

Annexure-I



**STOCKHOLDING SERVICES LIMITED**  
(A WHOLLY OWNED SUBSIDIARY OF STOCKHOLDING CORPORATION OF INDIA  
LIMITED)

RISK MANAGEMENT POLICY FOR  
MARGIN TRADING FACILITY (MTF)  
(Version 01/2026)

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## **Risk Management Policy for MTF**

**Stock Holding Services Limited, (SSL)**, is a SEBI registered Corporate Stock Broker providing safe and reliable services to institutional and retail clients across length and breadth of the country.

As a part of its robust system, SSL has framed Risk Management Policy to pursue prudent business practices with risk management in place for providing hassle free trading / investment facility to its clients. The function of Risk Management being an ongoing exercise is reviewed periodically and necessary measures are initiated to enhance its overall effectiveness.

SSL has a Risk Management Policy applicable to all the clients. The MTF Risk Policy has been prepared an additional policy applicable to the clients who opt for MTF facility from SSL.

This policy outlines the risk management measures specific to Margin Trading Facility (MTF), ensuring that risks are effectively identified, assessed, and mitigated. For clarity, MTF policy will be applicable for the trades executed under Margin Trading Facility (MTF) by clients.

### **1. Definition:**

#### **Margin Trading Facility (MTF):**

In terms of SEBI/Exchange guidelines, only corporate stockbrokers with a net worth of at least three crores shall be eligible to offer margin trading facility to their clients. SSL is eligible for offering MTF. Accordingly, SSL offers MTF facility that allows clients to take positions by providing a prescribed margin, with the remaining amount funded by SSL to meet the client's pay-in obligations. The client can later either settle the amount and take delivery of securities or square off the position.

Client: A customer of SSL who has opened a trading account with SSL and has given consent for the MTF by accepting its terms and conditions, including the rights and obligations document.

### **2. Objective of the Risk Management and Exposure Policy**

This policy is designed to:

- Ensure compliance with SEBI/ Exchanges guidelines and industry norms.
- Establish a structured approach to risk identification and mitigation
- Define the exposure limits under MTF.

### **3. Scope**

- This policy applies to all MTF-registered clients of SSL.
- Any aspect not explicitly covered in this policy shall be governed by the Rights and Obligations as prescribed by Exchanges for MTF facility document and the Standard Operating Procedures of SSL specified by SEBI/Exchanges from time to time.

### **4. Risk Management Framework**

Risk Monitoring and Reporting.

SSL implements robust operational risk management practices, including:

- To ensure adequate margin availability with client as applicable under the MTF norms before execution of an order under MTF
- Real-time monitoring of open positions.
- Regular checking, testing and evaluation of maintenance, MTM and any other applicable margin.
- To ensure liquidation of position as per applicable terms and conditions.

### **5. Margin Requirement:**

#### **Initial Margin & Maintenance Margin**

- Clients availing MTF must maintain margins as per SSL 's valuation or the Exchange's MTF circular whichever is higher.
- Higher margin requirements may be imposed during periods of high market volatility.
- Exposure in MTF and margin against collaterals may be restricted at SSL's discretion.

#### **Margin Collection**

The initial margin payable by the client to SSL for Margin Trading Facility shall be in the form of cash, or Group I securities (a list published by stock exchanges / clearing corporations periodically) by way of Margin pledge as applicable, with appropriate hair cut as specified by the SEBI/ Exchanges from time to time or SSL's haircut valuation whichever is higher.

- The initial margin must be collected upfront from all clients as per mentioned table.

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*

- The minimum maintenance margin inclusive of any MTM loss to be collected, as specified by SEBI periodically or SSL whichever is higher.
- The minimum upfront margin for MTF trade will be higher of the margin required as per MTF guidelines issued by SEBI / Exchange from time to time or the minimum margin requirement in cash market segment i.e. 20% of the transaction value whichever is higher.

