NATIONAL SECURITIES CLEARING CORPORATION LIMITED

SEGMENT : CURRENCY DERIVATIVES	
Download Ref No : NSE/CD/19141	Date : October 14, 2011
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All NSE Members

Sub: Consolidated Circular - CDS

In pursuance of Regulations of the Currency Derivatives Segment of NSCCL and in replacement of all earlier circulars issued, Clearing Members of the Currency Derivatives Segment are hereby notified the following:

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For any further clarifications members may contact the Clearing Corporation:

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For National Securities Clearing Corporation Limited

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Asst Vice President

Item 1

DEALS

In pursuance of Byelaw 2, 3 and 4 of Part A of Chapter VI of the Byelaws and Chapter 3 of the Regulations, the following deals are eligible to be admitted on the Currency Derivatives Segment:

1.1 Admission and Exclusion of Deals

Deals executed on the Currency Derivatives Segment of National Stock Exchange are eligible to be cleared and settled through Clearing Corporation in the Currency Derivatives Segment unless specifically deferred or not allowed to, or rejected from admission by the relevant authority, and shall be called ‘Admitted Deals’.

Item 2

SETTLEMENT OBLIGATIONS

In pursuance of Byelaw 9 of Part B of Chapter VI of the Byelaws and Regulation 3.3 of the Regulations, the procedure for clearing and settlement of deals and determination of Settlement Obligations are specified as under:

2.1 Settlement of Admitted Deals

Admitted deals executed on a trading day, shall be cleared on a netted basis, by the Clearing Corporation as prescribed under the relevant Regulation. Subject to the above, settlement obligations for all clearing members shall arise.

The clearing members shall be responsible for all obligations arising out of such trades including the payment of margins, penalties, any other levies and settlement of obligations of the trades entered by them as trading members and also of those trading members and custodial participants, if any, for whom they have undertaken to settle as a clearing member.

Where the clearing member is not a trading member of the Exchange then the trades of those trading members and custodial participants of the Exchange for whom the clearing member has undertaken to settle shall be considered for determining the obligations as a clearing member.

2.2 Custodial Participant

Custodial participants are those constituents who are eligible for trading through trading members and who clear and settle deals through clearing members. Such custodial participants shall register themselves with the Clearing Corporation through their clearing members. The format of agreement to be executed between the clearing members and custodial participants is enclosed as **ANNEXURE 1.**

2.3 Confirmation of trades entered by custodial participants

Clearing members of the custodial participants shall confirm trades entered into on behalf of the custodial participants. Such trades shall be confirmed by the clearing members in such manner, within such time and through such facility as may be provided to clearing members from time to time. Such confirmation shall be carried out within such time as may be specified by the Exchange from time to time where such trades have been entered. All such trades which have been confirmed by clearing members shall form part of the obligations of clearing members concerned and such clearing members shall be responsible for all obligations arising out of such trades including the payment of margins, penalties, any other levies and settlement of obligations. Trades which have not been confirmed by clearing members of the custodial participants shall be considered as trades pertaining to the trading members entering such trades and shall form a part of the obligations of clearing members, who clear and settle for such trading members.

Item 3

SETTLEMENT SCHEDULE

In pursuance of Byelaw 13 of Part B of Chapter VI of the Byelaws and Chapter 3 of Regulations, the clearing days and scheduled times for Currency Derivatives Segment are as under:

3.1 Settlement Period

The pay-in and pay-out of daily mark to market settlements, premium settlement, final settlement of futures contracts and final exercise settlements of options contracts shall be effected in accordance with the settlement schedule issued by the Clearing Corporation periodically. The Clearing members are required to have clear balance of funds in their clearing account towards their pay-in obligation by the declared pay-in time on the settlement day. The pay-out of funds shall be credited to the receiving Clearing member's clearing account thereafter.

3.1.1 Daily settlement

The daily mark to market and premium settlement shall be effected on T+1 day basis as per the timelines specified by the Clearing Corporation.

3.1.2 Final settlement in currency futures and options

The final settlement of currency futures and options contracts shall be effected on T+2 day basis as per the timelines specified by the Clearing Corporation. The final settlement date shall be T+2 day from the last trading day of the contract as specified by the Exchange.

3.1.3 Final settlement in futures on 91 Day GOI T-Bills

The final settlement of futures on 91 Day GOI T-bill contracts shall be effected on T+1 day basis as per the timelines specified by the Clearing Corporation. The final settlement date shall be T+1 day from the last trading day of the contract as specified by the Exchange.

3.1.4 Delivery settlement of Interest rate futures contract on 10 year Notional Coupon Bearing GOI Security

The delivery settlement of Interest Rate Futures contracts **on 10 year Notional Coupon Bearing GOI Security** shall be effected on the last business day of the expiry month with delivery of the deliverable grade securities of expiring contract as specified by the Clearing Corporation from time to time. Detailed procedure for the same is provided in Item 6.

3.1.5 Intent to deliver

The owner of a short position in an expiring Interest Rate Futures contract **on 10 year Notional Coupon Bearing GOI Security** shall provide the intimation to the Clearing Corporation of his intention to deliver on the last trading day of the expiring contract within the timelines stipulated by the Clearing Corporation.

Item 4

SETTLEMENT PRICE

In pursuance of Bye-law 12 of Part B of Chapter VI of the Bye-laws and the Regulations 5.2, 5.5 and Chapter 5A of the Regulations, Settlement price for settlement of contracts in the Currency Derivatives segment is specified as under:

4.1 Daily Settlement Price for mark to market settlement of currency futures contracts

Daily settlement price for futures contracts shall be the closing price of such contracts on the trading day. The closing price for a futures contract shall be calculated on the basis of the last half an hour weighted average price of such contract or such other price as may be decided by the relevant authority from time to time. Theoretical daily settlement price for unexpired futures contracts, which are not traded during the last half an hour on a day, shall be the price computed as per the formula detailed in **ANNEXURE 2.**

4.2 Daily Settlement Price for mark to market settlement and Final Settlement Price of Interest rate futures contracts on 10 year Notional Coupon Bearing GOI Security

The daily settlement price and Final Settlement price of Interest rate futures contract **on 10 year Notional Coupon Bearing GOI Security** shall be as per the detailed methodology of computation specified in **ANNEXURE 3**

4.3 Daily Settlement Price for mark to market settlement of futures contracts on 91 Day GOI T-bills

The daily settlement price of futures contracts on 91 Day GOI T-Bills shall be as per the detailed methodology of computation specified in **ANNEXURE 4**

4.4 Final Settlement Price of Currency futures contracts and Final Exercise Settlement Price of Currency Options contracts

In case of USD-INR and EUR-INR, final settlement price for a futures contract and final exercise settlement price for option contracts shall be the Reserve Bank Reference Rate on the last trading day of such contract and in case of GBP-INR and JPY-INR, final settlement price for a futures contract shall be Exchange rate published by the Reserve Bank in its Press Release captioned RBI Reference Rate for US$ and EURO or as may be specified by the relevant authority from time to time.

4.5 Invoice price of Interest Rate Futures Contracts on 10 Year Notional

Coupon bearing GOI Security

Invoice price of the respective deliverable grade security shall be the final settlement price on the last trading day times the conversion factor plus accrued interest or such other price as may be decided by the relevant authority from time to time. The day count convention for interest payments would be on the basis of a 360-day year, consisting of 12 months of 30 days each and half yearly coupon payment.

4.6 Conversion factor

The conversion factor for deliverable grade security shall be equal to the price of the deliverable security (per rupee of the principal), on the first day (calendar day) of the delivery month, to yield 7% with semiannual compounding. The conversion factor for each deliverable grade security shall be informed by the Clearing Corporation from time to time.

4.7 Final settlement price of futures contracts on 91 Day GOI T-bills

The final settlement price would be determined in the following manner:

Rs 100 – 0.25 * Yf

Where Yf is weighted average discount yield obtained from RBI's weekly auction of 91-day GOI T-Bill on the day of expiry.

The weighted average price obtained from the weekly auction of 91day GOI Treasury Bills on the day of expiry of the contract (notified by the RBI in its press release announcing the auction results of the day) shall be used for arriving at the weighted average discount yield as per the below formula specified in the RBI press release 2010-2011/ 1334 dated March 17, 2011.

$$Yf = \frac{(100 - weighted\ average\ price)}{100} \times \frac{360}{90}$$

4.8 Contract Value for futures on 91 Day GOI T-bills

The contract value would be determined in the following manner

Rs 2000 * (100 – 0.25 * y)

Where y is the futures discount yield. For example, for a futures discount yield of 5%, the contract value would be 2000 * (100 – 0.25 * 5) = Rs 197,500

4.9 Daily Contract Settlement Value for futures on 91 Day GOI T-bills

The daily contract settlement value would be determined in the following manner:

Rs 2000 * daily settlement price

4.10 Final Contract Settlement Value for futures on 91 Day GOI T-bills

All open positions of clearing members in expiring month futures contract shall be settled in cash and final settlement shall be conducted on expiry plus one working day. The final contract settlement value would be determined in the following manner:

Rs 2000 * final settlement price

Item 5

SETTLEMENT PROCEDURE

In pursuance of Chapter VI of the Bye-laws and Chapter 3, 5, 5A of the Regulations, the settlement procedure for deals in Currency Derivatives segment shall be as under:

5.1 Daily mark to market settlement of futures contract

Daily mark to market settlement in respect of admitted deals in Currency futures, Interest Rate Futures **on 10 year Notional Coupon Bearing GOI Security** and futures on 91 Day GOI T-bill contracts shall be cash settled by debit/ credit of the clearing accounts of clearing members with the respective clearing bank.

All positions (brought forward, created during the day, closed out during the day) of a clearing member in futures contracts, at the close of trading hours on a day, shall be marked to market at the daily settlement price (for daily mark to market settlement) and settled.

5.2 Daily premium settlement of currency options contracts

The daily premium settlement in respect of admitted deals in currency options contracts shall be effected on T+1 day basis as per the timelines specified by the Clearing Corporation. Premium settlement shall be netted with daily mark to mark settlement of currency futures, interest rate futures contracts **on 10 year Notional Coupon Bearing GOI Security and futures contracts of 91 Day GOI T-bills**.

5.3 Final settlement of currency futures contract

All positions (brought forward, created during the day, closed out during the day) of a clearing member in currency futures contracts, at the close of trading hours on the last trading day, shall be marked to market at final settlement price (for final settlement) and settled in cash on T+2 day by debit/ credit of the clearing accounts of clearing members with the respective clearing bank..

5.4 Final Exercised settlement of currency options contract

On Expiry date, all open long in-the-money contracts shall be automatically exercised at the final settlement price and assigned on random basis to the open short position of the same strike and series. Exercise settlement shall be effected on last working day (excluding Saturdays) of the contract month. The last working day shall be taken to be the same as that for Interbank Settlements in Mumbai.

Exercise settlement in respect of admitted deals in option contracts shall be cash settled by debit/ credit of the clearing accounts of the relevant clearing members with the respective clearing bank on T+2 day basis. Option contracts, which have been exercised, shall be assigned and allocated to clearing members at the client level.

Open positions in an option contracts shall cease to exist after its expiration day.

5.5 Final Delivery settlement of interest rate futures contract on 10 year Notional Coupon Bearing GOI Security

The Interest Rate Futures contract **on 10 year Notional Coupon Bearing GOI Security** shall be physically settled by delivery of deliverable grade securities. The detailed procedure is given in Item 6

Reports shall be provided with respect to delivery settlement of Interest Rate Futures contracts **on 10 year Notional Coupon Bearing GOI Security** which shall include client level information on intention and allocation, delivery margins, member level delivery statement, shortage reports etc. The file structures of these reports are provided in Item 15

5.6 Final settlement of futures contracts on 91 Day GOI T-Bills

All positions (brought forward, created during the day, closed out during the day) of a clearing member in futures contracts on 91 Day GOI T-Bills, at the close of trading hours on the last trading day, shall be marked to market at final settlement price (for final settlement) and settled in cash on T+1 day by debit/ credit of the clearing accounts of clearing members with the respective clearing bank.

Item 6

DELIVERY SETTLEMENT PROCEDURE OF INTEREST RATE FUTURES ON 10 YEAR NOTIONAL COUPON BEARING GOI SECURITY

The Interest Rate Futures contracts **on 10 year Notional Coupon Bearing GOI Security** shall be physically settled by delivery of deliverable grade securities.

6.1 Deliverable Grade Securities

The deliverable grade of securities shall be the list of securities as specified by the Clearing Corporation from time to time.

NSE has constituted a group of market participants to advise the Exchange/Clearing Corporation on the securities which may be included in the deliverable basket. Based on the recommendations of this group, it has been decided that the securities which fulfil below mentioned criteria shall be eligible deliverable grade securities

- GoI securities maturing at least 8 years but not more than 10.5 years from the first day of the contract expiration month with
- Minimum total outstanding stock of Rs 10,000 crore.

Further any new security which meets the eligibility criteria as mentioned above shall be added to the list of deliverable grade securities. However, additions, if any, shall be made not later than 10 business days before the first business day of the contract expiration month.

6.2 Intent to deliver

The owner of a short position shall inform his intention to deliver to the Clearing Corporation through NCMS application in connect2nse or such other facility as may be provided to the clearing members from time to time. The intention day shall be last trading day of the contract; i.e. two working days prior to the delivery day. The detailed procedure for providing intention for delivery is provided in circular download reference no NSE/CD/13453 dated November 12, 2009. The clearing member shall be required to specify the details of the clients with short positions for which intention is provided along with deliverable grade security which shall be delivered against the futures contract positions and other details as specified by the Clearing Corporation. The clearing member shall be able to provide intent to deliver on last trading day of the expiring contract, till the cut-off time of 6 p.m. or such other time as may be specified by the Clearing Corporation.

The Clearing Member shall not be permitted to fulfil an individual futures contract by delivering a mixed portfolio of deliverable security (for example, Rs.1,20,000 face value of one issue and Rs. 80,000 face value of another issue is not permissible). However, a Clearing Member making intent to deliver for more than one futures contract, say two contracts, may deliver two deliverable securities for two different futures contracts (Rs. 2,00,000 face value of one issue for one contract and Rs.2,00,000 face value of another issue for the other contract). The file structure of this additional report is provided in Item 15

6.3. Allocation to long positions

The Clearing Corporation shall identify the eligible long positions for allocation and assign the deliveries to long position holders at client level starting with the highest vintage till the allocation is over. For a given vintage, if the total contracts to be allocated are less than the total long positions, the allocation to such long position holders shall be done on a 'random' basis.

6.4 Obligation for delivery settlement

The positions intended and allocated (at client level) for delivery shall be netted at the clearing member level and valued at the invoice price. The clearing members shall be informed of the settlement obligation by the Clearing Corporation by 8:00 p.m on the day of intent.

6.5 Maintenance of Depository Account by Members

The members shall operate a settlement pool account with a Depository Participant of both the depositories National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL) for the purpose of delivery settlement. Clearing members who are also members in Capital Market segment can use the existing settlement pool account with the depositories for Capital Market for delivery settlement of Interest Rate Futures contract **on 10 year Notional Coupon Bearing GOI Security**. Clearing members who are not member in Capital Market Segment shall be required to open settlement pool account with a Depository Participant of both the depositories National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL)

6.6 Delivery Settlement in Depository Clearing System

6.6.1 Pay-in of funds

Funds pay-in for delivery settlement shall be through the settlement account of the clearing members in the Currency Derivatives segment with clearing banks. The timing for pay-in shall be as currently applicable for Normal Market Settlement in Capital Market Segment

6.6.2 Pay-in of securities

Pay-in of securities shall be conducted on the scheduled pay-in day, in accordance with the settlement calendar periodically issued by the Clearing Corporation in this regard. The timing for pay-in shall be as currently applicable for Normal Market Settlement in Capital Market Segment. The pay-in of securities shall be accepted for a full face value of Rs.200000 and multiples thereof. Pay-in to the extent not in multiples of Rs.200000 face value shall not be accepted and treated as shortage.

6.6.2.1 Auto Delivery Out

A facility has been provided to members wherein they would not be required to execute Delivery-out (DO) instructions at NSDL for providing securities towards pay-in in for a specific settlement type and number. In respect of members who have opted for this facility the instruction would be provided automatically by the Clearing Corporation based on the net delivery obligations of its Clearing Members.

Clearing members who have already opted for this facility in the Capital Market segment shall be automatically enabled for Auto DO facility for delivery settlement for Interest Rate Futures **on 10 year Notional Coupon Bearing GOI Security** also. Clearing members who have not opted for the facility may request for the same in format specified in **ANNEXURE 5**.

6.6.2.2 Early Pay-in of Securities

Clearing members shall be provided the facility to provide early pay-in of securities (EPI) through either of the depositories NSDL or CDSL on the same lines as being done in the Capital Market segment. Positions for which EPI of securities is made shall be exempt from Delivery margins.

6.6.3 Pay-out of funds

Funds pay-out for delivery settlement shall be through the settlement account of the clearing members in the Currency Derivatives segment with clearing banks. The timing for pay-out shall be as currently applicable for Normal Market Settlement in Capital Market Segment

6.6.4 Pay-out of Securities

Pay-out shall be conducted on the scheduled payout day, in accordance with the settlement calendar issued periodically by the Clearing Corporation in this regard. Pay-out shall be effected by 1:30 p.m. to the members settlement pool account with depositories.

6.7 Delivery Settlement in SGL/CSGL System

Clearing members holding Government Securities in SGL/CSGL account may settle IRF contracts through their SGL/CSGL account.

6.7.1 Pay-in of securities

Clearing members who desire to settle IRF contracts through SGL/CSGL account shall intimate the details of their SGL/CSGL account to NSCCL as per format specified in **ANNEXURE 6**. The delivering clearing member shall initiate the transfer of Government Securities due for delivery on the settlement day in the settlement SGL account of NSCCL through the facility provided by NDS-PDO. Clearing members shall enter the transaction through its custodian/bank on NDS under the menu "Settlement" head "IRF Settlement" and sub-head "IRF Settlement Entry". On selection of "IRF Settlement Entry" the counter party shall be selected as National Securities Clearing Corporation Limited with Member ID as BYA00168. NSCCL shall confirm each such transfer after which the government securities shall move into NSCCL settlement SGL account and shall be considered as received towards pay-in. Clearing members shall ensure that the transfer of government securities to NSCCL settlement SGL account is completed by the pay-in time specified by NSCCL from time to time. The pay-in cut off time for delivery settlement of IRF contracts shall be 11:00 am.

6.7.2 Pay-out of securities

In respect of pay-out, NSCCL shall transfer the government securities to SGL/CSGL account of the receiving clearing members if such clearing member has opted for settlement through SGL/CSGL account. The transfer for pay-out shall be initiated by NSCCL on NDS under the menu "Settlement" head "IRF Settlement" and sub-head "IRF Settlement Entry". The Clearing members shall ensure that such transactions are accepted by their custodian/Banks for receipt of government securities in their accounts.

The detailed Procedure for delivery settlement of Interest Rate Futures contracts **on 10 year Notional Coupon Bearing GOI Security** through the SGL/CSGL account is mentioned in circular no 124 (Download Ref. No: NSE/CD/13532) dated November 24, 2009.

6.8 Failure to provide funds

Non-fulfilment of delivery settlement by the scheduled date and time shall be treated as a violation.

In case of a settlement shortage of Rs. 5 lakhs or more the Clearing Corporation may advise the Exchange to withdraw any or all of the membership rights of the clearing member including the withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing through such clearing members and withhold the pay-out due to the clearing member.

In case of settlement shortage of less than Rs.5 lakhs the amount of shortage shall be blocked from the effective deposits of the clearing member to the extent of funds shortage. This may lead to the withdrawal of the trading facility of the clearing member and the associated trading member.

Further, if the clearing member is short for an amount of Rs 2 lakhs or more in six or more occasions in the preceding three months, the Clearing Corporation may advise the Exchange to withdraw any or all of the membership rights of the clearing member including the withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing through such clearing members and withhold the pay-out due to the clearing member.

In case of any over-night settlement shortages penal charges of 0.07% per day of shortage shall be levied.

6.9 Failure to deliver

Failure to deliver securities shall result in the following action:

- For security short delivered, the Clearing Corporation shall conduct a buy-in auction on T+2 day and the settlement of the auction shall be on T+3 day (where T is the intention day).
- The defaulting clearing member shall be debited the invoice price of the security as valuation debit
- In respect of successful auction, the defaulting clearing member shall be debited with the following.
    - The actual auction price (plus accrued interest till auction settlement date)
    - Difference in invoice price and auction price if the auction price is less than the invoice price
    - A penalty of 2% of the face value of security short delivered which shall be passed on to the buying clearing member who shall pass it on to the buying client.
- Failure to procure shares in auction shall be financially closed out as mentioned in point 6.10.
- In case the clearing member fails to deliver securities on five (5) occasions in past six (6) months then the Clearing Corporation may advise the Exchange to withdraw any or all of the membership rights of the clearing member including the withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing through such clearing members for a period of seven (7) days.

