THE CLEARING CORPORATION OF INDIA LTD

Risk Management Department

This has been Superseded by Notification No. RMD/SS/21/37 dated 30-Nov-2021 on Enhancements to the approach followed for computation of Margin Factor / Hair Cut rates

No. RMD/SS/MF/08/37 **6th Nov'08**

FOR INFORMATION OF ALL MEMBERS

Securities Settlement Segment

Margin Factors

This is to advise that an intra-day volatility component is being added to the margin factors in the Securities Segment with effect from 7th November '08. The component would presently be at 50% of the usual margin factor for the respective security, net of 0.25% (coverage for coupon accrual). [e.g. if usual margin factor for a security currently is at 1.25%, the revised margin factor will be 1.75% i.e. 1.00 x 1.5+0.25]

2. Members are requested to take note that the Margin Factor applicable for the Securities in the Securities Segment will therefore be higher than the Margin Factors applicable now. Members are requested to reassess their SGF balances and deposit additional SGF if required to avoid instances of margin shortfall.

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