#### **6. Margin Calls and Liquidation :**

- Clients must ensure maintenance of above margins at all times during the period that the margin trading facility is being availed. In case of shortfall, SSL will make necessary margin calls. SSL in its discretion, may impose / collect higher margin than what has been mentioned in para 5 above based on its risk assessment. SSL's decision in this regard will be final.
- Clients must meet margin calls failing which SSL reserve's its right to liquidate the open positions. The situations under which the securities may be liquidated is provided in details in "Rights and Obligations & Terms and Conditions Documents" attached with the policy as Annexure1.
- In case of failure by client to pay the margins as mentioned in the margin call, the position may be liquidated anytime from the date of margin call to maximum 5 working days from the date of margin call.

#### **7. Mark to Market (MTM) Loss:**

- MTF positions will be mark-to-market on real-time basis.
- If MTM losses results in margin calls, the provision of para 6 will apply.

#### **8. Eligible Securities for Margin Trading:**

- Only Group 1 category securities (a list published by exchanges periodically), as specified by exchanges, are eligible
- SSL may exclude certain stocks based on risk analysis, exchange surveillance alerts, or trading suspension of securities
- Positions must be fully liquidated within 30 days if stocks are transferred to Trade-for Trade segment/excluded from Group 1 category stocks (a list published by exchange periodically).

#### **9. Pledge requirements :**

- All funded stocks under MTF will be auto pledged in favor of SSL 's MTF pledgee account as per SEBI/ Exchanges guidelines.
- If auto-pledging fails, clients must manually accept the pledge via OTP
- Non-acceptance of the pledge may result in conversion to unpaid securities, which may be squared off.

## **10. Collateral Management and Exposure Policy:**

### **Collateral Management:**

The Collateral from clients to SSL for Margin Trading Facility shall be in the form of cash or Group I securities (a list published by stock exchanges / clearing corporations periodically) by way of Margin pledge as applicable, with appropriate hair cut as specified by the SEBI/ Exchanges from to time or SSL's haircut valuation whichever is higher

- Only liquid stocks in Group 1 category stocks (a list published by exchange periodically), as determined by SSL, will be accepted as collateral.
- Collateral and funded stocks will be marked to market (MTM).
- No exposure shall be permitted on the increased value of funded stocks
- Excess margin /collateral available in MTF ledger cannot be considered towards Margin of non MTF transactions
- If the value of collaterals increases, further exposure may be granted after risk assessment
- Any excess collateral , in the form of cash lying in the MTF account of the client shall be mandatorily settled on a monthly / quarterly bases, as per the client preference on the running account settlement date as notified by the Exchange. MTF and Non- MTF accounts of a client will be settled on same day for a client.
- Securities pledged as Collaterals for availing MTF and the securities purchased under MTF (funded securities) shall be identifiable separately and they will not be comingled for the purpose of computation of funding amount.

### **Exposure Policy**

- The "total exposure" of SSL towards MTF shall not exceed the borrowed funds and 50% of its net worth
- Indebtedness of SSL shall not exceed 5 times its net worth, as per SEBI guidelines.
- The exposure to any single client at any point of time shall not exceed 10% of the SSL's maximum allowable exposure
- Maximum allowable exposure to the clients shall be within prudential limits set by SSL 's Risk Management subject to SEBI/Exchanges guidelines.
- The Margin Trading Facility (MTF) privileges and trading exposure shall be solely at the discretion of SSL.

**Diversification of collaterals and funded securities :**

- For F&O Group 1 category stocks (a list published by exchange periodically), no single stock should exceed 10% of a client's total exposure.
- For non-F&O Group 1 category stocks (a list published by exchange periodically), no single stock should exceed 5% of a client's total exposure.
- SSL shall ensure that the exposure given as here in above to a single client does not exceed 10% of its' "total exposure".

**11. Compliance and Regulatory Adherence:**

- The policy will comply with SEBI and Stock Exchange guidelines.
- Reports will be submitted to SEBI/ Exchanges authorities as required.
- The policy will be updated periodically to reflect SEBI/ Exchanges changes.

