

Risk Management Limit Policy

Introduction

Investment in securities is susceptible to market risks which cannot be predicted. The Account Opening Document contains an explanation of different types of risks our Customers are likely to face in the market. While the risk of loss is inherent in the market, we as your Broker seek to minimize the risk of loss through a dynamic risk management policy which is an essential feature of our operations. As our customer, it is important for you to be aware of our Risk Management Policy and how the Policy would operate to regulate your transactions. It is also important that the Risk Management Policy is not an insurance against losses; these are measures and precautions that are adopted to contain risks to the minimum. The Policy is subject to change according to our risk perceptions of the market and SEBI/Exchange regulations for the time being in force. Client registered with **Mirae Asset Capital Markets (India) Pvt Ltd (MIRAE)** need to adhere to the below set of risk management and exposure policy

Definitions:

- 1.**VaR & ELM:** VaR is the value at risk while ELM is extreme loss margin. MIRAE will use VaR, ELM & other margins which are provided by the exchanges as base for its haircuts for certain basket of Scripts. Exchanges calculate VaR & ELM of a security based on the historic price movement in that security and volatility in the scripts.
- 2.**Exposure Limit:** Exposure limit is the net value of position a client can enter into at any given point in time on that day.
- 3.**Client Margin:** Total Deposit of the client with MIRAE. This includes Ledger balance, Fund transfer, NEFT, RTGS and value of collateral post appropriate MIRAE haircut.
- 4.**Margin:** Margin is the minimum Client margin required to enter into a position as stipulated by the Exchange/MIRAE time to time and relevant to a particular contract/script. Margin will be specified in terms of percentage of the order value.
- 5.**Haircut:** MIRAE accepts collateral (i.e. shares) from client towards the margin requirement. However, shares carry risk of volatility. Hence a appropriate haircut is applied to the total value of the security for arriving at value of the collateral to take exposure against it. The haircut can be more than or equal to Exchange defined haircut.
- 6.**Approved Collateral :** There are certain exchange approved collaterals which includes Shares/ Mutual Funds / Bonds / NCD's and any other tradeable securities however MIRAE reserves the sole right of providing limits against such collaterals from time to time.

A. Risk Management and Exposure Policy for clients.

1. Capital Market Segment:

Client Category	Forms of Margin	Criteria	Haircut	Multiplier for Exposure	Margins charged	Default Limit
Normal Clients	Ledger	Credit Balance in the ledger of the client maintained with MIRAE	N.A.	MIRAE approved list	MIRAE approved list	NIL
	Collateral	After Haircut Value of Approved Collateral.	MIRAE approved list	MIRAE approved list	MIRAE approved list	
NRI Clients	Ledger	Credit Balance in the ledger of the client maintained with MIRAE	N.A.	1 time	100%	NIL if credit balance in ledger and in case of Debit balance in ledger then actual debit
	Collateral	N.A	N.A	N.A	N.A	

2. Equity and Currency Derivative Segment:

Segment	Forms of Margin	Criteria	Haircut	Multiplier for Exposure	Margins charged
Equity Derivatives	Ledger	Credit Balance in the ledger of the client maintained with MIRAE	N.A.	1 time	Exchange Prescribed Initial , Exposure Margins

	Collateral	After Value Approved Collateral.	Haircut of	MIRAE approved list	1 time	& Additional margin (if required)
Currency Derivatives	Ledger	Credit Balance in the ledger of the client maintained with MIRAE		N.A.	1 time	Exchange Prescribed Initial , Exposure Margins & Additional margin (if required)
	Collateral	After Value Approved Collateral.	Haircut of	MIRAE approved list	1 time	

Note:

