

Cash-Margin Rule

The SEBI Circular SEBI/HO/MRD2_DCAP/CIR/2021/0598 dated July 20, 2021, mandated that Clearing Member (CM) are required to maintain at least 50% of the total collateral in the form of cash or cash equivalent.

1. Margin Maintenance Requirement:

Accordingly, in broad compliance of the said circular the clients are also required to maintain minimum of 50% of their total margin requirement in cash or cash equivalents and rest in stock margin to trade in all segments.

2. Consequences of Shortfall:

If the cash component falls below the prescribed 50% requirement, clients will be subject to applicable charges. In the event that there is any shortfall in maintaining the required cash balance of 50%, the Arya Fin-trade may use proprietary funds to meet the shortfall in the cash margin requirement thus maintaining the prescribed 50:50 ratios between cash and securities. Therefore, the Clients are advised to maintain 50% Cash and cash equivalent component on continuous basis in their portfolio/ledger to fulfil the margin requirement as per Exchange guidelines.

3. Use of Proprietary Funds:

The Arya Fin-trade(CM) reserves the discretion to utilize proprietary funds to cover any shortfall in the client's cash balance, and such utilization will be in proportion to the total collateral (comprising cash and securities) deposited by the client.

4. Interest Charges on Shortfall:

Should the Arya Fin-trade(CM) provide cash or cash-equivalent components to fulfil the margin requirement, interest charges will be levied in accordance with the terms agreed upon with the client.

Example:

If the total margin requirement for a trade is ₹25,00,000, the client must contribute at least ₹12,50,000 in cash or cash equivalents (such as ledger cash, Liquid Bees, or certain debt mutual funds). The remaining ₹12,50,000 can be met through pledged securities or additional cash equivalents. If the cash component in the client's account is insufficient to meet the ₹12,50,000 requirement, interest will be charged on the shortfall amount provided by Arya Fintrade.

5. Non-liability for Excess Funds:

The Arya Fin-trade will not be obligated to pay any interest to the client if any excess funds deposited by the client remain unutilized or up streamed with the Clearing Corporation (CC).