

**NSE Clearing Limited**

(Formerly known as National Securities Clearing Corporation Limited)

**DEPARTMENT : FUTURES AND OPTIONS SEGMENT**

Download Ref No: NCL/CMPT/40281

Date : February 20, 2019

Circular Ref. No: 22/2019

All Members/Custodians/PCM

**Sub: Collection of Option Value for In/Out of the money options in Cash**

This is in modification to our circular no 19/2019 (Download Ref no NCL/CMPT/40245) dated February 15, 2019 on the abovementioned subject

- Cash collection of option value shall be applicable for the following contracts

<b>% of Strike Price away (±) from the Closing Value of Index/Stock</b>	<b>Applicable on contracts with expiry</b>
≥ 40%	All contracts (stock and Index)
≥ 30%	Index Contracts with expiry from 9 months up to 2 years
≥ 20%	Index Contracts with expiry up to 9 months

- Positions in contracts meeting the above specified criteria on **March 28, 2019 (post expiry of March contract)** shall be identified. The current option value of short positions in such contracts shall be collected in cash from Clearing Members on **March 29, 2019**.
- The cash requirement for abovementioned positions in identified contracts shall be only applicable if the contract was meeting the above specified criteria on the date when the positions were created.
- From **March 29, 2019** for any fresh net short position created in contracts which meet the above specified criteria (based on end of day closing index/stock) the net short value shall be collected in cash from clearing member on T+1 day (Along with funds settlement)
- The cash collected shall be retained with Clearing Corporation till expiry of contract or till square-up of short positions. In case of partial square-up the cash collected shall be released on proportionate basis. The cash release shall be on T+1 day (Along with funds settlement)

Members are requested to take note of the above.

**For and on behalf of**
**NSE Clearing Limited**

(Formerly known as National Securities Clearing Corporation Limited)

Huzefa Mahuvawala

Vice President

<b>Telephone No</b>	<b>Fax No</b>	<b>Email id</b>
1800 266 0057	022-26598243	<a href="mailto:risk_ops@nsccl.co.in">risk_ops@nsccl.co.in</a>