



Corporate Member:- NSE & BSE, SEBI REG NO.: -INZ000185032

Depository Participants: CDSL, SEBI REG. NO.: IN-DP-CDSL-81-2015

PAN NO.: AAACF530K, TAN NO.: LKNF05173A

CIN NO.: U65999UP2003PTC027819, GST NO.: 09AAACF530K2ZG

## Some Important Point while using Margin Trading Facility (MTF)

Sr. No.	Particulars	Details
1	Consent Letter	Prior to engaging in Margin Trading Facility (MTF), clients must provide a Consent Letter
2	Brokerage	Currently, there are no additional or separate brokerage charges for MTF trades
3	Interest	Interest Rate for MTF is 18% p.a.
4	Script for MTF	MTF is applicable to 'Group - I' stocks that are approved for MTF trading
5	Square-Off - 80% And SMS/email confirmation	<ul style="list-style-type: none"> <li>MTF positions will be marked to market, and FIPL will initiate a Margin Call when MTM Loss reaches 60%.</li> <li>Clients will receive SMS and email notifications to top up the margin until it reaches 75% MTM Loss of the total deposited value.</li> <li>If MTM loss exceeds 80%, FIPL may square off the position(s) at the prevailing market rate.</li> <li>Settlement of accounts will occur on T+1, and</li> </ul>
6	Fund Transfer and Journal voucher	To settle any dues under MTF, funds from the client's normal ledger will be transferred to their MTF ledger using a Journal Voucher (JV) if Sufficient funds are available in the normal ledger.
7	Pledging	Clients must pledge the shares bought under MTF before 7:00 p.m. on the same day to continue holding the position.
8	Pledge Charge	A charge of Rs.25 + GST will be levied for pledging/unpledging MTF shares
9	Margin Required	A minimum of 50% cash margin is required for MTF trades
10	OTP Confirmation	<p>After a successful MTF trade, clients must follow the OTP confirmation process;</p> <ul style="list-style-type: none"> <li>Clicking on the CDSL link received via email/SMS.</li> <li>In the Email/SMS to get redirected to CDSL's website</li> <li>Enter PAN/Demat Account Details</li> <li>Select Stocks to Pledge</li> <li>Generate OTP</li> <li>Enter the received OTP to Authorize and complete the process</li> </ul> <p>• <b>OTP Initiation &amp; Timely Confirmation:</b> It is crucial that clients ensure the completion of the OTP process and pledge confirmation no later than 7.00 p.m. on the trading day of the MTF. The OTP generation is limited to one occurrence during the trading day of the MTF.</p>

## **APPLICATION CUM UNDERTAKING FOR MARGIN TRADE FUNDING (MTF) FACILITY**

To,  
**FAIR INTERMEDIATE INVESTMENT PVT. LTD.**  
2<sup>ND</sup> Floor, Shukla Palace, Sapru Marg  
Hazrat Ganj, Lucknow 226001

Date:    /    /

Dear Sir,

**Sub: Request for availing Margin Trading Funding facility (MTF FACILITY) offered by SEBI recognized Stock Exchanges from time to time (hereinafter jointly referred to "MTF FACILITY")**

1. I/We am/are registered as your client and have executed Know Your Client form and certain other documents for the purpose of trading in securities market on the recognized Stock Exchange (herein after referred as "Exchange").
2. I/We am/are interested in availing the Margin Trading Funding facility (MTF FACILITY) of the Exchanges for the purpose of Margin Trading Funding Scheme permitted to be dealt with on the SEBI recognized Stock Exchanges. For the purpose of availing MTF FACILITY,
3. 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 contained in the same remain unchanged as on date.
4. I/We have read and understood the contents of the Information Document of the Trading Member and Rights & Obligations of Exchanges and have received said copy of the same from the Trading Member. The standard set of Rights & Obligations of Exchanges has been displayed on the Web-Site of the Trading Member.
5. I/We agree to abide by the terms and conditions, rules and regulations of the MTF FACILITY, and further agree to abide by any terms and conditions as may be specified by Fair Intermediate Investment Pvt. Ltd., the Exchanges or SEBI from time to time in this regard. I further agree that the POA/DDPI submitted for the movement of shares by me for my normal trading will also be applicable for your demat account number pertaining to MTF account.
6. I/We understand that by availing the funding to trade under Margin Trading, I/We authorize FIPL to treat all my/our trade in group I securities (further classified by FIPL), which are not covered by 100%, Margin (i.e. Cash in ledger) as trades under Margin Trading Funding and accordingly I/We authorize FIPL to report all such trades to the exchanges(s) on nest day as Margin Trading Trades.
7. I/We understand and acknowledge that FIPL would consider entire clear ledger credit balance in normal trading ledger for adjustment against the Margin Trading Funding Trades (Ledger) and would levy the interest on the net debit balance in the MTF Ledger.
8. I/We understand and agree that the interest would be calculated and levied on a daily basis at the rate mutually agreed between client and FIPL from time to time.

