



# CIL SECURITIES LTD

Trading Cum Clearing Member: National Stock Exchange of India Ltd (NSE)CM; F&O & CURRENCY,  
The Bombay Stock Exchange Ltd, (BSE)  
Centralized SEBI Regn No:INZ000169535  
Regd Office: 214, Raghava Ratna Towers, Chirag Ali Lane  
Abids, Hyderabad - 500 001  
Phone Nos: 23202465, 23203155, Fax: (040) 23203028  
E-Mail: [advisors@cilsecurities.com](mailto:advisors@cilsecurities.com),  
[www.cilsecurities.com](http://www.cilsecurities.com)

**Voluntary but if the client want to use the facility of margin trading then it is mandatory**

## **MARGIN TRADING AGREEMENT**

**This Agreement** (hereinafter referred to as “**Agreement**”) is entered into on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by and between CIL SECURITIES LIMITED, a Company incorporated under the Companies Act, 1956, having its registered office at 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001 (hereinafter referred to as “**the Stock 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; x

**And**

M/s/Mr/Mrs/Ms \_\_\_\_\_ Client Code: \_\_\_\_\_, (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 x

### **WHEREAS:**

Whereas the Stock Broker is registered as the stock broker of the Exchange(s) with SEBI Registration Number: INZ000169535 (hereinafter called “the Exchange”).

- (a) The Stock Broker 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.
- (b) The Client is registered with Stock Broker as a client for stock broking services and is desirous of availing Margin Trading Facility, and has approached Stock Broker with that request
- (c) Upon the request of the Client, Stock Broker 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 STOCK BROKER 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. “**Maintenance margin**” means the minimum amount, calculated as a percentage of the market value of the securities, calculated with respect to the last trading day’s closing price, to be maintained by the client with the broker.
- 3. “**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 Stock

Broker on behalf of the Client on Client's request, on such terms and conditions as contained in this Agreement.

4. **“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.
5. **“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.
6. **“Share/s”** means and refer to the shares / stock / securities eligible for margin trading facility, as specified by SEBI from time to time and approved by Stock Broker for the purpose of granting MTF.
7. **“Stock Exchange”** means the stock exchange on which the shares has been purchased

**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 maintenance margin amounts as the Broker may specify to the Client from time to time, subject to requirements specified by SEBI.
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, gst, 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 Stock Broker 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 Stock Broker represents that:

1. On entering into this agreement and deposit of initial margin by the client, in cash / approved securities the Stock Broker undertakes to settle the obligation towards the Stock Exchange for and on behalf of the Client . The Client hereby agrees and authorizes the Stock Broker to make such payment on his behalf.

## **V. MARGIN TRADING FACILITY**

1. The margin facility shall carry interest as determined from time to time and shall be payable on a monthly basis.
2. The Client shall be free to take the delivery of the Share at any time by repaying the amounts that was paid by Stock Broker 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 is actually received by Stock Broker, choose to sell the Shares on the Stock Exchange by issuing appropriate instructions to Stock Broker
3. Provided 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 a 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 materialize.
4. Where the Shares are sold as provided in sub-clause 2/3 above, Stock Broker 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, Stock Broker shall, after deducting there from 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 Stock Broker on his behalf to the Stock Exchange at the time of purchase of Shares, effect the net payment to the Client
5. Stock Broker may, at its sole and absolute discretion, revise the limit of initial and/or maintenance 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 within such time as Stock Broker may permit, failing which the Client shall be deemed to be in breach of this Agreement.
6. The MTF shall be provided only in respect of such Shares as may be decided by Stock Broker from time to time.
7. The Client may furnish further Margin Amount from time to time for availing higher MTF Limit.

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

1. Stock Broker shall monitor and review on a continuous basis the client's positions with regard to the margin trading facility.
2. The Stock Broker shall make a 'margin call' requiring the client to place such Margin Amount as may be specified by Stock Broker with a view to make up for the MTM Loss, If any, in accordance with SEBI requirements. In case the margin collected from the Client falls to 70% and below of the initial margin the broker may liquidate the client holdings at any time without any reference to the client.
3. On receipt of 'margin call' intimation from Stock Broker, 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, Stock Broker 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 Stock Broker 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 Stock Broker shall have full freedom and authority to vary, modify, revise the initial and maintenance 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 Stock Broker, as security for repayment and settlement of amounts due to Stock Broker 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, Stock Broker shall be entitled to terminate this Agreement forthwith. However, Stock Broker at its option may elect to give notice to the Client of such duration, extended from time to time, if so decided by Stock Broker, requiring the Client to cure the breach.

## **IX. TERMINATION & EXPIRY**

1. This Agreement shall stand terminated forthwith, as provided in Clause VIII above, 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 of the Client Member Agreement executed between the parties hereto in respect of stock broking services provided by Stock Broker to the Client.
3. In the event of termination of this Agreement, the Client shall forthwith settle the dues of Stock Broker. Stock Broker shall be entitled to immediately adjust the Margin Amount against the dues of the Client, and the Client hereby authorizes Stock Broker to make such adjustment.
4. After such adjustment, if any further amount is due from the Client to Stock Broker, the Client shall settle the same forthwith. Upon full settlement of all the dues of the Client to Stock Broker, Stock Broker shall release the balance amount to the Client.
5. In the event of failure of the Client to settle the dues of Stock Broker, Stock Broker shall be entitled to enforce its rights and shall be entitled to sell the Shares, and adjust/apply the net sale proceeds thereof to recover its dues.

## **X. NOTICES & COMMUNICATIONS**

1. Any notice or other communication to be given by one party to the other under or in connection with this Agreement shall be in writing and shall be deemed to have been duly served if delivered personally or sent by confirmed facsimile transmission or by prepaid registered post or email to the addressee at the address / number (if any), of that party set opposite its name below:

(a) **Notices / Communications to be sent to Stock Broker:**

Address : 214, Raghava Ratna Towers,  
Chirag Ali Lane, Abids, Hyderabad – 500 001  
Fax : 040-23203028  
E-mail: [advisors@cilsecurities.com](mailto:advisors@cilsecurities.com)

**XI. WAIVER**

Subject to SEBI requirements, any of the terms and conditions of this Agreement may be waived at any time by Stock Broker, but no such waiver shall affect or impair the right of Stock Broker 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 Stock Broker and no such waiver, or any failure or delay on the part of Stock Broker 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 required under law with the express permission of the client

For CIL SECURITIES LIMITED

The Client's Signature/Authorised Signatory

Authorised Signatory

Signed by : x

**Title :**

**Name of the client::**

**WITNESS**

1. Signature

Name :

Address :

**WITNESS**

1. Signature

Name

Address :