6.9.1 Auction Market

Auction Market deals shall be settled on a trade for trade basis. Trading and settlement schedule for the auction market shall be specified by the Clearing Corporation from time to time.

6.9.2 Failure to provide intent to deliver

In case no intent is provided by the clearing member on the intention day within the time specified by clearing corporation, it shall be presumed that clearing member has failed to deliver the security and the auction mechanism, shall be activated. The non intent auction shall be conducted on next business day for the costliest to deliver security from the deliverable basket for the respective futures contract.

6.10 Close out

Financial close-out shall be effected in the following cases and in the manner detailed hereunder:

- In case of unsuccessful auction, transaction shall be closed out wherein the defaulting clearing member shall be debited by:
  - invoice price, and
  - a penalty of 5% of the face value of security short delivered which shall be passed on to the buying clearing member who shall pass it on to the buying client.

- In case of seller in an auction failing to honour the auction obligations, the clearing member shall be debited by:
  - invoice price, and
  - a penalty of 3% of the face value of security short delivered which shall be passed on to passed on to the buying clearing member who shall pass it on to the buying client.

Item 7

CLEARING BANK

In pursuance of Byelaw 11 of Part B of Chapter VI of Byelaws and Chapter 7 of the Regulations, the provisions relating to clearing bank appointed by Clearing Corporation, are specified as under:

7.1 Designated Clearing Bank(s)

Funds to be paid and/ or to be received shall be settled through such branches of banks which are designated as clearing banks by the relevant authority from time to time. The designated clearing banks and their designated branches are given in **ANNEXURE 7**.

7.2 Maintenance and operation of clearing account

Primary Clearing Account

- Every clearing member shall maintain and operate a separate and distinct primary clearing account for the currency derivatives segment with any one of the designated clearing banks as mentioned above. The primary clearing account shall be used exclusively for clearing operations i.e., for settling funds obligation, payment of margins, penal charges, etc as may be specified by the Clearing Corporation from time to time.

- All the credits and debits other than collateral enhancement specified by the member shall be routed through the primary clearing account.

Additional Clearing Account

- Further, every clearing member shall be able to maintain and operate additional clearing accounts with the designated clearing banks exclusively for the purpose of enhancement of collaterals in the form of cash.

Operation of Clearing Account

- Clearing members shall irrevocably authorize the clearing banks to access their clearing accounts for debiting and crediting their clearing accounts as per the instructions of the Clearing Corporation, reporting of balances and other information as may be required by the Clearing Corporation from time to time as per the format given in **ANNEXURE 8** and furnish to the

Clearing Corporation an acknowledged copy of the same along with the account particulars issued by the clearing banks.

- Clearing members can deposit funds into these accounts in any form and can withdraw funds from these accounts only in self-name.

- Clearing members having funds obligation to pay shall have clear balance of requisite funds in the clearing accounts on or before the stipulated funds pay-in day and the stipulated time.

- Clearing members shall not seek to close or de-activate the clearing accounts without the prior written consent of the Clearing Corporation

- The clearing banks shall debit/credit the clearing accounts of clearing members as per instructions received from the Clearing Corporation from time to time. Any request from the clearing members for revoking the authorization furnished by them shall not be considered by the clearing banks. The clearing banks shall not close the clearing accounts or permit deactivation of the same without the prior written consent of the Clearing Corporation.

- All bank confirmations received from clearing banks on behalf of the members towards margins, funds pay-in, etc. shall be given effect only after receiving a written/electronic confirmation from their respective clearing banks.

7.3 Procedure for change in clearing banks

In case a clearing member wishes to shift the clearing account from one designated clearing bank to another, the following procedure shall be followed:

- The clearing member shall request the clearing bank in writing for issuing a No Objection Certificate (NOC) for shifting of the clearing account.

- The clearing member shall request the Clearing Corporation in writing seeking its permission for shifting of the clearing account and enclose the

NOC received from the existing clearing bank in this regard or where the NOC is not received, furnish an acknowledged copy of the NOC request along with a declaration to the effect that no response has been received from the existing clearing bank in respect of the NOC request even after a minimum waiting period of a fortnight.

- On opening the clearing account with the other designated clearing bank, the clearing member shall submit to the Clearing Corporation the documents relating to the new clearing account issued by the clearing banks as mentioned in 7.2 above.

- The Clearing Corporation shall thereon communicate the date from which the new primary clearing account shall be operational. The clearing members are required to intimate the Clearing Corporation whether they wish to continue the existing primary clearing account as one of the additional clearing accounts or discontinue the existing primary clearing account after the change in primary clearing bank. In the event of the clearing members wishing to discontinue the existing primary clearing account, the Clearing Corporation shall communicate the date after which the existing primary clearing account may be closed by the clearing member.

- In the event of the clearing members wishing to continue the existing primary clearing account as one of the additional clearing account, the clearing member shall be required to provide the letter from clearing bank confirming continuance of account as additional clearing account along with the letter in the format as mentioned in **ANNEXURE 8** for such additional clearing account.

Item 8
LIQUID ASSETS

A member may deposit liquid assets in the form of cash, bank guarantees, fixed deposit receipts, approved securities and any other form of collateral as may be prescribed by the Clearing Corporation from time to time

These liquid assets are segregated as cash component and non-cash component. Cash component shall mean cash, bank guarantees, fixed deposit receipts, units of money market mutual fund and Gilt funds and any other form of collateral as may be prescribed by the Clearing Corporation from time to time. Non-cash component shall mean all other forms of collateral deposits like deposit of approved list of demat securities and units of the other mutual funds and any other form of collateral as may be prescribed by the Clearing Corporation from time to time.

The liquid assets comprise of the cash component and the non cash component wherein the cash component shall be at least 50% of liquid assets. This implies that non cash component in excess of the total cash component would not be regarded as part of liquid assets.

8.1 Liquid Networth

In pursuance of Rule 2.3 of Chapter IV of the Rules of the Clearing Corporation, details of security deposit to be maintained as Liquid Networth are specified as under:

Liquid Networth shall be computed as liquid assets less initial margin and extreme loss margin payable at any point in time.

The clearing member shall meet with the liquid networth requirements prescribed by the Clearing Corporation at all points of time.

8.1.1 Minimum liquid networth requirement for clearing members

Every clearing member of the Clearing Corporation is required to maintain a minimum liquid networth of Rs.50 lakhs with the Clearing Corporation in the following manner:

(a) Rs.25 lakhs in the form of cash, and

(b) Rs.25 lakhs in any one or combination of the following forms:

i. Cash
ii. Fixed Deposit Receipts (FDRs) issued by approved banks as given in **ANNEXURE 9** and deposited with approved Custodians or with Clearing Corporation. (Formats of letters to be submitted are prescribed in **ANNEXURE 10, 11, 12 &13).**

iii. Bank Guarantee in favour of National Securities Clearing Corporation Ltd. from approved banks as per the format specified. The list of approved banks for issuance of bank guarantees are provided in **ANNEXURE 14** and the bank guarantee format is given in **ANNEXURE 15**.
iv. Equity shares of approved companies and units of mutual funds in demat form deposited with approved Custodians. Format of Deeds of pledge is prescribed in **ANNEXURE 16&17.**
v. Government of India Securities/T-Bills as per procedure specified in **Annexure 31**

8.1.2 Non-fulfilment of Deposit Requirements

Any failure on the part of a clearing member to meet with the deposit requirements as given in 8.1.1 and 8.1.2 at any point of time, will be treated as a violation of the Rules, Bye-Laws and Regulations of the Clearing Corporation and Clearing Corporation may, within such time as it may deem fit, advise the Exchange to withdraw any or all of the membership rights of such clearing member including withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing and settling through such clearing members, without any notice.

In addition, the outstanding positions of such clearing member and/ or trading members and/ or constituents, clearing and settling through such clearing member, may be closed out forthwith or any time thereafter by the Exchange, at the discretion of the Clearing Corporation, to the extent possible, by placing at the Exchange, counter orders in respect of the outstanding position of such clearing member without any notice to the clearing member and/ or trading members and/ or constituents, and such action shall be final and binding on the clearing member and/ or trading members and/ or constituents. Clearing Corporation may also initiate such other risk containment measures as it deems fit with respect to the open positions of the clearing member and/ or trading members and / or constituents.

Clearing Corporation may, in addition to the foregoing provisions, take additional measures like, imposing penalties, collecting appropriate deposits, invoking bank guarantees/ fixed deposit receipts, realising money by disposing off the securities and exercising such other risk containment measures as it deems fit and may further take such disciplinary action as it may deem fit and appropriate in this regard.

8.2 Margin Deposits by the clearing member

In pursuance of Byelaw 2 of Chapter VIII of the Byelaws and Chapter 4 of Regulations, the following requirements are prescribed in respect of margin deposits to be provided by clearing members:

Clearing members who wish to provide any deposits at any point of time, over and above their minimum liquid networth requirement and deposit requirement as given in 8.1.1 and 8.1.2 above towards margins and/ or other obligations, may do so in any one or combination of the following forms:

a. Cash
b. Fixed Deposit Receipts (FDRs) issued by approved banks as given in **ANNEXURE 9** and deposited with approved custodians or with the Clearing Corporation. Formats of letters to be submitted are prescribed in **ANNEXURE 18, 19 ,20 & 21**
c. Bank Guarantee in favour of National Securities Clearing Corporation Ltd. from approved banks as provided in **ANNEXURE 14**. The bank guarantee format is given in **ANNEXURE 15**
d. Equity shares of approved companies and units of mutual funds in demat form deposited with approved custodians. Formats of Deed of pledge are prescribed in **ANNEXURE 22 & 23**
e. Government of India Securities/T-Bills as per procedure specified in **Annexure 31**
f. Foreign Sovereign Securities

8.3 Guidelines for Submission of Deposits

8.3.1 Cash

Clearing members may submit deposit in the form of cash by making the required amount available in their respective clearing bank account, sending an authorization to the Clearing Corporation for debiting the said amount from their clearing account.

A web based facility called Collateral Interface for Members (CIM) is provided in this regard which enables the members to log in through the internet. Members are able to log in through specific user-ids and passwords into CIM. To obtain a Login User ID, members are required to send their request to the Clearing Corporation in the format provided in **ANNEXURE 24**.

The benefit of such cash deposit requests shall be subject to confirmation by the respective banks to the Clearing Corporation. A member who has authorised the Clearing Corporation to debit his clearing account as above shall ensure due performance of the commitment. Non-fulfilment of such obligation will be treated as a violation and/ or non-performance of obligations and shall attract consequences, penalty and/ or penal charges as applicable to violations.

8.3.2 Fixed Deposit Receipt

Clearing members may furnish deposits in the form of FDR as mentioned above, subject to inter-alia, the compliance of the following:

1. The FDR should be issued either in favour of: "NSCCL A/c CLEARING MEMBER NAME" or "Custodian Name” (as the case may be) - A/c CLEARING MEMBER NAME" and should be deposited with the Clearing Corporation or approved custodian.

2. Clearing members are required to issue a letter to the approved custodian/ Clearing Corporation agreeing that the approved custodian/ Clearing Corporation has an irrevocable authority to encash the FDR and to withdraw the FDR amount (including accrued interest) at any time, even prior to maturity of FDR without notice to the clearing members, for adjustment of the Clearing Corporation dues. The formats of the letter are given in **ANNEXURE 10, 12, 18 and 20.**

3. Clearing members are required to submit a letter from the bank issuing the FDR to the approved custodian/ Clearing Corporation in the formats given in **ANNEXURE 11, 13, 19 and 21.**

4. The minimum value of FDR that may be accepted shall be Rs.2 lakhs. The FDR should be issued for a minimum period of 3 months in case of margin deposit and for a minimum period of 12 months in case of security deposit.

5. The FDR should be payable at any of the branches situated in cities of: Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, and Hyderabad of the approved banks.

8.3.2.1 Shifting of FDR from Capital Market /F&O segment to Currency Derivatives Segment

Clearing Members, who intend to release the FDR provided as margin deposit in Capital Market/F&O segment and add the same as margin deposit in Currency Derivatives segment, are required to submit a request through CIM.

8.3.2.2 Renewal of fixed deposit receipt

In case of renewal of FDRs, the clearing member shall furnish the renewal letter from the respective bank. The format of the letter to be given by the Bank in case of renewal where there is no change in the FDR no. is given in **ANNEXURE 25.** In case the renewed FDR no. is different from the old FDR no., the format of the letter to be given by the Bank is given in **ANNEXURE 26.**

In case the renewed FDR/ fresh FDR is not submitted and whereby the member does not fulfill the deposit requirements, actions as provided in 8.1.2 above shall be applicable.

8.3.3 Bank Guarantees

The acceptance of the bank guarantees by the Clearing Corporation shall be subject to the bank-wise and member-wise limits as are stipulated from time to time. The

Clearing members may submit bank guarantees per bank to the extent prescribed below:

Net worth (NW) of the banks *	Applicable total limit per clearing member across all segments
Rs. 100 crores <= NW < Rs. 200 crores	Rs. 5 crores
Rs. 200 crores <= NW < Rs. 500 crores	Rs. 10 crores
Rs. 500 crores <= NW < Rs. 1000 crores	Rs. 15 crores
Rs. 1000 crores <= NW < Rs. 2000 crores	Rs. 25 crores
Rs. 2000 crores <= NW < Rs. 3000 crores	Rs. 35 crores
>=3000 crores **	

*In respect of bank guarantees issued by the designated clearing banks, the maximum value of bank guarantees that can be accepted from each of these designated clearing banks shall be set at the next higher slab in which they would have ordinarily been, compared with their net worth.
**Over Rs.3000 crores, for each Rs. 1000 crores of networth, an incremental limit of Rs. 10 crores per clearing member shall be allowed.

Based on the category of the member the above limits shall be subject to a maximum amount as mentioned below:

Category of member	Applicable total limit per clearing member across all segments
Professional Clearing Members / Custodian Clearing Members	Rs. 200 crores
Trading Cum Clearing Members in F&O segment	Rs. 100 crores
Other categories of the members	Rs. 50 crores

Members are advised to check their applicable limit before getting their bank guarantees issued.

Additionally, at the time of deposit of the bank guarantee, the clearing member is required to ensure the following:

1. The bank guarantee is strictly as per the formats prescribed by the Clearing Corporation. The format of bank guarantee is provided in **ANNEXURE 15.**
2. A bank guarantee for security deposit should be issued for a minimum period of 12 months with a specific claim period of at least 3 months. However, where an issuing bank does not provide for a specific claim period beyond the expiry date in the bank guarantee, the clearing members shall submit a bank guarantee for a minimum period of 15 months. The maturity

period of such bank guarantee shall be reduced 3 months, which would be considered as the claim period of the bank guarantee.

3. A bank guarantee for margin deposit should be issued for a minimum period of 3 months. In case the issuing bank does not provide for a specific claim period beyond the expiry date in the bank guarantee, the maturity period of such bank guarantee shall be reduced by 7 days, which would be considered as the claim period of the bank guarantee.
4. While filling the details in a bank guarantee, members shall ensure that:
    a. No relevant portion is left blank
    b. All handwritten corrections and blanks are attested by the bank by affixing the bank seal / stamp duly authorised
    c. All irrelevant portions struck off on the printed format should also be authenticated by the bank by affixing the bank seal / stamp duly authorised.
    d. Each page of the bank guarantee should bear the bank guarantee number, issue date and should be signed by at least two authorised signatories of the bank.
    e. The clearing member should also ensure that the bank guarantee is free from any discrepancy before the same is submitted to Clearing Corporation.

In case the bank guarantee does not strictly conform to the above-mentioned conditions, the same shall not be accepted by the Clearing Corporation and benefit for the same shall be made available only upon the bank guarantee being strictly in conformity with the prescribed requirements.

8.3.3.1 Shifting of the Bank Guarantee from Capital Market /F&O Segment to Currency Derivatives Segment

Clearing Members, who intend to shift Bank Guarantees provided as margin deposit in the Capital Market /F&O segment to Currency Derivatives Segment, are required to submit a letter to Clearing Corporation requesting to shift the Bank Guarantee from the Capital Market /F&O segment to Currency Derivatives Segment. The format of the letter is specified in **ANNEXURE 27.** The member is further required to provide an amendment letter from the respective bank. The format of the amendment letter is specified in **ANNEXURE 28.**

8.3.3.2 Renewal of Bank guarantee

In case of renewal of bank guarantees, the clearing members shall furnish the renewal document strictly in the prescribed format before the date of expiry / maturity date of the bank guarantee. The format is given at **ANNEXURE 29.**

In case the renewed bank guarantees/ fresh bank guarantees are not submitted within the above mentioned periods whereby the member does not fulfill the deposit requirements, action as provided in 8.1.2 above shall be applicable.

8.3.3.3 Reminder letters through extranet

Reminder letters shall be downloaded on a monthly basis through the extranet in respect of the Bank Guarantees and Fixed deposits that are due for renewal in the following month (Path: /CDSFTP/X<MEMBER CODE>/LETTERS/DNLD). Further the file naming convention for the same shall be X_REMINDERS_MEMBER CODE_DDMMYYYY.LIS. This is being provided as an additional facility only and clearing members are advised to submit the renewals of the bank guarantees and fixed deposit receipts within the stipulated period to avoid any action as provided in 8.1.2 above.

8.3.4 Securities

8.3.4.1 Eligible securities

Clearing Members are permitted to deposit shares of approved companies and units of mutual fund as communicated to the clearing members from time to time in electronic form ('demat securities') in the designated depository accounts maintained with the approved custodians (as mentioned in **ANNEXURE 30**) in this regard. These securities shall be pledged in favour of National Securities Clearing Corporation Limited.

The valuation of the securities shall be in accordance with the norms prescribed by the Clearing Corporation from time to time. The value of the securities shall be reduced by such haircut as may be prescribed by the Clearing Corporation from time to time to arrive at the collateral value of the securities. Only the value net of applicable haircuts shall be considered as the value of the securities pledged. Valuation of securities shall be done by the custodians at such periodic intervals as may be specified by the Clearing Corporation from time to time.

To start with securities eligible as approved securities in the F&O segment shall be accepted as approved securities in the Currency Derivatives Segment. The securities shall be valued on a daily basis based on the closing price of the security in the Capital Market segment of the National Stock Exchange of India Ltd. The VaR margin rate applicable for the security in the Capital Market segment shall be applied as haircut on the value of the securities provided by the clearing members to arrive at the net value of the securities.

Clearing Corporation may revise the list of approved securities and, the haircuts from time to time. Clearing Members who have deposited securities which have been discontinued from the list of approved securities, shall be required to take due care to replace such securities.

8.3.4.2 Securities not approved for acceptance

The following securities shall not be accepted as liquid assets:

1. Partly paid securities

2. Securities subject to any lock in period, buy back scheme any charge or lien, encumbrance of any kind, or such other limitations or title is questioned before the court or any regulatory body.

8.3.4.3 Ownership of Securities

The securities that may be deposited, shall be subject to the legal and beneficial ownership of the clearing member/ spouse, any of the partners/ their spouses or any of the directors, in case of individual, partnership or corporate clearing members respectively, as the sole/ first joint holder, provided no depositor of securities should be a minor as on the date of deposit thereof.

In case of reconstitution / restructuring or any change in the partners /directors of the clearing member, as applicable, a Clearing Member shall be required to replace the securities belonging to such outgoing partners /directors immediately. The custodians shall be required to exercise due care for such replacement of securities and reporting thereof to the Clearing Corporation.

8.3.4.4 Opening of accounts:

Clearing members are required to open a separate depository account with the approved Custodians for the purpose of deposit of securities. Clearing members who are interested in availing of this facility may get in touch with the Custodians (list as per **ANNEXURE 30**) to ascertain the modalities with regard to deposit of securities.

8.3.4.5 Marking of pledge

Clearing members may provide demat securities by marking a pledge of the securities in favour of the Clearing Corporation. The clearing member shall be required to submit all such documents as may be required by the Clearing Corporation and the approved custodians from time to time including the Deed of Pledge as per the specified format as mentioned in **ANNEXURE 16, 17, 22 and 23**.

Clearing members shall give the necessary pledge instruction(s) to the Custodian for the securities to be pledged in favour of the Clearing Corporation. Once the securities are accepted and duly pledged by the Custodian, the Custodian shall inform the Clearing Corporation the valuation of the securities after adjusting the relevant hair cut percentages. On the basis of the Custodian's advice, benefit towards security pledged shall be provided to the member.

8.4 Government of India Securities as Collaterals

Securities in form of Central Government of India Securities (G-Sec) and Treasury bills (T-bills) shall be accepted as approved collaterals from the list of eligible securities as specified by NSCCL from time to time. The procedure for submitting G-Sec/T-Bills as collateral shall be as per **ANNEXURE 31**.

