

NSE Clearing Limited

Circular

DEPARTMENT: CURRENCY DERIVATIVES SEGMENT	
Download Ref No: NCL/CD/62838	Date: July 08, 2024
Circular Ref. No: 040/2024	

All Members/Custodians/PCM

Sub: Norms for acceptable collateral and exposure of Clearing Corporation

This is with reference to circular ref. no. 032/2024 (Download Ref No: NCL/CD/62250 dated May 30, 2024) in respect of the Norms for acceptable collateral and exposure of Clearing Corporation and in partial modification to our consolidated circular no. 61802 dated April 29, 2024.

A. List of Eligible Securities

NCL shall only accept equity securities fulfilling following criteria as approved securities as collaterals

- Equity shares with impact cost of up to 0.1% for an order value of Rupees 1 lakh and
- Traded for at least 99% of days over the period of previous 6 months.

The list of approved securities, the acceptable quantity (Market wide limit and member level limit) of the security and applicable hair cut for the respective security shall be informed through a circular issued by NCL for the respective month.

Equity securities not fulfilling the above criteria shall not be accepted from August 01, 2024. Tentative list of current approved equity securities which shall not fulfill the above criteria (based on data till date) are placed as Annexure. The final list of acceptable equity list shall be published as part of the monthly circular of approved securities.

In order to enable clearing members to replace the existing un-approved securities NCL shall continue to provide valuation of such existing un-approved securities (as per Annexure) repledged with NCL as on July 31, 2024, after applying the haircut as below:

Month	Applicable haircut
From August 01, 2024	40% or VAR whichever is higher
From September 01, 2024	60% or VAR whichever is higher
From October 01, 2024	80% or VAR whichever is higher
From November 01, 2024	100%

NSE Clearing Limited

Clearing members are requested to ensure that the un-approved securities are replaced by approved collaterals at the earliest.

B. Changes in haircut for mutual fund

- Haircut in respect of units of growth plans of overnight mutual fund schemes shall be 5%
- Haircut in respect of units of mutual fund schemes other than units of overnight mutual fund schemes or liquid mutual fund schemes or government securities mutual fund schemes (by whatever name called which invest in government securities) shall be VaR Margin based on 6σ , subject to minimum of 9%.
- The above revised haircut shall be applicable from August 01, 2024.

Clearing members are required to take note of the above.

**For and on behalf of
NSE Clearing Limited**

Huzefa Mahuvawala
Chief Risk Officer

Telephone No	Email id
1800 266 0050 (IVR option 2)	collaterals_ops@nsccl.co.in