

Dear Client,

### Greetings from Adwealth

In accordance with the SEBI circular No. SEBI/HO/MRD2\_DCAP/CIR/2021/0598 dated 20-07-2021 in relation to Segregation and Monitoring of Collateral at Client Level we would like to draw your attention towards the change in the regulatory requirement of maintaining minimum 50% of the total collateral in the form of cash and Cash Equivalent. In lieu of the same it is hereby advised to maintain the collateral provided you for trading in the securities market for minimum of 50% in cash and cash Equivalent.

We further advise you that limits to be provided in your trading account against non-cash collateral shall be restricted to the extent of cash collaterals provided by you in your account with effect from **01<sup>st</sup> July 2022**.

Example is as below:

Examples	A	B	C	D
Cash Collateral	75	95	120	50
Non cash collateral (after applicable haircut)	90	90	150	150
<b>Limit</b>	<b>150</b>	<b>185</b>	<b>240</b>	<b>100</b>

As per above example, in case of example A, non cash collateral of only 75 (out of 90) would be considered while giving limits, in case of example B non cash collateral of 90 would be considered while giving limits, in case of example C non cash collateral of 120 (out of 150) would be considered while giving limits, and in case of example D, non cash collateral of only 50 (out of 150) would be considered while giving limits in your trading account.

With effect from 1<sup>st</sup> July, 2022, Interest @ 15% P.a will be levied in case of any shortage in the cash collateral ratio.

Hence, we request you to maintain adequate cash margins in your account, to avoid any limit restrictions in you trading account and seek your kind co-operation in this regard.

In case of no objection from your end within 7 days then the same will be deemed to have been accepted by you.

**Adwealth Stock broking.**