



CIL SECURITIES LIMITED

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Levy of Interest on Derivative Positions

In the Equity Derivative Segment; Currency Derivative Segment and Commodity Segment, we accept approved securities after VAR from clients for margin purpose. Exchanges stipulate that for Derivative Positions, 50% of the margin needs to compulsorily come in cash and the remaining 50% can be in terms of collateral margin. If you don't have the desired cash margin, there will be an interest charge of 0.0328% per day. Assume you take positions that require a margin of Rs.1 lakh, you will need at least Rs.50,000 in cash irrespective of how much collateral margin you have. Assuming you don't have this Rs.50,000, whatever your short will be the debit balance for the day, and interest will be applicable for the shortfall amount.

Liquid bees are considered as cash equivalents by the exchange and will be valued at 90%. So margin received from pledging liquid bees will be as good as having cash in your trading account.

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