

RIGHTS & OBLIGATIONS OF STOCK BROKERS & CLIENTS FOR AVAILING 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 (MTF) 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 payment of all 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 their 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 and 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.
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 (T stands for Trading 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 note, 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 a period of 90 days shall be settled immediately.
12. The stocks deposited as collateral with the stock broker for availing MTF (Collaterals) and the stocks purchased under the MTF (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 MTF 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 MTF 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 MTF, Broker shall forthwith return to the client all the collaterals provided and funded securities retained on payment of all the dues by clients.

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 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 authorised 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 co-mingling 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 herein above 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 MARGIN TRADING FACILITY (MTF Facility), TERMS AND CONDITIONS

The terms and conditions governing MTF Facility provided by Bajaj Financial Securities Ltd. (BFSL) set out below (T&C) and forming part of the account opening form must be read in conjunction with the rights and obligations prescribed by the Securities and Exchange Board of India (SEBI) under SEBI circular no. CIR/MRD/DP/54/ 2017 dated June 13, 2017 and SEBI Clarification vide circular no. CIR/MRD/DP/86/2017 dated August 01, 2017 and the Rules, Regulations, Bye laws, Rights and Obligation, Guidelines and circulars issued by SEBI and the stock Exchanges from time to time (hereinafter collectively referred to as Regulatory Requirements).

The client further confirms that he is a registered client with BFSL and have opened an MTF Account with Power of Attorney (POA). The client would like to purchase shares and securities through MTF in the Capital market of NSE/BSE segment. The client hereby accord his consent to avail this MTF product facility and shall deposit approved Securities as collateral or cash for getting the initial margin and there by transacting in shares and securities. The client hereby request BFSL to grant him this facility of MTF and by agreeing to avail this facility, the client have deemed to authorize BFSL to retain and/or pledge the securities provided as collateral or purchased under MTF facility till the amount due in respect of the said transaction including any dues to BFSL is paid in full by me. The client further agree to accept and abide by all the terms, conditions, norms, instructions, advisory process etc prescribed by BFSL in this regard and undertake to comply and assist, BFSL, in strict implementation thereof, agree, accept, and acknowledge the following terms and conditions prescribed by BFSL, for availing the aforesaid MARGIN TRADING facility.

A. For the client (means and includes an Individual, Company, Partnership Firm, Limited Liability Partnership, One Person Company, Trust, Hindu undivided family, Association of Persons, Body of Individuals, whether incorporated or not etc.)

The client agrees to and confirms, undertakes and authorizes that:

I. General:

1. To avail the MTF Facility offered by BFSL in accordance with the T&C.
2. Consent to the T&C through email/SMS from his/its email id/mobile number registered with BFSL or by any online mode or through mobile app (through 2FA/OTP) by logging-in on the website of BFSL (as and when made available) or by calling the relationship manager or the call centre through the registered mobile number or by approaching through the physical mode of execution.
3. The dues of the client, wherever mentioned in the T&C, shall include but are not limited to the outstanding balances, interest, statutory dues, taxes, duties, charges, penalties etc. in respect of the MTF Facility availed by the client.
4. The T&C applicable to the grant of the MTF Facility and the obligations of the client as amended from time to time is irrevocable and shall not be revoked by the death/dissolution/insolvency/winding up or such other event of the client.
5. BFSL in its sole and exclusive discretion may or may not grant the MTF Facility to the client or grant on such conditions, terms as are at the sole discretion of BFSL. BFSL shall not be required to provide any reasons for either granting or refusal thereof nor shall BFSL be liable for any damages (whether direct or consequential or whether financial or non-financial) to the client or any third party by reason of it refusing to grant the MTF Facility to the client.
6. To communicate/indicate that the transaction is under the MTF Facility before placing the order with BFSL. If the transaction is entered under the MTF Facility, there will not be any further confirmation that it is a margin trading transaction other than the contract note issued on conclusion of the transaction.

