

**NATIONAL SECURITIES CLEARING CORPORATION LIMITED**  
**CAPITAL MARKET SEGMENT**  
**Circular No. 522**

**Download No: NSE/CMPT/16559**

**December 20, 2010**

Dear Members/Custodians/PCM,

**Capital Cushion and Revision in penalty structure**

This is with reference to the 'Maintaining Capital Cushion' as mentioned in Item No 11.18 and 'Charges and penalties for Non-allocation / rejection of institutional trades' as mentioned in Item No. 12.6 of our consolidated circular (Download Ref No: NSCCL/SEC/2010/16103) dated October 25, 2010.

**1. Capital Cushion**

Members are informed to take note of the following changes in addition to the existing methodology for Capital Cushion.

- The existing procedure of identification of capital cushion on members crossing 90% capital utilisation for more than 7 occasions in the month, as prescribed by SEBI, shall be continued.
- Additionally if a member has a margin violation on account of trades from pre-open session, then the amount required for capital cushion shall be computed as the amount required for bringing capital utilisation to a level of 80% at the time of violating the trigger point of 90% on that occasion in pre-open session instead of 85%.

**2. Charges and penalties for Non-allocation / rejection of trades by Custodian/ Professional Clearing Members (PCM)**

In case of rejection/non-confirmation of any trades institutional/non-institutional by Custodians or PCM, a penalty of 0.10% of the rejected/unconfirmed value or Rs. 10,000/-, whichever is lower per settlement shall be levied on the member.

The above circular shall be effective from trade date January 03, 2011.

You are advised to take note of the above.

For any further clarifications please contact the following officials of the Clearing Corporation:  
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Yours Sincerely,  
For National Securities Clearing Corporation Ltd.

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