

**MARGIN TRADING FACILITY (MTF) AGREEMENT - ZEBU**

**TERMS & CONDITIONS**

The terms and conditions governing MTF Facility provided by Zebu Share and Wealth Managements Pvt Ltd (ZEBU) set out below ( T&C ) and forming part of the account opening form must be read in conjunction with the rights and obligations prescribed by the Securities and Exchange Board of India (SEBI) under SEBI circular no. CIR/MRD/ DP/54/ 2017 dated June 13, 2017 and the Rules, Regulations, Bye laws, Rights and Obligation, Guidelines and circulars issued by SEBI and the stock exchanges from time to time (hereinafter collectively referred to as Regulatory Requirements)

**This Agreement** (hereinafter referred to as “**Agreement**”) is entered into on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by and between Zebu Share and Wealth Managements Pvt Ltd, a Company incorporated under the Companies Act, 1956, having its office at PSK Booshanam Mahal, 1st Floor, No. 127, 100 Feet Bypass Road, Velachery, Chennai - 600042 (Head office) and having one of its Branch Office at \_\_\_\_\_ (Branch office address) (hereinafter referred to as “**the broker**”, which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors and assigns) of the One Part;

**And**

M/s/Mr/Mrs/Ms \_\_\_\_\_, unique client code being \_\_\_\_\_ whose details are as below \_\_\_\_\_ (Address of the client).

(hereinafter referred to as the “**Client**” which expression shall, unless repugnant to the context or meaning thereof be deemed to include his/her/its heirs and/or legal representatives and/or successors and/or executors and/or permitted assignees and/or administrators and/or successors in business) of the Other Part

**WHEREAS:**

- (a) Zebu Share and Wealth Managements Pvt Ltd is engaged, inter alia, in the business of stock broking and is a Trading Member of National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), with SEBI registration Number INZ000174634.
- (b) Zebu Share and Wealth Managements Pvt Ltd is engaged in providing margin Trading Facility (hereinafter referred to as MTF), as described hereinafter, to those clients who are registered with it as client for availing Stock Broking Services and have also entered into an agreement for availing of the Margin Trading Facility.
- (c) The Client is registered with Zebu Share and Wealth Managements Pvt Ltd as a client for stock broking services and is desirous of availing Margin Trading Facility, and has approached Zebu Share and Wealth Managements Pvt Ltd with that request

(d). Upon the request of the Client, Zebu Share and Wealth Managements Pvt Ltd has agreed to provide the said facility to the client subject to the terms and conditions contained in this Agreement

**NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN ZEBU SHARE AND WEALTH MANAGERMENTS PVT LTD AND CLIENT AS UNDER:**

**I. DEFINITIONS & INTERPRETATIONS**

1. **“Initial margin”** means the minimum amount, calculated as a percentage of the transaction value, to be placed by the client, with the broker, before the actual purchase. The broker will advance the balance amount to meet full settlement obligations.
2. **“Margin Trading Facility” or MTF** means and refers to the facility pursuant to which part of the transaction value due to the Stock Exchange, at the time of purchase of Shares, shall be paid by Zebu Share and Wealth Managements Pvt Ltd on behalf of the Client on Client’s request, on such terms and conditions as contained in this Agreement.
3. **“Mark to Market Loss” or “MTM Loss”** means the difference between the purchase value of the shares and the marked to market value of these shares.
4. **“Mark to Market Value of shares” or “MTM Value of Shares”** means the value of shares calculated with reference to the previous day’s closing price on the Stock Exchange.
5. **“Share/s”** means and refer to the shares / stock / securities eligible for margin trading facility, as specified by the SEBI from time to time and approved by Zebu Share and Wealth Managements Pvt Ltd for the purpose of granting MTF.
6. **“Stock Exchange”** means the stock exchange on which the shares has been purchased /Sold.

**Unless** the Context otherwise requires:

1. The expression month and year shall be to the calendar month or calendar year
2. Reference to date or dates which do not fall on a working day, shall be construed as reference to the day or date falling on the immediately subsequent Working day

**II. CLIENT REPRESENTATION:**

The Client hereby undertakes to:

1. Place the initial and any other applicable margin amounts as the Broker may specify to the Client from time to time, subject to requirements specified by SEBI.