**12. Interest Rate :**

- The SSL shall charge interest on the outstanding MTF balance at the end of each day at: 18% per annum or 0.05% per day, (or as mutually agreed between the client and SSL) calculated on daily outstanding MTF balance.

**13. Maximum Holding Period :**

- Under SSL Margin Trading Facility (MTF), the maximum holding period is T+365 days, subject to the client maintaining the required margin. However, if there's a margin shortfall or overdue amounts, SSL may square off positions as per guidelines.

**14. Event of Default :**

In respect of the MTF provided or to be provided by SSL, the happening of any of the following events shall be considered as an event of default by the Client (herein referred to as "Event of Default"):

- If the Client fails to pay the margin as per the margin call;
- if the Client fails to pay any part of the MTF as and when the same becomes payable;
- if the Client fails to pay Interest on the MTF as and when the same becomes payable
- if the Client fails to pay the outstanding MTF balance forthwith after giving his/her notice of closure / termination of the MTF Facility with SSL
- if the Client fails to maintain the stipulated margin as communicated by the SSL from time to time and also does not restore the same to the required level within the timeline as intimated by SSL
- on death or lunacy in case of an individual Client
- failure by the Client to adhere to the MTF Risk Policy of SSL
- for such other events as determined by the SSL as an event of default

**Consequences of Event of Default:**

- SSL shall be entitled to liquidate/ square off the Securities without any further notice to the Client. SSL’s decision regarding liquidating the Securities or giving a notice to cure a particular Event of Default shall be final and binding and the Client shall not raise any objection on the same.
- The right of the SSL to liquidate the Securities is absolute, final and binding on the Client
- The SSL shall have the sole authority to decide the mode, manner, time and the price at which to effect the liquidation of the Securities and the Client undertakes and agrees that he/she shall not raise any dispute as to the manner, mode, time and the price at which the Securities are sold / squared off and the Client agrees to pay to the SSL forthwith at the SSL demand such amount as will make up the shortfall.
- SSL shall not be liable to the Client for any loss or damage which may be caused to the Client due to such liquidation of securities.
- In case of lunacy, death, insolvency, dissolution, winding up of the Client as the case may be, any action to liquidate the Securities shall be binding upon the heirs, successors, representatives of the Client.

**15. Rights and Obligations for Margin Trading :**

SSL and Clients availing MTF facility will be bound by The Rights and Obligation document as laid down by the Exchanges from time to time shall be mandatory and binding on SSL and Clients availing MTF facility. The Rights and Obligations and Term and condition Document is attached with the policy as Annexure 1.

**16. Dispute Redressal mechanism:**

Any dispute between the client and SSL in connection with the margin trading facility shall have the same treatment as normal trades and shall be covered under the investor grievance redressal mechanism, arbitration mechanism of the stock exchanges.

The investor grievance matrix is available on SSL’s website [www.stockholdingservices.com](http://www.stockholdingservices.com).

**17. The list of circulars issued by SEBI/Exchanges from time to time for MTF is listed below :**

Sr.No	Circular Ref. no.	Date
1	NSE/CMO/0131/2004	September 9, 2004
2	CIR/MRD/DP/54/2017	June 13, 2017

3	NSE/COMP/35125	June 15, 2017
4	NSE/COMP/35260	June 30, 2017
5	CIR/MRD/DP/ 86/2017	August 01, 2017
6	NSE/COMP/35509	August 01, 2017
7	NSE/COMP/35521	August 03, 2017
8	NSE/COMP/36350	November 22, 2017
9	NSE/INSP/39732	December 21, 2018
10	NSE/COMP/50280	November 11, 2021
11	NSE/COMP/54704	December 02, 2022
12	NSE/COMP/55573	February 10, 2023
13	NSE/COMP/63876	September 11, 2024
14	SEBI/HO/MRD/MRDPoD- 2/P/CIR/2024/118	September 11, 2024
15	NSE/COMP/63887	September 12, 2024
16	SEBI/HO/MIRSD/MIRSD- PoD/P/CIR/2025/90	June 17, 2025

#### 18. Review of the Policy :

The MTF policy will be reviewed from time to time or as may be required but minimum once in a year.

