



This has been superseded by Notification No. RMD/SEC/23/32 dated 30-Oct-2023 on Risk Management Processes and Margining Methodology

**Risk Management Department**

**No. RMD/SS/IM/09/16**

**23rd Oct'09**

**FOR INFORMATION OF ALL MEMBERS**

**Securities Settlement Segment**

**Margin Computation**

In terms of Chapter VII(C)(1)(1.3) of The Clearing Corporation of India (Securities Segment) Regulations 2001, Clearing Corporation may carry out the computation of margin obligation in the Securities Segment on an online basis.

2. Clearing Corporation's Online Position Monitoring System (OPMS) is now in place. It has therefore been decided to carry out the exposure check process (i.e. computation of margin obligation) online with effect from Monday, 26<sup>th</sup> Oct'09. From this date onwards, the trades received by CCIL from NDS-OM and from Clearcorp Repo Order Matching System (CROMS) trading systems will be taken up for online exposure check.

3. Trades done on the RBI-NDS will also be processed for margining as and when these are received in batches at Clearing Corporation.

4. Any instance of shortfall in margins encountered intra-day arising out of an increased margin requirement from trades in Securities Segment will be intimated to the members through an Intra-day Margin Shortfall Report made available through Reports browser. Members are advised to view the reports on a continuous basis and ensure adequacy of margins.



5. Detailed exposure check related reports i.e. Trade Acceptance Report, Trade Exceeding Exposure Report and SGF Utilisation Report will continue to be generated and made available to the members as is being done at present after the processing of the RBI-NDS trades Batches I and II and at the End of the Day respectively.

6. As is the current practice, Incremental MTM Margin will continue to become payable at 12-30 P.M on the next business day (11-30 A.M in case the next day is a Saturday). Since the amount of Incremental MTM Margin is already added to MTM Margin account of Securities Segment at end of the day, the margin shortfall at the end of the day, as at present, will be treated as margin shortfall only if such shortfall exceeds the amount of Incremental MTM margin.

7. With OPMS being introduced, members are requested to be more alert in monitoring their margin obligations so as to avoid intra-day margin shortfalls. After OPMS is in operation, if a trade is processed before the margin shortfall at the previous End of the Day has been replenished and a margin shortfall is encountered after such trade processing, such shortfall will be treated as intra-day margin shortfalls.

Sd/-

Mr. Siddartha Roy

Chief Risk Officer

\*\*\*\*\*