<b>Category of Stock</b>	<b>Applicable margin</b>
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*

2. Authorize retention of the shares with the broker upon the receipt of the same in the pay out from the Stock exchange till the amount due in respect of the said transaction including the dues to the broker is paid in full by the client.
3. To pay to the broker - brokerage, commission, fees, transaction costs, service tax, stamp duty and other taxes / expenses as are prevailing from time to time and as they apply to the Client's account, transactions and to the Services that the broker renders to the Client.
4. Abide by any revision in any of the terms of this agreement as may be agreed between the parties

### **III. CLIENT'S WARRANTIES**

The Client warrants, represents and assures Zebu Share and Wealth Managements Pvt Ltd that:

1. He has the necessary authority to enter into this Agreement and observe and perform the obligations herein contained.
2. He shall duly observe and perform the conditions and obligations stated herein.

### **IV. BROKER'S REPRESENTATION**

The Zebu Share and Wealth Managements Pvt Ltd represents that:

1. On entering into this agreement and deposit of initial margin by the client, the Zebu Share and Wealth Managements Pvt Ltd undertakes to settle the obligation towards the Stock Exchange for and on behalf of the Client. The Client hereby agrees and authorizes the Zebu Share and Wealth Managements Pvt Ltd to make such payment on his behalf.

### **V. MARGIN TRADING FACILITY**

1. The margin facility shall carry interest at **18%** per annum payable Monthly (Currently).
2. The Client shall be free to take the delivery of the Share at any time by repaying the amounts that was paid by Zebu Share and Wealth Managements Pvt Ltd to the Stock Exchange towards Shares, and further paying all such sums of money as may be due towards brokerage, transaction costs and charges, GST and other costs towards his transactions. Alternatively, Client may at any time, but not before the delivery of the Shares has been actually received by Zebu Share and Wealth Managements Pvt Ltd, choose to sell the Shares on the Stock Exchange by issuing appropriate instructions to Zebu Share and Wealth Managements Pvt Ltd.
3. Provided however that, the Client may at his risk as to cost and consequences, choose to sell the Shares prior to receipt of confirmation from the Stock Exchange of delivery of Securities against his Purchase, and in such situation, the Client shall be fully responsible to bear the losses / costs arising due to auctions / closeout by the Stock Exchange, in the event the delivery against purchase fails to materialise

4. Where the Shares are sold as provided in sub-clause 2/3 above, Zebu Share and Wealth Managements Pvt Ltd will effect the pay-in of Shares to the Stock Exchange in accordance with the Stock Exchange requirements. Upon receipt of sale proceeds from the Stock Exchange towards the sale of Shares, Zebu Share and Wealth Managements Pvt Ltd shall, after deducting therefrom brokerage, fees, charges, levies, taxes, duties and other costs, charges and expenses, and further deducting amounts due to it from the Client on account of moneys paid by Zebu Share and Wealth Managements Pvt Ltd on his behalf to the Stock Exchange at the time of purchase of Shares, effect the net payment to the Client
5. Zebu Share and Wealth Managements Pvt Ltd may, at its sole and absolute discretion, revise the limit of initial and/or other applicable margin amount from time to time. The Client agrees and undertakes to abide by such revision, and where there is an upward revision of such margin amount, he agrees to make up the shortfall immediately. The Client shall make up the revised margin not later than 5 working (Trading) days from the day of margin call, failing which ZEBU in its discretion may exercise its right to liquidate the security / collateral and / or close out the position immediately.
6. The MTF shall be provided only in respect of such Shares as may be decided by Zebu Share and Wealth Managements Pvt Ltd from time to time.
7. The Client may furnish further Margin Amount from time to time for availing higher MTF Limit.
8. As per the current regulation, individual client limits for the purpose of MTF stands about 10% from the overall allowable exposure of MTF”.
9. All credit arising to the Client’s account out of a sale transaction under the MTF Facility shall be first adjusted towards the debit under the MTF Facility, if any and subject to adequate margin being maintained for the outstanding debit under the MTF Facility.
10. If there is a margin call on MTF account, and have credit balance in the Normal trading account, ZEBU reserves the right to transfer any clear credit balance from the Normal trading account to the MTF account. By agreeing to this terms and conditions you give ZEBU the express right to do this transfer without any intimation to you.

