

APPLICATION FOR MARGIN TRADING FACILITY (MTF)

Client CodeNo. _____

To,
SWASTIKA INVESTMART LTD.
48, Jaora Compound,
MYH Road,
Indore-452001.

Date: _____

Dear Sir,

Sub: Request for availing Margin Trading facility (MTF)

I/We am/are having trading code _____ opened on the basis of duly filled Know Your Customer form and on submission of all other related documents for the purpose of trading in securities market on the recognized Stock Exchange(s) (herein after referred as "Exchange").

I/We am/are interested in availing the Margin Trading facility (MTF) of the company for the purpose of Margin Trading Facility permitted to be dealt with on Stock Exchanges: (NSE and BSE).

For the purpose of availing MTF, 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 provided in KYC are same.

I/We have read and understood the contents of the Information Document (Policy), Rights & Obligations according to SEBI Circular no. CIR/MRD/DP/86/2017 dated August 2, 2017 & SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020. I/We agree to abide by the terms and conditions, rules and regulations of the MTF and further agree to abide by any terms and conditions as may be specified by Swastika Investmart Ltd., the Exchanges or SEBI from time to time in this regard.

I further agree that the POA executed for specific purpose of operating Demat account with CDSL/ NSDL having DP ID and Demataccount no. _____ will also be applicable for pledge of collateral stock to your CLIENT SECURITIES MARGIN PLEDGE ACCOUNT (Demat A/c) having account no. 1204370000917668 & IN30383310362152 in CDSL & NSDL respectively and funded stock to your CLIENTS SECURITIES UNDER MARGIN FUNDED ACCOUNT (Demat A/c) having account no. 1204370000915812 & IN30383310360987 in CDSL & in NSDL respectively.

As read in policy, MTF on Auto funding basis would be provided to me In default, if no preference has been made by me. However, I further agree to avail MTF on:

- ☐ Auto funding basis
- ☐ Manual basis

I further agree that in case initial margin is provided in form of cash then my trading account shall be debited against your MTF Bank account no. in pursuance to which the funding would be provided.

I/We am/are aware that I can avail this facility from any one broker and undertake that I have not availed MTF FACILITY with any other broker.

I hereby indemnify Swastika Investmart Ltd. For any breach or any loss arising from any of the information provided in this application.

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

Date: _____ Place: _____

Client Signature: _____

Swastika Investmart Limited (SWASTIKA)

Approved by Board

POLICY & TERMS ON MARGIN TRADING FACILITY

Policies and Procedures for Margin Trading Facility:

1. Equity Shares that are approved by the Swastika Investmart Ltd. classified in 'Group I security' shall be eligible for margin trading facility.
2. The initial margin payable by the client to Swastika shall be in the form of cash or Group I equity shares approved by Swastika with appropriate VaR as specified by exchange or hair cut decided by Swastika.
3. In order to avail margin trading facility, initial margin required shall be VaR + 3 Times Of ELM (Extreme loss Margin) on the securities lying in Group-I and available for trading in F&O Segment. Otherwise, initial margin required shall be VaR+ 5 Times of ELM (Extreme lossMargin).

*VaR and ELM rate as per NSE Exchange and if any scrip is not listed at NSE than as per BSE.

4. In order to avail margin trading facility clients would deposit the required collateral to SWASTIKA by pledging their stocks (after appropriate haircuts) to CLIENT SECURITIES MARGIN PLEDGE ACCOUNT (Demat) account of Swastika.
5. In case Initial Margin is provided in form of cash, clients funds shall be transferred in MTF (bank) account to provide further exposure.
6. In case of increase in the value of Collaterals, Swastika reserves the option of granting further exposure to their clients subject to applicable haircuts. However, no such exposure shall be permitted on the increased value of funded stocks.
7. Swastika is charging 18% p.a. on the funding provided for MTF account. However, It reserves right to revise the interest rate to the extent of 36%p.a.
8. Swastika shall ensure maintenance of the aforesaid margin at all times during the period that the margin trading facility is being availed by the client. In case, value of collateral stocks declines by 15%, SWASTIKA shall make necessary margin calls.
9. In case, value of collateral stocks of client declines by 30% Swastika shall liquidate the securities without any prior intimation for disposal, if the client fails to meet the margin call to comply with the conditions as mentioned in the circular or specified in the "Rights and Obligations Document" specified by exchange.
10. While providing the margin trading facility, maximum allowed exposure to any single client at any point of time shall be as per the discretion of Swastika, Stock exchanges, and SEBI.
11. Client reserves an option to avail MTF either on Auto funding basis or on Manual Basis. However, if no preferences have been made by client, MTF on Auto- funding basis will be provided to the client. Auto- Funding basis is when all the eligible securities purchased by the client on any day of pay-in shortage in client's account would be automatically funded, while Manual basis would require the client to inform Swastika Investmart Ltd. about the eligible securities on which the client wish to avail MTF.
12. Any disputes arising between the client and the Swastika in connection with the margin trading facility shall have the same treatment as normal trades and should be covered under the investor grievance redressal mechanism, arbitration mechanism of the stock exchange.

