

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Limited)

Department : FUTURES AND OPTIONS

Download Ref No: NCL/CMPT/39018

Date : September 28, 2018

Circular Ref. No: 121/2018

All Members,

Sub: Additional Margin in Equity Derivatives Segment

This is with reference to our circular ref. no 105/2018 (Download Ref. no NCL/CMPT/38768) dated September 01, 2018 wherein it was inter-alia stated that

“Members may note that Clearing Corporation shall continue to monitor all client level positions based on the above mentioned scenarios and, if required, impose additional surveillance margins and/or take other actions as deemed necessary”

Accordingly, it has been decided to levy additional margins as under:

- Extreme scenario of 20% market fall and 17.74% market rise shall be modelled on all client level portfolios and gross client level losses shall be computed at end of day.
- Net client level losses after considering applicable margins and hedged positions, if any based on the holdings provided by depositories, shall be computed.
- In respect of clients having net loss of Rs.25 crores and more, 50% of the loss in excess of Rs.25 crores shall be levied as Additional Margins.
- Additional Margins shall be blocked from the collaterals of clearing member on T+1 day basis.

Members may note that the above framework shall be in conjunction with the prevailing surveillance measures being imposed by Exchange/Clearing Corporation. Members may collect the above mentioned margins from their trading members/clients.

The above shall be effective from October 01, 2018.

Members are requested to take note of above.

**For and on behalf of
NSE Clearing Limited
(Formerly known as National Securities Clearing Corporation Limited)**

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Vice President

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