
NATIONAL COMMODITY CLEARING LIMITED

Circular to all Members of the Clearing Corporation

Circular No. : NCCL/RISK- 023/2019

Date : October 01, 2019

Subject : Partial Tear Up of participants positions for Castor Seed (CASTOR)

This is with reference to circular no. NCCL/RISK-001/2018 dated September 26, 2018 on Risk Management framework. In terms of said circular, in the event of a Member/Client failing to honour pay-in/margin obligations, NCCL may employ alternative tools to liquidate the positions and regain a matched book. Members are hereby informed that NCCL shall use the Partial Tear-up alternative to close out defaulting clearing members' long positions in Castor Seed contracts, on October 1st, 2019 in order to restore the matched book.

The Clearing Corporation will select the short positions in Castor Seed contracts and on a pro-rata basis, allocate the positions for tear up. The Clearing Corporation shall not be responsible for any breakup of netting arrangement. The positions of the members at 5:00 pm shall be considered for initiating tear up.

The indicative quantity available for Partial tear up shall be as per the below table.

Expiry	Indicative Quantity (MT)
18-Oct-19	14660
20-Nov-19	7890
20-Dec-19	940

Compensation will be paid to the non-defaulting members whose contracts have been selected for tear up. The compensation shall be @ 12% on Daily Settlement Price of respective Castor Seed contracts as on 30th September 2019.

The partial tear up trades will be executed at the Daily settlement Price of respective contract of Castor Seed as on 30th September 2019. The compensation of 12% will be settled through credit in the settlement account on 3rd October 2019.

Partial tear up trades shall not be executed in the normal order book.

NCCL shall not have any liability whatsoever to any Clearing Member or to any other person (including, without limitation, any Client or (Associated) Trading Member) in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred by a Clearing Member or any other person, as the case may be, as a result of the partial tear of positions.

For and on behalf of

National Commodity Clearing Limited

Ruchit Chaturvedi

Head – Risk Management

For further information / clarifications, please contact

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