

MTF Activation Form

UCC No. _____

To,
Pravin Ratilal Share and Stock Brokers Limited
5th Floor, Sakar I, Opp. Gandhigram Railway Station
Ahmedabad, Gujarat – 380007, India

Date: ____ / ____ /20 ____

Subject-Consent to avail SEBI Margin Trading Facility

Dear Sir,

We am/are registered client with you and dealing having client code as mentioned below.

We is/are interested and wish to avail Margin Trading Facility offered by Pravin Ratilal Share and Stock Brokers Limited

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

| | |
|--------------------------|--|
| Client Code- | |
| Client Name- | |
| Client Signature- | |

Client Signature

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

PART A - 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:

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.

Client Signature

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 position with regard to MTF. It is desirable that appropriate alert mechanism is set up through which clients are alerted on possible breach of margin requirements.
5. Any transaction to be considered for exposure to MTF shall be determined as per the policy of the broker provided that such determination shall happen not later than T + 1 day.
6. If the transaction is entered under margin trading account, there will not be any further confirmation that it is margin trading transaction other than contract note.
7. In case the determination happens after the issuance of contract, the broker shall issue appropriate records to communicate to Client the change in status of transaction from Normal to Margin trading and should include information like the original contract number and the margin statement and the changed data.
8. The Stock Broker shall make a 'margin call' requiring the client to place such margin; any such call shall clearly indicate the additional/deficient margin to be made good.
9. Time period for liquidation of position/security shall be in accordance declared policy of the broker as applicable to all MTF clients consistently. However, the same should not be later than 5 working (trading) days from the day of 'margin call'. If securities are liquidated, the contract note issued for such margin call related transactions shall carry an asterisk or identifier that the transaction has arisen out of margin call.
10. The daily margin statements sent by broker to the client shall identify the margin/collateral for Margin Trading separately.
11. Margin Trading Accounts where there were no transactions for 90 days shall be settled immediately.

12. The stocks deposited as collateral with the stock broker for availing margin trading facility (Collaterals) and the stocks purchased under the margin trading facility (Funded stocks) shall be identifiable separately and there shall not be any comingling for the purpose of computing funding amount;
13. Stock Broker shall close/terminate the account of the client forthwith upon receipt of such request from the client subject to the condition that the client has paid dues under Margin Trading Facility.

Termination of relationship:

1. The margin trading arrangement between the stock broker and the client shall be terminated; if the Stock Exchange, for any reason, withdraws the margin trading facility provided to the Stock Broker or the Stock Broker surrenders the facility or the Stock Broker ceases to be a member of the stock exchange.
2. The MTF facility may be withdrawn by the broker, in the event of client committing any breach of any terms or conditions therein or at any time after due intimation to client allowing such time to liquidate the MTF position as per the agreed liquidation terms without assigning any reason. Similarly, client may opt to terminate the margin trading facility in the event of broker committing any breach of any terms or conditions therein or for any other reason.
3. In the event of termination of this arrangement, the client shall forthwith settle the dues of the Stock Broker. The Stock Broker shall be entitled to immediately adjust the Margin Amount against the dues of the client, and the client hereby authorizes the Stock Broker to make such adjustment.
4. After such adjustment, if any further amount is due from the client to the Stock Broker, the client shall settle the same forthwith. Upon full settlement of all the dues of the client to the Stock Broker, the Stock Broker shall release the balance amount to the client.
5. If the client opts to terminate the margin trading facility, broker shall forthwith return to the client all the collaterals provided and funded securities retained on payment of all the dues by clients.

Client Signature

All terms and conditions herein apply to you as a user (hereinafter Client) of the Margin Trading Facility (MTF) offered by us, Pravin Ratilal Share and Stock Brokers Limited (hereinafter referred to as Pravin Ratilal).

Anything not specifically covered in these Terms and Conditions shall be governed by the Pravin Ratilal Account Opening documents signed by the Client.