- a. MIRAE Approved list: Refer **Annexure 1** for policy on approved list of securities.
- b. Intraday trading: Refer **Annexure 2** for policy on margins etc Intraday trades
- c. All Intraday positions for Clients will be squared off at 75% MTM or at 30 minutes before the close of market (whichever is earlier) or any other time deemed fit by RMS based on market conditions and volatility
- d. Once the timer based square off is triggered, further exposure in intraday will not be allowed.
- e. At the time of Intraday order square off trigger, all pending orders would be cancelled and orders will be sent to exchange for square off. The orders sent to exchange will be executed on best effort basis.
- f. Maximum permissible exposure limit to a client for a day is based on available margin given by client which includes Ledger, Intraday fund transfer, pledge collateral etc.
- g. For selling stocks under BTST trade, upfront margin will be required. However, for selling Existing Holding in DP/Pledge/CUSA a/c, no upfront margin required.
- h. In case of selling of Holdings in cash market by client, limit will be available to client for taking exposure in other trades. The Early Pay-in (EPI) to be done during the day once stock is sold by client.
- i. In case of Intraday MTM profit in Cash segment on T day, no exposure limit available against same on T day. Further, in case of Intraday MTM profit in Derivative segment on T day, no exposure limit available against it on T day.

- j. Limit against Premium receipt on selling of option on T day will be available for Buying of Option only. From T+1 day, limit can be used for exposure in Cash segment as well as for FNO trades.
- k. Trading in Z Group/Illiquid/GSM/S+ Securities may subject to restriction which include
 - Capping on total exposure on scripts in Quantity/Value
 - Restriction on fresh Buying of such securities
 - Restriction on selling quantity/value of such scripts
 - Prohibition of trading of such securities unless approved by competent authority, if required
 - Additional Surveillance deposit (ASD) based on classification of stage of surveillance by Exchange will be collected from client
 - This ASD shall not be consider for giving further exposure and release to client only when same is released by Exchange
 - ASD shall be over and above existing margins or deposits levied by the Exchanges on transactions in such companies and shall be interest free
- l. Trading in Securities which are covered under Unsolicited SMS list of the Exchange is subject to restriction including restriction on fresh Buying and capping on selling limit of Holdings including withhold of Payout, if required.
- m. Ageing Debit Square off (T+5) and withholding securities in CUSPA a/c:-
 - It is client's obligation to clear his/her outstanding dues by T+1 day (T indicates Trading Day). The client shall ensure timely provision of funds / securities to MIRAE so as to meet exchange obligations. MIRAE reserves the right to close the positions / sell securities to the extent of ledger debit and /or to the extent of margin obligations.
 - Selling will be done in clients account on T+5 days to recover debit in client's ledger. No further exposure is to be given to clients having debits beyond 5 days.
 - Further, as per SEBI circular on handling of clients' securities, in case of Debit balance in client ledger account, MIRAE reserves rights to create pledge in its favour for securities which remain unpaid.
 - Considering possible fluctuation in price of securities and to ensure adequate coverage against the debit balance in client ledger, suitable markup upto 50% be added while transferring securities to CUSPA a/c
 - **Process of transferring unpaid securities to client unpaid securities pledgee account (CUSPA):-**
 - With regard to securities that have not been paid for in full by the clients (unpaid securities), unpaid securities shall be transferred to "client unpaid securities account" followed by creation of an auto-pledge in favor of a separate account titled - "client unpaid securities pledgee account (CUSPA)".

- After the creation of pledge, client communication shall be sent to client informing about the same.
- Before the invocation of pledge, client communication shall be sent to client informing about the same.
- The securities kept in CUSPA shall either be transferred to the demat account of the respective client upon fulfilment of client's funds obligation or shall be disposed of in the market by MIRAE within five trading days after the pay-out

Profit/loss on the sale transaction of the unpaid securities, if any, shall be transferred to/adjusted from the respective client account

- **Sequence of Square Off:**

The scrips will be first selected from the Client Unpaid Securities Pledgee Account (CUSPA) and if there is still a requirement than the stock lying in Pledge/DP will be selected. Lower VAR Margin scrip would be liquidated first, in case of multiple stocks to be liquidated.

B. Monitoring Process:

Risk Team shall monitor the positions / debits of the client vis-a-vis the client margin available with MIRAE. Following process / reports will be generated on a daily basis to monitor the risk associated with the trades.

a) Carry Forward Debit:

Daily Begin of day, ageing debit report is generated for each client. This report will contain details of the amount recoverable from the client (debit of client) with total valuation of shares available with the client. While calculating the total value of shares available with the client, shares purchased by the client will also be considered since the shares will be under control of MIRAE and released only if debit is cleared by the client. MIRAE reserves the right to sell these shares in case of default by client.

