

Dear Investor,

As you must be aware that SEBI circular on Margin pledge & Upfront margin in cash segment will come into effect from 1st September 2020 onwards.

Please find below summary of both the circulars followed by very important points for your attention:

Margin pledge circular and its impact:

- This circular will come into effect from 1st September 2020 onwards.
- If you are using stocks as collateral limits for trading, then only stocks given as pledge will be considered from 31st August onwards for both availing limits for trading and exchange margin reporting perspective.
- Margins for current open positions under F&O, CDS, have to be by way of pledge only - before 31st August 2020. This means, if margin on open positions/debit is not available by way of pledge, it will lead to liquidation of positions.
 - In case of Non POA, Pledging of stocks can be initiated by investor only for stocks that are lying in demat account. [Clickhere](#) for the process. If pledged shares are sold then broker will be responsible for releasing the shares only. Pay in will done by the investor.

In case of POA, investor will intimate the broker via call or mail (to dp@ashlarindia.com & cc demat@ashlarindia.com care@ashlarindia.com)for pledging the shares. Margin pledge request will be initiated by the broker. The depositories will send a link to you on your registered email id and mobile number with the depositories to authorize the pledge request You will have to authorize all pledge requests at your end within defined timelines as mentioned below.

Kindly be prepared to initiate and complete your pledge within a short span of time as per timelines mentioned above so as to avoid liquidation of positions.

Please click on the link to view https://www.sebi.gov.in/legal/circulars/feb-2020/margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system_46082.html in this regards.

#Upfront margin on cash segment circular summary and its impact:

- This circular will come into effect from 1st September 2020 onwards.
- Both buy and sell transactions will require margins.
- Margin requirement for trading will be as per exchange requirement. From exchange margin reporting, Minimum upfront margin requirement will be 20%. Additional/Adhoc margin has to be paid by T+2 days.

- Cheques received/recorded in the books of Member on or before T day and deposited by investor (deposit slip should be provided till T+1 day) excluding bank holiday if any can be considered.
- Limit will not be available for trading against stocks in POA Demat account (that are not pledged).

Please click on the link to view https://www.sebi.gov.in/legal/circulars/jul-2020/collection-and-reporting-of-margins-by-trading-member-tm-clearing-member-cm-in-cash-segment_47220.html

It is very important that your contact details - both email address and mobile number are updated in your trading and demat account in order to authorize the pledge request. If not updated, you can update your contact details by following ANY ONE of the below processes:-

- Login to our online platform www.ashlarindia.in OR
- Fill the account modification form to update your recent contact details & submit at our office.

In case you need any further clarification in this regards, please feel free to speak to our **Team**; alternatively you can also write to us at care@ashlarindia.com

Warm regards,
Ashlar Group