In case of any query, Clients are requested to obtain clarification from the Compliance Department of the company.

Client Signature: _____

Other Terms & Conditions

- Swastika Investmart Ltd. (Swastika), at all times, shall have its sole discretion to determine the extent to which the MTF will be offered to the Client.
- Swastika has sole discretion to grant or reject MTF to a client without give any reason thereof. Swastika shall not be liable for any damages (whether direct or indirectly or whether financial or non-financial) to the Client by reason of its refusal to provide MTF to theClient.
- MTF will be available only in cash segment for the list of shares permitted by Swastika, This list will be available on our website as MTF approved securities & it can be changed by Swastika at any point of time without any priorintimation.
- Swastika can retain the securities and its corporate benefits, if any, till clearance of all debits including the outstanding balances, interest, statutory taxes, duties, charges, penalties in respect of MTF andTrading Account.
- Swastika can hold any credit balance lying in the client trading accounts, securities lying in CLIENT SECURITIES MARGIN PLEDGE ACCOUNT and hold by clients in their respective demat account (s) maintained with Swastika, towards repayment of the outstanding dues under MTF.
- MTF may be withdrawn by Swastika at any time on any breach or non-adherence to the terms and conditions as enumerated in the policies is committed by theclient.
- The client agrees that Swastika may ask the client to provide additional margin in form of cash or collateral depending on the security and market volatility to minimize the risk without any prior notice, this can be an additional margin as specified by the SEBI/Stock exchanges.
- Maximum MTF limit for the client will be as specified Swastika from time to time. Further Swastika reserves the right to revise the maximum MTF limit without intimating or assigning any reasonthereof.
- Swastika has the right to transfer any clear credit balance from the Normal trading account to the MTF account if any in case of margin call in MTF account without any intimation to client.
- Swastika can square off clients' securities both funded and collateral to clear all the debits under MTF after 30 days of MTF funding and any direct or indirect loss incurred due to this square off than client shall be solely responsible for the same. If square off can't be done by Swastika than it will not be liable for any direct or indirect losses toclient.
- If no transaction taken place in MTF account for 6 months than it will become dormant and client has to reactivate it before making furthertransactions

ClientSignature:_____

RIGHTS & OBLIGATIONS OF SWASTIKA INVESTMART LTD. & CLIENTS FOR MARGIN TRADING FACILITY (NSE)

CLIENT RIGHTS

1. Client shall receive all communications in a mode mutually agreed between the Swastika 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 Swastika 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 Swastika, method of communication for confirmation of orders/trades, margin calls and calls for liquidation of collateral/security/position.
2. Client shall inform the Swastika of its intent to shift the identified transaction under Margin Trading Facility within the time lines specified by the Swastika failing which the transaction will be treated under the normal trading facility.
3. Client shall place the margin amounts as the Swastika 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 SWASTIKA within such time as the Swastika may specify.
5. By agreeing to avail Margin Trading Facility with the Swastika, client is deemed to have authorized the SWASTIKA 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 Swastika 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 Swastika.

SWASTIKA INVESTMART LTD.'S RIGHTS

1. Swastika and client may agree between themselves the terms and condition including commercial terms if any before commencement of MTF.
2. Swastika may set up its own risk management policy that will be applicable to the transactions done under the Margin Trading Facility. Swastika 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. Swastika 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 Swastika may liquidate the securities if the client fails to meet the margin call made by the Swastika as mutually agreed terms but not exceeding 5 working days from the day of margin call.

