National Stock Exchange of India Limited

Circular

Department: SURVEILLANCE	
Download Ref No: NSE/SURV/70553	**Date:** September 30, 2025
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To All Members,

Sub: Standard Operating Procedure for Future Equivalent (FutEq)/(Delta) Intraday Position Limits Monitoring for Equity Index Derivatives

This is in continuation to NSE Circular ref no NSE/SURV/68845 dated June 30, 2025 and NSE/SURV/69971 dated September 02, 2025. In accordance with the SEBI circular SEBI/HO/MRD/TPD-1/P/CIR/2025/79 dated May 29, 2025 and SEBI/HO/MRD/TPD/CIR/P/2025/122 dated September 01, 2025, pertaining to Framework for Intraday Position Limits Monitoring for Equity Index Derivatives.

Members may please find the SOP as per Annexure 1 and Annexure 2 for their necessary action and compliance.

For National Stock Exchange of India Limited

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Annexure 1

Standard Operating Procedure for Future Equivalent (FutEq)/(Delta) Intraday Position Limits Monitoring for Equity Index Derivatives applicable from October 1, 2025

1. This has reference to the SEBI Circular No. SEBI/HO/MRD/TPD/CIR/P/2025/122 dated September 01, 2025. As required in SEBI circular (para 5), the SOP regarding Framework for Intraday monitoring of position limits for Equity Index Options is as under:

2. Intraday Index wise Futures Equivalent (FutEq/Delta) limits for Index Options are as under:
   2.1. Intraday Net position limit (FutEq basis) for each entity shall be Rs. 5,000 cr. (as against end of day limit of Rs. 1,500 cr).
   2.2. Intraday Gross position limit (FutEq basis) for each entity shall be Rs. 10,000 cr. (i.e. separately both on long and short side), same as the present end of day limit.
   2.3. Entities shall be allowed to take additional exposure against holding of securities or cash/cash equivalent, as applicable, in line with para 5.5.3 of SEBI circular SEBI circular SEBI/HO/MRD/TPD-1/P/CIR/2025/79 dated May 29, 2025.
   2.4. On the day of expiry of options contracts, the breaches of aforesaid position limits shall additionally attract ASD (Additional Surveillance Deposit)/penalty, as decided jointly by Stock Exchanges. The ASD/penalty framework for the same shall be evaluated and shared by the stock exchanges separately prior to December 6, 2025.

3. Standard Operating Procedure for Future Equivalent (FutEq)/(Delta) Intraday Position Limits Monitoring applicable from October 1, 2025:
   3.1. The Position Limits for Index Options would be calculated intraday, at Futures Equivalent (FutEq/Delta) basis.
   3.2. The aforesaid intraday limits shall be applicable separately for each index.
   3.3. The aforesaid intraday limits shall be monitored through a minimum of four random snapshots during the trading day (including one snapshot between 14:45 PM to 15:30 PM).
   3.4. The computation of delta of each contract for the purpose of intraday snapshots is outlined in **Annexure 2.**
   3.5. Volatility used for intraday delta computation will be the volatility of the Previous day EOD (so as to provide predictability to market participants in designing their own model of computing delta as the time of snapshot is not known to market participants) i.e. T-1 day (i.e. Higher of Underlying Annualised Volatility and Futures Annualised Volatility).
   3.6. Further, to monitor the intraday positions of entities, the underlying price at the time of taking positions snapshots shall be considered. The price of the underlying index at the snapshot time shall be used in the delta computation formula as well as for the positions valuation.

3.7. The positions in contracts expiring on same day (i.e. For contracts where Expiry date = Trade date) shall also be considered for intraday monitoring snapshots.

3.8. Entities shall be required to continuously monitor positions and ensure that their positions are always within the prescribed limits as mentioned in point 2.

3.9. Exchange shall also be monitoring intraday breaches by taking random snapshots. In case any breach is observed during such snapshots, an additional snapshot will be taken post 15 minutes. The additional snapshot post 15 minutes (or cure period of 15 minutes) is provided, also to address sudden breaches considering the market volatility in Intraday delta of contracts due to market movements in the underlying index.

3.10. During the 15 minute cure period, entities shall ensure to bring back delta positions within the prescribed limits as mentioned in point 2.

3.11. If the breach persists in both the initial and additional snapshots (i.e. post cure period), it will be treated as a provisional breach. All such provisional breaches will be intimated to the respective TM /CM and client via email on EOD / T+1 day basis.

3.12. Post allowing additional limit of cash and cash equivalents/stock holdings as applicable, the provisional breach shall be considered as final breach.

3.13. The cure period of 15 minutes will not apply to the final snapshot of the day, i.e., the 14:45 PM to 15:30 PM interval.

3.14. In line with Point 3.6 above, the positions of the entity and the underlying price at the time of additional snapshot i.e. cure period snapshot shall be used for computing delta and position value. Volatility of the index shall continue to be the previous days volatility.

3.15. Exchange will compute the delta-adjusted positions separately for each index instrument for options and identify those PANs that exceed the prescribed intraday delta-based position limits.

