2016. Client shall have the right to change collateral securities provided under the MTF with other collateral securities provided that such other collateral securities are approved and sufficient to meet the margin required.

10. Margin requirement on shares purchased under MTF shall be computed by grossing applicable margin i.e., minimum initial margin plus increased margin, if any, on each stock and shortage computed accordingly by deducting available margin from gross margin. Collateral shares and shares purchased under MTF (Funded Shares) shall be marked to market daily for the purpose of computing the margin/shortage of margin.

The Client understands that under Margin Trading Facility, Client would not be able to take further positions and/or existing positions may be squared off by JKSPL at its discretion on occurrence of any of the following events

a. Adequate client Margin is not available with JKSPL for the open positions Applicable minimum initial margin and increased margin, if any, shall be kept supplied at all times by the clients in respect of the stocks purchased under the MTF. Client shall pay any shortage in the required margin immediately on receiving demand (margin call) on the trade day following the day of making the margin call failing which JKSPL shall be at liberty to liquidate the funded shares and/or collateral shares to recover the dues outstanding in the account of the Clients. In case of extreme volatility in the market, JKSPL may demand payment of margin forthwith and prescribed time for making margin payment shall be construed accordingly. Decision of JKSPL in relation to market volatility shall be final and binding without JKSPL having to provide any reason for the decision to the Client.

b. The scrip price is continuously hitting lower circuit, the scrip ceases to be eligible for Margin trading facility for reasons like reduction in daily price band to less than 20%, shifting of group by Exchange(s) etc., the open position will be squared off / liquidated after giving client a margin call

c. If at any point of time total exposure across all stocks of all the Clients of JKSPL taken together under this facility exceeds the SEBI / Stock Exchange prescribed maximum allowable exposure limit specified for a stock broker. Client agrees that JKSPL may set this limit at its discretion which can be lower than the limits prescribed by SEBI as part of its risk management process.

d. 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 JKSPL 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.

e. If the total exposure in a particular stock of all the Clients of JKSPL taken together under this facility reaches the maximum allowable limit for that stock as defined by JKSPL.

f. 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 JKSPL.

g. Any other circumstances due to change in regulatory requirements from time to time or risk management process due to changing market condition

Client Signature:-……

h. If any shares are delisted from JKSPL Approved List, Client shall be required to make payment of full purchase consideration against such shares on receiving margin call within t he prescribed time, failing which JKSPL shall be at liberty to sell such shares without further notice to the Client.

i.. If a client is debarred by orders of lawful authority from trading in the securities market, JKSPL shall liquidate collateral and funded shares of the client to recover its dues to the full extent forthwith.

j.. In case of death of a client, JKSPL shall be entitled to liquidate the collateral and funded shares under MTF and recover the unpaid outstanding due.

k. In case the scrip ceases to be allowed for Margin trading facility due to corporate action – In such cases, open position will be liquidated / squared off at or any time after 02:45 PM. one day prior to its Ex-date.

12. MTF Clients purchasing shares not specified in JKSPL Approved List of Group 1 securities shall be required to 100% margin upfront for such purchases

13. Any loss arising from liquidation of the shares shall to be account of the Client. Client shall forthwith pay JKSPL any unpaid dues outstanding in the account after liquidation of the shares.

14. JKSPL reserves the right to withdraw MTF with respect to any Client without assigning any reason **after giving a reasonable notice to** the Client in which case dues if any outstanding in the account of the Client shall become payable immediately. Failure to make payment of the outstanding dues shall result in liquidation of collateral and/or funded shares held in Client's account.

15. Client may terminate the MTF account after paying all dues in the MTF account by giving written notice.

16. JKSPL shall not use the funds and securities of one client to provide MTF to another client, even on the authority of the client.

17. The stocks deposited as margin collateral and funded stock shall be identifiable separately and no comingling shall be permitted for the purpose of computing funding amount.

24. JKSPL may at its option allow client to buy further shares under MTF on the basis of increase in the value of collateral shares, subject to applicable hair cut. Further purchase shall not be permitted on the basis of increase in the market value of funded shares.

18. JKSPL shall restrict the maximum gross exposure as well as individual stock-wise exposure of a client under the MTF at any point in time according to its internal policies and market views without assigning any reasons to the client. Furnishing applicable margin shall not by itself entitle the client to seek exposure beyond the limit restricted by JKSPL.

19. By agreeing to avail of MTF, the client shall be deemed to have authorized JKSPL to retain and/or pledge the shares purchased under MTF (funded shares) and collateral shares provided as margin till the amount due in respect of the purchase and all other dues are paid in full by the Client.

Client Signature:-……..