I/We am/are aware that I / WE can avail this facility from any one broker and undertake that I/We have not availed MTF FACILITY with any other broker. I hereby indemnify Fair Intermediate Investment Pvt. Ltd., for any breach or any loss arising from this declaration.

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

<b>Client's Name</b>	
<b>Client Code</b>	
<b>Clients Signature</b>	

## Consent for Availing Margin Trading Facility (MTF)

To,  
**FAIR INTERMEDIATE INVESTMENT PVT. LTD. (FIPL)**

Dated: \_\_\_\_\_

2<sup>ND</sup> Floor Shukla palace sapru marg, Lucknow 226 003.

Dear Sir,

I/We \_\_\_\_\_ (Client's Name) am/are a registered client with a Trading account no (client code) \_\_\_\_\_ & Demat A/c No 12039800 00 \_\_\_\_\_ willing to avail Margin Trading Facility (MTF) offered by Fair Intermediate Investment Pvt. Ltd. (FIPL).

I/We hereby accord my consent to avail this MTF product facility and shall deposit approved Securities as collateral or fund for getting the initial margin and thereby transacting in shares and securities.

Margin Trading Facility is a facility offered by M/s Fair Intermediate Investments Private Limited. This facility finances the purchase of shares and securities for its clients and allows them to take advantage of trading opportunities by taking delivery of shares on margin. (This product will be referred to as MTF hereinafter). I/We wish to avail of the Margin Trading Facility (MTF) on the platforms of National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as per the framework prescribed by SEBI vide Circular No. CIR/MRD/DP/54/2017 dated June 13, 2017.

I/We have further read and understood the "Rights and Obligations of Stock Brokers and Client for Margin Trading Facility (MTF)" as prescribed by NSE Circular No. NSE/COMP/35260, June 30, 2017 and BSE Circular No. 20170619-26, June 19, 2017.

I/We have read and understood the "Policies and Procedures for MTFs" specified by Fair Intermediate Investment Pvt. Ltd. (FIPL) regarding the terms and conditions of margin trading facility, manner of communication for order/trade confirmation, margin calls and calls for collateral/security/liquidation of positions, etc., and agree to abide by the clauses mentioned therein at all times. Further, I/We will visit FIPL's website [www.fairinvest.co.in](http://www.fairinvest.co.in) from time to time for any updates on the policies and procedures.

### MARGIN TRADING FACILITY ARRANGEMENT

#### Collection of Margin:

The margin is collected in CASH & SECURITIES COLLATERAL ONLY. Approved Collateral List is available in our Website ([www.fairinvest.co.in](http://www.fairinvest.co.in)) download page along with the Hair-cut value **naming Acceptance of Approved Securities List**. Kindly refer the same before Pledging to our Client collateral Account as per details given below.

Account Type	DP ID	DP NAME	CLIENT ID
Client Unpaid Securities Pledgee Account	12039800	F I I P L	00146997

**Setting of Exposure:** Trading is allowed only against available margin in client's account. For this purpose, margin should be actually available at the time of entering trade in the cash segment of NSE in the form of credit balance in the trading account.

A client's position across all segments and stock exchanges is considered by Risk Management Section while controlling the exposure of the client.

#### DP Account Details for Transferring Collaterals / Securities:

Clients can Pledge the collaterals / securities to the below mentioned account only for availing exposure after applicable hair-cut set by the Exchanges / RMS Team.

Account Type	DP ID	DP NAME	CLIENT ID
TM Client Securities Margin Pledge	12039800	F I I P L	00114616

The shares purchased by you will be given to Pledge in the below mentioned DP Account of Client Security Margin Funding Account. The securities will be delivered to the clients own Ben account on full payment and request or delivered to the Exchange Pool a/c. on obligations / selling of shares.

