

MARGIN TRADING FACILITY (MTF)

Margin Trading Facility (MTF) is the facility offered by M/s Fortune Capital Services Private Limited to fund its clients for the purchase of shares and securities and allow them to take a benefit of trading opportunities by taking delivery of shares based on margin. (The product hereinafter called as MTF).

I / we wish to avail the Margin Trading Facility (MTF) on the platform of National Stock Exchange of India Ltd., (NSE) as per the framework prescribed by SEBI vide its Circular No. CIR/MRD/DP/54/2017 dated, 13th Jun 2017.

Further I / we have read and understood “Rights and Obligation of Stockbrokers & Client for Margin Trading Facility (MTF)” as prescribed by NSE vide its Circular No. NSE/COMP/35260 dated, 30th Jun 2017 and BSE Vide its Circular No. 20170619-26 dated 19th Jun 2017.

I / we have read and understood the “Policies & Procedures for MTF” as specified by Fortune Capital Services Pvt. Ltd., (FCSPL) regarding terms and conditions of Margin Trading Facility, method of communication for confirmation of orders / trades, margin calls and calls for liquidation of collateral / securities / positions etc. and agreed to abide by the clauses mentioned therein all the times. Further, I/we will refer to FCSPL website www.flattrade.in from time to time for any updation w.r.t. Policies and Procedures.

Collection of Margin:

The margin is collected in Cash & Securities by way of pledge from the client who wish to trade in MTF Segment. Approved Securities List is available in our Website (www.flattrade.in) download page along with the Hair-cut value **naming Acceptance of Approved Securities List**. Kindly refer the same before Pledging. Please find below the DP Account details to pledge the securities:

| Account Type | DP ID | DP NAME | CLIENT ID |
|--|----------|-----------|-----------|
| TM Client Securities Margin Pledge A/C | 12080300 | F C S P L | 00231833 |

Setting of Exposure: Trading is allowed only against available margin in client’s MTF account. For this purpose, margin should be available at the time of entering trade in the cash segment of NSE in the form of credit balance either cash or pledged securities value in the MTF segment of the client’s trading account.

The shares purchased by the client 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 Beneficiary account on making the full payment and based on the request or delivered to the Exchange Pool a/c on obligations / selling of shares automatically.

| Account Type | DP ID | DP NAME | CLIENT ID |
|------------------------------------|----------|-----------|-----------|
| Client Security Margin Funding A/C | 12080300 | F C S P L | 00221204 |

Exposure for Approved Securities Buying under Product MTF :

The facility will be applicable only for approved securities. List of approved securities details are updated in our website (www.flattrade.in) download page naming **“Approved Securities List for Buying”**.

At the time of order placing, always select the product code as “MTF” and place orders using the exe or mobile application provided for trading. Approved Securities List will be reviewed on monthly basis and the changes can be taken place with addition / removal of stocks. The clients will be provided additional One Time Margin for purchase of approved securities and the payment needs to be made to Fortune Capital Services P. Ltd., whenever required. **For purchase of unapproved stocks, client must use the product code “CNC” for placing order and Unapproved Stocks are not allowed under MTF.**

Adjustment of Credit Balances in Regular Account with MTF Account:

Client has to make separate request by sending mail to accounts@ftconline.in / via MTF fund transfer option available in the application to transfer the Credit balance from their Normal Account to MTF account. The fund transfer will not be happened automatically from normal ledger to MTF Ledger and on receipt of request only transfer will be affected. Whenever there is short fall in margins, company having right to move the funds from the normal leger to MTF ledger without intimation to the clients. Further, if there is debit in normal ledger, excess margin amount available in the MTF margin account, the same will be adjusted with the debit in the normal ledger automatically.

Interest Charges for MTF:

Interest will be levied @ 18% p.a. for MTF Funded value after adjusting the Cash Margin available in the client's MTF margin ledger. In case, if the client provided securities through pledge as non-cash component towards margin, the same will not be considered towards interest calculation and interest will be charged for entire Funded value. Interest Charges will be calculated on a daily running balance and debited to the client ledger by end of the week. While calculating interest, the credit lying in Normal Ledger will not be considered and hence, please make the fund transfer request as explained above. Increasing the interest rates will be done by the company with the prior intimation notice to the clients.