20. JKSPL shall maintain separate ledgers for funds and securities of the client availing of MTF.

21. All outstanding dues under MTF shall carry interest at 18% p.a.calculated on daily basis from Settlement/Pay-indate (T+2) and any changes as mutually agreed from time to time.

22. Outstanding dues shall not be carried in the books beyond 90 days from the date of accrual and in case Client fails to pay up the dues within the said 90 days, collateral and/or funded shares shall be sold to liquidate the dues, even though applicable margin is available in the MTF account of the Client. For this purpose, 90 days shall be computed with respect to each debit entry in respect of purchases under MTF separately and liquidation shall be carried out accordingly. JKSPL shall have discretion to sell any stock/stocks to liquidate the outstanding dues older than 90 days.

23. Client shall be free to take delivery of the shares purchased under MTF anytime, but not later than 90 days, from the date of funding by making full payment of the outstanding dues in relation to the shares purchased.

24. Until full payment of the outstanding dues in the MTF A/c is made by the Client, collateral shares and funded shares, as far as may be required, shall be retained in the Demat A/c of JKSPL, separately identified as collateral shares and funded shares.

25. Daily margin statement sent to the MTF clients shall identify margin/collateral for MTF transaction separately.

26. In case of client does not opt for MTF, all dues on clients purchase of shares, accrued/accruing, shall be payable immediately/ on or before T+7. Failing to abide by this protocol, JKSPL shall sell the shares to liquidate, reduce the dues and any remaining unpaid dues if any, shall become payable forthwith.

27. IPF shall not be available for transaction done on the stock exchange, through MTF, in case of any losses suffered in connection with MTF availed by the client.

28. MTF account where there is no transaction under MTF for more than 90 days shall be settled immediately on expiry of said 90 days provided there are no dues outstanding in the MTF account. Dues if any outstanding in the normal trading account shall be first adjusted against the settlement amount and the remainder shall be paid to the Client.

29. Client admitted to MTF shall be deemed to have opted to treat unpaid shares held in Client's account with JKSPL as shares purchased in terms of the MTF and corresponding accrued outstanding dues shall be treated accordingly. In this case, Client shall furnish additional collateral shares, cash and/or cash equivalent required to bring up available margin to the level of initial minimum margin required under MTF, within the prescribed time after receiving margin call. Option to treat accrued outstanding dues as funding made under MTF shall be available only where the outstanding due is less than 90 days old.

30. JKSPL shall declare and communicate to the Client risk management policies that it will follow with respect to MTF transactions. JKSPL may amend the policies from time to time according to its risk perceptions and inform the Clients of the amendments made.

Client Signature:-……

31. Any disputes arising between the client and JKSPL in connection with the margin trading facility shall be resolved through the investor grievance redressal mechanism and/or arbitration mechanism of the stock exchanges as in the case of normal trades.

32. JKSPL shall not be liable for any losses either actual or opportunity losses arising from or in connection with Margin Trading facility due to:

a. Arising out of technical / system issues.

b. Disallowance of any scrip to be allowed for further Margin trading positions.

c. Increase in applicable margin, especially when margin is increased to 100% in case of Corporate action or where the scrip does not remain eligible for Margin trading facility.

d. Increase in Collateral haircut %, especially when haircut is increased to 100% in case of Corporate action or withdrawal of scrip from acceptance as collaterals due to reduction in price band of less than 20%, shifting of groups by exchange(s) etc.

33. Client shall lodge protest or disagreement with any transaction done under the margin trading facility within 3 working days.

34. 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 margin trading position or given as collateral which is required for daily reporting to stock exchanges. In absence of any such disclosure, JKSPL shall consider the client as a non-promoter and will report to stock exchanges accordingly

35. 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, SEBI Circular No. CIR/MRD/DP/54/2017 Dtd. June 13, 2017, the Circulars relating to MTF issued by the respective Stock Exchanges, any modifications thereto from time to time and the Policies and Procedures prescribed by JKSPL and the terms and conditions of client's agreement with JKSPL. In case of any inconsistencies between the Rights and Obligations herein and the provisions in the aforesaid SEBI and/or Stock Exchange Circulars, the later shall prevail to the extent of such inconsistencies.

Client Signature:-……

Account settlement related

I further agree and confirm that such periodic settlement of running account may not be necessary, either on a monthly or quarterly basis, if

1. I am availing margin trading facility as per SEBI circulars (to the extent of funds / securities relating to margin trading facility used by me)

2. Funds given by me / us towards collaterals / margins in the form of Bank Guarantees and Fixed Deposit Receipts which are created by me

Client Signature…….

THE END