

Dear Customer,

Greetings from YES Securities (India) Limited

This is in continuation to our earlier email with respect to SEBI Circular Ref. No. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 which has stipulated operational modalities for handling of client's securities by stock broker.

Pursuant to issuance of the above & subsequent circulars from SEBI/Exchanges', kindly note the important changes applicable as below:

A. Right to liquidate position in case of non/partial payment:

1. As per clause 2 of the circular, in case the client does not pay for securities bought & received in pay-out from the Exchange, then the broker is entitled to retain those securities only up to 5 trading days after pay-out. Accordingly, all identified unpaid securities can be held in CLIENT UNPAID SECURITIES ACCOUNT(CUSA) and if the client fails to meet its fund pay-in obligation, the broker shall liquidate the securities in the market to recover its dues. Under no circumstances, the securities of the clients received in pay-out can be retained by the broker beyond five trading days.
2. The unpaid securities shall be sold from the Unique Client Code (UCC) of the respective clients. Profit/loss on the sale transaction of the unpaid securities, if any, shall be transferred to/adjusted from the respective client accounts.
3. As SEBI circular mandates liquidation of securities in case of non-payment within 5 days from the pay-out date, no pre-order confirmation from clients are required.
4. In case of partial payment, YSL may retain full value of securities till the 5th day from the pay-out date. However, YSL shall within such 5 days and based on its Risk Management policy, may transfer the unpaid client securities to client's demat account or dispose-off the securities in proportion to the amount not received as it may deem fit. YES Securities (India) Ltd (YSL) may in its sole discretion, determine the time of sell and/or securities to be disposed off and/or which open position is / are to be liquidated / closed in full or partial as per RMS and policy & procedures of the company

B. YSL Designated Demat Accounts and Modifications in POA pursuant to the above regulatory guideline:

In terms of SEBI circular CIR/MRD/DMS/28/2010 dated August 31,2010, the list of clients' & brokers' Bank accounts & Demat accounts may be updated / amended by communication with clients without executing a new POA every time. Please note that you had given us a Power of Attorney (POA) to debit your Demat account number to fulfill settlement and margin obligations arising out of your trades. Pursuant to recent regulatory changes, SEBI, Exchanges, Clearing Corporations and Depositories have put in place a Pledge / Re-pledge mechanism whereby the securities would not be withdrawn from your Demat account for meeting your margin obligations, but the securities in your Demat account would be pledged in our favor and further pledged to clearing member / clearing corporation, as the case may be. It may be noted that securities would continue to be withdrawn from your demat account for settlement obligations.

As a result, the powers conferred upon us to withdraw securities from your demat account for your margin obligation is replaced with the following clause:

"To pledge the securities in favor of YES Securities (India) Limited (YSL) for the limited purpose of meeting my/our margin requirements in connection with the trades executed by me / us on any recognized stock exchange through YES Securities (India) Limited.

To re-pledge such securities to the clearing member / clearing corporation as the case may be"

Further, in view of the recent changes issued by SEBI, Exchanges, Clearing Corporations and Depositories, please note the revised list of Demat accounts as stipulated in POA whereby securities shall be pledged/transferred/moved between such accounts for meeting Margin/ settlement obligations and for other operational modalities. You are requested to make note of the above.

DP ID	Demat Ac no.	DP Name	Account Type
IN303270	10055450	YES Bank Ltd	NSE Pool Account
	IN519142		
IN303270	10055468	YES Bank Ltd	BSE Pool Account
	IN665385		
IN303270	10926327	YES Bank Ltd	YES SEC CUSA BSE Suspended due to holding
IN303270	11030078	YES Bank Ltd	YES SEC CUSPA BSE
IN303270	10957136	YES Bank Ltd	CM-Client Securities Margin Pledge Account
IN303270	10957144	YES Bank Ltd	TM-Client Securities Margin Pledge Account – Normal
IN303270	10957128	YES Bank Ltd	Client Securities under Margin Funding Account
12094600	00000100	YES Securities India Ltd	BSE Pool Account
12094600	00000041	YES Securities India Ltd	TM/CM CUSPA
12094600	00000149	YES Securities India Ltd	TM/CM CMPA
12094600	00000168	YES Securities India Ltd	Client Securities Margin Funding Account
12094600	00000212	YES Securities India Ltd	NSE Pool Account
12094600	00000227	YES Securities India Ltd	SLBM Pool account
11000010	00024603	ICCL	Early Pay In Account for BSE
11000010	00022596	ICCL	EPN Ac for NSE
IN301330	40514507	Stock Holding	CLIENT SECURITIES MARGIN PLEDGE ACCOUNT for MCX

C. Running Account Authorization:

In terms of the regulatory guidelines, with respect to Running account authorization provided by you (as applicable) for settlement of funds and securities, we would like to inform you that periodic settlement of securities shall be discontinued from your running account authorization.

Further following clauses under Authorization to maintain account on running account basis shall be replaced:

Existing clause to be discontinued:

“I/We authorize you to retain such amount of funds as you may deem requisite to meet F&O margin obligations for a period of up to 5 (Five) trading days following such settlement, Howsoever such amount of additional margin apart from margin liability as on date of settlement, will not be more than the limits prescribed by SEBI or respective exchanges from time to time. In the cash market segment(s), for next day's business, you may retain funds/securities/margins to the extent of value of transactions executed on the day of such settlement in the Cash market(s) only”

“I/ We understand and agree that you will transfer/release the funds/securities lying to my/our credit within 1 (one) working day of a request by me/us if the same are lying with you and within 3 (three) working days from the request if the same are lying with the Clearing Member/Clearing Corporation, subject to me/us providing you with a written request for such transfer and subject to no outstanding dues on my/our part in relation to any of my/our obligations under the broking relationship.”

New Revised clause to be Replaced with above clause:

“I/We authorize you to retain at the time of settlement, entire pay-in obligation of funds & securities outstanding at the end of day on date of settlement, across all segments and exchanges. Apart from margin liability as on the date of settlement, in all segments and exchanges, additional margins (maximum up-to 125% of margin requirement on the day of settlement), i.e. 225% of the total Margin requirement after excluding the margin on consolidated crystallized obligation, where applicable. Howsoever such amount of additional margin apart from margin liability as on date of settlement, will not be more than the limits prescribed by SEBI or respective exchanges from time to time.”

“I/ We understand and agree that you will transfer/release the funds lying to my/our credit within 1 (one) working day of a written request, subject to no outstanding dues on my/our part in relation to any of my/our obligations under the broking relationship.”