
NATIONAL COMMODITY CLEARING LIMITED

Circular to all Members of the Clearing Corporation
Circular No. : NCCL/RISK-025/2019
Date : October 03, 2019
Subject : Regaining Match Book of Castor Seed contracts

This is with reference to circular no. NCCL/RISK-021/2019 dated October 01st, 2019 on Auction of Open positions for Castor Seed (CASTOR), circular no. NCCL/RISK-022/2019 dated October 01st, 2019 on Voluntary Tear Up of participants' positions for Castor Seed (CASTOR), circular no. NCCL/RISK- 023/2019 dated October 01st, 2019 on Partial Tear Up of participants' positions for Castor Seed (CASTOR) and circular no. NCCL/RISK-024/2019 dated October 1st, 2019 on Partial Tear up of Clients' positions for Castor Seed contract (CASTOR).

With respect to the said Circulars, a summary of transactions during Auction, Voluntary tear up and Partial tear up are given below:

Auction

Auction Bids to the extent of 370 MT were received at the reserve price during the Auction session.

The bidders have been allocated the respective quantities during the Auction session, details for the same are given below:

Expiry	Successful bids in Auction (MT)	Reserve Bid Price (Rs.)
20-Nov-19	370	4,650

The differential value between the auction price and daily settlement price as on 30th September 2019 will be settled through debit/credit in the settlement account on 3rd October 2019.

Voluntary tear up

Consent to the extent of 910 MT were received towards Voluntary tear up.

The position of Members giving their consent to tear up their short positions, have been allocated to the matched offered quantity.

The compensation and penalty shall be computed on Daily Settlement Price of respective Castor Seed contracts as on 30th September 2019. The compensation @8% plus Penalty at the rate of 5% shall be levied on defaulting clearing members. The Compensation @8% shall be passed on to the members who have given their consent for voluntary tear up of their short positions. The amount will be settled through debit/credit in the settlement account on 3rd October 2019.

Partial tear up

1. The tear up of positions to the extent of 13,075 MT was completed by EOD October 1st, 2019 and reflected in the respective member files of October 1st, 2019.
 - a. The tear up of positions have been executed at the Daily Settlement Price of respective contract of castor seed as on 30th September 2019.
 - b. The compensation and penalty shall be computed on Daily Settlement Price of the respective Castor Seed contracts as on 30th September 2019.
 - c. The compensation @12% plus Penalty at the rate of 5% shall be levied on defaulting clearing members. The Compensation @12% shall be passed on to the members whose short positions have been allocated for tear up. The amount will be settled through debit/credit in the settlement account on October 3rd, 2019.

2. The tear up of open positions to the extent of 9,285 MT was completed before start of the Trading Hours on October 3rd, 2019 and will be reflected in EOD files of October 3rd, 2019.
 - a. The tear up of positions was executed at the Daily Settlement Price of the respective contracts of castor seed as on 30th September 2019.
 - b. The compensation and penalty shall be computed on Daily Settlement Price of respective Castor Seed contracts as on 30th September 2019.
 - c. The compensation @12% plus Penalty at the rate of 5% shall be levied on defaulting clearing members. The Compensation @12% shall be passed on to the members whose short positions have been allocated for tear up. The amount will be settled through debit/credit in the settlement account on October 3, 2019.

3. The tear up of positions to the extent of 1,38,570 MT including open positions of current defaulting members has been allocated towards the Short position on a pro-rata basis.
 - a. The tear up of positions was completed before start of the Trading Hours on October 3rd, 2019 and will be reflected in EOD files of October 3rd, 2019.
 - b. The tear up of positions was allocated at the Daily Settlement Price of respective contract of castor seed as on 30th September 2019.
 - c. The compensation and penalty shall be computed on Daily Settlement Price of respective Castor Seed contracts as on 30th September 2019.
 - d. The compensation @12% plus Penalty at the rate of 5% shall be levied on respective clearing members. The Compensation @12% shall be passed on to the members whose short positions have been allocated for tear up. The amount will be settled through debit/credit in the settlement account on October 7th, 2019 until when an equivalent amount shall be blocked from the collateral of the Member concerned.

The summary is as under:

Expiry Date	Auction	Voluntary tear up	Partial tear up		
	Successful bids in Auction (MT)	Requests for Voluntary tear up (MT)	Partial tear up completed before EOD October 1 st , 2019 (MT) (As per point no. '1')	Partial tear up completed before start of trading on October 3 rd , 2019 (MT) (As per point no. '2')	Partial tear up completed before start of trading on October 3 rd , 2019 (MT) (As per point no. '3')
18-OCT-2019	-	200	6,780	7,680	19,230
20-NOV-2019	370	710	5,575	1,605	112,145
20-DEC-2019	-	-	720	-	290
Total	370	910	13,075	9,285	131,665

Additionally 6,905 MT (Oct expiry – 4,300 MT, Nov expiry – 2,600 MT and Jan expiry - 5 MT) has been allocated for tear up between the long and short positions of defaulting clearing member. Further, 25 MT Short position in January 2019 expiry contract of defaulting clearing member has been allocated for tear up against non-defaulting Long position holders.

Members are hereby requested to check their open positions after tear up using NCFE.

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 or any other person) in respect of any damages, losses, costs or expenses 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 up.

For and on behalf of
National Commodity Clearing Limited

Ruchit Chaturvedi
 Head - Risk Management

For further information / clarifications, please contact

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