Available margin of the client is monitored and if available margin falls below 10% (i.e. total debit is 90% and more of the Total value of collateral/Holdings), collateral/Holdings will be sold (to the extent of debit) if client fails to clear the debit.

b) Intraday and derivative Positions:

Mark to market loss on the intraday and derivative positions will be monitored by risk department and positions will be squared off where mark to market loss (including full net option premium) for the client exceeds 75% of client margin. The position will be square off on best effort basis and in case of non-square off of any position due to any reasons including technical issue, debit if any arising due to MTM loss to be made good by client.

In case of volatile movement in scripts covered in intraday product, RMS will liquidate such position on best effort basis after +/-15% movement to avoid circuit freeze. However, in case of non-square off of any of the position due to any reasons including technical issue, debit if any arising due to Auction to be made good by client.

c) Margin shortfall for equity and currency derivatives:

RMS will square off the positions in case of total margin is in shortfall than required as per regulations. Margin is collected upfront from all clients in leveraged segments. Daily Mark to Market losses shall have to be paid latest by T+1 day and any shortages in respect of Margin shall be payable forthwith. In case of default to provide Mark to Market losses or Margins accordingly, MIRAE shall be entitled to square off the open market positions without further reference or notice to the Clients.

In case of extreme market volatility, margins may be demanded on intra-day basis and Clients should be able to replenish margins on immediate basis to avoid square off. Shortage in Margin shall attract penalty as may be levied by the Exchange. Further, in case of Hedge positions or calendar spread positions taken by clients, there can be an increase in margins on account of change in hedge position by client/ expiry of some leg(s) of the hedge positions of the clients. In such cases, the margin shortfall may arise in client account if sufficient margin is not available and results in a penalty from Exchange which can be transferred to client by MIRAE. Accordingly, various scenarios which can cause higher margin obligation on the hedge open positions are:-

- Hedge positions break on account of square of some leg(s) during day
- Roll-over of existing calendar spread positions during the day by client
- Removal of cross margin benefits
- Expiry of some of the leg(s) of Hedge positions at end of day on the expiry date of contracts causing naked/uncovered positions

All losses from daily settlements and losses from square off which are not paid shall be recovered by selling available collateral/Holdings of the Client and Client shall be liable to pay the remaining balance forthwith.

d) Physical Settlement in derivatives:

In case of Equity derivatives contracts which are covered under Physical settlement, the Long and Short position may convert into delivery. In order to mitigate the risk of unwarranted delivery,

- Fresh positions in current month expiry contracts in equity derivatives segment will be blocked from T-4th working day EOD onwards (T day being expiry).
- The client should roll over / close the existing positions **T-1** trading day before the Expiry till 11.45 AM. For e.g. for May 2021 expiry which is on May 27th clients can close / roll over till 26th May 11.45 AM.
- MIRAE will start squaring off all open positions post T-1 working day -- 11.45 AM. Note that this is irrespective of margin availability.
- However, for client who have requisite margin on Open position or Holdings are available against short position, based on approval from competent authority, position will be allowed to kept open till Expiry for Physical settlement.

- Additional margins are applicable on in-the-money long option positions as per the Exchange
- In case square off cannot be done (e.g. Due to lack of liquidity or any other reason), then such contracts may be physically settled and will have to be settled by the client by paying requisite obligations as per the physical settlement rules. MIRAE may impose additional margin, if any, in such cases to cover the obligation which would be debited in the ledger, on a case to case basis

e) **Restriction on Illiquid scripts/contracts:**

i. ***Illiquid Contract in Equity F&O segment***

To avoid Malpractices or erroneous trading, trading in certain Future and options contracts will be restricted/ blocked on trading platform. The Parameters for restricting/ blocking such contracts are as under:-

