



The Clearing Corporation of India Ltd.

Securities Segment

NOTIFICATION

No. RMD/SS/11

Date: 11th June, 2002

Intra-day Margin Shortfall

We refer to Para 3 of our notification no. RMD/SS/ 1 of the 22nd May, 2002. We are receiving queries from some of our members as to whether deposit of additional margin is required for any intra-day margin shortfall even if there is no margin shortfall in the concerned member's account at the end of the day. We wish to clarify that as per Sub-Para B.6 of Chapter III of CCIL Regulations for the Securities Segment, the members are required to maintain such balances in Settlement Guarantee Fund which would be adequate to cover the margin requirements at any time during the day. If at any time during the day, any margin shortfall is observed, CCIL is forced to take uncovered exposure on the defaulter member as it is required to extend guarantee to the counterparty of such defaulter member. The members are advised to keep sufficient balance in SGF to avoid any margin shortfall and payment of penalty as per Sub-Para D.2 of Chapter V of the said Regulations. In case of settlement beyond T+0, the shortfall is to be covered within the time specified in Annexure A of the said Regulations and the guarantee to the defaulter member on such trades would take effect from the point of meeting the shortfall, provided the settlement is not over by such time [Sub-Para.2.2 (b) of Chapter IV of the Regulations].

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