SWASTIKA INVESTMART LTD.'S OBLIGATIONS

1. Swastika 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, Swastika may take consent in writing in his own hand or in any irrefutable electronic method after

Swastika 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 Swastika and the client and shall be in writing in his own hand or in any irrefutable electronic method. Swastika shall prescribe and communicate its margin policies on haircuts/ VAR margin subject to minimum requirements specified by SEBI and exchanges from time to time.
4. The Swastika 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 SWASTIKA 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 Swastika 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 Swastika 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 SWASTIKA 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 Swastika to the client shall identify the margin/collateral for Margin Trading separately.
11. Margin Trading Accounts where there was no transaction for 90 days shall be settled immediately.
12. The stocks deposited as collateral for availing margin trading facility (Collaterals) shall be maintained in CLIENT SECURITIES MARGIN PLEDGE ACCOUNT (Demat A/c) having account no. 1204370000917668 & IN30383310362152 in CDSL & NSDL respectively.
13. The stocks purchased under the margin trading facility (Funded stocks) shall be maintained in CLIENTS SECURITIES UNDER MARGIN FUNDED ACCOUNT Demat having account no. 1204370000915812 & IN30383310360987 in CDSL & in NSDL respectively.
14. Swastika 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 Swastika and the client shall be terminated; if the Stock Exchange, for any reason, withdraws the margin trading facility provided to the Swastika or the Swastika surrenders the facility or the Swastika ceases to be a member of the stock exchange.
2. The MTF facility may be withdrawn by the Swastika, 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 Swastika 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 Swastika. The Swastika shall be entitled to immediately adjust the Margin Amount against the dues of the client, and the client hereby authorizes the Swastika to make such adjustment.
4. After such adjustment, if any further amount is due from the client to the Swastika, the client shall settle the same forthwith. Upon full settlement of all the dues of the client to the Swastika, it will release the balance amount to the client.
5. If the client opts to terminate the margin trading facility, Swastika shall forthwith return to the client all the collaterals provided and funded securities retained on payment of all the dues by clients.

Date: _____ **Place:** _____

Client Signature: _____

**RIGHTS AND OBLIGATIONS RELATING TO MARGIN TRADING FACILITY PROVIDED BY
SWASTIKA INVESTMART LTD. (SWASTIKA) TO CLIENTS (BSE)**

1. Swastika is eligible to provide Margin Trading Facility (MTF) in accordance with SEBI & Exchange Guidelines as specified from time to time.
2. Swastika has obtained prior permission of BSE. However, BSE has the right to withdraw the permission at any time.
3. Swastika shall extend the MTF to the client, on such terms and conditions as specified by the Stock Exchange / SEBI from time to time. Swastika and the client shall abide by the requirements of the margin trading framework, including rights and obligations, as prescribed by Stock Exchange/ SEBI/Swastika.
4. Swastika has intimated all the terms and conditions, including maximum allowable exposure, specific stock exposures etc. through Information Document (policy) , as well as the rights and obligations to the client desirous of availing MTF.
5. Swastika 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 Swastika may permit. It may however, be noted that the initial/ maintenance margins shall never be lower than that prescribed by Stock Exchange/SEBI.
6. Swastika shall provide MTF only in respect of such shares, as may be permitted by Stock Exchange/SEBI.
7. Swastika 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/ SWASTIKA. In this regard, Swastika has also listed down situations/ conditions in which the securities may be liquidated.
8. Swastika 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 for availing margin trading facility (Collaterals) shall be maintained in CLIENT SECURITIES MARGIN PLEDGE ACCOUNT (Demat A/c) having account no. 1204370000917668 & IN30383310362152 in CDSL & NSDL respectively of SWASTIKA.
10. The stocks purchased under the margin trading facility (Funded stocks) shall be maintained in CLIENTS SECURITIES UNDER MARGIN FUNDED ACCOUNT Demat having account no. 1204370000915812 & IN30383310360987 in CDSL & in NSDL respectively of Swastika.
11. 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.
12. The rights and obligations prescribed hereinabove shall be read in conjunction with the rights and obligations as prescribed under SEBI circular no. CIR/MRD/DP/86/2017 dated August 2, 2017 & SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020.

Date:_____ **Place:**_____

Client Signature:_____

Note: Client wish to avail Margin Trading Facility has to sign all the pages given under MTF form and send it to the undersigned.

Ms. Neha Dubey
48, Jaora Compound, M.Y.H. Road,
Indore – 452001
e-mail – mtf@swastika.co.in

For more details please contact 0731-6644168 / 164 / 161