

# Margin Call



All figures are in INR

Date	LTP	Change from Prev	MTM	Account Balance	Margin Call	Top Up Value
30-06-2025	3,460			66,351		
01-07-2025	3,430	(30)	(5,250)	61,101	No	
02-07-2025	3,424	(7)	(1,138)	59,964	No	
03-07-2025	3,400	(24)	(4,113)	55,851	No	
04-07-2025	3,420	20	3,500	59,351	No	
07-07-2025	3,411	(9)	(1,645)	57,706	No	
08-07-2025	3,406	(5)	(805)	56,901	No	
09-07-2025	3,386	(20)	(3,500)	53,401	No	
10-07-2025	3,395	9	1,575	54,976	No	
<b>11-07-2025</b>	<b>3,265</b>	<b>(131)</b>	<b>(22,838)</b>	<b>32,139</b>	<b>Yes</b>	<b>34212.5</b>
14-07-2025	3,228	(37)	(6,475)	66,351	No	
15-07-2025	3,252	25	4,288	70,639	No	
16-07-2025	3,231	(21)	(3,692)	66,946	No	
17-07-2025	3,208	(23)	(4,060)	62,886	No	
18-07-2025	3,190	(18)	(3,167)	59,719	No	
21-07-2025	3,159	(31)	(5,372)	54,346	No	
22-07-2025	3,165	6	1,015	55,361	No	
23-07-2025	3,175	10	1,803	57,164	No	
24-07-2025	3,145	(30)	(5,267)	51,896	No	
25-07-2025	3,140	(5)	(858)	51,039	No	
<b>28-07-2025</b>	<b>3,086</b>	<b>(54)</b>	<b>(9,485)</b>	<b>41,554</b>	<b>Yes</b>	<b>24797.5</b>
29-07-2025	3,057	(29)	(5,040)	66,351	No	
30-07-2025	3,052	(5)	(858)	65,494	No	
31-07-2025	3,033	(19)	(3,308)	62,186	No	

Lot Size	175
Expiry Date	31-07-2025
Underlying Value	3033.2
Margin Rate	12.50%
Contract Value	530810
Initial Margin	66351.25
Maintenance Margin	49763.4375

TCS's recent share price decline is closely tied to a combination of **weak global IT demand** and **strategic workforce changes**, which directly contributed to triggering **margin calls** for leveraged positions. The broader IT sector has been under pressure in 2025 due to slower client spending in the US and Europe, high interest rates, and a muted deal pipeline. For TCS specifically, the market interpreted recent actions not just as cost-control measures but as signals that business momentum may be weaker than anticipated. This sustained price erosion meant that traders holding TCS futures or leveraged positions saw their account equity erode rapidly, setting the stage for margin calls.

The most visible catalyst has been the announcement of **12,000 job cuts**—TCS's largest layoff ever—affecting primarily middle and senior management. The company cited a **skills mismatch** rather than AI automation as the primary reason, alongside a new policy giving employees only 35 days on the bench to find a project. Coupled with a **salary hike freeze** and paused senior hiring, these measures aim to align costs with current business realities. However, for the market, these announcements confirmed that the demand environment remains weak. The resulting steep price drops—especially sharp falls on **11 July** and **28 July**—pushed leveraged traders' account balances below the **maintenance margin requirement**, leading to mandatory top-ups to restore the initial margin level.

Investors and traders alike see these layoffs as a **warning sign** that the demand environment remains challenging, and that TCS is restructuring to stay competitive in an industry shifting toward automation, cloud, and AI-enabled services. While management has stressed that AI is not the immediate cause, the perception is that TCS is preparing for a future with leaner staffing and higher productivity per employee. Combined with the macroeconomic headwinds, this perception has driven sustained selling. For traders, this combination of **industry sentiment, price decline, and leverage** created a perfect storm where falling prices repeatedly breached margin thresholds, forcing top-ups and causing the recorded margin calls.