An additional facility is provided in the Collateral Interface for Member (CIM) to enable members to put a request for addition and release of Government Securities (GSEC)/Treasury Bills (T-Bills) as collaterals. Members shall be required to put an addition/release request in CIM and specify the required details.

Members who are also banks may note that G-Sec/T-Bills provided as collaterals should not be reckoned for SLR purpose of the banks and not be used for trading.

8.5 Foreign Sovereign Securities

Currently, in equity derivatives segment Foreign Institutional Investors (FIIs) can provide margins in the form of cash or foreign sovereign securities rated AAA. As per the SEBI circular no SEBI/DNPD/Cir- 46 /2009 dated August 28, 2009 on Exchange Traded Interest Rate Futures, the same is being extended to transactions in interest rate futures by FIIs. The methodology and procedure to be followed for acceptance of foreign sovereign securities shall be applicable mutatis mutandis as stipulated in equity derivatives segment

8.6 Releases of Liquid Assets

Clearing member may request the Clearing Corporation to release deposits held by the Clearing Corporation. Such requests may be considered by the Clearing Corporation if Clearing Corporation chooses not to exercise its lien pursuant to the Rules, Byelaws and Regulations and subject to availability after due adjustments for the due fulfilment of all obligations and liabilities arising out of or incidental to any deals made by such clearing member and / or trading members clearing and settling the deals through such clearing member and subject to the bye laws, rules and regulations of the Clearing Corporation or anything done in pursuance thereof.
The web based facility of Collaterals Interface for Members (CIM) is provided for submission of release requests of collaterals. The members may select the desired available collaterals for release. Release requests though CIM can also be placed using a file upload facility. The format of file is prescribed in **ANNEXURE 33.**

8.7 Intra day transfer of Collaterals

A facility is provided in the Collateral Interface for Member (CIM) to enable members to transfer collaterals from one segment to other segment on an intraday basis. Members shall be required to put a transfer request in CIM and specify the segment where the collateral is to be transferred.

The intra-day transfer facility shall be available for margin deposits provided in form of Cash and Fixed Deposit Receipts only. Further, as per membership circular download reference no. NSE/MEMB/13696 dated December 16, 2009, members shall also be able to request to avail excess Interest Free Security Deposit over the minimum amount stipulated regulatorily in the other segments as collateral towards the margin requirements using the said facility.

The modalities of intraday transfer are mentioned below:

a) The facility of transfer of collaterals shall be available to clearing members.
b) The facility of intra day transfer shall be available for Instrument Type Cash (CHQ) and Fixed Deposit Receipt (FDP).
c) Member shall request for transfer of collaterals in Collateral Interface for Members (CIM) under menu option "Collateral Release – New Request/inquiry - Transfer Request".
d) Transfer request received from the members via CIM shall be treated as request from the members and no separate transfer letter need to be submitted.
e) Intra day transfer shall be subject to maintenance of minimum deposits as per regulatory requirement and current applicable parameters.
f) Member may verify the details of the request for transfer and its status in CIM under menu option "Collateral Release – New Request/inquiry- Transfer Inquiry".

Item 9

MARGINS

In pursuance of Chapter VIII of the Bye-laws pertaining to Margins and Chapter 4 of the Regulations, the following margin requirements are prescribed:

9.1 Initial Margins

Initial margin shall be payable on all open positions of Clearing Members, upto client level, and shall be payable upfront by Clearing Members in accordance with the margin computation mechanism and/ or system as may be adopted by the Clearing Corporation from time to time.

Initial Margin shall include Standard Portfolio Analysis of Risk (SPAN®) margins, premium margin, assignment margin, futures final settlement margin and such other additional margins, that may be specified by the Clearing Corporation from time to time.

9.2 Computation of Initial Margin

Clearing Corporation shall adopt SPAN® system or any other system for the purpose of real time initial margin computation.

The SPAN methodology shall be adopted to take an integrated view of the risk involved in the portfolio of each individual client. Initial Margin requirement shall be based on a worst scenario loss of a portfolio of an individual client comprising his positions in options and futures contracts on the same underlying across different maturities and across various scenarios of price and volatility changes. Initial margin requirements shall be based on 99% value at risk over a one day time horizon. However, in the case of futures contracts, where it may not be possible to collect mark to market settlement, before the commencement of trading on the next day, the initial margin shall be computed over a two day time horizon by applying an appropriate statistical formula. The methodology for computation of value at risk percentage shall be as per the recommendations of SEBI from time to time.

The initial margin computation methodology for Interest Rate Futures on 10 Year Notional Coupon Bearing GOI security is specified in **ANNEXURE 34**. and for Futures on 91 Day GOI T-Bills is specified in **ANNEXURE 35**.

The initial margin computation methodology for SPAN® is detailed as **ANNEXURE 36.**

Initial margin requirement:

1. For client positions - shall be netted at the level of individual client and grossed across all clients, at the trading/ clearing member level, without any set-offs between clients.
2. For proprietary positions - shall be netted at trading/ clearing member level without any set-offs between client and proprietary positions.

The margins so computed shall be aggregated first at the trading member level and then aggregated at the clearing member level.

For the purpose of SPAN® Margin, various parameters shall be as specified hereunder or such other parameters as may be specified by the relevant authority from time to time.

9.2.1 Price scan range

The Price Scan Range shall be taken as three and half standard deviations (3.5 sigma) or such other price scan range as may be specified by the relevant authority from time to time. The standard deviation (volatility estimate) shall be computed using the Exponentially Weighted Moving Average method (EWMA).

The estimate at the end of time period t (σ_t) shall be estimated using the volatility estimate at the end of the previous time period. i.e. as at the end of t-1 time period (σ_{t-1}), and the return (r_t) observed in the futures market during the time period t. The formula shall be as under:

$$(\sigma_t)^2 = \lambda (\sigma_{t-1})^2 + (1 - \lambda) (r_t)^2$$

where

- λ is a parameter which determines how rapidly volatility estimates changes. The value of λ is fixed at 0.94.
- σ (sigma) means the standard deviation of daily returns in the currency futures market.
- The "return" is defined as the logarithmic return: $r_t = \ln(Ct/Ct-1)$ where Ct is the Currency futures price at time t.

9.2.2 Updation of risk parameters

The parameters for computation of span margin shall be updated as specified by the relevant authority from time to time. The parameters shall be updated 5 times in the day for currency futures, based on the prices at 11:00 a.m., 12:30 p.m., 2:00 p.m., end of the day and begin of the day. For the purpose of intra-day updation in IRF contract, the yield of the benchmark 10-Year security as published by FIMMDA, from the NDS Order Matching platform shall be used. An additional parameter shall be updated based on the yield of the benchmark 10-Year security at 3.30 p.m. For the purpose of intra-day updation in futures on 91 Day GOI T-bills, the previous day closing yield of 91 day GOI T-bills futures shall be used and updated 6 times a day as per time lines prescribed above. Risk parameters generated based on the updated parameters shall be provided on the exchange website at www.nseindia.com. Additional risk parameter file containing Interest Rate Futures and Currency futures contracts shall be provided. The format and naming convention of this file is provided in http://www.nseindia.com/.

9.2.3 Net Option Value (Currency Options)

The Net Option Value shall be the current market value of the option times the number of options (positive for long options and negative for short options) in the portfolio. The Net Option Value shall be added to the Liquid Net Worth of the clearing member. Thus, mark to market gains and losses shall not be settled in cash for currency options positions.

9.2.4 Premium Margins (Currency Options)

Premium Margin shall mean and include premium amount due to be paid to the Clearing Corporation towards premium settlement, at the client level. For option positions, the premium shall be paid in by the buyers in cash and paid out to the sellers in cash on T+1 day. Until the buyer pays in the premium, 100% premium due shall be levied as premium margins on an upfront basis. Premium margin shall be levied till the completion of pay-in towards the premium settlement

9.2.5 Calendar Spread Margins

A currency futures position in one expiry month which is hedged by an offsetting position in a different expiry month would be treated as a calendar spread. 91 Day GOI T-bills futures position at one maturity hedged by an offsetting position at a different maturity would be treated as a calendar spread. The following calendar spread margins shall be levied:

Contract	**USDINR**	**EURINR**	**GBPINR**	**JPYINR**	**91 Day GOI T-bills**
Applicable calendar spread margins	The calendar spread margin shall be at a value of Rs. 400 for a spread of 1 month; Rs 500 for a spread of 2 months, Rs 800 for a	Rs.700 for spread of 1 month, Rs.1000 for spread of 2 months & Rs.1500 for spread of 3 months or more	Rs.1500 for spread of 1 month, Rs.1800 for spread of 2 months & Rs.2000 for spread of 3 months or more	Rs.600 for spread of 1 month, Rs.1000 for spread of 2 months & Rs.1500 for spread of 3 months or	Rs.100/- for spread of one month, Rs 150/- for spread of two months. Rs 200/- for spread of three months and Rs 250/- for spread of four

	spread of 3 months and Rs 1000 for a spread of 4 months or more			more	months and beyond

The margins for options calendar spread shall be same as specified for USD-INR currency futures calendar spread. The margins for calendar spread shall be calculated on the basis of delta of the portfolio in each month. A portfolio consisting of a near month option with a delta of 100 and a far month option with a delta of –100 would bear a spread charge equal to the spread charge for a portfolio which is long 100 near month currency futures and short 100 far month currency futures

The benefit for a calendar spread would continue till expiry of the near month contract.

9.2.6 Minimum Margins:

The following minimum futures margins shall be levied:

Contract	**USDINR**	**EURINR**	**GBPINR**	**JPYINR**	**Interest Rate Futures on 10 year Notional Coupon Bearing GOI Security**	**Futures on 91 Day GOI T-bills**
Minimum Margin %	1.00%	2.00%	2.00%	2.30%	1.6%	0.05% (of the notional value of the futures contract which shall be Rs 200000).

The minimum margin percentage shall be scaled up by look-ahead period as may be specified by the Clearing Corporation from time to time. The initial margin shall be deducted from the liquid net worth of the clearing member on an online, real time basis.

9.2.7 Futures Final Settlement Margin (Currency and 91 Day GOI T-bills Futures)

Futures Final Settlement Margin shall be levied at the clearing member level in respect of the final settlement amount due. The final settlement margins shall be levied from the last trading day of the contract till the completion of pay-in towards the Final Settlement.

9.2.8 Assignment Margins (Currency Options)

Assignment Margin shall be levied on assigned positions of the clearing members towards exercise settlement obligations for option contracts. For option positions exercised, the seller of the options shall be levied assignment margins which shall be 100% of the net exercise settlement value payable by a clearing member towards exercise settlement. Assignment margin shall be levied till the completion of pay-in towards the exercise settlement. Assignment margins shall be computed as net of assignment settlement and futures final settlement

9.3 Extreme Loss margins

Clearing members shall be subject to extreme loss margins in addition to initial margins as follows:

Contract	USDINR	EURINR	GBPINR	JPYINR	Interest Rate Futures on 10 year Notional Coupon Bearing GOI Security	Futures on 91 Day GOI T-bills
Extreme loss margin % for futures	1%	0.30%	0.50%	0.70%	0.3%	0.03%
Extreme loss margin % for options	1.5%	NA	NA	NA	NA	NA

The applicable extreme loss margin for futures shall be calculated on the mark to market value of the gross open positions or as may be specified by the relevant authority from time to time. In case of currency options extreme loss margin shall be calculated on the Notional Value of the open short option position. Notional Value for this purpose shall be calculated on the basis of the latest available Reserve Bank Reference Rate for USD-INR. In case of futures on 91 Day GOI T-bills the extreme loss margin shall be based on the notional value (Rs 200000) of the contract for all gross open positions of the futures contract or as may be specified by the relevant authority from time to time.

In case of calendar spread positions in currency futures contracts, extreme loss margin shall be levied on one third of the mark to market value of the open position of the far month contract.

Extreme Loss margin requirement shall be computed as under:

1. For client positions - shall be netted at the level of individual client and grossed across all clients, at the trading/ clearing member level, without any set-offs between clients.
2. For proprietary positions - shall be netted at trading/ clearing member level without any set-offs between client and proprietary positions.

The margins so computed shall be aggregated first at the trading member level and then aggregated at the clearing member level.

9.4 Delivery margins (Interest Rate Futures on 10 year Notional Coupon Bearing GOI Security)

Once the positions are intended for delivery and allocation has been done, the following margins shall be levied

- Margin equal to VaR on the futures contract on the invoice price plus 5% on the face value of the security to be delivered
- Mark to market loss based on the underlying closing price of the security intended for delivery.

The above margins shall be levied on both buyer and seller at a client level and aggregated at clearing member level. The margins shall be levied from the intention day and shall be released on completion of the settlement. Positions for which EPI of securities is made shall be exempt from delivery margins.

9.5 Non-Intent Margins (Interest Rate Futures on 10 year Notional Coupon Bearing GOI Security)

In cases where the positions are open at end of last trading day and no intention to deliver has been received, the following margins shall be levied

- Margin equal to VaR on the futures contract on the invoice price of the costliest to deliver security from the deliverable basket plus 5% on the face value of the open positions
- Mark to market loss based on the underlying closing price of the costliest to deliver security from the deliverable basket

The above margins shall be levied on both buyer and seller at a client level and aggregated at clearing member level. The margins shall be levied from the last trading day till the day of receipt of intention to deliver, following which the margins on delivery positions shall be levied.

9.6 Imposition of additional margins

As a risk containment measure, the Clearing Corporation may require clearing members to make payment of additional margins as may be decided from time to time. This shall be in addition to the initial margin and extreme loss margin, which are or may have been imposed from time to time.

9.7 Mode of payment of margin

Clearing members shall provide for margin in any one or more of the eligible collateral modes as detailed in Item 7 above. The margins shall be collected /adjusted from the liquid assets of the member on a real time basis

9.8 Payment of margins

The initial margin and extreme loss margins shall be payable upfront by the clearing members. Members are required to collect initial margins and extreme loss margins from their client/constituents on an upfront basis.

Members are required to collect initial margins and extreme loss margins from their client/constituents on an upfront basis. It is mandatory for all clearing /trading members to report details of such margins collected to the Clearing Corporation. The procedure for reporting of client margin is detailed in Item 13.

9.9 Effect of failure to pay margins

Non-fulfilment of either the whole or part of the margin obligations shall be treated as a violation of the Rules, Bye-Laws and Regulations of the Clearing Corporation. The violation shall attract actions as specified under Item 13. In addition and without prejudice to the foregoing, the Clearing Corporation may, within such time as it may deem fit, advise the Exchange to withdraw any or all of the membership rights of the clearing member including the withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing through such clearing members, without any notice.

In addition, the outstanding positions of such clearing member and/or trading members and/ or constituents, clearing and settling through such clearing member, may be closed out forthwith or any time thereafter by the Exchange, at the discretion of the Clearing Corporation, to the extent possible, by placing at the Exchange, counter orders in respect of the outstanding position of clearing member without any notice to the clearing member and/ or trading member and/ or constituent, and such action shall be final and binding on the clearing member and/ or trading member and/ or constituent. Clearing Corporation may also initiate such other risk containment measures as it deems fit with respect to the open positions of the clearing member and/ or trading member and / or constituent.

Clearing Corporation may, in addition to the foregoing provisions, take additional measures like, imposing penalties, collecting appropriate deposits, invoking bank guarantees, encashment of fixed deposit receipts, realising money by disposing off the securities and exercising such other risk containment measures as it deems fit and may further take such disciplinary action as it may deem fit and appropriate in this regard.

9.10 Collateral Limit for Trading Members

Clearing members clearing and settling for other trading members - shall specify the maximum collateral limit permitted for each trading member. Such limits may be set up by the clearing member, at any time up to the time specified by the Exchange/Clearing Corporation through the facility as may be provided on the trading system of the Exchange, or such other facility provided by the Clearing Corporation / Exchange from time to time. Such collateral limits once set shall be applicable to the respective trading members for that day, unless otherwise modified by the clearing member. The aggregate limit set up across all trading members, clearing and settling through such clearing member, shall at no point of time exceed the effective deposit of the clearing member with the Clearing Corporation less minimum liquid net worth.

ITEM 10

CUSTODIAL PARTICIPANTS

10.1 Procedure for allotment of custodial participant codes

1. Constituents intending to trade in the Currency Derivatives segment of the Exchange through multiple trading members shall be required to notify the details of the clearing member/s, who shall clear and settle their trades in the Currency Derivatives segment, to Clearing Corporation as per **ANNEXURE 37**

2. The clearing member/s are required to furnish the details to the Clearing Corporation as per **ANNEXURE 38** to obtain CP codes

3. The Constituent shall provide a No objection letter from the custodian of Constituent in case the clearing member is different from the custodian as per **ANNEXURE 39**

4. The Clearing Corporation shall allot a CP code which shall be placed in all orders placed by the members for the Constituent on the Exchange.

5. Once the trade is executed in the trading system, the same shall be available to the clearing member, for approval or rejection. Clearing member shall approve or reject the trade, on the same day within the stipulated time as per the mechanism provided from time to time.

6. In case the constituent wish to shift from one clearing member to another clearing member, an NOC may be submitted by the old clearing member as per **ANNEXURE 40** along with an application from the new clearing member as per **ANNEXURE 41** and the application to the new clearing member by constituent as per **ANNEXURE 42**.

Item 11
CLOSING OUT

In pursuance of Bye-law 15 of Part B of Chapter VI of the Bye-laws and Chapter 6 of the Regulations, provisions relating to closing out on account of non-performance of obligations are specified as under:

11.1 Closing out

In the event of non-performance by a clearing member of any of his obligations as specified in the Bye-laws, Rules and Regulations, or for any other reason that the relevant authority may deem fit, including, action initiated by Government/ Statutory/ Regulatory Agencies, pursuant to any acts of violation/contravention of any statutes or Rules and/ or Regulations framed there under, committed by the clearing member and/ or trading members and/ or constituents, clearing and settling through such clearing member, the outstanding positions of such clearing member and/ or such trading members and/ or such constituents, may be closed out at any time by the Exchange, at the discretion of the Clearing Corporation, to the extent possible, either by placing at the Exchange, counter orders in respect of the outstanding position of clearing member, without any notice to the clearing member and/ or trading member and/ or constituent, or by such other mechanism provided by the Clearing Corporation from time to time. Such action shall be final and binding on the clearing member and/ or trading member and/ or constituent.

Clearing Corporation may also allow transfer of all or any of the open positions of clients or such other open positions of such clearing member, as may be specified from time to time, to any other clearing member, who agrees to accept such transfer, subject to such terms and conditions as may be specified by the Clearing Corporation from time to time.

Clearing Corporation may initiate such other risk containment measures as it deems fit with respect to the open positions of the clearing member and/ or trading member and / or constituent. Clearing Corporation may also require clearing members to reduce/ close-out open positions to such levels and for such contracts as may be decided by the relevant authority from time to time.

In addition and without prejudice to the foregoing, Clearing Corporation may, within such time as it may deem fit, advise the Exchange to withdraw any or all of the membership rights of clearing member including the withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing through such clearing members, without any notice.

Clearing Corporation may, in addition to the foregoing provisions, take additional measures like, imposing penalties, collecting appropriate deposits, invoking bank guarantees, encashment of fixed deposit receipts, realising money by disposing off the securities, and exercising such other risk containment measures as it deems fit and may further take such disciplinary action as it may deem fit and appropriate in this regard.

11.2 Close-out facility

Trading members shall be provided an online facility to close - out open positions in case the trading facility is withdrawn for any reason subject to conditions specified below and that as may be specified from time to time by the Clearing Corporation

1. Clearing members shall be required to send a written intimation (fax) to the Clearing Corporation containing a list of trading members to be marked as eligible for close-out in the format provided in **ANNEXURE 43**
2. The clearing member shall be permitted to change his option to mark a trading member as eligible/ ineligible by sending a request for the same in the above mentioned format
3. On disablement, only trading members who have been made eligible for close-out by the clearing members shall be allowed to place close-out orders through this facility
4. Only orders which result in reduction of existing open positions at a client level shall be accepted through the close-out facility
5. Trading members shall not be allowed to create any fresh position in the close-out mode
6. Trading members shall not be allowed to place close out orders with custodial participant code
7. Trading members shall not be allowed to do trade modifications while in close-out mode

Further, this facility does not dilute the powers of the Clearing Corporation to close-out under its Bye-Laws and Regulations

11.3 Close Out Facility by Clearing Member on Behalf of Trading Member

An online facility shall be provided to clearing members in the Currency Derivatives Segment to close out open positions of their trading members whose trading facility is withdrawn for any reason. Such facility is provided, subject to conditions specified here in below and that as may be specified from time to time:

1. Clearing members shall be required to send a written intimation (fax) to the Clearing Corporation containing a list of trading members for which they would like to close-out positions in the format provided in **ANNEXURE 44.**
2. On disablement of a trading member, the clearing member shall be allowed to place close-out orders through this facility only if the concerned trading member

has been made eligible for closeout by the clearing member and requested for such facility as per point 1 above.

