

MARGIN TRADING FACILITY (MTF)

Rights & Obligations / Terms & Conditions to avail MTF

SMC Global Securities Limited (SMC), member of National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and Metropolitan Stock Exchange of India Limited (MSEI) 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.

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

1. Avail MTF in accordance with the terms and conditions of MTF offered by SMC.
2. SMC 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 available to the Client.
3. The Initial Margin payable shall be in the form of cash, cash equivalent, or Group I Equity securities with appropriate hair cut.
4. 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.
5. SMC shall have discretion to allocate available securities/funds as collateral against MTF.
6. SMC shall not be bound to grant MTF to the Client (which decision shall be at the sole and exclusive discretion of SMC) and SMC shall not be required to provide any reasons thereof nor shall SMC be liable for any damages (whether direct or consequential or whether financial or non-financial) to the Client by reason of SMC's refusal to grant MTF to the Client.
7. Client includes Individual, Company, Partnership Firm, Trust, Hindu Undivided Family, Association of Persons and Body of Individuals etc.
8. 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.
9. SMC to retain and / or pledge the securities and its corporate benefits, if any, with SMC utilized for availing MTF till the amount due in respect of the said transaction including the dues to SMC is paid in full by the Client.
10. SMC to hold and / or to appropriate the credit lying in the Client account and/or any unutilized/ unpledged shares/ securities lying in demat account along with all other demat accounts / Mutual Funds / IPO account of the Client towards the repayment of the outstanding dues thereof under MTF.
11. Treat the securities available in demat account/s linked to the trading account of the Client as margin towards the MTF availed.
12. SMC may release/ unpledge / transfer the securities utilized for MTF within 5 working days from the date of clearing the dues to SMC.

Rights of the Client

1. 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 SMC to the Exchange towards securities after paying all dues.
2. May change the securities collateral offered for MTF at any time so long as the securities so offered are approved for MTF by SMC.

Obligations of the Client

1. Transaction/s to be considered for exposure to MTF shall be informed to SMC 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.
2. By agreeing to avail MTF with SMC, client is deemed to have authorized SMC 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 SMC is paid in full by the client.

B. SMC undertakes, authorizes, confirms and agrees to/that:

1. SMC shall monitor and review on a continuous basis the client's positions with regard to MTF.
2. 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, SMC 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.

Rights of SMC

1. SMC and client may agree between themselves the terms and condition including commercial terms if any before commencement of MTF.
2. SMC may set up its own risk management policy that will be applicable to the transactions done under the MTF. SMC 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. SMC has a right to retain and/or pledge the securities provided as collateral or the securities bought by the client under the MTF.
4. SMC may liquidate the securities if the client fails to meet the margin call made by SMC as mutually agreed of liquidation terms but not exceeding 5 working days from the day of margin call.

Obligations of SMC

1. SMC shall not use the funds and securities of one client to provide MTF to another client, even on the authority of the client.
2. 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.

3. The daily margin statements sent by SMC to the client shall identify the margin/collateral for Margin Trading separately.
4. In case the client determines to convert a normal trade into MTF after the issuance of contract note, SMC 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.
5. SMC when makes a 'margin call' to the client, shall clearly indicate the additional / deficient margin to be made good.
6. Whenever securities are liquidated by SMC, 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. SMC 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.
8. The Client may opt to terminate the MTF in the event of SMC committing any breach of any terms or conditions herein or for any other reason.

Mode of Communication

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 SMC or by online mode by logging-in on the website of SMC 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.

Eligible Securities & Margin Required for MTF:

1. Securities specified under "**MTF Approved Category List**" by SMC from time to time which must be a part of 'Group I security' as per Exchanges /SEBI shall be eligible for MTF. SMC reserves the right to include or exclude any Securities from its "MTF Approved Category List" as per the discretion of Risk Management Committee without any prior intimation.
2. SMC 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.
3. The client shall deposit the following initial margin, in order to avail MTF:

Category of Stock	Applicable Margin
Group I stocks available for trading in the F & O Segment	VaR + 3 times of applicable ELM or SMC MTF VaR (whichever is higher)
Group I stocks other than F&O stocks	VaR + 5 times of applicable ELM or SMC MTF VaR (whichever is higher)

4. 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, SMC is empowered to decline its acceptance of any securities as margin and/or to accept it at such reduced value as SMC may deem fit by applying haircuts or by valuing it by marking it to market or by any other method as SMC may deem fit in its absolute discretion.

5. Applicable Margin on the securities purchased i.e. "Funded Securities" under MTF shall be computed by grossing applicable margin i.e. minimum initial margin plus maintenance margin, if any, on each security and accordingly shortage shall be computed by deducting available margin from gross margin. Collateral shares at SMC Collateral VaR and Funded Shares at SMC MTF VaR shall be marked to market daily for the purpose of computing the margin/shortage of margin.
6. SMC 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 / SMC 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 3 working days from the day of margin call, failing which SMC may exercise its discretion / right to liquidate the Collaterals and / or Funded Securities immediately.
7. The Client shall maintain the Maintenance Margin (70% of the Initial Margin) with SMC at all the times.

Margin Call

1. 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 SMC. Margin call will be made if Margin available falls below 70 % of the margin required.

Liquidation / Squaring-off of MTF Collaterals / Funded Securities by SMC

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 client:

1. If the value of the Collaterals / Margin deposited by client with SMC to purchase Securities under MTF (Funded Securities), falls below the 60 % of the margin required;
2. If the shortage of the Maintenance margin (70 % of Margin required) continued for 3 trading days;
3. If the client fails to meet the margin call and margin shortage continued for 5 trading days from the day of margin call.
4. If any instrument for payment of Margin Money / Monies is / are dishonoured;
5. If the Client violates/breaches any provision of this Arrangement or provides any incorrect or misleading information;
6. 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;
7. The death, lunacy or other disability of the Client;
 8. 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;
 9. If the Client is convicted under any criminal law in force;
 10. 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;
 11. Default under any other arrangement or facility with any Stock Broker is made by the Client;
 12. There exists any other circumstance, which in the sole opinion of SMC, is prejudicial to the interests of SMC;
 13. Order passed by any regulatory, courts, statutory bodies etc.

Charges

1. Brokerage, Statutory Charges and Other Charges will be charged as mutually agreed between the client & SMC within the prescribed limits as specified by SEBI / Exchanges.
2. All outstanding dues under MTF shall carry Interest upto 0.07% per day 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.

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 SMC 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 of Relationship

1. Client may close / terminate the MTF account at any time after paying the dues.

2. The margin trading arrangement between SMC and the client shall be terminated; if the Stock Exchange, for any reason, withdraws the MTF provided to SMC or SMC surrenders the facility or SMC ceases to be a member of the stock exchange.
3. The MTF facility may be withdrawn by SMC, 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 SMC 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 SMC. SMC shall be entitled to immediately adjust the Margin Amount against the dues of the client, and the client hereby authorizes SMC to make such adjustment.
5. After such adjustment, if any further amount is due from the client to SMC, the client shall settle the same forthwith. Upon full settlement of all the dues of the client to SMC, SMC shall release the balance amount to the client.
6. If the client opts to terminate the MTF, SMC shall forthwith return to the client all the collaterals provided and funded securities retained on payment of all the dues by clients.