- Future contracts having expiry more than 3 months (or as deemed fit)
- Option contracts having expiry more than 3 months (or as deemed fit)
- Option contracts having expiry before 3 months, if strike price falls beyond (+/-) 10% of underlying Index or (+/-) 20 % of underlying scrip in cash market. The strike price range can be change as deemed fit as per internal Risk management
- Open Interest in Option contracts less than 15 lots (or as deemed fit)
- Further, over and above criteria, based on liquidity and volatility, any other contracts can also be blocked by RMS.

ii. ***Illiquid Contracts in Currency***

- All Option contracts having expiry more than 2 months
- Option contracts having expiry before 2 months, if strike price falls (+/-) 3 % of last trade price of underlying. The strike price range can be change as deemed fit as per internal Risk management
- Open Interest in Option contracts less than 35 lots (or as deemed fit)
- Further, over and above criteria, based on liquidity and volatility, any other contracts can also be blocked by RMS

Without prejudice to MIRAE's right to restrict/block derivative contracts on the above parameters, MIRAE may from time to time also restrict client level open interests in any contract(s), in its absolute discretion, depending on its own independent assessment of the market volatility and/or having regard to any client level/or Member level restrictions in any contract(s) prescribed by the market regulators. However, in restricting/blocking derivative contracts, MIRAE shall be at liberty to prescribe a limit lower than the maximum limit that the Regulator may prescribe for any contract(s) from time to time. Further, in order to ensure that the Member level limit prescribed by the Regulator is not violated in any contract, MIRAE may also decline further exposure to a Client even if the Client may not have exhausted the client level limit otherwise available to him/her. .

MIRAE shall not be responsible for non-execution/delay in execution of orders in illiquid scrips and contracts and consequential opportunity loss or financial loss to the customer. MIRAE shall have the discretion to place such restrictions, notwithstanding the fact that customer has adequate credit balance or margin available in his account and/or the customer had previously purchased or sold such securities / contracts through MIRAE itself. MIRAE shall have the right to revise the list of such securities / contracts on a periodic basis.

In order to exercise additional due diligence while trading in these securities on behalf of their clients:

- MIRAE shall from time to time classify list of securities which are restricted based on internal criteria.
- MIRAE reserves the right to refuse execution of any transaction requests of the client on such securities or to reduce the open market interests of the client in such securities/ contracts.
- MIRAE also reserves the right not to allow any trades or transactions in respect of certain securities or segments or orders/requests which may be below/above certain value/quantity as may be decided by MIRAE from time to time.

f) Margin Reporting

As per regulatory requirement on collection of margin from clients, the client margin reporting will be done as below:

- For same day margin requirements, clear ledger balance as on date will be considered.
- Ledger balance calculation will be done by netting off balances across segments i.e. Cash, F&O, Currency.
- Across all segments, shares in collateral/pool with previous day's valuation, after prescribed haircut, will be considered.
- Post valuation/calculation of the above, available margin will be distributed for reporting of FNO, Equity & Currency Derivatives.
- All other terms & conditions including levying of margin shortfall penalty will remain as is and in line with regulatory requirements.

g) Intimation to clients

Client can view details of his/her ledger, holdings etc via secured login on MIRAE online platforms. Regular intimations regarding debit, information about margin shortage

communication, liquidation will be sent through email/SMS on the clients' registered email address/Mobile no.

h) Single order quantity and value limit:

In order to minimize loss from possible punching errors by a dealer/Client while executing the transaction, Risk Management of MIRAE puts restriction by capping the maximum quantity and value per order and orders exceeding that maximum quantity or value cap will be rejected. MIRAE also sets terminal level limits to contain loss from erroneous trades getting executed. MIRAE shall not assume any liability in respect of orders rejected by reason of their quantity or value exceeding the cap value.

Notes:-

1. *Risk Management Policy:*

We understand, that the Company has adopted this policy in its capacity as a SEBI registered intermediary with an objective to mitigate any risks involved in relation to investments made by its clients and handling of client portfolios. However, the policy does not provide for methods to manage any risks arising from its business or the industry in which it operates such as technological, economic and market risks that the Company may be subject to.

2. *Intraday Product*

Positions created under Intraday Product would be subject to either client himself squaring off (if done online) OR dealer based square off OR Risk square off due to MTM Loss @ 75% of available margin OR Time Based Square off.

