Version - 1/2019
01.10.2019

Margin Trading Facility (MTF) Guidelines

Basic Terms and conditions for Margin Trading facilities (MTF).

1. For activation of MTF, client needs to submit duly signed MTF agreement along with the require documents as per KYC guidelines issued by exchange from time to time.

2. Exposure limit will be as per exchange norms (approx 3 to 4 times of available margin).

3. Maximum Funding will be Rs 15L per Branch or Sub-broker.

4. Margin Funding will be allowed on Cash Collateral and Non Cash Collateral (Only on NSE Exchange approved securities).

5. Debit should be cleared once in 60 Days.

6. Once the Margin shortfall alert is issued or on account of MTM call; the same needs to be cleared by T+1 in cash. No collateral will be accepted against such shortfall. At any point of time if MTM Loss reaches at 60 % of the Total Available Margin, then the client will have to immediately (Same day) deposit fresh margin or reduce the position.

7. At any point of time if MTM Loss exceeds 75% of Total Available Margin and if client does not bring in fresh margin or reduces his exposure by himself, his positions will be squared off without further notice.

8. 18% Interest will be charged on Funding Amount and it will be posted/debited in ledger at the end of the month.

   Example 1:
   Client has Cash Collateral of Rs. 1,00,000 and position is taken of Rs.3,00,000, then interest will be charge on funded amount of Rs. 2,00,000 (3,00,000-1,00,000).

   Example 2:
   Client has Non-Cash collateral (After Haircut) of Rs. 1,00,000 and position is taken of Rs.3,00,000; then interest will be charge on entire funded amount of Rs. 3,00,000.

List of NSE Approved securities for funding:

Only Group 1 securities are approved for Funding. Please refer to the link below check the same.

https://www.nseindia.com/content/nsccl/C_CATG.T01

Link of NSE Circular for Margin trading:

https://www.nseindia.com/content/circulars/COMP35125.zip

Process flow:

- KYC & MTF Registration.
- Upfront Collateral and Margin collection and confirmation.
- Trade Execution under MTF.
- Email/ Call on recorded dealing room line from client to member for confirming trade under MTF transaction(Consent Letter - for every fresh position/ trade letter/email has to be given)
- Risk Department Software System will check pre-defined criteria for MTF eligibility (i.e. Security eligibility, Max Funding amount, Margin etc.,) and then position will be moved to MTF.

For any queries or assistance on MTF product and RMS requirements thereon, please contact Mr. Hemant Kansara (RMA Department) on 022-6159 5140 / 5137. Alternatively you can email your queries on rm@acchoksi.com.