Dakshinkali Investment & Securities Pvt. Ltd.

दक्षिणकाली इन्भेष्टमेन्ट एण्ड सेक्युरिटीज प्रा.लि.

CLIENT MANUAL

ON

MARGIN TRADING FACILITY



A Comprehensive guide to our Individual and Institutional Clients about Margin Trading Facility at Dakshinkali Investment & Securities Pvt Ltd

HIGHER BUYING POWER

FLEXIBLE FINANCING

TRANSPARENT & SECURE

FOR INDIVIDUAL & INSTITUTIONAL CLIENTS

OUR SERVICES

- BROKERAGE SERVICE
- DP SERVICE
- MARGIN TRADING FACILITY
- YOUR TRUSTED FINANCIAL PARTNER

ADDRESS:
KAMALADI (NEAR GANESH MANDIR), KATHMANDU

PHONE NO:
014168640 , 4168641

WEBSITE:
displtd33.com

EMPOWER YOUR INVESTMENTS WITH

MARGIN TRADING FACILITY

Dakshinkali Investment & Securities Pvt. Ltd. is a leading Stock Brokerage Firm, licensed and regulated by the Securities Board of Nepal (SEBON). The company is a member of the Nepal Stock Exchange (NEPSE) and a Registered Depository Participant (DP) at CDS & Clearing Ltd. (SEBON). Building upon its strong foundation in brokerage and DP services, **Margin Trading Facility (MTF) is now available at Dakshinkali Investment & Securities Pvt. Ltd.** , enabling eligible investors to leverage financing for the purchase of securities. This manual explains, in simple terms, what Margin Trading is, who can use it, what documents are required, how the facility works and the applicable interest and service charges.

This facility is offered in accordance with the Margin Trading Facility Directive, 2082 issued by the SEBON and NEPSE and operates under the internal working procedure adopted by the Company allowing clients to make effective use of market opportunities while maintaining prudent risk management practices.

1. Key Terms and Conditions

Terms	Conditions
Minimum Trading Facility Amount	NPR 10 Lakh
Maximum Trading Facility Amount	NPR 5 Crore
Loan Tenures Available	Up to 6 Months
Interest Rate	*8.5 % Per Annum (Varies on the basis of Loan Amount)
Service Charge	0.5% on Margin Loan
Initial Margin Requirement	30% of the Margin Trading Facility Amount
Maintenance Margin	Minimum 20% must be maintained throughout the tenure
Eligible Securities	Scrips of listed companies approved by NEPSE for Margin Trading https://nepalstock.com/margin-securities
Loan Processing and Approval Time Frame	Within 2 Business Days after submission of required Documents

Margin Trading Facility	NPR 10 Lakh
Initial Margin (30%)	3,00,000
Margin Loan Amount (70%)	7,00,000
Interest Amount	29,750
Service Charge (0.5%. on Margin loan)	3,500
Total Cost	33,250
Duration	Up to 6 months

2. Margin Trading Working Procedure

Step 1: Account Opening

The client must open Margin Trading Account and Margin Trading Demat Account at Dakshinkali Investment & Securities Pvt ltd to get Margin Trading Facility with us.

Step 2: Capital Positioning

If the client's Total Targeted Investment Value is NPR. 10,00,000 /-, then he/she must deposit the initial 30% margin amount i.e. NPR 3,00,000. Dakshinkali Investment & Securities Pvt. Ltd. will finance the remaining 70% i.e. NPR 7,00,000 as a Margin Loan. Accordingly, the client will receive a total trading limit of NPR 10,00,000 in their Margin Trading Account, subject to the applicable terms and conditions.

Step 3 : Maintenance Margin

Clients are required to maintain an active equity buffer of at least 20% of the ongoing market value throughout the loan tenure. For instance,

Margin Trading Facility	NPR 10 Lakh
Initial Margin (30%)	3,00,000
Loan Amount (70%)	7,00,000
Maintenance Margin (20%)	8,75,000

Step 4: Margin Call Trigger

- If the client's margin falls below the required 20% threshold, a Margin Call is automatically generated via SMS, Email or TMS notification. If the Margin Call is issued **during market trading hours**, the client must **immediately** restore the required maintenance margin by either: Depositing additional cash; or Pledging additional eligible securities.
- The client must deposit additional cash or deposit eligible securities before 11:00 AM of the immediate next trading day if the margin call is made **after Trading Hours** to avoid forced liquidation,

For Example,

Margin Trading Facility	NPR 10 Lakh	NPR 25 Lakh	NPR 50 Lakh	NPR 1 Crore	NPR 2 Crore
Initial Margin (30%)	3,00,000	7,50,000	15,00,000	30,00,000	60,00,000
Loan Amount (70%)	7,00,000	17,50,000	35,00,000	70,00,000	1,40,00,000
Maintenance Margin (20%)	8,75,000	21,87,500	43,75,000	87,50,000	1,75,00,000
Market Value	9,00,000	21,50,000	41,00,000	87,00,000	1,85,00,000
Calculated Maintenance Margin	22.22%	18.60%	14.63%	19.54%	24.32%
Margin Call	No Margin Call	Margin Call	Forced Sell	Margin Call	No Margin Call

Step 5: Forced Liquidation (Force Sell)

If the client fails to meet the margin call within the stipulated timeframe or if the client's actual margin falls to 15% or below, Dakshinkali Investment & Securities Pvt. Ltd. reserves the absolute right to execute a "Force Sell" of the securities purchased under the facility without prior notice to recover the outstanding Margin loan. Forced sales are conducted by selecting the pledged securities that best restore the required margin while minimizing the client's financial impact.