7. Transaction/s to be considered for exposure to the MTF Facility shall be informed to BFSL in writing or in any other irrefutable acceptable mode of communication, including call to the relationship manager or call centre on a recorded land line on T day before close of the trading hours. In the absence of any such express communication, the transaction shall be considered under the normal trading facility. Any additional exposure over the debit balance (arising out of any trade executed under the normal trading facility), beyond the fifth trading day reckoned from pay-in date, may be granted under the MTF Facility to the extent the client is eligible and subject to availability of the required margin. In such event, BFSL in its absolute discretion may identify the eligible/excess securities available with the client and mark the same as collateral towards the MTF Facility. All credit arising to the client account out of a sale transaction under the MTF Facility shall be first adjusted towards the debit under the MTF Facility, if any and subject to adequate margin being maintained for the outstanding debit under the MTF Facility.
8. Pay an interest equal to the delayed payment interest (payment made after the timelines prescribed for Pay In or Pay out date with respect to the said transaction) charged at the rate charged to the client normal account or upto 18 p.a. interest or at the rate agreed from time to time.
9. BFSL at all times shall have the liberty to exercise its rights in its sole discretion to determine the extent to which the MTF Facility will be available to the client.

II. Requirement to Maintain Margin:

1. Ensure required margin is maintained for the MTF Facility at all points of time as per the Regulatory Requirements and as specified by BFSL from time to time.
2. BFSL shall retain and/or pledge the securities of the client, which are utilized for availing the MTF Facility, and/or retain its corporate benefits, if any, till the amounts due in respect of the transactions including the dues to BFSL are paid in full by the client.
3. BFSL shall hold and/or appropriate the credit lying in the client account with BFSL and/or any unutilized/unpledged shares/securities lying in the client demat account with BFSL along with all other demat accounts/Mutual Funds/IPO account of the client with BFSL towards the repayment of the outstanding dues thereof under the MTF Facility.
13. BFSL shall treat the securities available in Demat account/s linked to the trading account of the client as margin towards the MTF Facility availed by the client.
14. Subject to Regulatory Requirements, BFSL at its sole and absolute discretion may increase/revise the limit of initial margin and maintenance margin, minimum transaction amount from time to time. 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, failing which BFSL in its discretion may exercise its right to liquidate the security/collateral and/or close out the position immediately.
15. Make good the deficient margin/margin call by placing further margin immediately, failing which, depending upon the market conditions and/or the volatility, BFSL in its discretion may exercise its right to liquidate the security/collateral and/or close out the position immediately.
16. The MTF Facility shall be provided only in respect of shares as permitted by Regulatory Requirements and/or BFSL from time to time.

III. Closing out of position:

17. Notwithstanding anything contained in clauses above, BFSL may, in its sole discretion, determine the time to sell the securities to be liquidated, and/or which contract(s) is/are to be closed.
18. All losses and financial charges on account of such liquidation/closing out shall be charged to and borne by the account of client and shall stand payable immediately.
19. On the happening of any of the following events, BFSL may, immediately and without any notice, liquidate the security/collateral and or close out the position of the client:
 - i. if any instrument or mandate for payment of Margin Money/Monies is/are dishonored;
 - ii. if the client provides any incorrect or misleading information or violates or is in breach of any provision of the T&C; if there is a change in the constitution of the client whether on account of admission of a new partner or retirement/death/insolvency of any partner or otherwise or if the client has voluntarily or compulsorily become the subject of any proceedings under any bankruptcy/insolvency law or winding up/ liquidation proceedings or a receiver or liquidator has been appointed in respect of the client assets or makes an application or refers itself/by any third party to any authority for being declared being subject to the Insolvency and Bankruptcy Code 2013 or any proceedings, investigations are commenced by any Regulatory Authority including Law enforcement Agencies, or seeking financial reconstruction or any other like scheme (by whatever name called) or is dissolved; the death, lunacy or any other disability of the client;
 - iii. if the client has admitted its inability to pay his/its dues when they become payable or there is reasonable apprehension that the client is unable to pay its outstanding dues including Garnishee Order being passed or admitted against the client;
 - iv. if any order is passed by any regulatory authority, courts, etc. requiring BFSL to liquidate the security/collateral and/or close out the position of the client or if the client is convicted under any law in force;
 - v. 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;
 - vi. If client defaults under any facility or arrangement with any stock broker.
 - vii. there exists any other circumstance, which in the sole opinion of BFSL, is prejudicial to the interests of BFSL;

