

Frequently Asked Questions around Collateral Placement, Release and Allocation at NCL

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1. What are the cut off timings for cash addition / release of funds?

Cut off timing for cash addition is 7 pm and for cash release cut off time is 7 pm (for intraday) and till 8 pm (for EOD and value date cash release).

Kindly refer circular number NCL/CMPT/57396

2. When Fund release request has been placed. What are the reasons for rejection? Till when will it be credited in the settlement bank account?

Funds releases request in intraday mode is processed immediately.

Reason for Rejection: Members must ensure sufficient funds is available in collateral unallocated pool.

Inquire Status: Member must check in release inquiry tab in CIM, for status of request and amount released.

Credit of funds: The credit of the funds shall be received within 2 hours. Clearing Members who are associated with Settlement Banks connected with NCL on SFMS can expect the credit faster.

3. What is the timing for release of securities?

Release request for securities is processed in batches Intra-day (9:30 ,12:30,4:30), Value Date 7:00 pm, member can expect release in depository within 1 hr after receiving SECREL file on FTP.

Release of securities required for pay-in shall be released one day in advance

Kindly refer circular number NCL/CMPT/57396

4. When will pledge benefit will be received?

Incremental pledge files are received from depositories in intervals of 30-40 minutes; accordingly, it can take on an average 50 minutes to get the benefit from the time of making a pledge.

5. How to allocate funds from one segment to another?

Step 1 Downward allocation in one segment

Step 2 Check the amount in collateral pool

Step 3 Upward allocation in another segment

Details operational guidelines for allocation is provided in circular NCL/CMPT/51657

6. What is the cut off time for funds allocation?

Cut off time for allocation is 8 pm

7. How to allocate funds through UPI mode? Why allocation has been rejected when client has already selected UPI facility?

Clearing Members may note that if the client is active for UPI then collateral allocation cannot be done for those clients

Further other related details are available on the below link

<https://www.nscclindia.com/clearing-settlement/capital-market>

Refer circular number 58895 on NSE website for operating guidelines

8. Enquiry about timeline on various BOD and EOD files. SEC-Pledge, Sec-Rel, CC02, etc.

The tentative timelines for download of EOD files are published on Member portal Dashboard.

SEC_PLEDGE files are available at EOD (current day) Generally by 11:00 pm and BOD (next working day) generally by 7:30 am.

9. What is the haircut % of a particular security?

Details of haircut is available in APPSEC_COLLVAL file (check in daily reports on NSE website). Haircut details are also available in SEC_PLEDGE report.

Haircut for G-sec is available in the circular for Approved List of Securities issued on 20th of every month.

10. How to do Upstream/ downstream of funds?

We request you to refer to the detailed operational guidelines for allocation is provided in circular NCL/CMPT/51657.

11. What is the cut off time for Upstream/ downstream of fund?

Cut off timing for cash addition is 7 pm and for cash release cut off time is 7 pm (for intraday cash release) & till 8 PM (for EOD and value date cash release).

12. Details on formats and key of API.

- Member needs to provide details as per Annexure 1 of April 28, 2022, circular on NSE website and send details on mail to collaterals_ops@nsccl.co.in.
- API key will be provided on E-mail ID as per annexure.
- Details of Error code is provided in the circular
- For response members have to send inquiry message, if the successful message is not received within 5 minutes, then you can mail to the aforementioned email address

13. What are the consequences of short allocation?

- In case where the allocated collateral is falling short of minimum margin collection requirement in the respective segment, the same shall be considered as short allocation and shall be subject to penalty.
- Such monitoring of short allocation shall happen intraday at the time of peak margin snapshot and at end of day.
- The maximum amount of short allocation across all snapshots and EOD shall be considered as short allocation and the same shall be provided after considering excess collateral in other segments.
- In case of instances of Intraday/ EOD short allocation; members shall have an opportunity to report amount of client collateral available with permitted reasons.
- In case of such reporting, penalty will not be applicable.
- Higher of the shortfall in collection of the margin obligations at EOD margin obligation, Peak margin obligation and Highest of intraday/EOD short allocation, shall be considered for levying of penalty.

14. How to report short allocation?

- Clearing Corporation shall provide client /TM/CP wise details of highest short allocation on a daily basis to TMs/CMs.
- TMs/CMs shall be required to be upload reporting files through the N-Mass using the client margin/SA file upload menu. The reason code needs to be provided in the file uploaded by members.
- Two types of return files are generated for the members
 - a) Rejected Files - where the whole file has been rejected
 - b) Processed File Records - where some or all records in the file have been rejected
- Against each record a response code will be provided by CC in the return file downloaded to member.
- The detailed procedure and file formats are provided in consolidated circulars under Part B- Client margin/Short allocation reporting issued by NCL on April 29, 2024.

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