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**Annexure-1**

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

## **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.
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 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.
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 was 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 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 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.

## **TERMS AND CONDITIONS OF MARGIN TRADING FINANCING FACILITY**

The Client hereby agrees and undertakes to abide by the following Terms and Conditions (T&C) for availing Margin Trading Facility (“**MTF**”) from Stock Holding Services Limited (“**Stock Broker**”):

1. The Stock Broker shall permit the MTF in accordance with Securities and

Exchange Board of India (“**SEBI**”) and SEBI recognized exchanges (hereinafter referred to as "the Stock Exchanges") guidelines and only in respect of securities as specified in SEBI and/or Stock Exchange circulars issued from time to time. (hereinafter referred to as “**Approved Securities**”).

2. With a view to secure the outstanding balance of the MTF facility, the Client shall be required to furnish margin in the form of cash, cash equivalent and/ or the Approved Securities as collateral by marking pledge in favour of the Stock Broker for availing the MTF Facility (such pledged Approved Securities as collateral are hereinafter referred to as “Non-cash Collateral”).
3. The Stock Broker shall have the sole discretion to extend MTF Facility to the Client or not. By agreeing to provide the above , it does not create any obligation on the Stock Broker to provide the MTF to the Client nor does it create any right in favor of the Client to ask for the MTF from the Stock Broker.
4. The Stock Broker shall have the right at its absolute discretion to withdraw/ suspend/reduce the MTF Facility at any time without giving any reason.
5. In the event the Stock Broker decides not to extend the MTF for a particular transaction or transactions or reduce the amount/limits of the MTF given to the Client, the Stock Broker shall not be required to provide any reasons thereof nor shall the Stock Broker be liable for any loss/damages etc to the Client by reason of the Stock Broker’s refusal to extend the MTF to the Client or its decision to reduce the amount/limit of the MTF.
6. The Client shall maintain or cause to maintain with the Stock Broker, at all times margin of such amount/percentage as prescribed by SEBI and/or the Stock Exchanges or such amount/percentage as decided and computed by the Stock Broker from time to time, whichever is higher.
7. The Stock Broker shall be entitled to revise at any time and from time to time the rate of margin and the Stock Broker’s decision to revise the rate of margin shall be final and binding on the Client and the Stock Broker shall not be required to assign any reasons for the same.
8. Any notification in the Mobile App or Web login specifying the margin shortfall amount shall be a notice/communication of margin call. The Client shall deposit/pay the margin shortfall amount as specified in the Mobile APP or Web login immediately on receipt of such notification.
9. The Stock Broker shall have right to call from the Client additional margin and the Client shall make up the difference either by payment of requisite

amount to the Stock Broker or by causing the delivery of additional Approved Securities, acceptable to the Stock Broker as collateral. In case the Client fails to do so, then the Client shall be deemed to be in breach of these T&C and it shall be considered as an Event of Default and the Stock Broker shall have right to immediately without any notice to the Client liquidate all or any of the Non-cash Collateral and / or Funded Securities (herein after collectively referred to as “Securities” and individually as “Security”) on the Stock Exchange and forthwith transfer/ appropriate the proceeds from such sale towards the payment of the MTF Facility. The Stock Broker shall not be held liable / responsible for any losses / damages arising due to such liquidation / square off by the Stock Broker.

10. Upon margin falling to the level as defined in the MTF risk policy , the Stock Broker shall be entitled to immediately and without any reference or intimation to the Client liquidate all or any of the Securities and forthwith transfer/appropriate the proceeds towards the repayment of the MTF facility and the Client shall be solely responsible for any loss, damages, costs etc arising thereto.
11. In the event that a partial payout of the total Margin Trading Facility (MTF) quantity is settled by the exchange, the entire MTF position will be subject to automatic cancellation.

