

Dear Clients,

We write to you today regarding an important update that comes into effect from Monday, March 1st, 2021, which is in continuation to our previous communication dated December 1st, 2020.

As per SEBI circular dated July 20, 2020, **Canmoney is required to collect upfront margin as well as peak margin (that is, Intraday margin) from clients** as per the predefined scrip-wise percentage of margin prescribed by the Clearing Corporations/Canmoney, which are subject to change on a daily basis depending on parameters such as volatility in the scrip, overall market conditions and so on. Based on these regulatory changes, there will be an increase in peak margin % with effect from March 1st, 2021 (for trades executed in the Cash segment) and from Feb 26, 2021 (for trades in the F&O segment) from the existing 25% peak margin to 50% peak margin.

Intraday leverages from 1st March 2021

Intraday leverages are set to reduce under the new peak margin regulations. The maximum leverage will be provided based on the scrip's (VaR+ELM) % margin.

The following is the illustration of maximum leverage available based on proposed increase in margin % due to applicability of peak margin for your perusal. The peak margin as mentioned here will increase in a phased manner on a quarterly basis as per the SEBI circular. The following is just an illustration for better understanding of reduction in leverage due to increase in margin %:

| Intraday Products | Scrip | (Var+ELM) % | Minimum Required Margin % |
|--|-------|-------------|---------------------------|
| INTRADAY/ MARGINPLUS (Cash segment) | SBIN | 33.39 | 50% of 33.39 i.e 16.70% |
| Maximum Leverage 6 times | | | |

Refer below circulars for further clarifications on peak margin requirements and the penalty applicable for the shortfall in payment margin and MTM amounts:

- SEBI Circular SEBI/HO/MRD2/DCAP/CIR/P/2020/127 dated 20/07/2020
- NSE circular NSE/INSP/46485 dated 27/11/2020 and NCL/CMPT/42900 dated 12/12/2019

Click on below link for the list of intraday scrips with available leverage for the same:

https://www.canmoney.in/pdf/intradaylist_latest.csv

We urge you to take note of these points and comply with the peak margin and EoD margin requirements before placing orders to avoid monetary penalties.

In case of queries, feel free to contact us on 022-43603843/44.

Warm Regards,

Canara Bank Securities Ltd