

Important Update

Please note that in accordance with SEBI Circular number SEBI/HO/MRD2_DCAP/CIR/2021/0598 dated July 20, 2021, we are required to place a framework for segregation and monitoring of collateral at end client level for protection of client collateral from (i) misappropriation / misuse by Trading Member / Clearing Member and (ii) default of Trading Member / Clearing Member and / or other clients. The said circular shall come into effect from 29th April, 2022.

As per the collateral valuation process prescribed in the Circular, Trading Members/Clearing Members are required to maintain at least 50% of the total collateral in the form of cash or cash equivalents and the balance 50% in the form of approved securities. Hence, we also wish to maintain atleast 50% collaterals in the form of cash and cash equivalents from end clients.

Hence, for the purpose of margin for all segments i.e. Equity/F&O/CDS/Commodities, client needs to deposit collateral of at least **50% in the form of cash margin** and **balance 50% in the form of either approved securities or cash**. Please note, non-approved securities will not be considered as collateral.

Illustration

The total margin - Rs.100/-.

Minimum margin in cash collaterals – Rs. 50/-

The remaining Rs.50/- can be provided in the form of either approved securities after haircut or cash collateral *before execution of trade*.

If the required collaterals in the above form is not available with us then client shall not be able to avail any limits for trade execution.

Also, any MTM debits will have to be cleared on the next trading day itself or existing positions will have to be reduced in order to maintain the aforesaid collateral ratio.

Please note, cheques deposited towards availing margin limits on trade day shall not be entertained as the same are subject to clearance and hence no limits can be availed until such cheques are cleared with the bank. Therefore all clients are advised to execute online NEFT/RTGS/IMPS transactions in order to avail immediate trading limits.

We urge all clients to strongly abide by the revised process starting 2nd May 2022 and non-compliance of maintaining 50: 50 ratio at client level shall be subject to interest/penalty.