**12. Interest:**

- a. The Stock Broker shall charge interest on the outstanding MTF balance at the end of each day at: 18% per annum or 0.05% per day, calculated on daily outstanding MTF balance, payable weekly/monthly/quarterly, within 3 working days of debit to the MTF account (hereinafter referred to as "Interest"). On default of payment of Interest as stated above, the Stock Broker shall be entitled to debit the same to the MTF account of the Client with the Stock Broker and add to the Funded Amount and the Stock Broker shall charge Interest thereon as if such amount was an additional amount funded by the Stock Broker to the Client either at same interest rate or such other rate of interest as may be decided and communicated by the Stock Broker to the Client from time to time.
- b. The Client further agrees that the MTF Facility is a commercial transaction and specifically waives any defence under usury or other laws relating to restricting interest.
- c. The Stock Broker shall, at its sole discretion, be entitled to alter at any time and from time to time the rate of Interest, and/or periodicity of charging Interest by sending communication to the Client informing its decision to alter the rates

of Interest, Default Interest and/or periodicity of charging Interest. The Client agrees and undertakes to pay Interest/Default Interest thereafter at such altered rates and/or within such altered periodicity from the date of completion of the period as mentioned in the communication sent by the Stock Broker or such other future date as may be specified by the Stock Broker in its communication.

**13. Maximum Holding Period:** Under SSL Margin Trading Facility (MTF), the maximum holding period is T+365 days, subjected you maintain the required margin. However, if there's a margin shortfall or overdue amounts, SSL may square off your positions as per scrip-wise guidelines

**14. Stamp Duty and Other Dues:** The Client shall be solely liable to pay all expenses and charges including without limitation to stamp duty, other government charges and statutory charges as may be applicable for availing and in connection with the MTF. If the Stock Broker pays any such duty, expenses and/or charges, the Client hereby agrees to reimburse the same to the Stock Broker within 3 (Three) days from the date of demand by the Stock Broker on the Client.

**15. Repayment on Demand:** Notwithstanding anything contained herein, any outstanding amount under the MTF shall be repayable on demand at the sole discretion of the Stock Broker. The Client undertakes to repay outstanding amount under the MTF forthwith on demand by the Stock Broker. If the Client either fails or delays the repayment of the MTF on demand as aforesaid, the Stock Broker shall be entitled to sell the Client's Securities, either in its own name or in the name of the Client and collect & appropriate the sale proceeds thereof to clear any outstanding amount under the MTF of the Client and the Client shall be solely responsible for any costs or consequences thereof. For any deficit amount, the Stock Broker is entitled to recover the same from the Client as available under law or equity.

**16. Event of Default:** In respect of the MTF provided or to be provided by the Stock Broker, the happening of any of the following events shall be considered as an event of default by the Client (herein referred to as "Event of Default"):

- i. if the Client fails to pay any part of the MTF as and when the same becomes payable;
- ii. if the Client fails to pay Interest on the MTF as and when the same becomes payable;
- iii. If the client fails to pay outstanding MTF balance forthwith after giving

his/her notice of closure /termination of the MTF Facility with the Stock Broker;

- iv. If the Client fails to maintain the stipulated margin as communicated by the Stock Broker from time to time and also does not restore the same to the required level within the timeline as intimated by the Stock Broker;
- v. on death or lunacy in case of an individual Client;
- vi. failure by the Client to adhere to the Risk Policy of the Stock Broker.
- vii. for such other events as determined by the Stock Broker as an event of default.

### **17. Consequences of Event of Default**

If an Event of Default takes place, then:

1. Unless the Stock Broker gives time or other accommodation in writing or through notifications on the Mobile App/Web, the MTF Facility shall, if so decided by the Stock Broker in its absolute discretion, become forthwith due and payable by the Client to the Stock Broker and the Stock Broker shall be entitled to enforce the Securities without prejudice to the Stock Broker's other legal rights and remedies;
2. The Stock Broker shall be further entitled to liquidate/ square off the Securities without any further notice to the Client. the Stock Broker's decision regarding liquidating the Securities or giving a notice to cure a particular Event of Default shall be final and binding and the Client shall not raise any objection on the same;
3. The Client acknowledges and agrees that the right to sell Securities contained in this T&C is reasonable and necessary to protect the interests of the Stock Broker in respect of repayment of the MTF Facility having regard to the inherent risk associated with the Securities and their market prices. The right of the Stock Broker to liquidate the Securities is absolute, final and binding on the Client. The Stock Broker shall have the sole authority to decide the mode, manner, time and the price at which to effect the liquidation of the Securities and the Client undertakes and agrees that he/she shall not raise any dispute as to the manner, mode, time and the price at which the Securities are sold / squared off and the Client agrees to pay to the Stock Broker forthwith at the Stock Broker's demand such amount as will make up the shortfall. Any action taken by the Stock Broker in terms of this Clause shall not be challenged by the Client, and the Stock Broker shall not be liable to the Client for any loss

or damage which may be caused to the Client.

## **18. General:**

- The Stock Broker may, at its sole discretion, move any of Securities from the approved to the non-approved category and shall be entitled to review the same from time to time. When any Approved Securities provided as Non-cash Collateral are moved from the approved to the non-approved category, the Client shall forthwith make good the shortfall, either by paying the funds/and or by providing the Approved Securities to the extent acceptable to the Stock Broker.
- Securities declared by the Stock Broker to be unacceptable/non-approved shall nevertheless continue to remain pledged with the Stock Broker as a security unless the Stock Broker releases the same. At any time during the currency of the MTF Facility availed by the Client, the Stock Broker shall, without any notice to the Client, have the right and authority to sell/dispose of such Securities or any part thereof in any manner as it deems fit either by sale on the Stock Exchanges or otherwise in any manner whatsoever and to apply the net proceeds of such sale in satisfaction so far as the same will extend towards liquidation of the MTF Facility balance. The Client shall not challenge any action taken by the Stock Broker in this regard.
- The Stock Broker shall be entitled at its sole discretion to apply haircut to reduce the value of the Securities for the purpose of determining the level of margin or otherwise, which shall be final and binding on the Client. Where due to application of haircut the margin falls below the agreed limit, the Client undertakes that before the start of the trading session of the Stock Exchange on the succeeding day from the date of the statements or within such time as the Stock Broker may permit, to make up the difference either by payment in cash to the Stock Broker or by causing the delivery of additional collateral, acceptable to the Stock Broker, of the value necessary to make up the difference. The choice of the securities and the extent of the limits shall be determined by the Stock Broker at its sole discretion from time to time and the Client shall abide by the same.
- The Stock Broker shall be entitled to impose Approved Security wise limits on the Client from time to time as it may deem fit. Additionally, the Stock Broker shall have a right to impose limits in respect of any specific Approved Security as a whole. The Stock Broker shall also have a right to

revise the limits in respect of the MTF Facility. The Client agrees to abide by such limits.

- Notwithstanding the fact that the Stock Broker may prescribe higher Margin requirement than what is prescribed by SEBI/the Stock Exchanges, if the Margin available in the Client's MTF account is sufficient to meet minimum Margin requirement prescribed by SEBI/the Stock Exchanges, then the Stock Broker, at its sole and absolute discretion, may allow the Client to take further exposure and / or continue with the existing positions under the MTF Facility as per SEBI/the Stock Exchange prescribed Margin.
- On part payment of the MTF, which Funded Security to be released will be at the sole discretion of the Stock Broker.
- The Client understands and agrees that the Stock Broker shall be entitled to appropriate the credit balance/surplus collateral of the Client in the MTF account maintained by the Client with the Stock Broker towards the margin requirement and/or debit balance in the brokerage account maintained by the Client with the Stock Broker in any segments/Stock Exchange. The Stock Broker shall also be entitled to appropriate the credit balance of the Client lying in the brokerage account maintained by the Client with the Stock Broker in any segments/Stock Exchange, towards the margin requirement and/or repayment of outstanding MTF balance and/or Interest and/or any other dues payable by the Client to the Stock Broker under this MTF Facility.
- The Stock Broker at any time, without any consent of or further reference to the Client, assign or transfer all or any of its rights, benefits and/or obligations under these T&C to any other persons, companies, firms and/or financial institutions and the same shall be binding on the Client and the Client cannot raise any dispute in this regard later on.
- In case of lunacy, death, insolvency, dissolution, winding up of the Client as the case may be, any action to liquidate the Securities shall be binding upon the heirs, successors, representatives of the Client.
- Notice: (a) Any notice or other communication to be given by the Stock Broker to the Client under or in connection with these T&C including, but not limited to, communication for confirmation of orders/trades, margin calls, calls for liquidation of Securities shall be in writing and shall be deemed duly served if delivered personally or sent by prepaid registered post or courier or by e-mail or short message service (SMS) or via push