- 1. Introduction:** Margin Trading Facility (MTF) is a service that helps the Client purchase more shares than with the available cash in the Client's account. You, the Client, can avail up to 4x of funds from Pravin Ratilal as MTF, to purchase any eligible stocks.
- 2. Eligible stocks:** The Client understands that MTF would be extended only for the stocks as determined by Pravin Ratilal from time to time.
- 3. Limit:** No Client would be funded beyond the limits prescribed by SEBI and Exchanges at any given point in time and the internal policies of the company. At our sole discretion, we may extend this limit up to exchange prescribed limits. The minimum margin requirement to avail MTF would be up to VAR + 3 / 5 times the Extreme Loss Margin (ELM). Such margin would only be in cash, cash equivalent.
- 4. Charges**
 - a) Interest charges for using Margin Trading Facility: 18% per annum of the funded amount. The charges would be applicable from T+1 day, until the day of the debit/positions are cleared.
 - b) Brokerage: As per the applicable Brokerage rate in cash/capital segment.
 - c) Pledge charges: Rs 50 + GST per ISIN per pledge and unpledge request.
 - d) Square-off charges of Rs. 50 + GST shall be levied for every position squared off by Pravin Ratilal.
 - e) The Client shall be solely liable to pay all expenses and charges, including, without limitation, stamp duty, other government charges, and statutory charges, if applicable, in relation to MTF.
- 5. Pledge:** As per the regulatory requirement for entering into an MTF position, Clients are required to create a future pledge with NSDL in favour of 'Pravin Ratilal share and Stock Brokers Limited – Client securities Margin Funding Account'. Non-acceptance of the pledge request would lead to converting the MTF position to a CNC order. Such a position may be squared off any time after the settlement day but before the regulatory or exchange requirements.

The stocks deposited as collateral with Pravin Ratilal for availing MTF and the stocks purchased via MTF (funded stocks) shall be identifiable separately, and no co-mingling shall be permitted to compute the funding amount.
- 6.** Any excess collateral of the Client may be settled within 30 or 90 calendar days, as chosen by the Client. Clients would be required to release such a position on or before the 30/90th day by squaring off such position. Any pending position beyond the 30/90th day may be squared off at the prevailing market rates on a best-effort basis by Pravin Ratilal. Pravin Ratilal shall not be responsible for any loss arising from such square-off. After squaring off the position, the funds would first be allocated towards satisfying the funded interest, which was accumulated to Pravin Ratilal and all applicable statutory charges, and the balance would be credited to the Client's ledger. Any statutory charges and taxes shall apply as applicable.
- 7. Liquidation:** Pravin Ratilal has the right to liquidate pledged shares if the Client fails to meet the minimum margin requirement within T + 5 days of such shortfall.
- 8. Returning money borrowed for MTF:** The Client doesn't need to specifically return the amount. The MTF position of the Client shall be marked to market on a daily basis. Accordingly, at any point of time, if the MTM

Client Signature

loss of the Client goes beyond the permissible position value of any particular script, the Client position for such script would be squared off at the prevailing market rate by invoking the shares associated to such position of the Client. Statutory & transaction charges applicable for confiscating the shares would be borne by the Client.

9. Responsibilities: The Client shall, at all times, be fully responsible for making good any and all transactions or statutory dues payable to Pravin Ratilal.

10. Undertakings

- a. The Client understands that Pravin Ratilal shall report to the stock exchanges, on a daily basis, the details of the Client's funded position/collaterals position and such other details as may be required.
- b. The Client understands that Pravin Ratilal reserves the right to modify any of the terms in relation to the Margin Trading Facility. The Client understands that from the date of acceptance of this document, if there are any regulatory/operational changes in the functioning of the Margin Trading Facility, such changes shall apply upon due intimation to the Client via display on the website and/or app. It shall be the responsibility of the Client to review any intimation from Pravin Ratilal to appraise themselves of changes.
- c. The Client agrees to indemnify and hold harmless Pravin Ratilal, its affiliates, directors, employees, and agents, from and against any liability, any other loss and costs that may occur, arising from or relating to a breach of any of the clauses of this Terms and Conditions or applicable law by the Client.
- d. Pravin Ratilal's liability herein, if any, shall be limited to the maximum liability prescribed by applicable law or Exchange directions.

11. Miscellaneous

- a. Pravin Ratilal reserves the right to not provide the Margin Trading Facility to any Client, with or without assigning any reason whatsoever.
- b. Pravin Ratilal reserves the right to withdraw the Margin Trading Facility at any time, without prior notice to any Client.
- c. On withdrawal of the facility, the Client would be required to settle their positions and clear out any pending dues.
- d. The Client understands that the service provided hereunder is using online infrastructure. In case of any technical failure, subject to applicable regulations, Pravin Ratilal shall not be responsible for any loss suffered by the Client.

12. Dispute Resolution: Any dispute arising between the Client and Pravin Ratilal in connection with the margin trading facility shall be covered under the investor grievance redressal mechanism & online dispute resolution.

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