

Levy of Interest on F&O Positions

In the Equity Derivative Segment and Currency Derivative Segment, we accept approved securities from clients for margin purpose. Exchanges stipulate that for F&O 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 enough in cash, your account will be in debit balance and there will be an interest charge also called delayed payment charges of 0.05% per day applicable on the debit amount. So 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 you are short by will be the debit balance for the day, and interest will be applicable for that amount.

Liquid bees are considered as cash equivalents by the exchange, so the above 50% rule wouldn't apply. So margin received from pledging liquid bees will be as good as having cash in your trading account.

At CIL Securities we are adopting the above for implementation from 1st December, 2021 onwards.

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