



CIRCULAR

Circular Ref. No. ASPL/Cir/20-21/003

Date: August 31, 2020

Sub: Collection of margin from clients in Cash Segment and reporting to stock exchanges

To our esteemed clients,

Attention is drawn to our existing and upcoming clients about the provisions of *SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/146 dated July 31, 2020*. As per the said SEBI circular our clients are requested to take note of the following:

- 1) In case, the client pay/maintain minimum 20% upfront Value at Risk (VaR) margins and Extreme Loss Margin (ELM) with AFFINITY then the penalty for shortage of margin will not be levied in your account. However; client has to pay all types of margins in cash segment by T+1 day.
- 2) The penalty provision for shortage of margin in cash segment shall be implemented with effect from **September 01, 2020**.

Our earlier circular no. ASPL/Cir/19-20/003 dated December 31, 2019 stands modified to the extent of the above. All other provisions of our earlier circular dated December 31, 2019 shall continue to be applicable.

All our clients are requested to strictly comply with the regulatory guidelines. For more details please refer to the aforesaid SEBI circular attached with this circular.

Thanking you and assuring you of our best services.

For and on behalf of
Affinity Securities Private Limited

Sd/-
Sandip K Singh
Compliance Officer

CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2020/146

July 31, 2020

To,

**All Recognised Stock Exchanges
All Recognised Clearing Corporations**

Dear Sir / Madam,

Subject: Collection and Reporting of Margins by Trading Member (TM) / Clearing Member (CM) in Cash Segment

1. SEBI, vide circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/139 dated November 19, 2019, issued guidelines with regard to collection of margins from clients and reporting of short-collection / non-collection of margins by Trading Member (TM) / Clearing Member (CM).
2. In view of the representations received from investors, TMs / CMs, stock broker associations, in this regard, following has been decided:
 - 2.1. If TM / CM collects minimum 20% upfront margin in lieu of VaR and ELM from the client, then penalty for short-collection / non-collection of margin shall not be applicable. However, it is reiterated that Clearing Corporation shall continue to collect the upfront margin from the TM / CM based on VaR and ELM.
 - 2.2. The penalty provision for short-collection / non-collection of upfront margin in cash segment shall be implemented with effect from September 01, 2020.
3. SEBI circular dated November 19, 2019 is modified to the extent of the above. All other provisions of the said circular dated November 19, 2019 shall continue to remain applicable.
4. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully

**Narendra Rawat
General Manager
Market Intermediaries Regulation and Supervision Department**