3.15.1. **Example for Net Intraday FutEq OI Limit & Gross Intraday FutEq OI Limit:**

Contract	**Long Qty**	**Short Qty**	**Delta**	**FutEq. Qty**	**Underlying Price at the time of Snapshot**	**Position Value (In Rs. Cr)**	**Limit (In Rs. Cr)**	**Violation**
NIFTY CE OPT 25000 OCT	17,50,000		0.7	12,25,000				
NIFTY CE OPT 24000 OCT		-25,000	0.8	-20,000				
NIFTY PE OPT 26500 NOV	5,00,000		-0.5	-2,50,000				
NIFTY PE OPT 27000 NOV		-15,50,000	-0.8	12,40,000				
NET Delta				21,95,000	25,000	5488	5000	Yes
Gross LONG DELTA (Long CE+ Short PE)				24,65,000	25,000	6,163	10,000	No
Gross SHORT DELTA (Long PE + Short CE)				-2,70,000	25,000	-675	10,000	No

3.16. In case a client (PAN) is breaching long position and subsequently short positions limits on intraday, the said entity shall be considered for both the violations.

3.17. In case intraday provisional breach is observed for any entity (post allowing benefit of cure period), following shall be the process:

3.17.1. For all the short side intraday breaches, the list of PAN's will then be shared with the respective depositories (NSDL and CDSL) at End of Day to retrieve the portfolio holdings on T+1 day (i.e. post settlement of T-day) of the respective entities. Valuation of holdings will be based on the closing price of T Day and the value of holding of equity stocks (other than G-Sec/ Liquid funds/ Debt funds etc.) shall be considered.

3.17.2. For all the long side intraday breaches, cash and cash equivalents shall be considered as per the reporting framework as per Point 2(Annexure 1) of the NSE Circular ref no NSE/SURV/68845 dated June 30, 2025. Total of allocation value across Indices should not exceed the Total Reported value.

3.18. In case of position breach on multiple limits:

3.18.1. Benefit of portfolio holdings will be provided for both Net short FutEq OI and Gross short FutEq OI and for both intraday as well as EOD breach.

3.18.2. Benefit of cash and cash equivalent will be provided for both Net Long FutEq OI and Gross Long FutEq OI and for both intraday as well as EOD breach.

3.19. In the case of a settlement holiday, the holdings shall be taken post completion of the settlement for trades executed on T Day. No benefit of payout shortages shall be extended for portfolio holdings received from the depositories on T+1 basis.

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Annexure 2

Delta Computation SOP

1. Delta Computation:
   1.1. Real time underlying value of the index at time of snapshot will be used for underlying price.
   1.2. Volatility of the underlying on Previous day EOD i.e. T-1 day (i.e. Higher of Underlying Annualised Volatility and Futures Annualised Volatility).
   1.3. Delta (FutEq) computation methodology:
   1.4. FutEq of a call option contract is equal to N(d1)
   1.5. FutEq of a put option contract is equal to N(d1) – 1
   1.6. FutEq of a futures contract is equal to 1
   1.7. The computation methodology for d1 of an option contract:
   1.8. d1 = {ln(S/K) + (Rf + 0.5 * Vol_Annual ^2) * T} / (Vol_Annual * sqrt(T)) - (Black & Scholes)

   where:
   ln = natural log
   S = Underlying Price
   K = Strike Price
   Rf = Risk-Free Interest Rate (Rf value is fixed at latest RBI Repo rate)
   Vol_Annual = Annualized Applicable Volatility (Higher of Underlying Annualised volatility or Futures volatility)
   T = Pro-rated Time to Expiry
   Time to expiry (TTE) shall be calculated in the minutes left for expiry. The time considered shall be on calendar day basis. For a calendar day the time shall be from 12 a.m to 12 a.m next day. On expiry day the time considered shall be from 12.00 am to 3:30. p.m. only. The time considered shall be from the time of the respective snapshot.
   N(d1) is the cumulative probability distribution function.

<u>Following are example of TTE calculation:</u>

Example 1 - TTE for Snapshot taken at 3:00:05 p.m. on 24th September 2025 for a contract expiring on 30th September 2025:

No of Days	No of Minutes	Remarks
Partial Day (9 hours left)	540	9 hours left for 24th September 2025
5 days	7200	25th to 29th September 2025 (5 days non-expiry)
1 day (expiry day)	930	Expiry day of 30th September 2025 (12 midnight to 15:30)
Total minutes(A)	8670	
Total minutes in 365 days(B)	525600	
TTE(A/B)	**0.0165**	

Note: The TTE shall be computed as per the previous minute i.e. for snapshot at 03:00:05, TTE as on 03:00 p.m. shall be considered.

Example 2 - TTE for Snapshot taken at 3:00:33 p.m. on expiry day i.e. 30th September 2025 for a contract expiring on 30th September 2025:

No of Days	No of Minutes	Remarks
1 day (expiry day)	30	Expiry day (3 p.m. to 3:30 p.m)
Total minutes(A)	30	
Total minutes in 365 days(B)	525600	
TTE(A/B)	**0.0001**	

Note: The TTE shall be computed as per the previous minute i.e. for snapshot at 03:00:33, TTE as on 03:00 p.m. shall be considered.

Example 3 - TTE for Snapshot taken at 2:29:31 p.m. on expiry day i.e. 30th September 2025 for a contract expiring on 30th September 2025:

No of Days	No of Minutes	Remarks
1 day(expiry day)	61	Expiry day (2:29 p.m. to 3:30 p.m)
Total minutes(A)	61	
Total minutes in 365 days(B)	525600	
TTE(A/B)	**0.0001**	

Note: The TTE shall be computed as per the previous minute i.e. for snapshot at 02:29:31, TTE as on 02:29 p.m. shall be considered.