

**NSE Clearing Limited**

(Formerly known as National Securities Clearing Corporation Limited)

**Department : FUTURES & OPTIONS SEGMENT**

Download Ref No: NCL/CMPT/41713

Date : July 25, 2019

Circular Ref. No: 120/2019

All Members/Custodians/PCM

**Sub: Acceptance of securities as collateral**

This is in continuation and partial modification to Item 9 of Part B of our consolidated circular no. 001/2019 (Download Ref No: NCL/CMPT/39833) dated January 01, 2019.

NSE Clearing accepts equity securities/Government securities/units of mutual funds/corporate bonds (approved securities) in demat form (for G-sec from E-kuber also) as collaterals towards margin and security deposits as communicated to the clearing members from time to time.

Clearing members shall be permitted to provide approved securities owned by the clearing member/ spouse, any of the partners/ their spouses or any of the directors, in case of individual, partnership or corporate clearing members respectively, as the sole/ first joint holder, provided no depositor of securities should be a minor as on the date of deposit thereof towards margin and security deposit requirement of the clearing member.

Clearing members shall also be permitted to provide approved securities of its constituents/clients which are clearing through such clearing member towards the margin deposit requirement of the clearing member.

Clearing member wishing to provide its constituents/clients approved securities shall be required to fulfil the following:

- Clearing member shall be required to provide revised deed of pledge towards margin deposit as per Annexure 1
- Clearing/trading member shall obtain authorisation from its constituents/clients as per the requirements of the SEBI circulars and such authorisation shall include the points mentioned in clause 5(b) of the revised pledge deed
- Clearing member shall be required to fulfil the requirements specified in SEBI Circular no CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 on Handling of Clients' Securities by Trading Members/Clearing Members

The above changes shall be effective from August 01, 2019.

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

Huzefa Mahuvawala  
Vice President

Telephone No	Fax No	Email id
1800 266 0057	022-26598243	<a href="mailto:collaterals_ops@nscl.co.in">collaterals_ops@nscl.co.in</a>