

Margin Trading System (MTS)

Following are the key features of MTS:

- All MTS Transactions are executed through On-Line Trading System provided by NCCPL to market participants.
- MTS is an undisclosed market for Financees and Financiers.
- Financing in MTS is only made available on pre-identified ready market purchases termed as 'Leverage Buy'.
- Margin trading facility has been made available in Eligible Securities only.
- The maximum mark-up rate in MTS Market is KIBOR+8%.
- All transactions executed in MTS Market are based on Financing Participation Ratio ("FPR") of 15%.
- Financees are required to pay Marked-to-Market (MtM) losses to NCCPL on daily basis in Cash only till the settlement of the entire MT Contract.
- Such MtM losses are paid to the respective Financiers on daily basis.
- Financiers are required to open a separate MT Blocked Account in CDS for movement of MT Financed Securities.
- Each MT Contract shall not exceed from sixty (60) calendar days. However, on every fifteenth (15th) calendar day, MTS will automatically release one fourth quantity of the MT Contract Value.

Rollover of MT Contract is allowed in MTS.

Process Flow of Margin Trading System (MTS) Leveraged Buy at Stock Exchange Trading System MTS on Trade Date Settlement **Risk Management** On T+2, 15% FPR settled by Financee On T+2, 85% FPR settled by Financier **Financier Financee** Till Settled of MTS Transaction Till Settled of MTS (R) Transaction Payment to NCCPL Mode of collateral On T+2, From Seller CDS A/C MT Financed Securities To MT Financier CDS Blocked A/C Cash **Bank Guarantee** IUT T Bill Securities