Account Type	DP ID	DP NAME	CLIENT ID
Client Security Margin Funding Account	12080300	F I I P L	00154404

Signature 1) \_\_\_\_\_ 2) \_\_\_\_\_ 3) \_\_\_\_\_

**TERMS AND CONDITIONS PRESCRIBED BY FAIR INTERMEDIATE INVESTMENT PVT. LTD.**  
**FOR AVAILING MARGIN TRADING FACILITY-PART-A**

**DEFINITIONS & INTERPRETATIONS:**

1. **“Initial margin”** means the minimum amount, calculated as a percentage of the transaction value, to be placed by the client, with the broker, before the actual purchase. The broker will advance the balance amount to meet full settlement obligations.
2. **“Maintenance margin”** means the minimum amount, calculated as a percentage of the Market value of the securities, calculated with respect to the last trading day's closing price, to be maintained by the client with the broker.
3. **“Margin Trading Funding Facility”** or MTF facility means and refers to the facility pursuant to which part of the transaction value due to the Stock Exchange, at the time of purchase of Shares, shall be paid by FIPL on behalf of the Client on Client's request, on such terms and conditions as contained in this Facility.
4. **“Mark to Market Loss”** or “MTM Loss” means the difference between the purchase value of the shares and the marked to market value of these shares.
5. **“Mark to Market Value of shares”** or “MTM Value of Shares” means the value of shares calculated with reference to the previous day's closing price on the Stock Exchange.
6. **“Share/s”** means and refers to the shares / stock / securities eligible for margin trading facility, as specified by the SEBI from time to time and approved by FIPL for the purpose of granting MTF.
7. **“Stock Exchange”** means the stock exchange on which the shares have been purchased.

**TERMS AND CONDITIONS PRESCRIBED BY FAIR INTERMEDIATE INVESTMENT PVT. LTD.**

1. 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:

Category of Stock	Applicable margin
Group I stocks available for trading in the F&O Segment	VaR + 3 times of applicable ELM*
Group I stocks other than F&O stocks	VaR + 5 times of applicable ELM*

***\*For the aforesaid purpose VaR and ELM shall mean VaR and ELM as applicable to respective stocks in the cash segment.***

**The above-mentioned rates of VAR margin are minimum, and the same can be extended on a case-by-case basis.**

2. Leverage & exposure: FIPL shall provide exposure to client based on maximum allowable exposure limit as prescribed by SEBI/exchange(s) from time to time. However, based on market conditions and the risk perception about the market, FIPL may set the exposure limit on the basis of available collateral, which may comprise ledger balance and stocks (after suitable margin haircut). In case overall position in particular scrip or across all scrips has reached a particular limit, then client may not be allowed to take further positions.
3. Collateral/Securities provided by client towards Margin should be totally unencumbered.
4. FIPL may close the existing/partial position of a client if the margin cover falls below the minimum prescribed margin limits as specified by SEBI/ Exchange(s) / FIPL guidelines. In case if debit/margin shortfall still exists upon closing the position, collaterals provided by client shall also be liquidated to recover the debit/margin shortfall. In case the FIPL has sufficient Margin cover on behalf of its client, it may still decide based on the market conditions and risk perception, not to allow further position or may close the existing position of a client.
5. The above liquidation of position / collateral may be carried out by FIPL at any point of time but not later than T+5 working day from the day of Margin Call.
6. The Client agrees that he will be remain informed by visiting Exchange websites about changes in the eligible stocks / collaterals that can be purchased / furnished for the Margin Trading Facility. The customer further agrees that he will take necessary action to replenish the stocks as collaterals in case of any margin shortfall to avoid any RMS Actions.

