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NATIONAL COMMODITY CLEARING LIMITED

Circular to all Members of the Clearing Corporation

Circular No.	: NCCL/CLEARING- 069/2023
Date	: December 28, 2023
Subject	: Mechanism to adjust the margins blocked in the form of cash towards client funds pay-in obligations

This is with reference to SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/84 dated June 08, 2023 and our circular no NCCL/CLEARING-038/2023 dated June 09, 2023 on "Upstreaming of clients' funds by Stock Brokers (SBs) / Clearing Members (CMs) to Clearing Corporations (CCs)"

A facility is being provided to adjust the margin blocked in the form of cash, towards client funds pay-in obligations. The details of the mechanism are as under:

1. Clearing Members shall be provided with a facility to request for adjustment of cash collateral allocated to clients/CP/TM Proprietary/CM Proprietary towards the delivery funds pay-in obligation of such client.

2. The Clearing members are required to place request before the cut-off time i.e. up to 9:00 PM one day before the settlement due day (T+2). The member can place a request through the web extranet portal in the format as given in Annexure I.

3. The amount eligible for adjustment against delivery funds pay-in shall be lower of:
   a. Requested amount for adjustment of cash towards delivery funds pay-in; or
   b. Buy side delivery margin for the settlement due; or
   c. Cash collateral allocated; or
   d. Delivery funds pay-in obligation for the settlement due

4. The aggregate of cash available for adjustment as per (3) across all clients/ CP/TM Proprietary/ CM Proprietary shall allowed to be adjusted against delivery funds pay-in to the extent of the available cash collateral of the Clearing member.

5. The amount eligible for adjustment shall be reduced from cash collateral allocated to respective clients.

6. The requests received within the above mentioned cut-off time shall only be considered towards adjustment against delivery funds pay-in for respective settlement due.

7. The amount blocked towards Net Buy premium and Intraday Crystallised Mark to Market Margins shall be unblocked at the beginning of the day on T+1. The members can de-allocate the free collateral and place a cash collateral release request before 8.00 AM. This released

amount can be used towards meeting the funds pay-in requirement (scheduled before start of the market).

The effective date of the Circular shall be January 01, 2024.

Members are requested to take note of the same.

For and on behalf of
National Commodity Clearing Limited

Sweedin Satav
Vice President

For further information / clarifications, please contact
1. Customer Service Group on toll free number: 1800 266 6007
2. Customer Service Group by E-mail to: contactus@nccl.co.in

ANNEXURE 1

Member Margin Adjustment Request File

1. **Upload File**

- **Naming Convention**: MRGN_ADJST_Primary Member Code_DDMMYYYY_T<BATCH NO.>.CSV
  DDMMYYYY: Delivery Payin/Settlement Date (T+2)
  Batch Number – Batch numbers should be in a running sequence having valid values from 0001 to 9999
- **File Type**: CSV (Comma Separated)
- **File Size**: Max 25 MB
- **Source**: Web Extranet
- **File Structure**: The file structure is as given below:

Sr.No.	Field Name	Data Type	Remarks
1	Payin Date	DD-MON-YYYY	Delivery Payin/Settlement Date. It should match with the date mentioned in file nomenclature.
2	CM ID	Varchar2 (06)	Clearing Member Code
3	TM ID	Varchar2 (12)	Trading Member Code
4	CP Code	Varchar2 (12)	CP Code. Value should be Blank when Client code is populated, or Account type is 'P'
5	Client Code	Varchar2 (12)	Client Code. Value should be Blank when CP code is populated, or Account type is 'P'
6	Account Type	Char (1)	P - Prop, C – Client
7	Requested Amount	Number (20,2)	Amount in Rs. which the member wants to get adjusted against delivery funds payin

Notes:

1. The amount mentioned in the file would be the delivery margin amount which is to be adjusted against delivery payin.
2. The last file uploaded by the member before the cut off time for the settlement date will be considered for final adjustment.
3. File should be uploaded without headers.
4. In case of request of CM Proprietary, values in CP Code, Client Code shall be blank. CM Primary Mem Code should be reflected in TM Code Column.
5. In case of request of TM Proprietary, values in CP Code, Client Code shall be blank.
6. In case of request of CP Code, values in TM Code, Client Code shall be blank.
7. In case of request of Client, value in CP code shall be blank.
8. Input fields for each Client/Proprietary type: -