- Client cannot Carry Forward any positions in Intraday Product.
- All pending orders / unexecuted / partial orders will be cancelled as per Intraday product features.
- No fresh orders will be accepted in Intraday product after Time based square off.
- Square off Timer will be done 30 minutes before the close of the market
- All positions under Intraday Product will be subject to 75% MTM Loss i.e. positions will be liquidated if loss reaches to a pre decided level of client margin loss. The OPEN positions (i.e. the carry forward overnight positions) and the intraday leverage position (across segments) will also be squared off at 75% MTM
- At MTM loss the position will be reduced on best effort basis and customer will be liable for such losses.
- Clients registered with MIRAE and dealing in Capital Market / Derivative Market / Currency Market having allotted client code as UCC would be availed the facility offered by MIRAE in Intraday trading in the exchange segments in which client is registered for trading.
- Client confirms that he is aware of the Intraday Product and its features and have clearly understood the risks associated with Intraday Trading.
- Client understands that he/she is allowed a higher leverage in the Intraday Trading Facility as compared to trades in the regular market positions and, therefore, while

the opportunity for making profits on the investment is magnified, the risk of loss would also be enlarged correspondingly.

- Client understands that Intraday Trading would be allowed only if the margin required under the Facility is already available in his account with MIRAE.
- Client agrees and accepts that enlisting him/her for the Intraday Trading Facility shall not oblige him/ her to place Intraday Orders requested in any scrips even though margin required for placing a trade/order under the Facility is available in the account.
- Client also understands and agree that the option to convert Intraday trade positions to carry forward positions is subject to full margin being made available upfront unless such margin is already lying to the credit of the account with MIRAE
- Clients are aware that under the Facility, unless the positions are carried forward as stated above, all open positions shall be squared off by Risk Management Team at the prescribed cut-off time on the same day of their acquisition unless the positions are sooner squared off upon the positions incurring a loss to the extent of the prescribed maximum limit or more as may be determined from time to time.
- Client agrees and accepts that if for any reason beyond our control, like force majeure causes, disruptions in the communication network, system failure, slow or delayed response from system, trading halts, or the Exchange applying circuit filters because of which the open Intraday positions could not be squared off and are carried forward, client is expected only to Square them off on a best effort basis, as soon as may be, and any and all losses arising from such events will be to client account.
- Client agree and accept that he/she will not hold MIRAE , their directors, officers or employees liable for any loss that may sustain as a consequence of availing of this facility. All terms and conditions of the agreement that are executed shall remain effective and in force in all respect until terminated in terms thereof.

Selection Criteria for Approved list of Collaterals

Parameter Type	Criteria	A	B	C	D	E	F
Quantitative	Turnover Rs Min (cr)	50	30	15	7.5	2.5	1
	Volume Qty Min					10000	10000
	VaR + ELM Min	20	25	30	40	45	50
	FNO Stock	Yes		NA			
	NSE and BSE listed	Y	Y	Y	Y	Y	Y
	NSE approved	Y	Y	Y	Y	Y	Y
	Not in BSE Illiquid List	Y	Y	Y	Y	Y	Y
	Not in NSE call Mkt list	Y	Y	Y	Y	Y	Y
	CMP > 10	Y	Y	Y	Y	Y	Y
	Circuit > = 20%	Y	Y	Y	Y	Y	Y
	Impact Cost < 1	< = 0.05	< = 0.15	< = 0.25	< = 0.50	< = 0.75	< = 1
	Min Market Cap (cr)	250	250	250	250	250	250
	MWPL (crs)	> 2000	> 1000	NA	NA	NA	NA
	Quarter Sigma (lacs)	> 50	> 35	NA	NA	NA	NA
	Delivery Volume (In crs)	> 15	> 10	NA	NA	NA	NA
Qualitative	Promoter Pledge not > =	20	30	40	50	60	70
Margin (%)	<i>Delivery (CNC) (Margin %)</i>	100%	100%	100%	100%	100%	100%
	<i>Intraday (Margin %)</i>	20%	25%	30%	40%	45%	50%
	MTF (Margin%)	Var+3* ELM		Var+5* ELM			
Exposure Multiples	<i>Delivery – Exposure Multiple</i>	1	1	1	1	1	1
	<i>Intraday – Exposure Multiple</i>	5	4	3.33	2.5	2.22	2

Scripts which are listed in both BSE as well as NSE only are considered for above categorization. BSE illiquid list and NSE call market list / illiquid category will be excluded from approved category. Scripts which are part of EQ series only considered for above profiling.