IV. Communication:

20. Based on client preference, the client accepts all types of communications whether by email/message to registered mobile number of the client/logging in on BFSL website (as and when made available) or by physical mode relating to and including with respect to order/trade confirmation, revision in margin/ margin calls, decision to liquidate the position/security/collateral, margin statements, netting, margin policies on haircuts/VAR margin, risk management policies, rights & obligations, etc.

V. Miscellaneous:

21. The MTF Facility may be withdrawn by BFSL, in the event of the client committing any breach of any of the terms and conditions specified herein or in the policy as may be framed from time to time after allowing such time to liquidate the MTF position as agreed herein, without assigning any reason.
22. In the event of termination of this arrangement, the client shall forthwith settle the dues of BFSL. BFSL shall be entitled to immediately adjust the margin amount against the dues of the client, and the client hereby authorizes BFSL to make such adjustment. If any further amount is due from the client to BFSL, after such adjustment, then the client shall forthwith settle the same. BFSL shall release the balance amount to the client upon full settlement of all the dues of the client to BFSL.
23. BFSL may release/unpledge/transfer the securities utilized for providing the Margin under the MTF Facility within 5 working days of the client clearing the dues to BFSL.
24. A protest /disagreement with any transaction, document, statements, contract notes or any communication under the MTF Facility shall be lodged by the client within 24 hours from the date of receipt of the same.
25. Subject to clearing BFSL dues, the client can close/terminate the MTF Facility at any time.
26. Any dispute in connection with the MTF Facility arising between the client and BFSL, shall be referred to the investor grievance redressal mechanism, arbitration mechanism of the relevant stock Exchange.
27. The client must before deposit and/or purchase of any securities belonging to the promoters/promoter group, intimate the nature of the same to BFSL before deposit and/or purchase of the securities for availing MTF Facility, failing which the same will be treated as non-promoter holding.
28. The terms and conditions and amendments made by BFSL from time to time, to the T&C, shall be available on BFSL website and shall be read as forming a part of the present T & C, of which the client shall be bound.

B. For BFSL

BFSL agrees to and undertakes and confirms that:

I. Maintenance of Margin:

29. The client can, at anytime, replace the securities provided towards collateral for the MTF Facility, as long as the said securities are approved for margin trading with prior approval of RMS.
30. The client positions with regard to the MTF Facility will be monitored and reviewed on a continuous basis.
31. To the extent the client is eligible and subject to the required margin being available, additional exposure over the debit balance (arising out of any trade executed under the normal trading facility), beyond the fifth trading day reckoned from pay-in date, may be granted under the MTF Facility. BFSL shall, in its sole discretion in such cases, identify the eligible/excess securities available with the client and mark the same as collateral towards the MTF Facility. All credit arising to the client account out of a sale transaction under the MTF Facility shall be first adjusted towards the debit under the MTF Facility, if any and subject to adequate margin being maintained for the outstanding debit under the MTF Facility.
32. BFSL shall clearly indicate the additional/deficient margin to be made good by the client when it makes a margin call to the client.
33. If BFSL liquidates the client securities, the contract note issued for such margin call related transaction shall carry an identifier that the transaction has arisen as a result of a margin call.
34. The daily margin statements sent by BFSL to the client shall identify the margin/collateral for MTF Facility separately.