Sr. No.	Particulars	Clearing Member	Trading Member	CP Code	Client Code	Account Type
1	CM Proprietary Request	CM Code	CM Primary mem Code	Blank	Blank	P
2	TM Proprietary Request	CM Code	TM Code	Blank	Blank	P
3	CP Request	CM Code	Blank	CP Code	Blank	C
4	Client Request	CM Code	TM Code	Blank	Client Code	C

9. Examples of various records are as under:

Sr. No.	Particulars	Record Format
1	CM Prop Request	17-DEC-2023,M50001,00001,,,P,1000
2	TM Prop Request	17-DEC-2023,M50001,00022,,,P,1000
3	CP Request	17-DEC-2023,M50001,,0124TAA01,,C,1000
4	Client Request	17-DEC-2023,M50001,00001,,XYZ,C,1000

2. Response file

Initial Response: Initial response will be provided as and when the upload file is received. Format level validations will be done and response codes of 100 and 300 series will be provided in this initial response. Successful submission of the file and records in the response file does not confirm the adjustment of margin. Members need to check the final response on or before the settlement day for the final acceptance of amount.

Final Response: Final response will be provided for the last request file submitted by the member. The last request file submitted before the cut off time will only be considered for the margin adjustment. File submitted prior to that will not be considered for margin adjustment. The final response will validate the request amount based on the criteria mentioned above and response code with 200 series will be provided.

- **Naming Convention:**

  IR: Initial Response
  MRGN_ADJST_Primary Member Code_DDMMYYYY_IR<Batch No.>.CSV
  FR: Final Response
  MRGN_ADJST_Primary Member Code_DDMMYYYY_FR<Batch No.>.CSV

- **File Format:** CSV (Comma Separated Version)
- **File Structure:** The file structure of the same is as given below:

S.N.	Column Name	Data Type	Remarks
1	Payin Date	DD-MON-YYYY	Delivery Payin/Settlement Date.
2	CM ID	Varchar2 (06)	Clearing Member Code
3	TM ID	Varchar2 (12)	Trading Member Code
4	CP Code	Varchar2 (12)	CP Code
5	Client Code	Varchar2 (12)	Client Code
6	Account Type	Char (1)	P - Prop, C – Client
7	Requested Amount	Number (20,2)	Accepted amount in Rs. which is adjusted against delivery funds payin. (In case of Final Response file)

8	Response Code	VarChar (100)	Appropriate code for success or error will be displayed. In case of multiple error codes for a single record, all codes will be shown pipe separated

Response Codes

- Response Codes for rejection of entire file (Initial Response)

Response Code	Response Description
100	File Name mismatch
101	Incorrect File type
102	Incorrect Settlement Date in the file name
103	Incorrect Primary Member Code in file name
104	Incorrect Batch Number format
105	Batch Number repeated, or Batch Number not in sequence
106	Blank File cannot be uploaded

- Response code for record level format validation (Initial Response)

Response Code	Response Description
300	Format is correct. Record will be processed on the settlement day. Kindly check the final response.
301	Date in record does not match with date in file date
302	Settlement Date is Incorrect
303	Invalid CM Code CM Code not matching with the Linked Primary Member Code in the File name
304	Invalid TM Code TM Code not linked with the CM Code
305	Invalid CP Code CP Code not linked with the CM Code
306	In Case of Value in CP Code, TMID or/and Client Code should be blank

307	Invalid Account Type 1. Value Other than "P" or "C" 2. "P" Populated in case where UCC/CP Code should be blank 3. "C" Populated in case where UCC/CP Code should be available
308	Negative Value in Amount Field, or Incorrect Amount Format
309	Duplicate Record
310	Incorrect Record format

- Response code for amount validation (Final Response)

Response Code	Response Description
200	Processed Successfully
201	Adjustment Unsuccessful – Insufficient collateral allocation
202	Adjustment Partially Successful – Partial Collateral allocation
203	Adjustment Unsuccessful – Insufficient Cash Availability with member
204	Adjustment Partially Successful – Partial Cash Availability with member
205	Adjustment Unsuccessful – Net Payin is zero for the client
206	Adjustment Partially Successful – Net Payin Amount is less than requested amount
207	Adjustment Unsuccessful – Delivery Margin not available
208	Adjustment Partially Successful– Delivery Margin is less than requested amount
209	Adjustment Unsuccessful – Insufficient Effective Deposit with Proprietary account
210	Adjustment Partially Successful– Insufficient Effective Deposit with Proprietary account