



ISE Securities & Services Limited

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CIRCULAR

Reference Sur/11-12/56

Date : Sept 1 , 2011

To
All Registered Intermediaries of ISS

Dear Sir/Madam,

Sub: Short-collection/Non-collection of client margins (Derivatives Segments)

As per NSE Exchange circulars NSE/INSP/19583 dated Dec 14, 2011 NSE / CMPT / 19587 regarding Short collection/non collection of client margin ,

NSE levies penalty in case of short reporting / non reporting of margin

For each member

1.	a'	Per day Penalty as %age of 'a'
(< Rs 1 lakh) And (< 10% of applicable margin)		0.5
(≥ Rs 1 lakh) Or (≥ 10% of applicable margin)		1.0

Where a = Short-collection/non-collection of margins per client per segment per day

2. If short/non-collection of margins for a client continues for more than 3 consecutive days, then penalty of 5% of the shortfall amount shall be levied for each day of continued shortfall beyond the 3rd day of shortfall.

3. If short/non-collection of margins for a client takes place for more than 5 days in a month, then penalty of 5% of the shortfall amount shall be levied for each day, during the month, beyond the 5th day of shortfall.

4. All instances of non-reporting shall amount to 100% short collection and the penalty as applicable shall be charged on these instances in respect of short collection.

5. Short-collection/non-collection of margins is equal to Reportable margin minus the initial margin levied by the exchange (if in negative)

6. The reportable margin (as per ISS policy which is in adherence to NSE policy is as under)
Components Reportable margin

- Cash ledger balance as on T day in FNO segment
- Approved Collateral (valuation as per T-1 , and haircut of T-1 Var)
- Any funds received on T day (cleared funds)
- Less: Any funds withdrawn on T day

The circular shall come into force from September 1, 2011.

For any clarification please contact MR .Sweedin Satav or Mr. Raj nandan Rai on 022-67941126

SWEEDIN SATAV
HEAD - SURVEILLANCE AND RISK MANAGEMENT