3. Only orders which result in reduction of existing open positions at a client level of the trading member shall be accepted through the close-out facility.
4. Clearing members shall not be allowed to create any fresh position for their trading member in the close-out mode.
5. Clearing members shall not be allowed to place close out orders with custodial participant code.

Further, this facility does not dilute the powers of the Clearing Corporation to close out under its Bye-Laws, Regulations and Circulars.

Item 12
SETTLEMENT FUND

In pursuance of Chapter XII of the Byelaws, administration of, contributions to, the Settlement Fund for the Currency Derivatives Segment and charges for utilisation of the same are specified herein.

12.1 Settlement Fund

A separate Settlement Fund shall be maintained in respect of the Currency Derivatives Segment.

The utilisation of Settlement Fund towards settlement obligations shall be in accordance with deals specified under Item 2 of this circular, unless specifically excluded by the relevant authority from time to time.

Pursuant to the above, the following settlement obligations are specifically excluded:

Settlement obligation arising out of any deal where in the opinion of the Clearing Corporation or the Exchange, there is prima facie suspicion of fraud, wilful misrepresentations, malpractice or are subject to any investigation by the relevant authority of either the Clearing Corporation or the Exchange or by any statutory authority or are deals which are not properly executed in accordance with the respective Bye-laws, Rules and Regulations of the Exchange and/ or Clearing Corporation.

12.2 Contribution towards Settlement Fund

Clearing members are required to provide initial deposits to the settlement fund as specified hereunder:

Clearing members are required to keep cash deposit with the Clearing Corporation of Rs.25 lakhs and a deposit of Rs.25 lakhs in such form and manner as may be specified by the Clearing Corporation from time to time.

Clearing members, clearing and settling deals on behalf of other trading members, shall make additional deposit of Rs.10 lakhs for each trading member.

The deposit requirements currently specified are summarized as under:

Particulars	**Cash Deposit (Rs. Lakhs)**	**Deposit in the form of approved collateral (Rs. Lakhs)**
Clearing Member	25	25
For each trading member whose	5	5

deals clearing members undertake to clear and settle		

12.3 Penal charges for utilisation of settlement fund

In the event of a clearing member failing to meet his obligations to the Clearing Corporation, the Clearing Corporation may, at its discretion, utilise the settlement fund to the extent and in such manner as necessary.

The Clearing Member shall be required to immediately pay the amount so utilised and also pay a penal charge at the rate of 0.07% per day computed on the amount outstanding from the day on which monies are due to be paid until the day all obligations including shortfall in deposits are fulfilled.

Item 13
CLIENT MARGIN REPORTING

In pursuance of Regulation 4.6, provisions relating to Client margin reporting are prescribed as under:

Client Margin Reporting:

Clearing/Trading members are required to collect margins (initial margin and extreme loss margin) from their client/constituents on an upfront basis. It is mandatory for all clearing /trading members to report details of such margins collected to the Clearing Corporation in accordance with the procedure and formats specified hereunder or as may be specified by the Clearing Corporation from time to time:

13.1 Files to be submitted by the member

The files can be uploaded either through the Collateral Interface for Members (CIM) using the client margin file upload menu (CIM>Client Margin>File upload) or through the extranet server in the directory /CDFTP/F<MEMBERCODE>/COLAT/UPLD. Members can upload client margin reporting files at any time during the day through CIM.

The name of the file to be uploaded by the trading member is X_MRG_TM_<DDMMYYYY>_nn.CSV and that by the clearing member is X_MRG_CM_<DDMMYYYY>_nn.CSV

where:
<DDMMYYYY> is the trade date, TM = Trading Member, CM = Clearing Member and 'nn' is the batch number of the file

The files are required to be uploaded in the following directory on the Extranet Server:
/CDSFTP/X<MEMBER CODE>/COLAT/UPLD, where CODE is the 5 digit trading member code of the member. (eg. 09999)

Members are requested to take note of the following whilst uploading the client margin reporting files:

1. Member are not required to provide member code in the file name
2. Members are required to provide batch number in every file they upload starting with 01. Thereafter subsequent files are required to have incremental batch numbers viz 02, 03 etc up to maximum of 99. This would enable members to send multiple files for the same trade date with

incremental batch numbers. Multiple files may be sent by the member upto two working days after the trade date. Where multiple files are uploaded by the members for a client/constituent/trading member for a trade day, the information of client margin collected as provided in the file with latest batch number for the trade date would be considered as final by the Clearing Corporation.

3. If a member uploads a file with incorrect name, such files shall not be picked up by the Clearing Corporation. However, in order to facilitate members to ascertain file upload failure, the same file shall be renamed as **"<filename>.failed"** in the respective member folder (Path: /CDSFTP/X<MEMBER CODE>/COLAT/UPLD). Members are requested to check for such files in the member folder on the extranet and reload the file with the correct file name convention.
4. If a member uploads a file with zero bytes, such files shall not be picked up by the Clearing Corporation. However, in order to facilitate members to ascertain file upload failure, the same file shall be renamed as **"<filename>.failed"** in the member folder (Path: /CDSFTP/X<MEMBER CODE>/COLAT/UPLD). The member shall also be provided a return file (Path: /CDSFTP/X<MEMBER CODE>/COLAT/DNLD) which is a **"FAILURE"** file. Members are requested to check for such files in the member folder on the extranet and reload the fresh file with the **same** batch number.
5. In case the files are made by customised software at user end, members may note that a new line character has to be present in the last record in order to ensure proper processing.
6. Members are requested to refer to the return file every day for the short reporting of margins and initiate necessary corrective actions to ensure that the margins are collected and reported upfront.

Members may note the following procedure for providing client margin details:

1. Each row of the margin file MG12/MG13 provides the details of margins for a specific trading member/constituent /client code, as per the code entered by the members at the time of order entry.
2. Members are required to add a comma and the margin amount collected figure at the end of each row (for each trading member/client/constituent) in the file representing the actual initial margin amount collected from that trading member/client/constituent as the case may be.
3. This figure for initial margin amount collected, appended by the member should not be negative.
4. Members are required to ensure that no information provided in the file is modified. Any modification shall result in such record being rejected by the Clearing Corporation.

13.2 Return files to the members

A return file shall be generated for all files uploaded by the members for client margin reporting with the correct naming convention.

The return file for member shall be placed in the extranet directory /CDSFTP/X<MEMBERCODE>/COLAT/DNLD. The return file would be provided on succeeding working day, after the file is loaded. In case of any errors in the file, the members would be able to correct the same and upload the same on the extranet server or through CIM, with incremental batch number anytime prior to Trade date +2 working days.

Two types of return files are generated for the members

- Rejected Files - where the whole file has been rejected
- Processed File Records - where some or all records in the file have been rejected

1. Rejected Files –

File Naming convention: X_MRG_TMF_MEMBER CODE_ <DDMMYYYY> _nn.CSV for trading members and X_MRG_CMF_MEMBER CODE_ <DDMMYYYY>_nn.CSV for clearing members

Some reason for which a file may be rejected are mentioned as under

<u>File loaded after the sign off date</u> - Members are allowed to upload client margin reporting file up to T+2 working days. Such files would be rejected with the reason "File is not being processed as file upload date is greater than sign off date".

<u>File loaded for future date</u> - If the member uploads the file for September 12, 2008 on September 11, 2008, then the return file would indicate the rejection reason as 'File is not being processed as file date is greater than system current date'.

<u>Member uploads file for an invalid day</u> - If a member is not required to report the client margin file for a day (say Saturday, Sunday, holiday etc.) and still uploads the same, then the return file would be rejected with the message 'File is not being processed as the member code is invalid for the file date'.

<u>Member uses non-serial batch number in file name</u> - If the batch number provided by the member for a trade date is not in sequence, for example if the member has uploaded two files for the trade date September 12, 2008 with file names X_MRG_TM_12092008_01.CSV and X_MRG_TM_12092008_03.CSV, the second file would be rejected with error message 'File is not being processed as file batch number is not proper. Last successful batch no for the day was 01'.

<u>File in wrong format</u> - If the member has provided a file which cannot be read by the system for example- non csv file, then return file would be rejected with the message 'File is not being processed as the file is not in format'.

2. Processed File Records –

File Naming Convention: X_MRG_TMR_MEMBER

CODE_<DDMMYYYY>_nn.
CSV for trading members and X_MRG_CMR_MEMBER
CODE_<DDMMYYYY>_nn.CSV for clearing members

After processing of client margin file, each record would have a reason code indicating acceptance/ rejection, as the case may be. The details of reason codes are as follows:

Reason Code	*Description*
01	Record size does not match for e.g. extra comma in the record
02	Date in record does not match with file date
03	Record is altered i.e. matching record does not exist in MG-13/MG-12 file. Possible error in date/ client code/ margin amount
04	Record pertains to proprietary position for trading member
05	Record pertains to proprietary position for clearing member
06	Margin amount collected is negative or non numeric.
07	Insufficient Margin
08	Sufficient Margin

1. For reason codes 01 to 06, the difference amount, would not be indicated in the return file. However for reason codes 07 and 08, the difference amount would be indicated.
2. If the record contains multiple errors for e.g. reason code 01 as well as 06, the reason code which is the lowest in number would appear against the record i.e. reason code 01.

13.3. Sign-off date

The cut off day upto which a member may report client margin details to the Clearing Corporation is referred to as the sign off date. It shall be 2 working days after the trade date.

13.4. Non-reporting/ non submission of client margin

All instances of non-reporting of client margins by the members shall be treated similar to and as 100% short reporting of client margins and accordingly penalties shall be imposed.

13.5 Penalty for short / non-reporting of client margin

Penalty shall be levied in case of short/ non-reporting by trading/clearing members as per Item 14

13.6 Letters for penalty

Letters for client margin penalty shall be downloaded to the members through extranet into their respective folders. (Path: /CDSFTP/X<MEMBER CODE>/LETTERS/DNLD)

13.7 No Margin Liability

Clearing/trading members who have no margin liability i.e. margin is zero, shall not receive any margin file. If the clients of clearing / trading member do not have any margin liability i.e where margin is zero for a client, such clients shall not be reflected in MG 12 and MG 13 files.

13.8 Statement of account of settlement & client margin

Clearing / trading members are required to collect upfront margins from their respective trading members/constituents. In this respect, every clearing /trading member is required to send a complete statement of account for settlements and margins as reported in the client margin files submitted to the Clearing Corporation in respect of trading member/constituents in such periodicity as specified by the Exchange/Clearing Corporation from time to time.

Item 14

VIOLATIONS & PENALTIES

In pursuance of Bye-law 16 of Part B of Chapter VI pertaining to Clearing and Settlement of deals and Chapter VIII of the Bye-laws pertaining to Margins and Chapter 4 of the Regulations, the following requirements are prescribed

14.1 Violations

Non-compliance of any provisions of the Rules, Bye-laws and Regulations by any clearing / trading member shall be treated as a violation and shall attract appropriate action under the Rules, Bye-laws and Regulations of Clearing Corporation, against such clearing / trading member. Violations shall be treated to have been committed ipso facto.

Notwithstanding the generality of the above provisions, violations in relation to any member may, inter-alia, shall be as specified hereunder or as may be specified by the relevant authority from time to time.

14.1.1 Non fulfillment of initial margin obligations

When the initial margin liability of a clearing member exceeds his effective deposit less minimum liquid networth or the initial margin liability of a trading member exceeds the initial margin limit specified by his clearing member, at any time, including during trading hours it shall be treated as a violation.
In the event of a violation, the Clearing Corporation may advise the Exchange to withdraw any or all of the membership rights of the clearing member including the withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing through such clearing members. In case of violation by trading member the Clearing Corporation may advise the Exchange to withdraw trading facilities of the trading member.

Additionally, penalty and penal charge as mentioned in point 14.1.6 shall be levied for Non fulfilment of initial margin obligations.

14.1.2 Non fulfilment of settlement obligations

Non-fulfilment of settlement obligation towards settlement of contracts traded on currency derivatives segment by the scheduled date and time shall be treated as a violation.

In case of a settlement shortage of Rs. 5 lakhs or more the Clearing Corporation may advise the Exchange to withdraw any or all of the membership rights of the clearing member including the withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing through such clearing members.

In case of settlement shortage of less than Rs.5 lakhs the amount of shortage shall be blocked from the effective deposits of the clearing member to the extent of funds shortage. This may lead to the withdrawal of the trading facility of the clearing member and the associated trading member.

Further, if the clearing member is short for an amount of Rs 2 lakhs or more in six or more occasions in the preceding three months, the Clearing Corporation may advise the Exchange to withdraw any or all of the membership rights of the clearing member including the withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing through such clearing members.

In case of any over-night settlement shortages a penal charges of 0.07% per day of shortage shall be levied

14.1.3 Non fulfilment of minimum deposit requirement

Any failure on the part of a clearing member to meet with the minimum liquid networth requirements, at any point of time, shall be treated as a violation.

In case of shortage in minimum liquid networth requirements of Rs.5 lakhs or more the Clearing Corporation may advise the Exchange to withdraw any or all of the membership rights of the clearing member including the withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing through such clearing members.

In case of shortage in minimum liquid networth requirement of less than Rs.5 lakhs the clearing member shall require to replenish the shortfall immediately but in any case not later than one week. In case the shortfall is not replenished for a period of more than one week, the Clearing Corporation may advise the Exchange to withdraw any or all of the membership rights of the clearing member including the withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing through such clearing members.

In addition to the above, penal charges of 0.07% per day on the amount of shortages shall be levied.

14.1.4 Extreme loss margin violation

When the extreme loss margin of a clearing member exceeds his effective deposit less initial margin and minimum liquid networth, at any time, including during trading hours it shall be treated as a violation.

In the event of a violation, the Clearing Corporation may advise the Exchange to withdraw any or all of the membership rights of the clearing member including the withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing through such clearing members.

Additionally, penalty and penal charge as mentioned in point 14.1.6 shall be levied for extreme loss margin obligations.

14.1.5 Trading member position limit violation

When the open position of any trading member, exceeds the specified limit at any time, including during trading hours, it shall be treated as a violation. In case of violation the Clearing Corporation may advise the Exchange to withdraw trading facilities of the trading member.

Additionally, penalty as mentioned in point 14.1.6 shall be levied for trading member position limit violation

14.1.6 Penalty and penal charges for margin/limit violation

In respect of violation mentioned in point 14.1.1, 14.1.4 and 14.1.5 above penalty for margin/limit violation shall be levied on a monthly basis based on slabs as mentioned below or such other amount as specified by the Clearing Corporation from time to time:

Instances of Disablement	**Penalty to be levied**
1st instance	0.07% per day
2nd to 5th instance of disablement	0.07% per day + Rs.5,000/- per instance from 2nd to 5th instance
6th to 10th instance of disablement	0.07% per day + Rs.20,000/- (for 2nd to 5th instance) + Rs.10000/- per instance from 6th to 10th instance
11th instance onwards	0.07% per day + Rs.70,000/- (for 2nd to 10th instance) + Rs.10,000/- per instance from 11th instance onwards. Additionally, the member will be referred to the Disciplinary Action Committee for suitable action.

Instances' as mentioned above shall refer to all disablements during market hours in a calendar month. The penal charge of 0.07% per day shall be applicable on all disablements due to margin violation anytime during the day. The penal charge of 0.07% per day shall not be applicable on disablements due to limit violation.

14.1.7 Client level position limit violation

When the open position of any client, exceeds the specified limit at the end of the day the same shall be treated as a violation. In the event of violation, a penalty of Rs. 5,000/- per violation / per client shall be levied to the Clearing members for every day of violation. The concerned clearing / trading member may in turn recover such amount of penalty from the concerned clients who committed the violation and became liable therefore.

14.1.8 Violations arising out of mis-utilisation of trading

member/constituent/client collaterals and/ or deposits

When a clearing member utilises the collateral of one trading member and/ or constituent towards the exposure and/ or obligations other than for the same trading member and/ or constituents the same shall be treated as a violation.

14.1.9 Short / non-reporting of client margin

The following penalty shall be levied in case of short reporting by trading/clearing member per instance

Short collection for each client	Penalty percentage
(< Rs 1 lakh) And (< 10% of applicable margin)	0.5%
(≥ Rs 1 lakh) Or (≥ 10% of applicable margin)	1.0%

If short/non-collection of margins for a client continues for more than 3 consecutive days, then penalty of 5% of the shortfall amount shall be levied for each day of continued shortfall beyond the 3rd day of shortfall.

If short/non-collection of margins for a client takes place for more than 5 days in a month, then penalty of 5% of the shortfall amount shall be levied for each day, during the month, beyond the 5th day of shortfall.

Notwithstanding the above, if short collection of margin from clients is caused due to movement of 3% or more in any of the currency pair (USD-INR, EURO-INR, GBP-INR, JPY-INR) based on the close to close of the respective near month futures contract on a given day, (day T), then, the penalty for short collection shall be imposed only if the shortfall continues to T+2 day.

All instances of non-reporting are treated as 100% short reporting for the purpose of levy of penalty.

In case of short reporting by trading member the details of penalty at client/constituent level shall be provided as per the report PNL01 specified in **Item 15**. In case of short reporting by clearing member the details of penalty at trading member/constituent level shall be provided as per report PNL02 specified in **Item 15**.

The above penalties shall be collected from the clearing member by debiting the settlement account with designated primary clearing bank in Currency Derivatives Segment on daily basis. The details of penalty levied on the affiliated trading members shall be provided to clearing members as per report PNL03 specified in **Item 15**. The penalty shall be payable latest by the 5th of the subsequent month.

14.1.10 Compliance towards violations

Clearing members, who have violated any requirement and/ or limits as specified in the Rules/ Bye-laws and Regulations, may submit a written request to the Clearing Corporation to either reduce their open position or, bring in additional collateral deposits in accordance with the provisions specified, or both.

14.1.11 Effect of violations

In the event of a violation, the Clearing Corporation may, within such time as it may deem fit, advice the Exchange to withdraw any or all of the membership rights of the clearing member including the withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing through such clearing members, without any notice.

In addition, the outstanding positions of such clearing member and/ or trading members and/ or constituents, clearing and settling through such clearing member, may be closed out forthwith or any time thereafter by the Exchange, at the discretion of the Clearing Corporation, to the extent possible, by placing at the Exchange, counter orders in respect of the outstanding position of clearing member without any notice to the clearing member and/ or trading member and/ or constituent, and such action shall be final and binding on the clearing member and/ or trading member and/ or constituent. Clearing Corporation may initiate such other risk containment measures as it deems fit with respect to the open positions of the clearing member and/ or trading member and / or constituent.

Clearing Corporation may, in addition to the foregoing provisions, take additional measures like, imposing penalties, collecting appropriate deposits, invoking bank guarantees/ fixed deposit receipts, realising money by disposing off the securities, and exercising such other risk containment measures as it deems fit and may further take such disciplinary action as it may deem fit and appropriate in this regard.