notification on the Mobile App/web or in any other form as it may deem fit to the Stock Broker, to the Client on address/e-mail Id /telephone number (if any), as specified in the account opening form or as subsequently communicated/modified in writing by the Client; (b) that any notice/communication sent by the Stock Broker to the Client shall be deemed to have been properly delivered or served, even if such notice/communication is returned to the Stock Broker as unclaimed/refused/undelivered/bounced, if the same is served at the address/e-mail Id /telephone number communicated by the Client; and c) that any notice/communication relating to confirmation of orders/trades, margin calls, change of composition of Approved Securities, calls for liquidation of Securities and/or any other similar matters may be communicated by the Stock Broker to the Client orally or by e-mail or SMS.

- The aforesaid T&C shall be in addition to and to be read with the Securities Exchange Board of India (SEBI) Circular CIR/MID/DP/54/2017 dated 13.06.2017, the Rights and Obligations specified by the Stock Exchanges pursuant to the said SEBI circular and any other circular, guidelines, regulation as may be issued by SEBI and the Stock Exchanges from time to time with regards to the MTF Facility and the Risk Policy of the Stock Broker for the MTF Facility.
- The Client shall lodge grievance or disagreement with any transaction done under the Margin Trading Facility within 24 hours after receipt of the contract note by writing at [grievances@stockholdingservices.com](mailto:grievances@stockholdingservices.com)
- Any dispute between the parties in connection with the Margin Trading Facility should first be resolved amicably. In case no amicable resolution is arrived at, parties can approach the investor grievance redressal mechanism or arbitration mechanism of the Stock Exchanges or the Online Dispute Resolution (ODR) mechanism
- Any provision of this T&C which is prohibited, unenforceable or is declared or found to be illegal, invalid, unenforceable, or void shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions of this T&C.
- The Client agrees that he/she shall be liable in case of loss(including opportunity/notional loss) damages, fines, penalties, charges, costs, expenses etc caused to the Client due to any interruption, malfunction, error, non-availability, technical glitch of for any other reason of whatsoever nature in the internet/mobile trading platform or any other order routing platform of

the Stock Broker and shall not have any claim/complaint of whatsoever nature against the Stock Broker and/or its employees, directors, associates, affiliates, group etc in this regard.

- 19.** The Client has read and fully understood the Risk Policy for the MTF Facility, the T&C applicable for availing the MTF Facility stated hereinabove including, but not limited to, for communication relating to confirmation of orders/trades, Margin calls, change of composition of Approved Securities, calls for liquidation of Securities. The Client hereby agrees to abide by the same and thereby provide his/her consent for availing the MTF Facility in accordance with the aforesaid T&C of the MTF Facility. Further, the Client has taken note of the fact that these T&C may be amended/changed/revised by the Stock Broker at any time in future and such amended/changed/revised T&C will be made available in the Mobile App/ web login provided by the Stock Broker to the Client or sent to the Client through e-mail or in physical form through post/courier/hand delivery. Upon such amended/ changed/revised T&C made available in the Mobile App/ web login provided by the Stock Broker to the Client or sent to the Client through e-mail or in physical form through post/courier/hand delivery the same shall be considered as delivered, read and understood by the Client and the Client shall abide by the same.
- 20.** This T&C will be governed by and construed in accordance with the laws of India. The Courts of Bangalore shall have exclusive jurisdiction over all matters in connection herewith.

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