II. Closing/Termination of Account:

35. Upon receipt of a request from the client to close/terminate the account of the client, BFSL shall forthwith close/terminate the same subject to payment by the client of all its dues under the MTF Facility.
36. If for any reason whatsoever BFSL surrenders the MTF Facility/ceases to be a member of the stock Exchange/the stock Exchange withdraws the MTF Facility provided to BFSL then the margin trading arrangement between BFSL and the client shall be terminated.
37. Subject to clearing all dues payable to BFSL, the client may opt to terminate the MTF Facility, in the event of BFSL committing any breach of any terms or conditions herein or for any other reason.
38. Upon the client opting to terminate the MTF Facility and on payment of all the dues payable by the client to BFSL, BFSL shall return to the client all the collaterals provided and funded securities retained forthwith, but not later than 5 working days from the date of such payment of all dues.

III. Miscellaneous:

39. The client shall, after paying all dues, be free to take the delivery of the securities at any time.
40. BFSL shall issue appropriate records to communicate to the client the change in status of a transaction from normal to MTF Facility, if the client determines to convert a normal trade into MTF after the issuance of a contract note, and shall include information like the original contract number and the margin statement and the changed data.
41. The stocks deposited as collateral with BFSL (Collaterals) for availing the MTF Facility and the stocks purchased under the MTF Facility (Funded stocks) shall be separately identifiable and there shall not be any co-mingling for the purpose of computing funding amount.
42. The funds of one client shall not be used to provide MTF Facility to another client even if so authorised by the first client.
43. Investor Protection Fund (IPF) will not be available for transactions done on the Exchanges, through the MTF Facility, in case of any losses suffered in connection with the MTF Facility availed by a client.
44. The BFSL reserves the right to auto square off the position in the scenario when the client fails to make the payment.
45. The BFSL will also be charging the brokerage apart from the interest on the funded portion.
46. BFSL reserve the right to provide the eligible security to be considered for the purpose of availing the MTF facility. BFSL may change the stock from its MTF list as and when the situation demands so or at the time of any volatility in the scrip of the any shares.

47. MTM (Mark to Market) loss if any of the funded stocks, should be paid immediately under this funding facility.
48. Margin call will be initiated by BFSL, at any time if the client fails to meet the daily Mark to Market Losses and fails to maintain the required margin as per SEBI/NSE/BSE/BFSL, By-Laws, rules, regulations, Circulars, Notice or Policy as the case may be & as stated above.
49. The margin calls to the client shall be made in the form of SMS to the registered mobile number/E-mail to the registered e-mail ID with BFSL.
50. Upon the receipt of the Margin Call, the client agree to bring additional amount within the specified time to cover the margin short fall and make good of such deficiency in the amount of margin placed with BFSL.
51. Margin shortfall can be replenished by way of online fund transfer/by depositing additional Collateral stock/by transferring the funds from the normal trading account to the MTF account or such other mode as is acceptable to BFSL and permitted by the Bye Laws, Rules, Regaulations, orders, Notices of the Stock Exchange and Regulatory Authority.
52. If there is a margin call on MTF account, and the client have credit balance in the Normal trading account, BFSL reserves the right to transfer any clear credit balance from the Normal trading account to the MTF account. By agreeing to this terms and conditions you give BFSL the explicit right to do this transfer without any intimation to the client.
53. BFSL reserves the absolute right to change the above-mentioned leverages/exposures at any time without any further intimation.
54. If there are no transactions for 90 days in the MTF account and where MTF account is in credit then the same would be settled as per the running account settlement process.
55. BFSL at its absolute discretion, may liquidate, close out/sell shares, a part of our whole position, if in case the client fails to meet the margin call made by the Company within the specified time, without prior intimation to me.
56. The stock valuation of fully paid securities in the Collateral account will be determined by BFSL, after applying the necessary haircuts (Var + ELM % as defined by BFSL) from time to time.
57. BFSL reserves the absolute right to withdraw this aforesaid facility at any time without giving any reasons thereof, and the client shall not protest or take a stand against BFSL.
58. The client agrees to have read and understood the Risk Disclosure Documents, Rights and Obligations and any policies and procedures in this regard and shall not make this as a point of defense at any point of time.