ITEM 15

CONSOLIDATED LIST OF FILES/REPORTS DOWNLOADED TO MEMBERS IN THE CURRENCY SEGMENT

The file formats in the Currency Derivatives Segments shall be similar to the files provided in the F&O segment apart from the following three differences:

- All prices such as trade price in trades file (TR01 and TR02), prices in contracts report (CN01) and daily settlement price, final settlement price in position report (PS03, PS04, PS03_P,PS04_P) shall be in four decimal places.
- With respect to records of futures on 91 day GOI T-bills, the ‘Settlement Price’ and ‘Valuation Price’ appearing in files downloaded to members shall have values with up to six decimal places.
- The quantity in the reports shall be in terms of contracts

List of Files/ Reports and their formats downloaded by the Clearing Corporation in the Currency Derivatives segment is provided hereunder:

1. Detailed Contracts Reports (CN01)

2. Detailed Trades Reports (TR01 & TR02)
   i. Currency Futures Trades Report for Trading Member (CUR_TR01)
   ii. Currency Futures Trades Report for Clearing Member (CUR_TR02)
   iii. Interest Rate Futures Trades Report for Trading Member (IRF_TR01)
   iv. Interest Rate Futures Trades Report for Clearing Member (IRF_TR02)
   v. Futures on 91 Day GOI T-Bills Trades Report for Trading Members(IRT_TR01)
   vi. Futures on 91 Day GOI T-Bills Trades Report for Clearing Members (IRT_TR02)
   vii. Consolidated Trades Report for Trading Member (X_TR01)
   viii. Consolidated Trades Report for Clearing Member (X_TR02)

3. Detailed Trade Report of Futures on 91 Day GOI T-bills (IRT_TR01/IRT_TR02)
   i. Detailed Trade Report of Futures on 91 Day GOI T-bills for trading members (IRT_TR01)
   ii. Detailed Trade Report of Futures on 91 Day GOI T-bills for clearing members (IRT_TR02)

4. Detailed Position Files (PS03 & PS04)
   i. Currency Futures Position file for Trading Member (CUR_PS03)
   ii. Currency Futures Position file for Clearing Member (CUR_PS04)
   iii. Interest Rate Futures Position file for Trading Member (IRF_PS03)

iv. Interest Rate Futures Position file for Clearing Member (IRF_PS04)
v. Consolidated Position file for Trading Member (X_PS03)
vi. Consolidated Position file for Clearing Member (X_PS04)
vii. Provisional Position File for Trading Member (X_PS03_P)
viii. Provisional Position File for Clearing Member (X_PS04_P)
ix. Provisional Position File of futures on 91 Day GOI T-bills for Trading Member (IRT_PS03_P)
x. Provisional Position File of futures on 91 Day GOI T-bills for Clearing Member (IRT_PS04_P)

5. Bank Report for Next Day Obligations (BK01)

6. Bank Summary Report for Clearing Member (BK02)

7. Bank Transaction Report for Clearing Member (BK03)

8. Margin Statement for Clearing Member (MG09)

9. Margin Statement for Trading Member (MG10)

10. Margin payable statement for Clearing Member (MG11)

11. Detailed Margin Files for Clearing Member (MG12)
    i. Currency Futures Margin File for Clearing Member (CUR_MG12)
    ii. Interest Rate Futures Margin File for Clearing Member (IRF_MG12)
    iii. Consolidated Margin File for Clearing Member (X_MG12)

12. Detailed Margin File for Trading Member (MG13)
    i. Currency Futures Margin File for Trading Member (CUR_MG13)
    ii. Interest Rate Futures Margin File for Trading Member (IRF_MG13)
    iii. Consolidated Margin File for Trading Member (X_MG13)

13. Details of Collaterals submitted by Clearing Member (CL01)

14. Details of turnover of Trading Members for each month (TMTO)

15. Intention Reports (IN01 & IN02)
    i. Intention report for Trading member (X_IN01)
    ii. Intention report for Clearing member (X_IN02)

16. Allocation Reports (AL01 & AL02)
    i. Allocation report for Trading member (X_AL01)
    ii. Allocation report for Clearing member (X_AL02)

17. Details of delivery and non-intent margins (MG16 & MG17)

i. Margins report for Trading member (X_MG16)
ii. Margins report for Clearing member (X_MG17)

18. Delivery Report

19. Security wise Demat Delivery Statement and Receipt Statement

20. Member wise Withheld Securities Statement

21. Security Shortages Report

22. Auctions Square off Debit/ Credit Report

23. Auction Difference Report

24. Securities being auctioned in case of non-intent

25. Span Risk Parameter Files

26. Portfolio Files

27. Exercise Report for Trading Member (EX01) and Clearing Member (EX02)

28. Assignment reports for Trading Members (AS01) and Clearing Member (AS02)

29. Detail penalty for short/ non-reporting by trading members (PNL01)

30. Detail penalty for short/non reporting by clearing member (PNL02)

31. Penalty for short/ non-reporting by trading members affiliated to clearing member (PNL03)

The file formats for these Files/Reports are detailed below:

1. Detailed Contracts Report (CN01)

Naming Convention	X_CN01_DDMMYYYY.CSV.gz
File Path	/CDSFTP/CDSCOMMON/MARKETREPORTS
File Format	comma separated file format (CSV)

Column No	Headers	Field Characteristics	Details
1	Contract Date	DATE	Format DD-MMM-YY
2	Contract Instrument Type	VARCHAR2	FUTCUR - Currency Futures OPTCUR - Currency Options FUTIRD - Interest Rate Futures FUTIRT – T-bills Futures
3	Symbol	VARCHAR2	USDINR - USD-INR Contract EURINR - EUR-INR Contract GBPINR - GBP-INR Contract JPYINR - JPY-INR Contract 10YGS7 - IRF contract 91DTB – 91 Day T-Bill contract
4	Last Trading Date	DATE	Format DD-MMM-YY
5	Strike Price	NUMBER	Strike price of options '0' (Zero) for Futures Contracts
6	Option Type	VARCHAR2	CE - Call Option PE - Put Option FF - Futures Contracts
7	Corporate Action level	NUMBER	Default value is 0 (Zero). No corporate action in currency derivatives
8	Contract Regular Lot	NUMBER	Default value is 1
9	Contract Issue Start Date	DATE	Format DD-MMM-YY
10	Contract Issue Maturity Date	DATE	Format DD-MMM-YY
11	Contract Exercise Start Date	DATE	Format DD-MMM-YY for Options No data for futures
12	Contract Exercise End Date	DATE	Format DD-MMM-YY for Options No data for Futures
13	Contract Exercise Style	VARCHAR2	E - Exercise style

14	Contract Active Market Type	VARCHAR2	N - Normal Market Type
15	Contract Open Price	NUMBER	Day's Open Price in INR
16	Contract High Price	NUMBER	Day's High Price in INR
17	Contract Low Price	NUMBER	Day's Low Price in INR
18	Contract Close Price	NUMBER	Day's Close Price in INR
19	Contract Settlement Price	NUMBER	Daily Settlement Price in INR
20	Contract Underlying Price	NUMBER	Price in INR No data for FUTIRD & FUTIRT instrument type
21	Contract Underlying Instrument Type	VARCHAR2	No data
22	Contract Underlying Symbol	VARCHAR2	USDINR - USD-INR Contract EURINR - EUR-INR Contract GBPINR - GBP-INR Contract JPYINR - JPY-INR Contract 10YGS7 - IRF contract 91DTB – 91Day T-Bill contract
23	Contract Underlying Series	VARCHAR2	No data
24	Contract Underlying Last Trading Date	DATE	No data
25	Contract Underlying Strike Price	NUMBER	No data
26	Contract Underlying Option Type	VARCHAR2	No data

27	Contract Underlying Corporate Action Level	NUMBER	No data

2. Detailed Trade Report for trading members (TR01) and detailed Trade Report for clearing members (TR02)

Naming Convention	CUR_TR01_<MEMBER CODE>_DDMMYYYY.CSV.gz CUR_TR02_<MEMBER CODE>_DDMMYYYY.CSV.gz IRF_TR01_<MEMBER CODE>_DDMMYYYY.CSV.gz IRF_TR02_<MEMBER CODE>_DDMMYYYY.CSV.gz X_TR01_<MEMBER CODE>_DDMMYYYY.CSV.gz X_TR02_<MEMBER CODE>_DDMMYYYY.CSV.gz
File Path	directory /CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)

Column No	Headers	Field Characteristics	Details
1	Trade Number	NUMBER	Trade Number
2	Trade Date	DATE	Format DD-MMM-YY
3	Activity Type	NUMBER	Default Value - 2
4	Market Type	VARCHAR2	N - Normal Market Type
5	Instrument Type	VARCHAR2	FUTCUR - Currency Futures OPTCUR - Currency Options FUTIRD - Interest Rate Futures FUTIRT – T-Bill Futures
6	Symbol	VARCHAR2	USDINR - USD-INR Contract EURINR - EUR-INR Contract GBPINR - GBP-INR Contract JPYINR - JPY-INR Contract 10YGS7 - IRF Contract 91DTB – 91 Day T-Bill Contract
7	Last Trading Date	DATE	Format DD-MMM-YY
8	Strike Price	NUMBER	Strike Price of Options Default Value is '0' (Zero) for Futures Contracts
9	Option Type	VARCHAR2	CE - Call Option

			PE - Put Option FF - Futures Contracts
10	Corporate Action level	NUMBER	Default value is '0' (Zero). No corporate action in currency derivatives
11	Buy Broker	VARCHAR2	Buy TM Code
12	Sell Broker	VARCHAR2	Sell TM Code
13	Trade Price	NUMBER	Traded Price of the contract
14	Trade Date Time	DATE	Format mm/dd/yyyy hh:mm:ss PM
15	Trade Volume	NUMBER	Number of Contracts traded today
16	Trade Token No	NUMBER	Token no of Contract
17	Trade Buy Branch	NUMBER	Branch no of user
18	Buy CM Code	VARCHAR2	Clearing Member Code
19	Sell CM Code	VARCHAR2	Clearing Member Code
20	Trade Sell Branch	VARCHAR2	Branch no of user
21	Buy Custodial Participant	VARCHAR2	CP Code
22	Buy Side Confirmation	VARCHAR2	Confirmation Flag of CP Trades
23	Sell Custodial Participant	VARCHAR2	CP Code
24	Sell Side Confirmation	VARCHAR2	Confirmation Flag of CP Trades
25	Buy Covered Uncovered Flag	VARCHAR2	Default Value - 'U'
26	Sell Covered Uncovered Flag	VARCHAR2	Default Value - 'U'
27	Buy Old Custodial Participant	VARCHAR2	No Data
28	Buy Old CM Code	VARCHAR2	No Data
29	Sell Old Custodial Participant	VARCHAR2	No Data
30	Sell Old CM Code	VARCHAR2	No Data
31	Trade Buyer	NUMBER	User ID
32	Trade Seller	NUMBER	User ID
33	Buy Order No	NUMBER	Trade Number
34	Sell Order No	NUMBER	Trade Number

35	Buy Account No	VARCHAR2	Client Code
36	Sell Account No	VARCHAR2	Client Code
37	Buy Remarks	VARCHAR2	No Data
38	Sell Remarks	VARCHAR2	No Data
39	Buy Position	VARCHAR2	Default Value - 'O'
40	Sell Position	VARCHAR2	Default Value - 'O'
41	Buy Proprietor Client Flag	VARCHAR2	C - Client P - Propreitory
42	Sell Proprietor Client Flag	VARCHAR2	C - Client P - Propreitory
43	Control Flag	VARCHAR2	Default Value - N
44	Trade Execution Date Time	DATE	Format mm/dd/yyyy hh:mm:ss PM

3. Detailed Trade Report of Futures on 91 Day GOI T-bills for trading members (IRT_TR01) and detailed Trade Report for clearing members (IRT_TR02)

Naming Convention	IRT_TR01_<MEMBER CODE>_DDMMYYYY.CSV.gz IRT_TR02_<MEMBER CODE>_DDMMYYYY.CSV.gz
File Path	directory /CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)

Column No	Headers	Field Characteristics	Details
1	Trade Number	NUMBER	Trade Number
2	Trade Date	DATE	Format DD-MMM-YY
3	Activity Type	NUMBER	Default Value - 2
4	Market Type	VARCHAR2	N - Normal Market Type
5	Instrument Type	VARCHAR2	FUTIRT – T-bill Futures
6	Symbol	VARCHAR2	91DTB – 91 Day T-bill contract
7	Last Trading Date	DATE	Format DD-MMM-YY
8	Strike Price	NUMBER	Strike Price of Options Default Value is '0' (Zero) for Futures Contracts
9	Option Type	VARCHAR2	CE - Call Option PE - Put Option

			FF - Futures Contracts
10	Corporate Action level	NUMBER	Default value is '0' (Zero). No corporate action in currency segment
11	Buy Broker	VARCHAR2	Buy TM Code
12	Sell Broker	VARCHAR2	Sell TM Code
13	Trade Price	NUMBER	Traded Price of the contract
14	Trade Date Time	DATE	Format mm/dd/yyyy hh:mm:ss PM
15	Trade Volume	NUMBER	Number of Contracts traded today
16	Trade Token No	NUMBER	Token no of Contract
17	Trade Buy Branch	NUMBER	Branch no of user
18	Buy CM Code	VARCHAR2	Clearing Member Code
19	Sell CM Code	VARCHAR2	Clearing Member Code
20	Trade Sell Branch	VARCHAR2	Branch no of user
21	Buy Custodial Participant	VARCHAR2	CP Code
22	Buy Side Confirmation	VARCHAR2	Confirmation Flag of CP Trades
23	Sell Custodial Participant	VARCHAR2	CP Code
24	Sell Side Confirmation	VARCHAR2	Confirmation Flag of CP Trades
25	Buy Covered Uncovered Flag	VARCHAR2	Default Value - 'U'
26	Sell Covered Uncovered Flag	VARCHAR2	Default Value - 'U'
27	Buy Old Custodial Participant	VARCHAR2	No Data
28	Buy Old CM Code	VARCHAR2	No Data
29	Sell Old Custodial Participant	VARCHAR2	No Data
30	Sell Old CM Code	VARCHAR2	No Data
31	Trade Buyer	NUMBER	User ID
32	Trade Seller	NUMBER	User ID
33	Buy Order No	NUMBER	Trade Number
34	Sell Order No	NUMBER	Trade Number
35	Buy Account No	VARCHAR2	Client Code

36	Sell Account No	VARCHAR2	Client Code
37	Buy Remarks	VARCHAR2	No Data
38	Sell Remarks	VARCHAR2	No Data
39	Buy Position	VARCHAR2	Default Value - 'O'
40	Sell Position	VARCHAR2	Default Value - 'O'
41	Buy Proprietor Client Flag	VARCHAR2	C - Client P - Propreitory
42	Sell Proprietor Client Flag	VARCHAR2	C - Client P - Propreitory
43	Control Flag	VARCHAR2	Default Value - N
44	Trade Execution Date Time	DATE	Format mm/dd/yyyy hh:mm:ss PM
45	YTM	NUMBER	Yield to Maturity at the traded price
46	Valuation Price	NUMBER	Valuation price for the trade
47	Contract Value	NUMBER	Contract value for the trade

4. Detailed position file for trading members (PS03) and detailed position file for clearing members (PS04)

Naming Convention	CUR_PS03_<MEMBER CODE>_DDMMYYYY.CSV.gz CUR_PS04_<MEMBER CODE>_DDMMYYYY.CSV.gz IRF_PS03_<MEMBER CODE>_DDMMYYYY.CSV.gz IRF_PS04_<MEMBER CODE>_DDMMYYYY.CSV.gz X_PS03_<MEMBER CODE>_DDMMYYYY.CSV.gz X_PS04_<MEMBER CODE>_DDMMYYYY.CSV.gz X_PS03_P_<MEMBER CODE>_DDMMYYYY.CSV.gz * X_PS04_P_<MEMBER CODE>_DDMMYYYY.CSV.gz * IRT_PS03_P_<MEMBER CODE>_DDMMYYYY.CSV.gz** IRT_PS04_P_<MEMBER CODE>_DDMMYYYY.CSV.gz**
File Path	directory /CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)

Column No	Headers	Field Characteristics	Details

1	Position Date	DATE	Format DD-MMM-YY
2	Segment Indicator	VARCHAR2	X - Currency Segment
3	Settlement Type	VARCHAR2	E - Futures C - Options
4	Clearing Member Code	VARCHAR2	Clearing Member Code
5	Member Type	VARCHAR2	M for Trading Member
6	Trading Member Code	VARCHAR2	Trading Member Code
7	Account Type	VARCHAR2	P - proprietary C - Client
8	Client Account / Code	VARCHAR2	Default value is '0' (Zero)
9	Instrument Type	VARCHAR2	FUTCUR - Currency Futures OPTCUR - Currency Options FUTIRD - Interest Rate Futures FUTIRT – T-bill Future
10	Symbol	VARCHAR2	USDINR - USD-INR Contract EURINR - EUR-INR Contract GBPINR - GBP-INR Contract JPYINR - JPY-INR Contract 10YGS7 - IRF contract 91DTB – 91Day T-bill contract
11	Last Trading Date	DATE	Format DD-MMM-YY
12	Strike Price	NUMBER	Strike Price for options 0' (Zero) for Futures Contracts
13	Option Type	VARCHAR2	CE - Call Option PE - Put Option FF - Futures Contracts
14	CA Level	NUMBER	Default value is '0' (Zero). No corporate action in currency derivatives
15	Brought Forward Long Quantity	NUMBER	Brought Forward Number of contracts – Long
16	Brought Forward Long Value	NUMBER	Brought Forward Long Value in INR
17	Brought Forward Short Quantity	NUMBER	Brought Forward Number of contracts – Short

18	Brought Forward Short Value	NUMBER	Brought Forward Short Value in INR
19	Day Buy Open Quantity	NUMBER	Number of contracts purchased today
20	Day Buy Open Value	NUMBER	Value of the purchased quantity in INR
21	Day Sell Open Quantity	NUMBER	Number of contracts sold today
22	Day Sell Open Value	NUMBER	Value of the sold quantity in INR
23	Pre Ex / Assgn Long Quantity	NUMBER	Number of contracts
24	Pre Ex / Assgn Long Value	NUMBER	Amount in INR (Negative)
25	Pre Ex / Assgn Short Quantity	NUMBER	Number of contracts
26	Pre Ex / Assgn Short Value	NUMBER	Amount in INR
27	Exercised Quantity	NUMBER	Number of options contracts exercised
28	Assigned Quantity	NUMBER	Number of options contracts assigned
29	Post Ex / Assgn Long Quantity	NUMBER	Number of contracts
30	Post Ex / Assgn Long Value	NUMBER	Amount in INR (Negative)
31	Post Ex / Assgn Short Quantity	NUMBER	Number of contracts
32	Post Ex / Assgn Short Value	NUMBER	Amount in INR (Positive)
33	Settlement Price	NUMBER	Value 1
34	Net Premium	NUMBER	Amount in INR
35	Daily MTM Settlement Value	NUMBER	Value 2
36	Futures Final Settlement Value	NUMBER	Value 3
37	Exercised / Assigned Value	NUMBER	Value 4

* The provisional report (X_PS03_P & X_PS04_P) shall be provided only on the last trading day of a Currency contract.

** The provisional report (IRT_PS03_P & IRT_PS04_P) shall be provided only on the last trading day of a futures contract on 91 Day GOI T-bills.

Value 1: Settlement Price

- In case of futures contracts, which have not yet expired, the contract settlement price shall be provided. This price is used for the daily mark to market settlement of futures contracts.
- In case of future contracts, on the last trading day, the final settlement price shall be provided. This price is used for final mark to market settlement of futures contracts.

Value 2: Daily MTM Settlement Value

- In case of futures contracts, which have not yet expired, the mark to market settlement value is provided.
- In case of futures contracts, on the last trading day of the contract, the value is zero.
- The value is populated with the appropriate sign convention Payable (-)/ Receivable (+).

Value 3: Futures Final Settlement Value

- In case of futures contracts, which have not yet expired, the value is zero
- In case of futures contracts, on the last trading day of the contract, the final mark to market settlement value is provided.
- The value is provided with the appropriate sign convention Payable (-)/ Receivable (+).

Value 4: Exercised / Assigned Value

- In case of options contracts, which have not yet expired, the value is zero
- In case of options contracts, on the last trading day of the contract, the exercised settlement value is provided.

