

## Attention Investors

The new rules mandate that when a pledge is made, the shares will continue to remain in your demat account and can be directly pledged to the clearing corporation instead of the earlier practice when stocks used to move to brokers' demat account. Now you need to authorise a pledge request in favour of your broker, which will then repledge it with the clearing corporations for allowing you margin benefit.

**Step 1:** Generate a request to pledge available securities using your broker's terminal/system. This is most likely to be in the portfolio/demat section of your account.

**Step 2:** You will receive an email/SMS from the depository (CDSL or NSDL) to authenticate that request. Follow the link in the mail to approve that.

**Step 3:** The link will take you to your depository page. Verify all details. You might be asked to provide PAN or an OTP to approve the request.

**Step 4:** If approved successfully, your stocks will be pledged with your broker who in turn will place a repledge request with the clearing corporation

The timeline for processing the repledge request depends on your brokers. For example, we would process the requests in batches, once at 2 pm and once at 5 pm. "Even if you create a pledge request at 11 am, you will receive the email from CDSL only at 2.15, once we set up the pledge. It's important that all pledge be accepted by 7 pm. Failure to do so will mean that you will not get margins against the pledged stocks,"

**Upfront margin:** The margin rules specifically relate to the cash segment. You need to have 20 per cent upfront margin in your account to buy or sell securities. As we have an early pay-in system, i.e, same day deduction of securities from your demat account, you may not need to have margins for selling securities if you have demat account with us.

Clients cannot use intraday profits for taking new positions on the same trading day with this new rule.

# **Attention Investors: Awareness regarding the revised guidelines on margin collection**

**This is Mandated by the exchange, in this regard attaching Exchange circular for your reference.**

**Highlights of NSE Circular dated September 02, 2020 on Investor Awareness regarding the revised guidelines on margin collection.**

NSE has advised the Members to create awareness amongst clients / investors with regard to procedure of pledge/ re-pledge of securities and placing them as collateral with their Trading Member (TM) / Clearing Member (CM) only by way of 'margin pledge' created in the Depository system and collection of upfront margin in cash market segment.

The Exchange has also advised the Members to display the following messages on the homepage of their respective websites at a prominent place (applicable to Members having their own websites):

1. Stock Brokers can accept securities as margin from clients only by way of pledge in the depository system w.e.f. September 1, 2020.
2. Update your mobile number & email Id with your stock broker/depository participant and receive OTP directly from the depository on your email id and/or mobile number to create a pledge.
3. Pay 20% upfront margin of the transaction value to trade in the cash market segment.
4. Investors may please refer to the Exchange's Frequently Asked Questions (FAQs) issued vide circular reference NSE/INSP/45191 dated July 31, 2020 and NSE/INSP/45534 dated August 31, 2020 and other guidelines issued from time to time in this regard.
5. Check your Securities /MF/ Bonds in the consolidated account statement issued by NSDL/CDSL every month.

*Issued in the interest of Investors*

## **Investor Awareness regarding the revised guidelines on margin collection**

**NSE :-**

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**BSE :-**

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4. Investors may please refer to the Exchange's Frequently Asked Questions (FAQs) issued vide notice no. 20200731-7 dated July 31, 2020 and 20200831-45 dated August 31, 2020 and other guidelines issued from time to time in this regard.
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**Issued in the interest of Investors**