Liquidation of the position under MTF:

If the client is not made good the Mark to Market (M2M) losses or margin short fall within 5 working days from the date of margin call, position will be squared off to the extend of the M2M losses or margin call with the discretion of the stockbroker.

If the securities are moved out of approved securities list by Fortune Capital Services P Ltd and or Group 1 securities list provided by exchange / SEBI, client is expected to clear the debit and take delivery to his demat account immediately. Otherwise, position will be squared off by Fortune Capital Services P Ltd without giving any intimation.

In case if the client is not fulfilled the Mark to Market (M2M) losses and or Margin shortfall and the same reaches 75% and the client is not made good on the Mark to Market losses and or margin shortfall, MTF Funded stock will be squared off immediately. Even after the square off the funded stock, there is shortfall in margin or debit in the trading account, collateral securities pledged towards margin also will be squared off and set off the losses occurred on the trading account of the client.

Fortune Capital Services P Ltd cannot guarantee the price at the time of square off and the orders are placed on market and the position will be squared off on the prevailing market price which is traded on the exchange.

If the securities are purchased in the market and the said securities are not received from the exchange or due to internal matching and the auction / Closed Out rates are provided by the exchange or as per policy, then the said MTF position will be liquidated and the necessary credits are passed on the client account.

In the event of any corporate action on a particular scrip held in the client's account, the funding amount associated with the scrip will be liquidated. The client must clear any resulting debit within T+1 day. Failure to clear the debit within the stipulated time will grant FLATTRADE the right to square off the client's positions without further notice

Terms and Conditions:

1. Fortune Capital Services P Ltd reserves the absolute right to either allow or refuse the aforesaid facility without giving any reasons to the clients and I agree that I shall not dispute the result in any manner whatsoever.
2. All Transactions in my account shall be subject to Margin Trading Facility rules and regulations of the exchange / SEBI.
3. The Maximum credit limit for a client will not exceed 10% of the net worth of the company computed as per SEBI Guidelines. However, Fortune Capital Services P Ltd reserves the right to reduce the maximum credit limit at any time without any prior intimation or assigning any reasons thereof.
4. The maximum single scrip funding limit for a client will not exceed Rs,50 Lakhs where the scrip is part of Nifty, CNX 100 and Junior Nifty collateral and will not exceed Rs.25 Lakhs where the scrip is not part of Nifty, CNX 100 and Junior Nifty.
5. In order to avail margin trading, initial margin and maintenance margin required at all times shall be as prescribed by SEBI which is as under.

| Category of Stock | Initial margin & maintenance margin as prescribed by SEBI | Initial margin and maintenance margin as set-in trading platform |
|--|---|---|
| Group I stock available for trading in F&O Segment | VaR + 3 times applicable ELM | The margin will be determined as the highest of the following: (i) VAR + 4× applicable ELM , (ii) 25% of buy value , or (iii) Exchange-prescribed applicable margin (VAR+ELM+Adhoc) for the respective stock. |
| Group I stock other than F&O stocks | VaR + 5 times ELM | The margin will be determined as the highest of the following: (i) VAR + 6× applicable ELM , (ii) 25% of buy value , or (iii) Exchange- |

| | | |
|--|--|--|
| | | prescribed applicable margin (VAR+ELM+Adhoc) for the respective stock. |
|--|--|--|