5. Bank report to Clearing Members for next day obligations (BK01)

Naming Convention	X_BK01_<MEMBER CODE> _ DDMMYYYY_DD.CSV.gz
File Path	/CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)
Remarks	Net Debit or Credit transaction for various settlements like Daily Mark to Market and Final Settlement

Column No	**Headers**	**Field Characteristics**	**Details**

1	Transaction Received Date	DATE	Format DD-MMM-YY
2	Transaction Code	VARCHAR2	Transaction Code
3	Transaction Number	NUMBER	Transaction Number
4	Description	VARCHAR2	Details of transaction
5	Debit Amount	NUMBER	Amount in INR
6	Credit Amount	NUMBER	Amount in INR

6. Bank summary report for clearing member (BK02)

Naming Convention	X_BK02_<MEMBER CODE>_DDMMYYYY.CSV.gz
File Path	/CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)

Column No	Headers	Field Characteristics	Details
1	Transaction Number	NUMBER	Transaction Number
2	Description	VARCHAR2	Details of transaction
3	Transaction Code	VARCHAR2	Transaction Code
4	Debit/Credit	VARCHAR2	D - Debit, C - Credit
5	From Account Number	NUMBER	Account Number
6	To Account Number	NUMBER	Account Number
7	Sum Amount	NUMBER	Total Amount

7. Bank transaction report for clearing member (BK03)

Naming Convention	X_BK03_<MEMBER CODE>_DDMMYYYY.CSV.gz
File Path	/CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)

Column No	Headers	Field Characteristics	Details
1	Transaction Number	NUMBER	Transaction Number
2	Segment Indicator	VARCHAR2	X - Currency Segment
3	Bank Transaction Received Date	DATE	Format DD-MMM-

			YY
4	Transaction Code	NUMBER	Transaction Code
5	Description	VARCHAR2	Details of transaction
6	Debit/Credit	VARCHAR2	D - Debit C - Credit
7	Original Amount	NUMBER	Amount in INR
8	Amount Due	NUMBER	Amount in INR
9	Amount Received	NUMBER	Amount in INR
10	Amount Short	NUMBER	Amount in INR

8. Margin statement for clearing member (MG09)

Naming Convention	X_MG09_<MEMBER CODE>_DDMMYYYY.LIS.gz
File Path	/CDSFTP/X<MEMBER CODE>/REPORTS
File Format	LIS

Column No	Headers	Field Characteristics	Details
1	Sr. No	NUMBER	Serial no (In Asending Order)
2	TM/CP Code	VARCHAR2	Trading Member / Custodial Participation Code
3	Initial Margin	NUMBER	Amount of Initial Margin in INR
4	Delivery Margin	NUMBER	Delivery Margin
5	Net Buy Premium Margin	NUMBER	Amount of Premium Margin in INR
6	Non Intent Margin	NUMBER	Non Intent Margin
7	Total Margin	NUMBER	Total Margin amount in INR (Initial + Premium + Futures Final Settlement)
Currency Final Settlement Margin		NUMBER	Amount of Final Settlement Margin in INR

9. Margin statement for trading member (MG10)

Naming Convention	X_MG10_<MEMBER CODE>_DDMMYYYY.LIS.gz
File Path	/CDSFTP/X<MEMBER CODE>/REPORTS

File Format	LIS

Column No	Headers	Field Characteristics	Details
1	Sr. No	NUMBER	Serial no (In Asending Order)
2	proprietary/client	VARCHAR2	P - Proprietary C - Client
3	Initial Margin	NUMBER	Amount of Initial Margin in INR
4	Net Buy Premium Margin	NUMBER	Amount of Premium Margin in INR
5	Delivery Margin	NUMBER	Amount of delivery margin in INR
6	Non-Intent Margin	NUMBER	Amount of non-intent margin in INR
7	Total Margin	NUMBER	Total Margin amount in INR

10. Margin payable statement for clearing member (MG11)

Naming Convention	X_MG11_<MEMBER CODE>_DDMMYYYY.LIS.gz
File Path	/CDSFTP/X<MEMBER CODE>/REPORTS
File Format	LIS

Column No	Field Characteristics	Details
A		***CAPITAL***
1	NUMBER	Total Cash Capital
2	NUMBER	Total Non-Cash Capital
3	NUMBER	Total Capital (A1 + A2)
4	NUMBER	Cash Component Required (%)
5	NUMBER	Effective Deposits [Min (A1/A4, A3)]
6	NUMBER	Non-usable Non-cash Capital (A3 - A5)
B		***MARGIN INFORMATION***
7	NUMBER	Minimum Liquid Net Worth
8	NUMBER	Initial Margin Amount
9	NUMBER	Extreme Loss Margin
10	NUMBER	Effective Deposits Required For Initial Margin (B7 +

		B8)
11	NUMBER	Effective Deposits Required For ELM (B7+B8 +B9)
12	NUMBER	Effective Deposit requirement for the Clearing Member [Higher of (B10, B11)]
C		***TRANSACTION AMOUNT***
13	NUMBER	Excess Effective Deposits Required (B12 –A5)
14	NUMBER	Minimum Free Deposit for Pay-in Transaction
15	NUMBER	Minimum Free Deposit for Pay-out Transaction
16	NUMBER	Additional Deposit Required
17	NUMBER	Daily Cash Margin Already Paid By the Member
18	NUMBER	Non-usable Non-cash Allocation
19	NUMBER	Cash Margin Payable(+)/Receivable(-)

11. Detailed margin file for clearing member (MG12)

Naming Convention	CUR_MG12_<MEMBER CODE>_DDMMYYYY.CSV.gz IRF_MG12_<MEMBER CODE>_DDMMYYYY.CSV.gz X_MG12_<MEMBER CODE>_DDMMYYYY.LIS.gz
File Path	/CDSFTP/X<MEMBER CODE>/REPORTS
File Format	LIS

Column No	Headers	Field Characteristics	Details
1	Trade date	DATE	Format DD-MM-YY
2	Trading member /Custodial participant code	VARCHAR2	Trading Member / Custodial Participation Code
3	Initial margin	NUMBER	Amount of Initial Margin in INR
4	Extreme Loss Margin	NUMBER	Amount of Extreme Loss Margin in INR
5	Total margin	NUMBER	Amount of Total Margin in INR
6	Net buy premium margin	NUMBER	New premium margin in INR

12. Detailed margin file for trading member (MG13)

Naming Convention	CUR_MG13_<MEMBER CODE>_DDMMYYYY.LIS.gz IRF_MG13_<MEMBER CODE>_DDMMYYYY.LIS.gz X_MG13_<MEMBER CODE>_DDMMYYYY.LIS.gz
File Path	/CDSFTP/X<MEMBER CODE>/REPORTS
File Format	LIS

Column No	Headers	Field Characteristics	Details
1	Trade date	DATE	Format DD-MM-YY
2	Client Code	VARCHAR2	Client Code
3	Initial margin	NUMBER	Amount of Initial Margin in INR
4	Extreme Loss Margin	NUMBER	Amount of Extreme Loss Margin in INR
5	Total margin	NUMBER	Amount of Total Margin in INR
6	Net Buy premium margin	NUMBER	Net premium Margin in INR
7	Client/PRO flag	VARCHAR2	P – Proprietary C - Client

13. Details of collaterals submitted by clearing member (CL01)

Naming Convention	X_CL01_<MEMBER CODE>_DDMMYYYY.LIS.gz
File Path	/CDSFTP/X<MEMBER CODE>/REPORTS
File Format	LIS

Member Type : Date:
Member Code : Member Name :

1. SECURITY DEPOSIT

1.1 NSCCL Deposit (Amount deposited with NSCCL towards clearing membership requirement and towards deposit requirement for each trading member clearing and settling through the clearing member. Sum of 1.1.1 to 1.1.12)
1.1.1 Interest Free Security Deposit-FO
1.1.2 Interest Free Security Deposit-CM

1.1.3 Interest Free Security Deposit-CD
1.1.4 Bank Guarantee (ANNEXURE A)
1.1.5 Cash Deposit
1.1.6 Fixed Deposit Receipts (ANNEXURE B)
1.1.7 Cash Mutual Fund
1.1.8 Government Securities
1.1.9 Foreign Securities
1.1.10 Foreign Currency
1.1.11 Non-Cash Mutual Fund
1.1.12 Securities

1.2 NSEIL Deposit (Amount deposited with NSEIL including IFSD towards trading membership requirement by trading members clearing and settling through the clearing member + Transferred from other segment)(ANNEXURE G)

Total Security Deposit (1.1 + 1.2)

2. MARGIN DEPOSIT
2.1 Bank Guarantee (ANNEXURE A)
2.2 Cash Deposit
2.3 Fixed Deposit (ANNEXURE B)
2.4 Margin Amount Paid
2.5 VSAT Deposit
2.6 WDM Deposit
2.7 Cash Mutual Fund
2.8 Government Securities
2.9 Foreign Securities
2.10 Foreign Currency
2.11 Non-cash Mutual Fund
2.12 Securities

Total Margin Deposit (sum of 2.1 to 2.12)

3. TOTAL CAPITAL

4. EFFECTIVE DEPOSITS
4.1 Cash Component of Security Deposit (1.1.1 to 1.1.10) +1.2
4.2 Cash Component of Margin Deposit (sum of 2.1 to 2.10)
4.3 Total Cash Component (4.1 + 4.2)
4.4 Non-cash Component of Security Deposit(1.1.11+1.1.12)
4.5 Non-cash Component of Margin Deposit
4.6 Total Non-cash Component (4.4 + 4.5)
4.7 Effective Deposit (@50 percent cash component)
4.8 Total Blocked Amount (ANNEXURE C)

4.9 Net Effective Deposit (4.7 - 4.8)

ANNEXURE A:
Détails of Security Deposit -Bank Guarantee :

S. No.	NSCCL Ref no.	BG. No	Issuing Bank	Issue Date	Maturity Date	Amount (Rs)

Details of Margin Deposit-Bank Guarantee :

S. No	NSCCL Ref no.	BG. No	Issuing Bank	Issue Date	Maturity Date	Gross Amt. (Rs)	ADM Block Amt. (Rs)	CPC Block Amt. (Rs)	Total Block Amt. (Rs)	Amt (Rs)

ANNEXURE B:
Details of Security Deposit -Fixed Deposit :

S. No.	NSCCL Ref No.	FDR. No	Issuing Bank	Issue Date	Maturity Date	Amount (Rs)

Details of Margin Deposit-Fixed Deposit :

S. No	NSCCL Ref No.	FDR. No	Issuing Bank	Issue Date	Maturity Date	Gross Amt. (Rs)	ADM Block Amt. (Rs)	CPC Block Amt. (Rs)	Total Block Amt. (Rs)	Amt (Rs)

ANNEXURE C:
Details of Total Blocked Amount:

S. No	Block Reason	Cash Amount(Rs)	Non-Cash Amount (Rs)

TOTAL of Blocked Amount

ANNEXURE D (Collateral Additions During the day):
1. Details of Cash Additions

S. No	Deposit Type (SD/MD)	Bank	Amount (Rs.)

2. Details of BG Additions

S. No	NSCCL Ref no.	Deposit Type(SD/MD)	BG. No	Issuing Bank	Issue Date	Maturity Date	Gross Amount(Rs)

3. Details of FD Additions

S. No	NSCCL Ref no.	Deposit Type(SD/MD)	FD. No	Issuing Bank	Issue Date	Maturity Date	Gross Amount(Rs)

4. Details of Pledge (CMF/NMF/Securities/INM)

S. No.	Instrument Type	Deposit Type(SD/MD)	Custodian	Symbol	Quantity

ANNEXURE E : (Collaterals Transfer during the day):

1a. Details of IFSD Transferred from other segments

S. No	Transferred from segment	Type(NSCCL/NSEIL)	Amount (Rs.)

1b Details of IFSD Transferred to other segments

S. No	Transferred to segment	Type(NSCCL/NSEIL)	Amount (Rs.)

2a Cash Deposit transferred from other segments

S. No	Deposit Type(SD/MD)	Transferred from segment	Amount (Rs.)

2b Cash Deposit transferred to other segments

S. No	Deposit Type(SD/MD)	Transferred to segment	Amount (Rs.)

3a Bank Guarantee transferred from other segments

S. No	NSCCL Ref no.	Deposit Type(SD/MD)	BG. No	Issuing Bank	Issue Date	Maturity Date	Gross Amount(Rs)	Transferred from segment

3b Bank Guarantee transferred to other segments

S. No	NSCCL Ref no.	Deposit Type(SD/MD)	BG. No	Issuing Bank	Issue Date	Maturity Date	Gross Amount(Rs)	Transferred to segment

4a Fixed Deposit Receipts transferred from other segments

S. No	NSCCL Ref no.	Deposit Type(SD/MD)	FD. No	Issuing Bank	Issue Date	Maturity Date	Gross Amount(Rs)	Transferred from segment

4b Fixed Deposit Receipts transferred to other segments

S. No	NSCCL Ref no.	Deposit Type(SD/MD)	FD. No	Issuing Bank	Issue Date	Maturity Date	Gross Amount(Rs)	Transferred to segment

5a Security Deposit transferred from other segments

S. No.	Instrument Type	Deposit Type(SD/MD)	Custodian	Symbol	Quantity	Transferred from segment

5b Security Deposit transferred to other segments

S. No.	Instrument Type	Deposit Type(SD/MD)	Custodian	Symbol	Quantity	Transferred to segment

ANNEXURE F (Collateral Releases during the day):

1 Details of Cash Releases

S. No	Deposit Type (SD/MD)	Amount (Rs.)

2 BG Release Details

S. No	NSCCL Ref no.	Deposit Type(SD/MD)	BG. No	Issuing Bank	Issue Date	Maturity Date	Gross Amount(Rs)

3 FD Release Details

S. No	NSCCL Ref no.	Deposit Type(SD/MD)	FD. No	Issuing Bank	Issue Date	Maturity Date	Gross Amount(Rs)

4 Details of security releases (CMF/NMF/Securities/INM)

S. No.	Instrument Type	Deposit Type(SD/MD)	Custodian	Symbol	Quantity

ANNEXURE G (TM wise deposit Details):

S.No	TM Code	TM Name	Deposit Amount(Rs.)

14. Details of turnover of trading members for each month (TMTO)

Naming Convention	X_TMTO_<MEMBER CODE>_<Start Month Year>_<End Month Year>.LIS.gz
File Path	/CDSFTP/X<MEMBER CODE>/REPORTS

File Format	LIS

Column No	Field Characteristics	Details
1	VARCHAR2	TM Code
2	VARCHAR2	TM Name
3	VARCHAR2	Period
4	DATE	Report Date

Report Date:

Month	Futures Turnover	Futures Final Settlement Value	Total

Futures Turnover = Trade Quantity * Trade Price*Contract multiplier

Futures Final Settlement Value = Futures Final Long Settlement Value + Futures Final Short Settlement Value

15. Intention Report (IN01 & IN02)

Detailed intention report for trading member (IN01) and detailed intention report for clearing member (IN02)

Naming Convention	X_IN01_<MEMBER CODE>_DDMMYYYY.csv X_IN02_<MEMBER CODE>_DDMMYYYY.csv
File Path	CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)

Column No	Headers	Field Characteristics	Details
1	Intent Date	DATE	Format DD-MMM-YY
2	Intent Number	NUMBER	Request number
3	Clearing Member code	VARCHAR2	CM Code
4	Member Type	VARCHAR2	M -
5	Member Code	VARCHAR2	TM Code
6	Account Type (Proprietary or Client)	VARCHAR2	P - Proprietary C - Client
7	Client Account Code	VARCHAR2	Client account number

8	Settlement Type	VARCHAR2	V - IRF normal Y - IRF auction
9	Instrument Type	VARCHAR2	FUTIRD
10	Symbol	VARCHAR2	10YGS7
11	Expiry Date	DATE	Format DD-MMM-YY
12	Strike Price	NUMBER	Default Value - 0 (Zero)
13	Option Type	VARCHAR2	Default Value - FF
14	Corporate Action Level	NUMBER	Default value is 0 (Zero)
15	Intended Security Series	VARCHAR2	GS - GOI Security
16	Intended Security Symbol	VARCHAR2	Symbol of the security to be deliver
17	Intended Security Description	VARCHAR2	Format GOI **.**% DD-MMM-YY
18	Market Type	VARCHAR2	N - Normal Market Type
19	Intended Request Quantity (In contract terms)	NUMBER	Number of contracts
20	Remarks	VARCHAR2	Defalt value is Blank
21	Acceptance Flag	VARCHAR2	Y – Yes N – No
22	Intended Rejection Quantity (In contract terms)	NUMBER	Number of contracts rejected
23	Rejection Reason	VARCHAR2	Remark for rejection
24	Valid Intended Quantity (In contract terms)	NUMBER	Number of contracts
25	Invoice Price	NUMBER	Price per contract
26	Settlement Value (Invoice Price x Valid Intended Quantity x Contract Multiplier)	NUMBER	Settlement Value in INR

16. Allocation Report (AL01 & AL02)

Detailed allocation report for trading member (AL01) and detailed allocation report for clearing member (AL02)

Naming Convention	X_AL01_<MEMBER CODE>_DDMMYYYY.csv X_AL02_<MEMBER CODE>_DDMMYYYY.csv
File Path	CDSFTP/X<MEMBER CODE>/REPORTS

File Format	comma separated file format (CSV)

Column No	Headers	Field Characteristics	Details
1	Allocation Date	DATE	Format DD-MMM-YY
2	Segment Indicator	VARCHAR2	X - IRF
3	Clearing Member code	VARCHAR2	CM Code
4	Account Type (Proprietary or Client)	VARCHAR2	P - Proprietary C - Client
5	Member Type	VARCHAR2	M - Trading Member P - Clearing Member
6	Member code	VARCHAR2	TM Code
7	Client Account code	VARCHAR2	Client account no
8	Settlement Type	VARCHAR2	V - IRF normal Y - IRF auction
9	Instrument Type	VARCHAR2	FUTIRD
10	Symbol	VARCHAR2	10YGS7
11	Expiry Date	DATE	Format DD-MMM-YY
12	Strike Price	NUMBER	Default Value - 0 (Zero)
13	Option Type	NUMBER	Default Value - FF
14	Corporate Action Level	NUMBER	Default value is 0 (Zero)
15	Allocated Security Series	VARCHAR2	GS - GOI Security
16	Allocated Security Symbol	VARCHAR2	Symbol of the security to be deliver
17	Allocated Security Description	VARCHAR2	Format - GOI **.**% DD-MMM-YY
18	Allocated Quantity (In contract terms)	NUMBER	Number of contracts
19	Invoice Price	NUMBER	Price per contract
20	Settlement Value (Invoice Price x Allocated Quantity x Contract Multiplier)	NUMBER	Settlement Value in INR

17. Details of delivery margin and non-intent margins (MG16 & MG17)

Detailed margins report for trading member (MG16) and detailed margin report for clearing member (MG17) towards IRF delivery settlement.

Naming Convention	X_MG16_<MEMBER CODE>_DDMMYYYY.csv X_MG17_<MEMBER CODE>_DDMMYYYY.csv
File Path	CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)

Column No	Headers	Field Characteristics	Details
1	Date	DATE	Format DD-MMM-YY
2	TM/CP Code	VARCHAR2	Trading Member / Custodial Participation Code
3	Delivery Margin	NUMBER	Amount in INR
4	Non Intent Margin	NUMBER	Amount in INR

18. Deliveries Report (DLVR)

Details of securities deliverable/receivable at the clearing member level.

Naming Convention	X_<MEMBER CODE>_DLVR_SETTYPNO_DDMMYYYY.csv
File Path	CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)

Column No	Headers	Field Characteristics	Details
1	Settlement Type	VARCHAR2	V IRF normal Y IRF auction
2	Settlement Number	VARCHAR2	Settlement Number
3	Delivery Centre Code	VARCHAR2	Delivery Centre Code
4	Receiving Centre Code	VARCHAR2	Receiving Centre Code

5	Delivery Unique ID	NUMBER	Delivery Unique ID
6	Delivery Date	DATE	Format DD-MMM-YY
7	Delivery Number	NUMBER	Delivery Number
8	Receipt Number	NUMBER	Receipt Number
9	Filler	VARCHAR2	Blank
10	Delivery Type	VARCHAR2	N
11	Security Symbol	VARCHAR2	10YGS7
12	Security Series	VARCHAR2	GS - GOI Security
13	Security Description	VARCHAR2	Format GOI **.**% DD-MMM-YY
14	Quantity to Deliver (In unit terms i.e. for one contract it shall be 2000 units)	NUMBER	No of securities
15	Quantity Delivered (In unit terms)	NUMBER	No of securities
16	Quantity Received (Electronic) (In unit terms)	NUMBER	Number of securities
17	Filler	VARCHAR2	Blank
18	Quantity Received (In unit terms)	NUMBER	Number of securities
19	Delivery Value	NUMBER	Invoice price* Quantity
20	Filler	VARCHAR2	Blank
21	Delivering Member Code (For PCM)	VARCHAR2	Member code
22	Delivering Member Code (For TM-CM)	VARCHAR2	Member code
23	Filler	VARCHAR2	Blank
24	Receiving Member Code (For PCM)	VARCHAR2	Member code
25	Receiving Member Code (For TM-CM)	VARCHAR2	Member code
26	Filler	VARCHAR2	Blank
27	Filler	VARCHAR2	Blank
28	Filler	VARCHAR2	Blank

19. Security wise Demat Delivery Statement and Security wise Demat Receipt Statement (DFDS & DFRS)

Detailed reports on securities actually delivered and received by the clearing member along with the depository details from where securities are delivered and received.

Naming Convention	X_DFDS_<MEMBERCODE>_DDMMYYYY.csv X_DFRS_<MEMBERCODE>_DDMMYYYY.csv
File Path	CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)

Header Record			
Column No	**Headers**	**Field Characteristics**	**Details**
1	Record Type (01)	VARCHAR2	1
2	File Type	VARCHAR2	DFDS
3	Member Type	VARCHAR2	M - Trading Member
4	Member Code	VARCHAR2	Member Code
5	Date (YYYYMMDD)	DATE	Format YYYYMMDD
6	Total Number of Records	NUMBER	Total Number of Detail Records
7	Total Quantity	NUMBER	Total quantity of detail records

Detailed Record			
Column No	**Headers**	**Field Characteristics**	**Details**
1	**Record Type (10)**	VARCHAR2	10
2	Settlement Type	VARCHAR2	V IRF normal Y IRF auction
3	Settlement No	VARCHAR2	Settlement Number
4	Delivery Type	VARCHAR2	N
5	Security Symbol	VARCHAR2	10YGS7
6	Security Series	VARCHAR2	GS - GOI Security
7	Security Description	VARCHAR2	Format GOI **.**% DD-MMM-YY
8	Security ISIN	VARCHAR2	Security ISIN
9	Quantity Delivered *(in terms of units)*	NUMBER	No of securities
10	Depository	VARCHAR2	NSDL/CDSL/PDO
11	Transaction No	NUMBER	Blank

20. Member wise Withheld Securities Statement

Detailed report on securities payout withheld in case of shortages for clearing members.