## **VI. MONITORING CLIENT’S POSITIONS**

1. Zebu Share and Wealth Managements Pvt Ltd shall monitor and review on a continuous basis the client’s positions with regard to the margin trading facility.
2. The (BROKER) shall make a ‘margin call’ requiring the client to place such Margin Amount as may be specified by Zebu Share and Wealth Managements Pvt Ltd with a view to make up for the MTM Loss, If any, in accordance with SEBI requirements.
3. On receipt of ‘margin call’ intimation from Zebu Share and Wealth Managements Pvt Ltd, the Client shall make good such deficiency by placing the further Margin Amount, within such time as is specified by SEBI, failing which the Client shall be deemed to be in breach of this Agreement

4. Notwithstanding what is stated above, Zebu Share and Wealth Managements Pvt Ltd may immediately sell the Shares, in the circumstances specified by SEBI and for this purpose, the Client do hereby expressly authorize such sale, and thereafter, the sale proceeds shall be treated in the manner specified in Clause V.4 above. The Zebu Share and Wealth Managements Pvt Ltd may, in its sole discretion, determine which Shares is/are to be sold, and / or which contract(s) is/are to be closed.
5. The Client agrees and understands that Zebu Share and Wealth Managements Pvt Ltd shall have full freedom and authority to vary, modify, revise the initial and any other applicable margin amount, minimum transaction amount from time to time, subject to the SEBI requirements in this respect, and Client agrees to abide by such variation, modification or revision

#### **VII. PLEDGE OF SECURITIES**

Notwithstanding anything contained in this Agreement, the Client hereby pledges and shall have deemed to have pledged forthwith the Shares, at the time when received by Zebu Share and Wealth Managements Pvt Ltd, as security for repayment and settlement of amounts due to Zebu Share and Wealth Managements Pvt Ltd from the Client under Margin Trading Facility along with interest and other amounts payable thereunder. The Client hereby records that the share certificates account statements or any other documents evidencing the right, title and interest of the Client as the holder of the Securities shall remain deposited and shall be deemed to have been deposited by the Client as having been deposited being marketable securities, for repayment of the amounts due under the Margin Trading Facility and this instrument accordingly shall be deemed to be connected with the mortgage of the marketable securities / Shares as contemplated by Section 24 of the Bombay Stamp Act, 1958/Section 23A of the Indian Stamp Act, 1899 or the corresponding/relevant provisions of the Stamp Act as in force in the relevant state.

#### **VIII. BREACH OF THIS AGREEMENT**

In the event of Client committing any breach of any terms or condition of this Agreement, Zebu Share and Wealth Managements Pvt Ltd shall be entitled to terminate this Agreement forthwith. However, Zebu Share and Wealth Managements Pvt Ltd at its option may elect to give notice to the Client of such duration, and extended from time to time, if so decided by Zebu Share and Wealth Managements Pvt Ltd, requiring the Client to cure the breach.

#### **IX. TERMINATION & EXPIRY**

1. This Agreement shall stand terminated forthwith, as provided in Clause VIII above, or on the Client failing to cure the breach within the time period as provided in the Notice given thereunder.
2. This Agreement shall automatically stand terminated, without any further act on the part of any party hereto, on and from the date of termination/determination of the Client Member Agreement executed between the parties hereto in respect of stock broking services provided / being provided by Zebu Share and Wealth Managements Pvt Ltd to the Client.
3. In the event of termination / determination of this Agreement, the Client shall forthwith settle the dues of Zebu Share and Wealth Managements Pvt Ltd. Zebu Share and Wealth Managements Pvt Ltd shall be entitled to immediately adjust the Margin Amount against the

dues of the Client, and the Client hereby authorizes Zebu Share and Wealth Managements Pvt Ltd to make such adjustment.