6. Mark to Market (MTM) loss if any on the funded stocks should be paid immediately under this funding facility.
7. Margin call will be initiated by Fortune Capital Services P Ltd at any time if the client fails to meet the daily mark to market. Margin calls to the client shall be made in the form of E-Mail to the registered email id or SMS to the registered mobile number or both by the company.
8. Upon receipt of the margin call, I agree to bring additional margin amount within the specified time to cover the margin short fall and make good of such deficiency in the amount of margin placed with the company. Margin shortfall can be replenished by way of online fund transfer / by pledging additional collateral stocks / by transferring the funds from the normal trading account to the MTF Account.
9. If there is a margin call on MTF Account and have the credit balance in the normal trading account, Fortune Capital Services P Ltd reserves the right to transfer any clear credit balance from the normal trading account to MTF Account. By agreeing to this terms and conditions, you give Fortune Capital Services P Ltd the explicit right to do this transfer without any intimation to you.
10. Margin Trading Facility allowed under this facility can be continued for a long period till it is terminated by you or Fortune Capital Services Private Ltd.
11. Fortune Capital Services P Ltd at its discretion, may liquidate, close out / sell shares, a part of or whole position if I fail to meet the margin call made by the company within the specified time, without prior intimation to me.
12. Fortune Capital Services P Ltd has full lien on cash and security balances in my trading / depository account and Fortune Capital Services Private Ltd may sell such securities lying with this demat account on account of any loss arising out of squaring off or sale of securities. Fortune Capital Services P Ltd will not be liable for any cost or damage or any consequences thereof.
13. If there are no transaction for 90 days in the MTF Account and where MTF Account is in credit, then the same would be settled as per the running account settlement process.
14. 1 / We shall loge / protest any disagreement with any transactions done under the MTF facility within 2 days from the receipt of the contract note.
15. The stock valuation of fully paid securities in the Collateral account will be determined by Fortune Capital Services Private Limited after applying the necessary haircuts from time to time.
16. Fortune Capital Services Private Limited reserves the absolute right to withdraw this aforesaid facility at any time without giving any reasons thereof, and I shall not protest or take a stand against them.
17. If this MTF facility is granted to me\us, I\We shall have no right to revoke the POA or withdraw the Collateral, unless and until all the claims, demands, loss, damages, penalties, and liabilities are settled with Fortune Capital Services Private Limited.

18. The brokerages and other regulatory charges etc. are applicable for each trade that is executed through the Margin funding account.
19. By signing and agreeing to the terms and conditions of MTF, I\We give my\our explicit permission to move the MTF trades to my MTF account daily basis.
20. I\We have the right to terminate this facility if, at any time, Fortune Capital Services Private Limited breaches its terms and conditions.

21. I\We agree that, have received the Risk Disclosure document, Rights & obligations, Policies, and procedures, and read, understood and accepted the same.
22. Fortune Capital Services P Ltd will have a discretion to alter / change any of the information / parameter defined in the policy on the basis of prevailing market conditions with or without intimation to the clients and can use their discretion to grant any kind of exemption / permission in case they deem fit on case to case basis.
23. I/we hereby confirm that I/we will continuously monitor the positions and the Margin Calls issued to me/us by Fortune Capital Services Pvt. Ltd., and I/we will top up the Margin immediately. I/we hereby confirm that I/we am/are aware that the Policy is tends to be changed depending on the market scenario and we will update myself/ourselves by reading the Policy from at regular intervals.

Client Name:

Client Code:

Signature of the client:

RIGHTS & OBLIGATIONS OF STOCK BROKERS & CLIENTS 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 Stockbroker 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 timelines 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 Stockbroker 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 Stockbroker within such time as the Stockbroker 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. Stockbroker and client may agree between themselves the terms and condition including commercial terms if any before commencement of MTF.
2. Stockbroker may set up its own risk management policy that will be applicable to the transactions done under the Margin Trading Facility. Stockbroker 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. Stockbroker 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, stockbroker 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. Stockbroker 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 Stockbroker 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 Stockbroker 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 stockbroker 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. Stockbroker 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 stockbroker and the client shall be terminated; if the Stock Exchange, for any reason, withdraws the margin trading facility provided to the Stockbroker 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 Stockbroker. The Stockbroker shall be entitled to immediately adjust the Margin Amount against the dues of the client, and the client hereby authorizes the Stockbroker to make such adjustment.
4. After such adjustment, if any further amount is due from the client to the Stockbroker, the client shall settle the same forthwith. Upon full settlement of all the dues of the client to the Stockbroker, the Stockbroker 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 Name:

Client Code:

Client Signature: