

NSE Clearing Limited

Department: COMMODITY DERIVATIVES SEGMENT	
Download Ref No: NCL/COM/66600	Date: February 11, 2025
Circular Ref. No: 0058/2025	

All Members,

Sub: Pre-expiry margins

This is in partial modification to Point no 7.12, Item 7 “Margins”, Part B of NCL consolidated circular reference no. 0095/2024 (Download reference no. NCL/CMPT/61816) dated April 30, 2024.

1. In the case of options on futures, a sensitivity report shall be provided to the members on the impending increase in margins on E-4, E-3, and E-2, prior to expiry (E) of options on future contracts due to assumed devolvement of in-the-money (ITM) options.
2. Further, pre-expiry margins shall be levied in a staggered manner till the expiry of the options on futures contracts as follows
 - a. E-1 day: 25% of pre-expiry margins computed on assumed devolvement of positions in ITM option contracts as at end-of-day of E-2.
 - b. E day: 50% of pre-expiry margins computed on assumed devolvement of positions in ITM option contracts as at end-of-day of E-1.
3. Pre-expiry margins shall not be considered for the purpose of client margin reporting.

The provisions of the above circular shall come into effect from February 11, 2025.

Members are requested to take note of the above.

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

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