4. After such adjustment, if any further amount is due from the Client to Zebu Share and Wealth Managements Pvt Ltd, the Client shall settle the same forthwith. Upon full settlement of all the dues of the Client to Zebu Share and Wealth Managements Pvt Ltd, Zebu Share and Wealth Managements Pvt Ltd shall release the balance amount to the Client.
5. In the event of failure of the Client to settle the dues of Zebu Share and Wealth Managements Pvt Ltd within 5 days, Zebu Share and Wealth Managements Pvt Ltd shall be entitled to enforce its rights and shall be entitled to sell off Shares, and adjust/apply the net sale proceeds thereof in recovery of its dues.

#### **X. NOTICES & COMMUNICATIONS**

Based on Client's preference, the Client accepts all types of communications to Client's registered email/message to registered mobile number of the Client or by physical mode relating to and including order / trade confirmation, revision in margin/ margin calls, decision to liquidate the position / security / collateral, margin statements, margin policies on haircuts / VAR margin, risk management policies, rights & obligations, etc.

#### **XI. WAIVER**

Subject to SEBI requirements, any of the terms and conditions of this Agreement may be waived at any time by Zebu Share and Wealth Managements Pvt Ltd, but no such waiver shall affect or impair the right of Zebu Share and Wealth Managements Pvt Ltd to require observance and performance of any other term or condition hereof and no waiver hereunder shall be considered valid unless made in writing and signed by Zebu Share and Wealth Managements Pvt Ltd and no such waiver, or any failure or delay on the part of Zebu Share and Wealth Managements Pvt Ltd to exercise any right, power or privilege hereunder shall be deemed a waiver of any subsequent breach of default nor shall any single or partial exercise of any such right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege.

#### **XII. CLIENT CONFIDENTIALITY**

The member hereby undertakes to maintain, the details of the client as mentioned in the client registration form or any other information pertaining to the client, in confidence and that he shall not disclose the same to any person / entity except as required under the law

Provided however, that the member may share the details of the client as mentioned in the client registration form or any other information pertaining to the client with parties/entities other than required under law with the express permission of the client.

#### **MISCELLANEOUS**

The MTF Facility may be withdrawn by ZEBU, in the event of the Client committing any breach of any of the T&C or at any time after due intimation to the Client allowing such time to liquidate the MTF position as agreed herein, without assigning any reason.

In the event of termination of this arrangement, the Client shall forthwith settle the dues of ZEBU. ZEBU shall be entitled to immediately adjust the margin amount against the dues of the Client, and the Client hereby authorizes ZEBU to make such adjustment. If any further amount is due from the Client to ZEBU, after such adjustment, then the Client shall forthwith settle the same. ZEBU shall release the balance amount to the Client upon full settlement of all the dues of the Client to ZEBU.

If there is no transaction for 90 days in a Margin Trading Account and there are no dues outstanding from the Client then the account shall be settled immediately.

The stocks deposited as collateral with ZEBU (Collaterals) for availing the MTF Facility and the stocks purchased under the MTF Facility (Funded stocks) shall be separately identifiable and there shall not be any co-mingling for the purpose of computing funding amount.

A protest /disagreement with any transaction, document, statements, contract notes or any communication under the MTF Facility shall be lodged by the Client within 24 hours from the date of receipt of the same.

Subject to clearing ZEBU's dues, the Client can close/terminate the MTF Facility at any time

Any dispute in connection with the MTF Facility arising between the Client and ZEBU shall be referred to the investor grievance redressal mechanism, arbitration mechanism of the relevant stock exchange.

By signing below I/we acknowledge that I/we have fully read and understood the above policy and procedures laid down by SEBI/Exchange/ZEBU. Further I /we acknowledge that we have received copy of Risk Disclosure documents towards MTF.

**IN WITNESS WHEREOF** the parties hereto have set their respective hands on the date above-mentioned

Signed and delivered by \_\_\_\_\_ )  
\_\_\_\_\_)  
for and on behalf of Zebu Share and Wealth Managements Pvt  
Ltd )  
in the presence of: )  
\_\_\_\_\_ )

Signed and delivered by the within named )  
Client, \_\_\_\_\_ )  
\_\_\_\_\_ ) X  
in the presence of: )  
\_\_\_\_\_ )