NCDEX arm has a solution to manage your working capital

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By Sutanuka Ghosal, ET Bureau | Mar 11, 2019, 04.34 PM IST

KOLKATA: National Commodity Clearing Limited (NCCL), a wholly-owned subsidiary of NCDEX, has come out with a facility to help market participants efficiently manage their working capital.

The idea is to create a strong risk management system and provide a sound market framework to value chain participants.

The largest agri commodity clearing corporation is looking to help market participants efficiently manage their funds requirement by adjusting their pre expiry margin / delivery against pay-in obligation.

The process is somewhat like this. A member can submit request to adjust the cash deposited in Additional Base Capital (ABC) towards delivery pay-in obligation. The benefit for adjustment will be extended to the extent of delivery margin charged on long positions marked for delivery.
Rajiv Rolhan, MD and CEO, NCCL, said: “In order to help market participants efficiently manage their working capital, the Clearing Corporation has provided a facility for adjustment delivery margin against the delivery pay-in requirement. This would remove the need of interim arrangement of funds to meet settlement obligations till delivery margins were released by NCCL. We are committed to providing better services to clients by continuously working on enriching various processes.”

Being a leading agricultural commodity exchange, NCDEX strives to empower the participants by creating the right environment for better price discovery and counterparty risk mitigation.

“It is a well-proven fact that physical delivery is an integral part of commodity derivatives market, and by completing 1,00,00,000 mt of physical deliveries over the last decade, we have achieved a new milestone in our journey. We are always in the process of making this ecosystem more convenient and efficient for the users, and by working closely with NCCL, we will be able to increase market participation and enhance market trust,” said Kapil Dev, Executive Vice-President, NCDEX.

National Commodity Clearing Limited (NCCL) commenced operations as a recognised Clearing Corporation on September 27 last year. This Clearing Corporation provides secure counter party risk management and guarantees settlement of trades executed on NCDEX trading platform.

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