

Department: CAPITAL MARKET SEGMENT	
Download Ref No: NCL/CMPT/55394	Date: January 27, 2023
Circular Ref. No: 0039/2023	

All Members,

Sub: Maintaining Capital Cushion

This is in partial modification to Part B 10.21 of our consolidated circular no. 002/2022 (Download reference no NCL/CMPT/ 55097) dated January 02, 2023.

The following methodology has been adopted by the Clearing Corporation to monitor members who have high capital utilisations

- At the end of each calendar month, members who have exceeded 90% of utilization of capital towards margin utilization during the market hours for more than 7 days in the current month shall be identified
- The capital required to bring the capital utilization to a level of 85% at the time of violating the trigger point of 90% on each of those occasions shall be noted for the members. The highest of such amounts for the identified members during the month shall be called for as additional capital.
- The requirement shall be communicated to members on the first day of the subsequent month and the same shall be updated in NMASS under CPC module.
- The members can provide the amount required as capital cushion by providing additional cash or un-allocate the amount from the existing collateral and submit the request for capital cushion in NMASS
- No benefit towards margin, etc shall be available to the member on the amount of additional capital so collected.
- In case of non- payment of additional capital within the stipulated time limit a penalty as applicable for funds shortage shall be levied for the period of default.
- The additional capital so collected shall be retained with the Clearing Corporation for a period of one calendar month.
- In case a member is liable to provide additional capital in the subsequent month, the amount of additional capital shall be recomputed, and the excess /deficit shall be refunded /called for.
- The amount of additional capital shall be informed to the members on the first day of the subsequent month vide a letter in the extranet directory.
- The letter of intimation of additional capital shall be available to members in the extranet directory /< TM ID>/REPORTS.
- The naming convention of the letter shall be as under.
Letter for partial release - C_CPC_PRL_<MEMCODE>_DDMMYYYY.TXT
Letter for Full release - C_CPC_FRL_<MEMCODE>_DDMMYYYY.TXT
Letter for Additional capital cushion - C_CPC_REQ_<MEMCODE>_DDMMYYYY.TXT

- The provisional amount of additional capital to be provided along with the number of days when the member has crossed 90% of margin utilization shall be intimated to the member on a daily basis vide a report in the extranet directory. The report shall be available to members in the extranet directory /< TM ID>/REPORTS.
The naming convention of the report shall be as under.
P_C_CPC_<MEMCODE>_DDMMYYYY.TXT

Members are requested to take note of the above.

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

Huzefa Mahuvawala
Senior Vice President

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