Some scripts which are trading at a very high price will be considered by relaxing the Quantity traded criterion if they fulfill the other criteria.

Risk will undertake review of above parameters at least once a month or more frequently depending on the market conditions. The number of stocks will vary depending on the volumes as per the criteria parameters prevalent in the market at the time of review.

The above criteria are indicative in nature and may subject to change considering the market conditions. Depending upon the stress situations and the market volatility, risk may curtail exposure further and scrips may be re-categorized without prior notice. Customers shall regularize their accounts and trade accordingly.

Intraday Trading

A. Equity segment:

- MIS: Intraday product without stop loss

Type	Scrip category	A	B	C	D	E	F
Multiples	HC % MIS	20%	25%	30%	40%	45%	50%
	Multiple MIS (x)	5	4	3.33	2.5	2.22	2

- Cover Order (C) / Bracket Order (BO) : CO / BO product with stop loss

- Cover Order - CO Product Offered for stocks only if :
 - Haircut is less than or equal to 50% as per MIRAE Approved list of securities
 - Not blocked as per the scrip blocking policy as mentioned above
- Margin to be charged: Maximum of table value below as per scrip category or Exchange margin

Type	Scrip category	A	B	C	D	E	F
Multiples	HC % CO	20%	25%	30%	40%	45%	50%
	Multiple CO (x)	5	4	3.33	2.5	2.22	2

B. Equity derivatives:

- MIS: Intraday product without stop loss
- Offered for stocks only if :
 - Traded in F&O segment in NSE. RMS will review the stocks and can curtail the number of stocks (even if part of F&O segment) if there is a concern of liquidity.
 - NIFTY and Bank - NIFTY Indices
 - Will be offered on ALL expiry contracts on Index Future and only for Current month expiry contracts for Stock Future
 - In case of Option, Will be offered only for Current month expiring contracts for Index and Stock both
 - Not blocked as per the contract blocking policy as explained above
 - Margin is Charged @ 100 % of (Span + Exposure margin)

Risk Management Framework for Margin Trading Facility (MTF)

Introduction

MTF is a facility offered to an investor to buy securities by paying a fraction of the total transaction value called a margin. The margin can be given in the form of cash or securities as collateral. In this transaction 'MIRAE' funds the balance amount for which interest would be charged on Funded amount.

A. Applicable Margins:

1. Clients opting for MTF and furnishing the prescribed margin shall be eligible to avail of funding from MIRAE to buy equity Shares that are classified as 'Group I Security' by SEBI and further classified as approved scrip as per MIRAE RMS policy. MIRAE, at its discretion, may not, however, provide funding to certain equity shares though classified to be "Group I Security" by SEBI.
2. Accordingly, MTF will be allowed on those scripts which are very Liquid and having less volatility. Further, script profiling will be done on various parameters like Category of scrips, circuit filter, Market Cap, impact cost etc.
3. As prescribed by SEBI/Stock Exchanges, the minimum initial margin for MTF required to be furnished by the Clients is as under:

Category of Stock	Applicable margin
Group I stocks available in the F & O Segment [^]	VaR + 3 times of ELM
Group I stocks other than F&O stocks	VaR + 5 times of ELM

*Var/ELM means applicable margin for that scrip in Equity/Cash segment

[^] In case collateral was collected in form of cash from client towards margin for availing margin trading facility and subsequently used for payin then margin requirement on funded stock would be VaR + 5 times of applicable ELM

For eg. If the margin charged for MTF is 25% then client shall be requires to pay Rs 25 upfront for purchasing any scrip of Rs 100, the balance Rs 75 will be funded by us.