7. 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 electronically through one or many or all of the following modes, viz email, SMS & telephone calls.
8. The margin requirement of client may be changed due to, but not limited to, the following Factors: market volatility, risk management policy of FIPL. FIPL will communicate / advice the parameters for the calculation of the margin / collateral requirement as rate(s)/ percentage(s) of the haircut and/or as VAR / ELM requirement through any one or more means or methods such as by messaging on the computer screen of the client's computer by informing the client through employees/agents of FIPL, by publishing /displaying it on the website of FIPL/ making it available as a download from the website of FIPL; or any other suitable or applicable mode or manner. The client shall monitor his /her / its position (including valuation of collaterals) on his / her / its own and provide the require / deficit margin/collateral as required from time to time whether or not any margin call or such other separate communication to that effect is sent by FIPL To the client and/or whether or not such communication is received by the client to avoid any liquidation.
9. The client agrees that FIPL shall not be responsible for variation, reduction or imposition or the client's inability to create any position through FIPL's trading system on account of any such variation, reduction or imposition of limits. The client further agrees that FIPL may at anytime, at its sole discretion and without prior notice prohibit or restrict the client's ability to create position in securities through FIPL or it may liquidate the position/sell shares or subject any position by the client to a review before its creation and may refuse to create position due to the reason of lack of margin/collateral market perception and any other such reasons which FIPL may deem appropriate in the circumstances. The client agrees that the financial charges and losses, if any, on account of such refusal, liquidation or due to delay caused by such review under MTF or otherwise, shall be borne exclusively by the client alone.
10. In addition to powers granted by way of power of attorney executed at the time of account opening, the client hereby authorize FIPL to transfer or pledge the stock held in the demat account with FIPL. FIPL has a right to lien and/or pledge the securities/collaterals and its corporate benefits, if any, lying in demat account of client, or the securities bought by the client under the margin trading facility and shall continue to hold / pledge till the amount due in respect of the said transaction including the dues to FIPL is paid in full by the client.
11. 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.
12. 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) and in any case not later than 09.00 A.M on the trade day following the day of making the margin call (prescribed time), failing which FIPL 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, FIPL may demand payment of margin forthwith, and the prescribed time for making margin payment shall be construed accordingly. The decision of FIPL in relation to market volatility shall be final and binding without FIPL having to provide any reason for the decision to the Client.
13. If the required margin is not provided within the prescribed time, client shall be treated as Client in margin default. FIPL shall not be obliged to notify the Client in margin default of the liquidation of shares, ahead of liquidation. FIPL shall be obliged to liquidate shares proportionate to the shortage in margin.
14. Client in margin default shall continue to be in margin default until the required margin is furnished in full to eliminate the shortage. Partial payment of margin or a change in the required margin shall not extend the time stipulated for making margin payment, which will run from the time of making the margin call to the Client.
15. In case margin is reduced by an amount equal to applicable ELM component of the total margin due to market volatility within a trading day (i.e. available margin becomes equal to or less than applicable VAR margin), FIPL reserves the right to liquidate the collaterals and/or funded shares forthwith without prior notice to the Client.
16. MTF Clients purchasing shares not specified in FIPL Approved List of Group 1 securities shall be required to 100% margin upfront for such purchases.
17. If any shares are delisted from the Group 1 Approved List, Client shall be required to make payment of the full purchase consideration against such shares on receiving a margin call within the prescribed time, failing which FIPL shall be at liberty to sell such shares without further notice to the Client.
18. If a Client is debarred by orders of a lawful authority from trading in the securities market, FIPL shall liquidate the collateral and funded shares of the Client to recover its dues to the full extent forthwith.

19. The stocks deposited as margin collateral and funded stock shall be identifiable separately, and no commingling shall be permitted for the purpose of computing the funding amount.
20. FIPL may, at its option, allow Client to buy further shares under MTF on the basis of an increase in the value of collateral shares, subject to an applicable haircut. Further purchase shall not be permitted on the basis of an increase in the market value of funded shares.
21. In case of the death of a Client, FIPL shall be entitled to liquidate the collateral and funded shares under MTF and recover the unpaid outstanding due.
22. Any loss arising from the liquidation of the shares shall be charged to the account of Client. Client shall forthwith pay FIPL any unpaid dues outstanding in the account after liquidation of the shares.
23. 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.
24. FIPL 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 FIPL.
25. By agreeing to avail of MTF, the Client shall be deemed to have authorized FIPL 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.
26. 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 FIPL, separately identified as collateral shares and funded shares.
27. Margin Trading Account where there is no transaction for 90 days and no dues outstanding from the client shall be settled immediately.
28. In case Client does not opt for MTF, all dues on account of purchase of shares, accrued /accruing, shall be payable immediately/on or after T+5, failing which, FIPL shall sell the shares to liquidate /reduce the dues, and remaining unpaid dues, if any, shall become payable forthwith.
29. FIPL shall maintain separate ledgers for funds and securities of the client availing of MTF.
30. Daily margin statement sent to the MTF Clients shall identify margin/collateral for MTF transactions separately.
31. Admitting Clients for MTF shall be at the discretion of the Stock Broker/Trading Member. Clients request for admission to MTF may be disallowed without assigning any reason.
32. **Client's additional duties :**
  - a) In case client is already availing Margin Trading Facility with other brokers, client needs to inform FIPL before availing this facility with FIPL.
  - b) Clients are required to upfrontly inform their status whether they are Promoter or Promoter Group with regards to the scrips availed under Margin Trading Facility for both Funded Stocks and Collateral Stocks. The same is required to be disclosed to Exchanges and regulators on daily basis by Brokers.