> ***Forced sale of your shares to meet a margin call can result in losses, sometimes larger than a normal market correction, especially in a falling market. Please monitor your margin account regularly and respond promptly to any margin call.***

3. Exposure and Risk Diversification Limits

To ensure robust risk management, the following diversification rules apply to every margin account:

- Investment Diversification: Clients shall diversify their Margin Trading investments across multiple eligible securities. Investing the entire Margin Trading Facility in a single security may not be permitted.
- Compliance**:** Clients must comply with the diversification requirements prescribed by the Company.

4. Required Documents from Clients

To get the Margin facility, clients must visit company's Head Office or any of its branches along with the following documents:

- Citizenship Certificate
- National ID Card
- Permanent Account Number (PAN) Card
- Four recent passport-size photographs
- Certificate confirming the client is not blacklisted, issued by the Credit Information Centre (CIC)
- Income Source Documents

5. Contingencies & Special Provisions

- Removal of Scrips: If a company held by the client is removed from the SEBON/NEPSE approved eligible list for margin trading, the client must settle the related loan or maintain 100% margin (no loan) for those shares within 30 trading days.
- Blacklisting: If the Client is blacklisted by the CIB during the loan tenure, the Company reserves the right to sell the pledged securities to recover the outstanding amount.
- Succession: In the event of a client's death, all margin trading liabilities transfer to the legal heirs, who must settle the outstanding loan before the securities can be released.
- Recovery Penalties: If a Force Sell does not fully cover the outstanding loan amount, the company may charge a penalty on the remaining balance as per Internal Policy.

6. Frequently Asked Questions (FAQs)

1) What is the Margin Trading Facility?

Margin Trading means buying shares by depositing only a part of the total purchase amount (called the "Margin") from your own funds, while **Dakshinkali Investment & Securities Pvt. Ltd.** finances the remaining amount as a loan ("Margin Loan"). It allows clients to expand their trading capacity and access greater liquidity in the capital market.

2)Who is eligible to apply for the Margin Trading Facility?

Any existing or new individual or institutional investor, except minors and individuals or institutions blacklisted by the Credit Information Bureau (CIB), shall be eligible to apply for the Margin Trading Facility at Dakshinkali Investment & Securities Pvt. Ltd., subject to the Company's eligibility criteria, credit assessment, and approval process.

3) What is the difference between margin lending by Banks/Financial Institutions and Brokers?

Banks and Financial Institutions generally require clients to first purchase shares using their own funds, after which the shares may be pledged as collateral for a loan, calculated on the lower of the 180-day average price or the Last Transaction Price (LTP). Under the broker-provided Margin Trading Facility, clients maintain only a 30% initial margin while the Company provides up to 70% funding upfront, with margin calculated directly on the Last Transaction Price (LTP), offering more immediate trading flexibility.

4) How can clients apply for the Margin Trading Facility?

Clients can apply for the Margin Trading Facility by visiting Head office or any branch of **Dakshinkali Investment & Securities Pvt. Ltd.** and submitting the prescribed **Margin Trading and Margin Trading Demat Account Opening Form** along with the required supporting documents. The application will be subject to verification, credit assessment, CIB screening and compliance with the Company's eligibility criteria. The Margin Trading Facility will be granted only after the application is approved and the necessary agreements are executed.

5) What documents are required for the Margin Trading Facility?

- Citizenship Certificate and National ID Card
- 4 copies of Passport-size Photographs
- PAN Card
- Certificate from the Credit Information Bureau confirming non-inclusion in the blacklist
- Income Source Verification Documents

6) Which scrips can be purchased under the Margin Trading Facility?

Only shares included in the eligible list of companies approved by the Nepal Stock Exchange (NEPSE) for margin trading may be purchased under this facility (https://nepalstock.com/margin-securities).

7) What is a Margin Call?

A margin call is a broker's demand for an investor to deposit additional funds or securities into their margin account when the account's equity falls below the broker's required maintenance level. Margin calls are typically triggered when the value of the securities in the account declines due to market downturns or volatility. Failure to meet a margin call can lead the broker to liquidate assets to cover the shortfall.

8) Can clients repay the margin loan at any time?

Yes, clients can repay the margin loan partially or in full at any time before the expiry of the loan tenure.

9) Can clients renew the margin loan facility after the Loan period expires?

Yes. Clients may apply to renew the Margin Trading Facility upon the expiry of the loan tenure, subject to the Company's approval, satisfactory repayment history, continued eligibility and compliance with applicable laws, SEBON directives, and the Company's internal policies.

10) Can additional cash or eligible securities deposited to meet a Margin Call be refunded or released?

Yes. Any additional cash or eligible securities deposited to meet a Margin Call may be released or refunded if the client's margin level subsequently exceeds the required maintenance margin, subject to the Company's approval and internal policies.

For further information regarding the Margin Trading Facility, please contact Dakshinkali Investment & Securities Pvt. Ltd. at its Head Office or nearest Branch. https://www.displtd33.com/contact/

For Additional Information Regarding Margin Trading Facility,

Click here for Margin Trading Facility Directives,2082 issued by Securities Board of Nepal (SEBON): http://sebon.gov.np/uploads/2026/02/10/QEqv8BHiVwxBlSr06pxoXoy1IrjqMKbZwoVtCHuI.pdf

Click here for Margin Trading Facility Procedures,2082 issued by Nepal Stock Exchange (NEPSE):https://www.nepalstock.com/api/web/download/downloadFiles/626cd0a579e6c940b4c528f15940cbe6.pdf