Naming Convention	X_DWTH_<MEMBER CODE>_DDMMYYYY.csv
File Path	CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)

Header Record			
Column No	**Headers**	**Field Characteristics**	**Details**
1	Record Type (01)	VARCHAR2	1
2	File Type	VARCHAR2	DWTH
3	Member Type	VARCHAR2	M - Trading Member
4	Member Code	VARCHAR2	Member Code
5	Date (YYYYMMDD)	DATE	Format YYYYMMDD
6	Total Number of Records	NUMBER	Total Number of Detail Records
7	Total Quantity	NUMBER	Total quantity of detail records

Detailed Record			
Column No	**Headers**	**Field Characteristics**	**Details**
1	**Record Type (10)**	VARCHAR2	10
2	Settlement Type	VARCHAR2	V (IRF normal) / Y (IRF auction)
3	Settlement No	VARCHAR2	Settlement Number
4	Delivery Type	VARCHAR2	N
5	Security Symbol	VARCHAR2	10YGS7
6	Security Series	VARCHAR2	GS - GOI Security
7	Security Description	VARCHAR2	Format GOI **.**% DD-MMM-YY
8	Security ISIN	VARCHAR2	Security ISIN
9	Depository	VARCHAR2	NSDL/CDSL
10	Withheld Quantity (in terms of units)	NUMBER	Number of securities

11	Released Quantity (in terms of units)	NUMBER	Number of securities
12	Balance Quantity (in terms of units)	NUMBER	Number of securities

21. Security Shortages Report

Detailed report on quantity short delivered or short received to clearing members.

Naming Convention	X_<MEMBER CODE>_SHRT_SETTYPNO_R_DDMMYYYY.csv X_<MEMBER CODE>_SHRT_SETTYPNO_D_DDMMYYYY.csv
File Path	CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)

Column No	**Headers**	**Field Characteristics**	**Details**
1	Serial No	NUMBER	Serial no (In Asending Order)
2	Settlement Type	VARCHAR2	V IRF normal Y IRF auction
3	Settlement No	VARCHAR2	Settlement No
4	Security Symbol	VARCHAR2	10YGS7
5	Security Series	VARCHAR2	GS - GOI Security
6	Security description	VARCHAR2	Format GOI **.**% DD-MMM-YY
7	Short quantity (in terms of units)	NUMBER	Number of securities
8	Valuation Price	NUMBER	Invoice price
9	Valuation Debit Amount	NUMBER	Invoice price* shortage quantity

22. Auctions Square off Debit/ Credit Report

Detailed report on securities not acquired in auction and details of shortages in auction settlement which are financially closed out. and the details of penalty payable/receivable for securities short delivered/received to clearing members.

Naming Convention	X_<MEMBER CODE>_ASQR_SETTYPNO_R_DDMMYYYY.csv X_<MEMBER CODE>_ASQR_SETTYPNO_D_DDMMYYYY.csv
File Path	CDSFTP/X<MEMBER CODE>/REPORTS

File Format	comma separated file format (CSV)

Column No	Headers	Field Characteristics	Details
1	Security Symbol	VARCHAR2	10YGS7
2	Security Series	VARCHAR2	GS - GOI Security
3	Security Description	VARCHAR2	Format GOI **.**% DD-MMM-YY
4	Settlement Type	VARCHAR2	V - IRF normal Y - IRF auction
5	Settlement Number	VARCHAR2	Settlement Number
6	Square off quantity *(in terms of units)*	NUMBER	Number of securities
7	Invoice price	NUMBER	Price per contract
8	Penalty amount	NUMBER	Amount in INR
9	Total Debit/Credit amount	NUMBER	Amount in INR

23. Auction Difference Report

Detailed report to clearing members on auction difference amount payable if the auction price is less than the invoice price

Naming Convention	X_<MEMBER CODE>_ADIFF_SETTYPNO_DDMMYYYY.csv
File Path	CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)

Column No	Headers	Field Characteristics	Details
1	Security Symbol	VARCHAR2	10YGS7
2	Security Series	VARCHAR2	GS - GOI Security
3	Security Description	VARCHAR2	Format GOI **.**% DD-MMM-YY
4	Settlement Type	VARCHAR2	V - IRF normal Y - IRF auction
5	Settlement Number	VARCHAR2	Settlement Number
6	Auction traded quantity (in terms of units)	NUMBER	Number of securities

7	Valuation Debit amount	NUMBER	Amount in INR
8	Auction Amount	NUMBER	Amount in INR
9	Auction Difference amount	NUMBER	Amount in INR
10	Total funds payable	NUMBER	Amount in INR

24. Securities being auctioned in case of non-intent

Detailed report on securities being auctioned in case of non-intent by the trading members (NIA01) and clearing member (NIA02) till last intention date.

Naming Convention	X_NIA01_ <MEMBRR CODE>_DDMMYYYY.csv X_NIA02_ <MEMBER CODE>_DDMMYYYY.csv
File Path	CDSFTP/X<MEMBER CODE>/REPORTS
File Format	comma separated file format (CSV)

Column No	Headers	Field Characteristics	Details
1	Date	DATE	Format DD-MMM-YY
2	Delivering / Receiving flag	VARCHAR2	D – Delivery R - Receipt
3	Client code/ trading member code	VARCHAR2	Client code/ trading member code
4	Security Symbol	VARCHAR2	10YGS7
5	Security Series	VARCHAR2	GS - GOI Security
6	Security Description	VARCHAR2	Format GOI **.**% DD-MMM-YY
7	Quantity to be auctioned (in terms of contracts)	NUMBER	Number of contracts
8	Settlement Value	NUMBER	Amount in INR

25. Daily SPAN Risk Parameters files

SPAN Risk Parameters files shall be generated based on the prices at 11:00 a.m., 12:30p.m., 2:00 p.m., end of day and begin of day.

I. Span Risk Parameter File with scaled up margin (with look ahead days as 2) applicable to the Clearing Members who have not opted for daily mark to market settlement on T+0 day.

a. Begin of day / Intra-day files
Naming convention nsccl_x.<YYYYMMDD>.inn.spn.gz
where <YYYYMMDD> represents the current system date
'i' represents intra day file and
'nn' represents intra day file batch number.

b. End of day file
Naming convention nsccl_x.<YYYYMMDD>.s.spn.gz
where <YYYYMMDD> represents the current system date
's' represents end of the day file

File location:
Risk Parameter File : /CDSFTP/CDSCOMMON/ Parameter

The Risk Parameter file would also be available at the NSE Website at http://www.nseindia.com & Chicago Mercantile Exchange website: ftp://ftp.cme.com/pub/span/data/nse/ at the end of the day.

File details and format:
1. This shall be common for all members in the Currency Derivatives segment, for each day.
2. File format shall be XML (Extended Markup Language)
3. The loss numbers in the SPAN files shall be applicable for a contract

26. Portfolio File

Naming Convention	X_<MEMBER CODE>_<DDMMYYYY>_1.pos for TM X_<MEMBER CODE>_<DDMMYYYY>_2.pos for CM
File Path	CDSFTP/X<MEMBER CODE>/Portfolio directory
File Format	XML (Extended Markup Language)

27. Exercise Report for Trading Member (EX01) & Clearing Member (EX02)

Naming convention:
X_EX01_<MEMBERCODE>_DDMMYYYY.CSV.gz for the trading member
X_EX02_<MEMBER CODE>_DDMMYYYY.CSV.gz for the clearing member

File location: directory /CDSFTP/X<MEMBER CODE>/REPORTS.
File details and Format:
Exercise Date
Exercise Number

Exercise Request Date
Clearing Member Code
Trading Member Type
Trading Member Code
Member Account Type
Client Account Code
Settlement Type
Instrument Type
Symbol
Expiry Date
Strike Price
Option Type
Corporate Action Level
Market Type
Exercise Request Quantity
Exercise Type
Exercise Style
Final Exercise Type
Exercise / Do Not Exercise Flag
Remarks
Acceptance Flag
Exercise Rejected Quantity
Rejection Reason Code
Valid Exercise Quantity
Settlement Price (underlying close price of the security)
Exercise Value (Settlement Price x Valid Exercise Quantity)

28. Assignment report for Trading Members (AS01) and Clearing Member (AS02)

File Naming convention:
X_AS01_<MEMBER CODE>_DDMMYYYY.csv.gz for the trading member
X_AS02_<MEMBER CODE>_DDMMYYYY.csv.gz for the clearing member

File location: directory /CDSFTP/X<MEMBER CODE>/REPORTS.

File details and format:
Assignment Date
Segment Indicator
Clearing Member Code
Member Account Type
Member Type
Trading Member Code
Client Account Code
Settlement Type
Instrument Type

Symbol
Expiry Date
Strike Price
Option Type
Corporate Action Level
Assigned Quantity
Exercise Type (whether on account of interim or final exercise)
Settlement Price (underlying close price of the security)
Assigned Value (Settlement price x Assigned quantity)

29. Detail penalty for short/ non-reporting by trading members (PNL01)

Naming convention: X_PNL01_<MEMBER CODE>_DDMMYYYY.CSV
Location: CDSFTP/X<MEMBER CODE>/ REPORTS/DNLD/PNL01
File details and format:

- Trade Date
- Client Code
- Shortfall Amount
- Penalty Amount

30. Detail penalty for short/non reporting by clearing member (PNL02)

Naming convention: X_PNL02_<MEMBER CODE>_DDMMYYYY.CSV
Location: CDSFTP/X<MEMBER CODE>/ REPORTS/DNLD/PNL02
File details and format:

- Trade Date
- TM Code/CP Code
- Shortfall Amount
- Penalty Amount

31. Penalty for short/ non-reporting by trading members affiliated to clearing member (PNL03)

Naming convention: X_PNL03_<MEMBER CODE>_DDMMYYYY.CSV
Location: CDSFTP/X<MEMBER CODE>/ REPORTS/DNLD/PNL03
File details and format:

- Trade Date
- TM Code
- Penalty Amount

ITEM 16

AMENDMENTS

The amendments made to NSCCL Byelaws (F&O segment), NSCCL Rules (F&O segment) and NSCC (Futures & Options) Regulations are as under:

[**A**] The provisions contained in the NSCCL Byelaws (F&O segment) are amended to the extent given hereunder:-

(1) The existing heading of Chapter II is amended (words in strikethrough are deleted) as follows:

Quote:

CHAPTER II: CLEARING ~~SUB-~~SEGMENTS ~~OF F & O SEGMENT~~

Unquote

(2) The following Byelaws are inserted before the existing Byelaw in Chapter II and the existing Byelaw is numbered as Byelaw 3:

Quote

i. There may be more than one clearing segment as may be specified by the relevant authority under these Byelaws from time to time.

ii. Without affecting the generality of the foregoing, the Clearing Corporation shall have the following clearing segments under these Byelaws:

<u>Futures & Options clearing segment</u>

(1) Derivatives contracts approved by SEBI may be admitted for clearing and settlement on the F & O clearing segment.

<u>Currency derivatives clearing segment</u>

(2) Derivatives contracts based on currency approved by SEBI may be admitted for clearing and settlement on the currency derivatives clearing segment.

4. These Byelaws shall apply to the Futures & Options clearing segment and to the sub-segments, if any, thereof.

5. These Byelaws shall also apply to the currency derivatives clearing segment unless the context requires otherwise or unless otherwise specified by the relevant authority from time to time. For this purpose the words "Futures & Options" or "F & O" appearing in these Byelaws shall be deemed to have been replaced by the words "currency derivatives".

Unquote

(3) Byelaw 1(1) of Chapter XII is amended (words in bold are included and words under strikethrough are deleted) as under:

Quote

*The Clearing Corporation shall maintain Settlement Fund(s) in respect of different clearing ~~sub-~~segment**s** for such purposes as may be specified by the relevant authority ~~form~~ **from** time to time. **The Clearing Corporation may also maintain Settlement Fund(s) in respect of different clearing sub-segment for such purpose as may be specified by the relevant authority from time to time.***

Unquote

(4) The following clause is inserted as Clause 4 in Chapter V:-

Quote

Any bank included in the Second Schedule of the Reserve Bank of India Act, 1934, and specifically authorised by Reserve Bank of India for this purpose,

1. is eligible to become a Clearing Member of the currency derivatives clearing segment of the Clearing Corporation, on the recommendation of the Relevant Authority.

2. such bank can act as a Clearing Member for its proprietary dealings, to act on its own account, in the currency derivatives clearing

segment of the Clearing Corporation.

3. such bank can also act as a Clearing Member for its clients or constituents in the currency derivatives clearing segment of the Clearing Corporation.

4. such bank shall also abide by the circulars and directions issued by RBI and SEBI in respect of dealings of such bank on the Clearing Corporation besides Rules, Byelaws and Regulations of the Clearing Corporation.

Unquote

(5) The words "through full novation" are inserted between the words 'with the clearing corporation' and 'as sellers and buyers' in clause 2 of Byelaw 10 in Chapter VI.

[**B**] The provisions contained in the NSCCL Rules (F&O segment) are amended through insertion of the following Chapter as Chapter 1A after Chapter 1:-

Quote:

CHAPTER 1A: APPLICABILITY

1. These Rules shall apply to the Futures & Options clearing segment and to the sub-segments, if any, thereof.

2. These Rules shall also apply to the currency derivatives clearing segment unless the context requires otherwise or unless otherwise specified by the relevant authority from time to time. For this purpose, the words "Futures & Options" or "F & O" appearing in these Rules shall be deemed to have been replaced by the words "currency derivatives".

Unquote

[**C**] The existing (Futures & Options) Regulations of NSCCL are made applicable to the currency derivatives segment subject to the following amendment:-

The Applicability Clause is amended (words in bold are included) as under in order to make the (Futures & Options) Regulations of NSCCL applicable to currency derivatives segment:

Quote:

These Regulations shall be applicable to all Clearing Members dealing in Futures & Options segment (F&O segment) of the Clearing Corporation. **These Regulations shall also be applicable mutatis mutandis to all Clearing Members dealing in currency derivatives segment of the Clearing Corporation unless the context requires otherwise or unless otherwise specified by the relevant authority from time to time.**

Unquote

Item 17

INFORMATION VIA SMS

An additional facility of information via SMS alert is available, wherein information in respect of some of the activities can be received through SMS.

The salient features of the SMS Alert facility are as mentioned below:

- Members can avail this facility in order to receive instant updates by way of SMS in respect of certain activities / information.
- Members shall be able to access the SMS application through a link on the Collateral Interface for Members (CIM).
- Members shall be allowed to register multiple mobile numbers (Maximum 5 numbers per member) for receiving SMS by registering multiple users with a flexibility to modify or deregister users.
- Members shall have the flexibility to subscribe to or unsubscribe any message alerts.
- Subscription to multiple message alerts for single mobile number or subscription to single message alert by multiple mobile numbers shall be permitted.
- Members shall be able to replicate the subscriptions done for one user to another user.

Members are requested to note that this alert facility is only an additional facility provided to the members for receiving the Alert / Information. The members shall verify the information received by way of alert and not rely solely on such Alerts / Information for any purpose. NSCCL shall not be liable for any delay or any other interruption which may occur due to any reason including network (Internet) reasons or snags in the system, break down of the system or any other equipment, server breakdown, maintenance shut down, breakdown of communication services or inability of NSCCL to send the Alert / Information. Irrespective of whether the member has received the Alert / Information or not, the member shall be required to adhere to all the Rules, Byelaws and Regulations and Circulars and all other requirements laid down by NSCCL from time to time.

Members are requested to ensure that the mobile numbers of only the concerned officials are registered and updated on regular basis in order to prevent the messages from being sent to unconcerned people. Further, members are also requested to note that the alert messages may not be received if the mobile numbers registered have opted for the 'Do not Disturb' or such other restrictive options provided by various service providers.

ITEM 18

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19. Format of letter to be given by the bank issuing margin deposit FDR to the Custodian
20. Format of letter for submission of fixed deposit receipt towards margin deposit to Clearing Corporation
21. Format of letter to be given by the bank issuing margin deposit FDR to the Clearing Corporation
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<u>ANNEXURE 1</u>

FORMAT OF CLEARING MEMBER – CONSTITUENT (CUSTODIAL PARTICIPANT) AGREEMENT

1) This agreement is made on this ___________ day of ______, 200_, between ______________, a company/ partnership firm/ individual having its registered office/ office/ residence at ___________________ registered as a Clearing Member (hereinafter called the Clearing Member) with National Securities Clearing Corporation Ltd. (hereinafter called "NSCCL") which expression shall unless repugnant to the context or meaning thereof include its successors, legal representatives and permitted assigns) and __________________________, a company/ partnership firm/ individual having its registered office/ office/ residence at ___________________ (hereinafter called "the Constituent ") which expression shall unless repugnant to the context or meaning thereof include its successors, legal representatives and permitted assigns).

WHEREAS

1. The constituent is a(n) _______ and desires to trade in the Currency Derivatives segment of the National Stock Exchange of India Ltd. (here in after called "NSEIL") through more than one trading members of NSEIL and clear and settle such trades through Clearing member [who, in turn, agreed to clear and settle the trades executed by the constituent through a trading member or trading members], subject to the provisions contained in the Rules, Bye Laws and Regulations of NSCCL (Currency Derivatives Segment).

2. _______ is a Clearing Member of NSCCL and is, inter alia, authorised to carry on the activities of clearing and settlement of deals, which are executed on the Currency Derivatives Segment of NSEIL by the trading member [who has appointed the Clearing Member to clear and settle his deals] or on behalf of Constituents [who have appointed the Clearing Member to clear and settle their deals]

3. The Constituent has approached the Clearing Member to undertake clearing & settlement of deals and to discharge his duties and obligations towards NSCCL on his behalf and the Clearing Member, in turn, agreed to clear & settle the trades done by the constituent through a trading member or trading members subject to the provisions contained in the Rules, Bye Laws and Regulations of NSCCL (Currency Derivatives Segment) and the terms and conditions contained herein.

4. The parties to this agreement are desirous of reducing the terms and conditions agreed, in writing, as contained herein :

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. At the request of the Constituent and in consideration of the Constituent agreeing to pay certain fees and charges mentioned herein and abide by the terms and conditions contained in this agreement, Rules, Bye-Laws and Regulations of NSCCL and NSEIL, the Clearing Member hereby undertakes upon himself the obligations of clearing and settlement of the deals of the Constituent executed/ done, through one or more trading members, on the Currency Derivatives Segment of NSEIL and to do all the acts, deeds and activities arising from and/ or incidental to the clearing and settlement of such deals.

2. Rights of the Clearing Member

(1) The Clearing Member shall be entitled to demand/ receive from the Constituent such deposits in such form as he may specify from time to time.

(2) Without prejudice to the generality of the above, the Constituent shall place with the Clearing Member an amount of Rs.____ as deposit which shall be maintained at any point of time. Subject to the provisions of Bye Laws, Rules and Regulations of NSCCL/NSEIL, in case of any shortfall in such deposit, the Clearing Member shall be entitled to initiate any action necessary to protect his interests in this regard against the Constituent.

(3) The Clearing Member shall be entitled to receive such fees, charges, or commission, in respect of various services which he renders or agrees to render to the Constituent, from the Constituent at such intervals as may be mutually agreed upon.

(4) The Clearing Member shall specify, subject to the requirements prescribed by NSCCL from time to time, the exposure margins up to which open positions can be taken by the Constituent. Such limits may be increased or reduced by the Clearing Member from time to time. The Clearing Member shall have the authority to initiate any action necessary to protect his interests in this regard, which may, inter alia, include restriction on further trading and closeout of open positions of the Constituent.

(5) The Clearing Member shall be entitled to collect from the Constituent, margin(s) of such amounts of such kinds, as he may deem necessary, which at any point of time shall not be less than the amount stipulated by NSCCL from time to time. The Clearing Member shall have authority to collect such additional margin(s) as the Clearing Member may deem necessary or as per the requirement of NSCCL.

(6) The Clearing Member shall be entitled to receive from the

Constituent such amounts as may be required to be paid towards daily mark to market settlement of futures contracts, final settlement of futures contracts, or such other settlement, as per the requirement of NSCCL.

(7) The Clearing Member shall have authority to close out/ liquidate the open positions of the Constituent in accordance with the Rules/ Byelaws and Regulations of NSCCL, in the case of non-payment of dues by the Constituent towards margins, additional margins, daily mark to market settlement of futures contracts, final settlement of futures contract, or such other settlement, fees, commission and/ or charges, by making necessary requests to NSEIL/ NSCCL for initiating such action. In such case, any loss arising due to the closing out of open positions shall be payable by the constituent and will be recovered from the Constituent by the clearing member.

(8) The Clearing Member shall have the right to inspect the books of accounts, records, documents and computerised data of the Constituent for which the Clearing Member shall have free access to the premises occupied by the Constituent or by any other person on his behalf.

3. Obligations of the Clearing Member

(1) The money deposited by each Constituent shall be kept in a separate account by the Clearing Member, distinct from his own account and shall provide the details of margins collected for the trades executed by the constituent, to NSCCL as per the requirements of NSCCL. .

(2) The Clearing Member shall inform the Constituent about the exposure limits (including any increase or reduction in such limits) upto which open positions can be taken by the Constituent.