4. MIRAE shall have the right to prescribe and collect the higher margin from client over and above the stated rates. Also, as a risk containment measure, margin rates could be increased or decreased for a Security without notice to the Client and without assigning any reasons whatsoever by MIRAE from time to time
5. MTF Clients purchasing shares not specified in MIRAE Approved List of Group 1 securities shall be required to pay 100% margin upfront for such purchases. No funding shall be available for purchasing such shares.

6. Margins can be collected by MIRAE in the form of cash, cash equivalent and eligible stocks in the Form of Margin Pledge ("MP") with Appropriate haircut as decided by MIRAE from time to time.
7. The margin required to be furnished by Clients, i.e, initial margin, increased margin, MTM and all other information relating to MTF viz., margin shortage, margin calls, trade confirmation, square off intimation and such other information in relation to MTF shall be communicated to the Clients electronically through one or several or all of the following modes, viz email, SMS, and through telephone calls .
8. The Client shall monitor margin shortfall/debit in its account as required from time to time and take necessary action irrespective of whether or not any margin call is made or such other separate communication to that effect is sent by MIRAE to the Client and /or whether or not such communication is received by the Client to avoid any liquidation

B. Monitoring Process:

1. Margin requirement on shares purchased under MTF shall be computed by grossing up applicable margin i.e., minimum total margin plus increased margin, if any, on each stock and shortage computed accordingly by deducting available margin.
2. The stocks pledged as collateral with the Member for availing margin trading facility (Collaterals) and the stocks purchased under the margin trading facility (Funded stocks) shall be identifiable separately.
3. Collateral shares and shares purchased under MTF (Funded Shares) shall be marked to market daily for the purpose of computing the margin/shortage of margin.
4. In respect of the stocks purchased under the MTF, clients are always required to maintained applicable Margins and MTM. Client shall pay any shortage in the required margin immediately on receiving margin call. In case of failure to clear the margin/MTM shortfall within prescribed time, MIRAE shall be at liberty to liquidate the funded shares and/or collateral shares to make good the shortfall and to recover the dues outstanding in the account of the Clients.
5. MIRAE may liquidate the securities if client fails to meet the margin call as per the mutually agreed terms & conditions but not exceeding 5 working days from the day of margin call. For details on various situations/conditions in which the securities may be liquidated, clients are required to refer "Rights and Obligations Document".
6. MIRAE shall restrict the maximum gross exposure as well as individual stock-wise exposure of a client under the MTF at any point in time according to its internal policies and market views without assigning any reasons to the client. Furnishing applicable margin shall not by itself entitle the client to seek exposure beyond the limit restricted by MIRAE
7. MTF position can be carried forward by client subject to maintenance of minimum MTF margin and acceptance/creation of MTF pledge in favour of MIRAE. MIRAE shall have

discretion to sell any stock/stocks to make good the shortfall, if the client fails to make payment within the prescribed time after receiving call for payment.

8. Though presently there is no maximum time limit prescribed by MIRAE for keeping the positions open, however, MIRAE reserves the right at its discretion to stipulate a maximum time within which Client will have to take the delivery thereof.
9. As per the SEBI/Exchange norms, Funded stocks under MTF are to be held in Client Securities Margin Funding Demat Account only by the way of Pledge. Client has to provide pledge confirmation for all funded stocks through the OTP based authentication mechanism in accordance with guidelines prescribed by DP from time to time. If client fails to accept the pledge request for the funded stocks in favour of MIRAE within prescribed timeline, position will be squared off any time after the settlement day but on or before the regulatory norms i.e. T+5 days. Funds blocked during the settlement of such position(s) would be liable to for Delayed Payment charges. However, post implementation of direct payout guidelines, the MTF pledge on funded stocks will be auto created by MIRAE as per the mechanism prescribed by Exchanges/Depositories.
10. All outstanding dues under MTF shall carry interest as per interest rate mentioned in the account opening form
11. Until full payment of the outstanding dues in the MTF A/c is made by the Client, collateral shares and funded shares, as far as may be required, shall be retained in the Demat A/c of MIRAE in form of pledge, separately identified as collateral shares and funded shares
12. Once the client create any position under MTF, his positions will monitor against the current market price and total MTM loss on all his open position will be checked against the available funds/collateral. In case the overall MTM loss breaches the 75% (or as deemed fit) threshold of the available margin, the positions will be squared off by MIRAE on best effort basis to limit client losses and minimizing debit, if any
13. The debit coverage of client is monitored against its available margin. if available margin falls below 10% (or as deemed fit) (i.e. total debit is 90% and more of the Total value of collateral/Holdings), collateral/Holdings will be liquidated on best effort basis (to the extent of debit) to recover the debit in client account.
14. The MTF approved list of securities would be subject to change by MIRAE from time to time based on volatility or its internal Risk assessment of securities. MIRAE may also at its sole discretion decide to withdraw a particular security from the list without notice to the clients and without assigning any reasons whatsoever.
15. If any shares are removed/Unapproved from MIRAE Approved List, Client shall be required to make payment of full purchase consideration against such shares on receiving margin call within the prescribed time, failing which MIRAE shall be at liberty to sell such shares and/or other funded or collateral shares without further notice to the Client towards payment of full purchase price of the unapproved shares together with accrued interest.