### **33. Termination:**

- c) Member, at its sole discretion, reserves the right to either temporarily or permanently withdraw or suspend the Facility at any time without giving any notice.
- d) FIPL reserves the right to temporarily or permanently withdraw MTF with respect to any Client without assigning any reason and giving any notice, in case of any outstanding dues in the account of the Client shall become payable immediately. Failure to make payment of the Outstanding dues shall result in a liquidation of collateral and/or funded shares held in Client's account.
- e.) The client may terminate the MTF account after paying all dues in the MTF account.
- f.) In addition to what the client has agreed in the agreement, FIPL may terminate a client with immediate effect, but not limited to the following reasons –
  - If the client is debarred by SEBI or any other regulatory authority.



- As a part of surveillance measure, if a client appears to be indulging in manipulative practices.
- Under the circumstances when there is a reasonable ground to believe that the client is unable to clear its dues or has admitted its inability to pay its debt.
- If the client violates any of the terms of the agreement.

34. Any disputes arising between the client and FIPL in connection with the margin trading facility or anything incidental or ancillary therewith, the client shall raise/report the same to FIPL not later than within 24 hours of receipt of contract note for the disputed transaction, shall have the same treatment as normal trades and will be covered under the investor grievance redressal, mechanism, arbitration mechanism of the stock exchange.

### 35. Schedule of Charges (MTF Clients)

The following charges shall be applicable to clients availing Margin Trading Facility with FIPL:

Particulars	Charges
Interest on funded amount	18% p.a. compounded daily + applicable taxes
Pledge creation/modification/unpledge	₹25 per script or transaction
Late payment / delayed margin charges	₹50 per day or 0.05% per day, whichever is higher
Other administrative charges (if any)	As mutually agreed or as published on the website

**Note:** Charges are exclusive of applicable GST and are subject to revision with prior notice. Please refer to [www.fairinvest.co.in](http://www.fairinvest.co.in) for the latest updates.

### 36. Client Acknowledgement & Consent:

By signing the MTF Agreement, the Client confirms that they have read and understood the Terms & Conditions, SEBI-prescribed Rights & Obligations, and the risk disclosures. The Client consents to avail MTF and authorize pledge/re-pledge of securities for funding purposes.

### CLIENT REPRESENTATION:

The Client undertakes, authorizes, confirms and agrees that:

1. Place the initial and maintenance margin amounts as the Broker may specify to the Client from time to time, subject to requirements specified by SEBI / Exchanges.
2. Authorize retention of the shares with the broker upon the receipt of the same in the pay out from the Stock Exchange till the amount due in respect of the said transaction including the dues to the broker is paid in full by the client.
3. To pay to the Broker - Brokerage, Commission, Fees, Transaction costs, GST, Stamp Duty and other taxes / expenses as are prevailing from time to time and as they apply to the Client's account, transactions and to the Services that the broker renders to the Client.
4. Abide by any revision in any of the terms of this facility as may be agreed between the parties.

### BROKER'S REPRESENTATION:

The FIPL represents that:

1. On entering into this facility and deposit of initial margin by the client, the FIPL undertakes to settle the obligation towards the Stock Exchanges for and on behalf of the Client. The Client hereby agrees and authorizes the FIPL to make such payment on his behalf.
2. The maximum credit limit for a client will not exceed 10% of the net worth of the company computed as per SEBI guidelines. However, Fair Intermediate Investment Pvt. Ltd. reserves the right to reduce the maximum credit limit at any time without any prior intimation or assigning any reasons thereof.

### MONITORING CLIENT'S POSITIONS

1. FIPL shall monitor and review on a continuous basis the client's positions with regard to the margin trading facility.
2. FIPL shall make a "margin call" requiring the client to place such Margin Amount as may be specified by FIPL with a view to make up for the MTM Loss, If any, in accordance with SEBI requirements.