16. In case Group-1 securities move out from such group by Exchanges or if Securities of Group-1 transferred to "Trade for Trade segment", client shall be required to make payment of full purchase consideration against such shares on receiving margin call within prescribed time, failing which MIRAE shall be at liberty to sell such shares and/or other funded or collateral shares without further notice to the Client.
17. MTF account where there is no transaction under MTF for more than 90 days shall be settled immediately on expiry of said 90 days provided there are no dues outstanding in the MTF account. Dues if any outstanding in the normal trading account shall be first adjusted against the settlement amount and the remainder shall be paid to the Client.

Other RMS points

18. If a client is debarred by orders of lawful authority from trading in the securities market or in the event of death, insolvency or liquidation of a Client, MIRAE shall liquidate collateral and funded shares of the client to recover all its outstanding dues to the full extent forthwith.
19. MIRAE reserves the right to withdraw MTF with respect to any Client without assigning any reason after giving a reasonable notice to the Client in which case dues if any outstanding in the account of the Client shall become payable immediately. Failure to make payment of the outstanding dues shall result in liquidation of collateral and/or funded shares held in Client's account.
20. MIRAE shall not use the funds and securities of one client to provide MTF to another client, even on the authority of the client.
21. Client may terminate the MTF account after paying all dues in the MTF account without assigning any reason. For breach of the terms hereof, the party not in default may terminate the MTF account after intimation to the other party of its intention to terminate in which case Client shall make all payments due in the MTF account within the prescribed time failing which MIRAE shall be at liberty to sell collateral and/or funded shares to the extent required to recover the outstanding dues.
22. MTF shall stand terminated if and when concerned Stock Exchange withdraws the MTF recognition given to MIRAE or MIRAE surrenders the recognition or ceases to be a Member of the concerned Stock Exchange.
23. Any loss arising from liquidation of the shares pursuant to any of the foregoing clauses shall be to the account of the Client. Client shall forthwith pay MIRAE any unpaid dues outstanding in the account after liquidation of the shares.
24. Subject to availability of margin required under MTF, unless specified as normal trade by the Client, all transactions in the approved list of shares by an MTF client shall by default be considered as MTF transactions.

25. Admitting clients for MTF shall be at the discretion of the Stock Broker/Trading Member. Clients request for admission to MTF may be disallowed without assigning any reason.
26. By agreeing to avail of MTF, the client shall be deemed to have authorized MIRAE to retain and/or pledge the shares purchased under MTF (funded shares) and collateral shares provided as margin till the amount due in respect of the purchase and all other dues are paid in full by the Client.
27. Subject to the terms of the foregoing clause, Client shall be free to take delivery of the shares purchased under MTF anytime from the date of funding by making full payment of the outstanding dues in relation to the shares purchased.
28. MIRAE shall declare and communicate to the Client risk management policies that it will follow with respect to MTF transactions. MIRAE may amend the policies from time to time according to its risk perceptions and inform the Client of the amendments made.
29. Any disputes arising between the client and MIRAE in connection with the margin trading facility shall be resolved through the investor grievance redressal mechanism and/or arbitration mechanism of the stock exchanges as in the case of normal trades