3. On receipt of "margin call" intimation from FIPL, the Client shall make good such deficiency by placing the further Margin Amount, within such time as is specified by SEBI, failing which the Client shall be deemed to be in breach of this Facility.
4. Notwithstanding what is stated above, FIPL may immediately sell the Shares, in the circumstances specified by SEBI / Stock Exchanges and for this purpose, the Client does hereby expressly authorize such sale, and thereafter, the sale proceeds shall be treated in the manner specified. FIPL may, in its sole discretion, determine which Shares is/are to be sold, and / or which contract(s) is/are to be closed.
5. The Client agrees and understands that FIPL shall have full freedom and authority to vary, modify, revise the initial and maintenance margin amount, minimum transaction amount from time to time, subject to the SEBI requirements in this respect, and Client agrees to abide by such variation, modification or revision.

### **PLEDGE OF SECURITIES**

Notwithstanding anything contained in this Facility, the Client hereby pledges and shall have deemed to have pledged forthwith the Shares, at the time when received by FIPL as security for repayment and settlement of amounts due to FIPL from the Client under Margin Trading Facility along with interest and other amounts payable there under. The Client hereby records that the share certificates account statements or any other documents evidencing the right, title and interest of the Client as the holder of the Securities shall remain deposited and shall be deemed to have been deposited by the Client as having been deposited being marketable securities, for repayment of the amounts due under the Margin Trading Facility and this instrument accordingly shall be deemed to be connected with the mortgage of the marketable securities.

### **CLIENT CONFIDENTIALITY**

The member hereby undertakes to maintain, the details of the client as mentioned in the client registration form or any other information pertaining to the client, in confidence and that member shall not disclose the same to any person / entity except as required under the law Provided however, that the member may share the details of the client as mentioned in the client registration form or any other information pertaining to the client with parties/entities other than required under law with the express permission of the client.

### **NOTICES & COMMUNICATIONS**

Any notice or other communication to be given by the client to FIPL in connection with the Term & Conditions under the facility of availing Margin Trading shall be in writing and duly served if delivered personally or sent by confirmed facsimile transmission or by registered post or email to the details mentioned here under:

<b>Client's Name</b>		<b>Client Code</b>	
<b>Clients Signature</b>			

**FROM: FAIR INTERMEDIATE INVESTMENT PVT. LTD.**

2<sup>ND</sup> Floor, Shukla Palace Sapru Marg,  
 Hazrat Ganj Lucknow-226003  
 Ph:0522:4052825,4052826

**Visit on Website:-**[www.fairinvest.co.in](http://www.fairinvest.co.in)

**Email ID:**[helpdesk@fairinvest.co.in](mailto:helpdesk@fairinvest.co.in)  
[rms@fairinvest.co.in](mailto:rms@fairinvest.co.in)



**RIGHTS & OBLIGATIONS OF STOCK BROKERS & CLIENTS FOR MARGIN TRADING FACILITY  
(MTF)  
PART B - as prescribed by BSE**

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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 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.**

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

### **PART-C - as prescribed by 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:**

- I. 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.
- II. Client shall inform the broker of its intent to shift the identified transaction under Margin Trading Facility within the time
- III. lines specified by the broker failing which the transaction will be treated under the normal trading facility.
- IV. Client shall place the margin amounts as the Stock Broker may specify to the client from time to time.
  - V. 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.
- VI. 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.
- VII. 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.
5. if any order is passed by any regulatory authority, courts, etc. requiring FIPL 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.
6. Client is aware that all traded securities are not eligible under MTF and as per internal policy, FIPL can select number of stocks under MTF and it can be lesser than number of stocks allowed by exchanges.
7. The maximum exposure to a client may be varied as per market conditions which will be at the sole discretion of FIPL. It will also be governed by the exchange rules which currently is 10% of the broker's maximum allowable exposure and not exceed the borrowed funds or 50% of his "net worth".

#### **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, **will also send the Daily margin statement to clients along with margin/collateral for MTF Facility separately.**
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.
8. Normal to Margin trading and should include information like the original contract number and the margin statement and the changed data.
9. 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.
10. 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.
11. The daily margin statements sent by broker to the client shall identify the margin/collateral for Margin Trading separately.
12. Margin Trading Accounts where there were no transactions for 90 days shall be settled immediately.
13. 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;
14. 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
5. 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.
6. 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.

<b>Client's Name</b>		<b>Signature</b>	
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