(3) The Clearing Member shall be liable to pay to the Constituent any amount becoming due and receivable by the constituent towards daily mark to market settlement of futures contracts, final settlement of futures contracts and such other settlement as per the requirements of NSCCL.

(4) The Clearing Member shall be required to refund any excess margin money to the Constituent as per mutual agreement.

(5) The Clearing Member may settle the accounts on a periodical basis, if mutually agreed between the Clearing Member and the Constituent, which should be in accordance with the Byelaws, Rules & Regulations of NSCCL.

(6) In the event of default by the Clearing Member or his being declared a defaulter by NSEIL/ NSCCL, the amount paid by the Constituent and got deposited with NSCCL shall remain safe and shall not be utilised to meet the Clearing Member's own liabilities and/ or the liabilities of his other Constituents. In such cases, the Clearing

Member shall render all assistance to the Constituent for transfer of Constituent 's positions to some other Clearing Member, if such event occurs.

(7) In the event of failure by the Clearing Member in the payment of any dues to the NSCCL as well as the Constituent, the Constituent shall, with the prior approval of NSCCL, have the right to transfer his own open positions immediately to another Clearing Member. The Clearing Member shall be obliged to pay to the Constituent for any costs incurred for transfer of the open positions, if such event occurs.

(8) In case the Clearing Member is declared a defaulter by NSEIL/ NSCCL, and the Constituent transfers his open positions to some other Clearing Member, the Clearing Member shall be obliged to pay for any costs incurred for transfer of the open positions.

(9) If due to the default of the Clearing Member, the open positions of the Constituents are closed-out and any loss is incurred due to such close-out, the Clearing Member shall reimburse such loss to all the Constituents except to the Constituents because of whom the Clearing Member has defaulted.

(10) The Clearing Member shall treat the information pertaining to the Constituent as confidential. The Clearing Member shall not disclose the same to any other person except to the governmental, statutory, regulatory or legal authorities on a request made by these authorities in writing.

(11) The Clearing Member shall be required to provide reports/ statements of mark to market settlement of futures contracts, final settlement of futures contracts, premium settlement of options contracts, exercise settlement of option contracts or such other settlement, margin amounts and open positions to the Constituent, for such period as may be mutually agreed.

4. Rights of the Constituent

(1) The Constituent shall be entitled to have all the deals, executed through any Trading Member or Trading Members on the Currency Derivatives Segment of NSEIL, cleared and settled through the Clearing Member.

(2) The Constituent shall be entitled to receive intimation from the Clearing Member about the exposure margins (including any increase or reduction in such limits) upto which open positions can be taken by the Constituent.

(3) The Constituent shall be entitled to receive reports/ statements of mark to market settlement of futures contracts, final settlement of futures contracts, or such other settlement, margin amounts and open

positions from the Clearing Member, for such period as may be mutually agreed.

(4) The Constituent shall be (liable) entitled to (pay to) receive from the Clearing Member such amounts towards daily mark to market settlement of futures contracts, final settlement of futures contracts, and such other settlement as per the requirement of NSCCL.

(5) In the event of the Clearing Member being declared a defaulter by NSCCL, the Constituent, except the Constituent because of whom the Clearing Member has defaulted, shall be entitled to transfer his open positions to some other Clearing Member and recover any costs incurred for such transfers from the Clearing Member.

(6) In the event of failure by the Clearing Member in the payment of any dues to NSCCL as well as the Constituent, the Constituent shall, with the prior approval of NSCCL have the right to transfer his own open positions immediately to another Clearing Member. The Constituent shall also have the right to recover from Clearing Member any costs incurred for transfer of the open positions.

(7) In case the open positions of the Constituents are closed-out due to the default of the Clearing Member, the Constituent, except the Constituents because of whom the Clearing Member has defaulted, shall be entitled to recover such loss from the Clearing Member.

5. Obligations of the Constituent

(1) The Constituent shall pay to the Clearing Member such deposits in such form as the Clearing Member may specify from time to time.

(2) Without prejudice to the generality of the above, the Constituent shall place with the Clearing Member an amount of Rs.____ as deposit which shall be maintained at any point of time. Subject to the provisions of Bye Laws, Rules and Regulations of the NSCCL/ NSEIL, the Clearing Member shall be entitled to initiate any action necessary to protect his interest in this regard against the Constituent.

(3) The Constituent shall pay to the Clearing Member such fees, charges, or commission in respect of various services which he renders or agrees to render to the Constituent at such intervals as may be mutually agreed upon by them.

(4) The Constituent shall pay to the Clearing Member margins of such amounts as may be prescribed by NSCCL from time to time including additional margins, if any or such higher amount of margins as may be mutually agreed with the Clearing Member. The margins shall be deposited by the Constituent within such time and in such form as may be specified by the Clearing Member.

(5) The Constituent shall be liable (entitled) to pay to (receive from) the

Clearing Member such amounts towards daily mark to market settlement of futures contracts, final settlement of futures contracts, and such other settlement as per the requirement of NSCCL.

(6) The accounts shall be settled on a periodical basis as may be mutually agreed between the Clearing Member and the Constituent.

(7) The Constituent shall be obliged to reimburse to the Clearing Members any loss caused due to the closing out / liquidation of his open positions initiated by the Clearing Member, on account of non-payment of dues by the Constituent towards margins, additional margins, daily mark to market settlement of futures contracts, final settlement of futures contracts, or such other settlement, fees, charges, commission, penalties and expenses, any other sum ,as per the requirement of NSCCL.

(8) The Constituent shall do all such acts, deeds and activities that are necessary for the purpose of strict compliance with the Rules, Bye Laws & Regulations of NSEIL/ NSCCL by the Clearing Member.

(9) If due to the default of the Constituent, the open position of the Constituent is closed-out and any loss is incurred due to such closeout, the Constituent shall be liable to reimburse such loss to the Clearing Member.

6. Termination of the Agreement

The agreement entered into between the Clearing Member and the Constituent may be terminated by the parties by giving at least one month written notice to the other party or as may be mutually consented. Such cancellation or termination shall not have any effect on transactions executed before the time and date of termination and the parties shall enjoy the same rights and shall have same obligations in respect of such executed transactions.

7. Notice

Any communication between the Clearing Member and the Constituent shall be made in any one or more of the following ways:

(a) an electronic mail or fax
(b) delivering it by post
(c) sending it by registered post
(d) sending it under certificate of posting
(e) sending it by express delivery post / courier services.
(f) sending it by telegram
(g) affixing it on the door at the last known business or residential address
(h) advertising it at least once in any prominent daily newspaper

8. Force Majeure

No liability shall result to either party for delay in performance or non-performance of the obligations under the agreement caused and/or contributed to by any event of force majeure. For purposes of this Clause, "Force Majeure" means and includes wars, insurrections, revolution, fires, floods, epidemic, quarantine restrictions, declared general strikes in relevant industries, act of God, act of governmental, statutory, regulatory or legal authority and such other acts or events beyond the control of the non-performing party.

9. No assignment

Neither party shall be entitled to assign or otherwise transfer this agreement or any benefits, rights, obligations or interests herein whether in whole or in part to any other agency without the prior written consent of the other.

10. Non-waiver

No forbearance, delay or indulgence by either party in enforcing the provisions of this Agreement shall prejudice or restrict the rights of that party nor shall any waiver of its rights operate as a waiver of any subsequent breach and no rights, powers, remedies herein conferred upon or reserved for either party is exclusive of any other right, power or remedy available to that party and each right, power or remedy shall be cumulative.

11. Arbitration

(1) All disputes, differences or questions arising out of or in relation to the agreement including the interpretation of the terms contained herein with regard to the obligations, failure or breach thereof by any of the parties and/or of any matter whatsoever arising out of the Agreement, shall in the first instance be resolved mutually by the parties.

(2) If the parties fail to resolve the same mutually, then the same shall be referred to the arbitration in accordance with the Rules, ByeLaws and Regulations of NSCCL.

12. Jurisdiction

This agreement shall be subject to the exclusive jurisdiction of the courts in ____.

IN WITNESS THEREOF, the parties to this agreement have caused these presents to be executed as of the day and year first above written.

Signed for and on behalf of

CLEARING MEMBER :
By :
Signature :
Title :
Witness :

Signed for and on behalf of

CONSTITUENT	:
By	:
Signature	:
Title	:
Witness	:

ANNEXURE 2

THEORETICAL FUTURES PRICE CALCULATION MODEL

Theoretical futures price calculation model for Currency Futures

The theoretical price of a currency futures contract shall be computed as per the following formula:

$$F = S \times e^{(r-rf)T}$$

where:

F Theoretical futures price

S Value of the underlying

r Cost of financing (using continuously compounded interest rate)

r_f Foreign risk free interest rate

T Time till expiration

e 2.71828

Rate of interest (r) may be the relevant MIFOR rate or such other rate as may be specified by the Clearing Corporation from time to time.

Foreign risk free interest rate shall be the relevant LIBOR rate or such other rate as may be specified by the Clearing Corporation from time to time

ANNEXURE 3

Computation of Daily Settlement Price and Final Settlement Price for futures contracts on 10 year Notional Coupon Bearing GOI Security

The daily settlement price (DSP) would be determined in the following manner:

Step1: The DSP is the volume weighted average price (VWAP) of the trades in the last 30 minute of trading, provided there are at least 5 trades for a minimum aggregate notional value of Rs. 10 crore. Failing which, trades during the last 60 minutes shall be used for the calculation of VWAP, subject to at least 5 trades for Rs.10 crore. Failing which trades during the last 120 minutes shall be used for the calculation of VWAP, subject to at least 5 trades for Rs.10 crore.

Step 2: If the DSP cannot be calculated as mentioned in step 1, a theoretical price would be used. This theoretical price shall be the minimum of the theoretical futures prices of all the securities in the delivery basket of the respective futures contract. Theoretical futures price of each of the securities in the deliverable basket of the contract shall be calculated as per the below formula.

$$\text{Theoretical Future price of each security} = \frac{\text{Forward price}}{\text{Conversion factor}}$$

Forward Price = Cash price + Financing cost – Income on cash position

1. Cash price of the security shall be the weighted average cash price of outright trades of that security during the day on the NDS Order Matching platform, subject to at least 5 trades for face value Rs.10 crore.
2. If there are not enough trades as required above or there is a material market event during the trading hours, the cash price of each security shall be the FIMMDA / PDAI / Bloomberg revaluation price(s)
3. Financing cost for this purpose shall be 91-day Treasury bill rate.

If, however, the near quarter contract is liquid (5 trades for Rs. 10 crores during the last 30 minutes, 60 minutes or 120 minutes, as the case may be), the VWAP of the near quarter contract shall be adjusted for cost of carry to arrive at the theoretical price for subsequent quarterly contracts. Further, if near quarter (say March) contract is illiquid then the VWAP of the nearest liquid quarter contract (say June) shall be used to derive the settlement prices of the illiquid previous as well as the subsequent quarter contracts. The cost of carry for the above purpose shall be 91-day Treasury bill rate.

<u>**ANNEXURE 4**</u>

Computation of Daily Settlement Price for futures on 91 day GOI T-bill

All the open positions in futures on 91 day GOI T-bills shall be marked to market on the Daily Settlement Price. The daily settlement price would be determined in the following manner:

100 – 0.25 * Yw

Where Yw (futures yield) shall be volume weighted average futures yield of traded futures contracts in the last 30 minutes of trading subject to there being at least 5 trades. Failing which, trades during the last 60 minutes shall be used for the calculation, subject to at least 5 trades. Failing which, trades during the last 120 minutes shall be used for the calculation, subject to at least 5 trades.

If the daily contract settlement value cannot be calculated as above, a theoretical futures yield would be used for computation. The latest available Treasury Bill Yield Curve published by FIMMDA of various tenors shall be used for computation of theoretical futures yield as follows:

Step – 1

Interpolate / Extrapolate yield for residual maturity (90 plus Days to maturity of contract) period using Treasury bill benchmark yield curve.

Step – 2

Interpolate / Extrapolate yield for remaining maturity (Maturity of contract minus Today) period using Treasury bill benchmark yield curve.

Step – 3

Forward yield for 90 days i.e. from remaining maturity of the contract till residual maturity of the contract may be computed using yields calculated in step 1 and 2.

Interpolation and extrapolation in step1 and step2 shall be applicable only when the yield of required tenor is not available on Treasury Bill Yield Curve published by FIMMDA.

ANNEXURE 5

Format to opt for Auto-delivery facility

(To be given in the member letterhead / signed by the Member/any one Partner of Partnership firm or Director of a Corporate Member and stamped)

Date:
From: [Clearing Member Name and address]
To: [NSCCL and address]

Dear Sirs,

Sub: Availing the facility of Automatic Delivery Out in NSDL for Interest Rate Futures on 10 year Notional Coupon Bearing GOI Security

With reference to the above, we note that:

1) We wish to avail of this facility for Auto Delivery Out in the Interest Rate Futures segment.

2) We do hereby irrevocably authorize NSCCL to provide NSDL with the details of the delivery obligations and the quantities to deliver with respect to the above subject. This irrevocable undertaking will be effective from the date of this letter.

3) We also understand that in case an IDO is given, the Auto DO instructions for the same will be monitored by us and any changes desired to be made in the Auto DO instructions will be done by us accordingly.

4) In case of shifting of our CM pool account in NSDL, we undertake to monitor the delivery instructions including the Auto DO instructions generated by NSCCL. We understand that NSCCL will be generating Auto DO instructions for a single depository account only, even if two CM pool accounts are operating at the same time.

5) NSCCL will not be responsible for any short or excess shares being transferred from our depository account with NSDL on account of Auto DO.

6) In case we fail to comply with the specified requirements of NSDL, resulting into short deliveries and consequential close out, NSCCL will in no way be responsible.

7) We further hereby undertake to abide by such other or further guidelines / instructions as may be communicated / devised by NSCCL from time to time.

Yours faithfully
Signature of (Member/Partner of Partnership firm/Director of a Corporate Member)

ANNEXURE 6

Format of letter to be provided by clearing member settling through SGL/CSGL account

(On clearing member's letter head)

The Manager
NSCCL – Currency Derivatives Segment
NSE Exchange Plaza
Mumbai - 400051
Dear Sir/ Madam,

Sub: Settlement of IRF contracts through SGL/CSGL account

This is with reference to delivery settlement of IRF contracts. We wish to use our SGL/CSGL account for delivery settlement of IRF contracts. Please find enclosed the details of our SGL/CSGL account:

For clearing members having SGL accounts

Sr.no	Particulars	
1.	Clearing member code	
2.	Clearing member name	
3.	SGL account number	
4.	NDS Member ID	

For clearing members having CSGL accounts

Sr.no	Particulars	
1.	Clearing member code	
2.	Clearing member name	
3.	Name of the Custodian/Bank where CSGL account is maintained	
4.	SGL account number of the Custodian/Bank where CSGL account is maintained	

5.	NDS Member ID of the Custodian/Bank where CSGL account is maintained	

Thanking You,
Yours Faithfully,

Authorised Signatory

<u>**ANNEXURE 7**</u>

LIST OF DESIGNATED CLEARING BANKS AND BRANCHES

Clearing Bank	Address	Contact Person & Numbers
Axis Bank Ltd.	Capital Market Division Jeevan Prakash Building Sir P.M. Road Fort, Mumbai - 400 001	Mr. Sunil Sharma, Asst. Vice President Tel: 66107250 / 78 / 80 Fax: 66107284
Bank of India Ltd.	Stock Exchange Branch, P.J.Towers, Dalal Street Fort , Mumbai - 400 023	Mr. R. S. Nair, Dy. General Manager Tel: 22722400 / 396, 22721787 / 88 Fax: 22721782
Canara Bank Ltd.	NSE Branch, Varma Chambers, 1st Floor Homji Street Horniman Circle Fort , Mumbai - 400 001	Mr. Paratho Sarathi, Chief Manager Tel: 22693157, 22633006, 22658291 Fax: 22675650, 22670033
Citibank N.A.	CITI group center, 6th floor, C-61, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051	Mr. Rajarshi Chakraborty, Asst Vice President Tel. No.: 40015652 Mr. KVP Satish Chandra, AVPTel. No.: 40015192
The Hongkong & Shanghai Banking Corporation Ltd.	52/60, M G Road, Fort, Mumbai - 400 001	Mr. Ritesh Jain, Vice President Tel: 22681175 / 22681690 Fax : 22734388
ICICI Bank Ltd.	Capital Market Division Mafatlal Chambers, 'B' wing, 3rd Floor, N.M. Joshi Marg, Lower Parel (East)	Ashish Kapoor - 9930061165 Hemanshi Shah - 9833988770 Mr. Devendra N Chandavarkar, Chief Manager

	Mumbai 400 013	Tel: 66672085 Fax: 66661430
HDFC Bank Ltd.	Maneckji Wadia Building 1 st Floor, 65, Mumbai Samachar Marg, Mumbai - 400 023	Mr. Chetan A. Shah, Asst Vice President Tel: 24921750 Mr. Ashish Agarwal Tel: 24988484 Extn 3565 Fax : 24923411
IDBI Bank Ltd.	Mittal Tower, 'A' Wing, 2nd Floor, Nariman Point, Mumbai - 400 021	Mr.Kaushik Bagchi, Product Head Tel: 66552281 Mr. Ajay Thakur. Asst Manager Tel: 66977804 / 00
IndusInd Bank Ltd.	Sonawalla Building 57, Mumbai Samachar Marg, Fort, Mumbai - 400 001	Mr. Pradeep Bhave, VP & Branch Head Tel: 66347722 Mr. Yogesh Adke, Asst. Vice President Tel : 66366589 Fax: 66366590
Kotak Mahindra Bank Ltd.	13th floor, Nariman Bhavan, 227, Nariman Point Mumbai 400 021	Mr. Prasad Ramaswamy, Associate VP - Operations Tel: 66153065 Fax: 56563451
Standard Chartered Bank	5th floor, Forbes Building, Charanjeet Rai Marg, Fort, Mumbai 400 001	Mr. Girish Bhatia, Associate Director Tel: 66314285
Union Bank of India	Capital Market Cell Mumbai Samachar Marg Branch, 66/80, Mumbai Samachar Marg Fort	Mr. Girishchandra Kashyap, Sr Manager Tel : 22629335

	Mumbai 400 023	Mr. R.S. Majithia, Asst. General Manager Tel: 22629303 Fax: 22642742
State Bank of India	Mumbai Main Branch 1st floor, International Banking Division, Mumbai Samachar Marg Mumbai 400 023	Mr. Doiphode, Asst. General Manager Tel: 22695272 Mr. A.B. Pote, Manager Tel: 22661765

The latest list of designated clearing banks and their contact details are available on the web-site, www.nseindia.com

ANNEXURE 8

FORMAT OF LETTER TO BE SUBMITTED BY CLEARING MEMBER TO CLEARING BANK FOR OPERATION OF CLEARING ACCOUNT

Date:

From:
[Clearing Member name and address]

To:
[Clearing bank name and address]

Dear Sir/Madam,

Sub: Operation of Clearing Bank for National Securities Clearing Corporation Limited (NSCCL).

Ref: Our Primary / Secondary* Clearing Bank Account No:_________ with [Clearing Bank name and address]

With reference to the above, we note that:

1. National Stock Exchange of India Ltd. has formed National Securities Clearing Corporation Limited (NSCCL) as a wholly owned subsidiary to undertake clearing and settlement activity for its Members. NSCCL has established a clearing and settlement system, whereby its members will be able to undertake the clearing and settlement of deals admitted.

2. The bank has been nominated / appointed as a Clearing Bank for the purpose of Clearing and Settlement by NSCCL.

3. As per the Byelaws, Rules and Regulations of NSCCL, the member shall authorise the Clearing Bank to access their clearing account for debiting & crediting their accounts as per the instructions received from NSCCL from time to time. The member further shall authorise NSCCL to debit the Clearing Bank

Account for the purpose of appropriating the dues payable to SEBI or such other regulatory authority as maybe specified from time to time.

4. Having due regard to the above, we hereby irrevocably authorise the Clearing bank to debit and credit our above referred clearing bank account from time to time as per the instructions received from NSCCL. Further, we authorise the Clearing Bank to report balances and other information relating to this account to NSCCL as may be required by NSCCL from time to time. This irrevocable undertaking will be with immediate effect.

5. We further hereby undertake to abide by such other or further guidelines / instructions as may be communicated / decided by NSCCL.

Yours faithfully,

Authorised Signatory

Designation

* Strike out whichever is not applicable

ANNEXURE 9

LIST OF BANKS APPROVED FOR ISSUING FDRS

Sr. No	Bank Name
1	ALLAHABAD BANK
2	ANDHRA BANK
3	AXIS BANK LTD
4	BANK OF AMERICA, N.A.
5	BANK OF BARODA
6	BANK OF INDIA
7	BANK OF MAHARASHTRA
8	BANK OF NOVA SCOTIA
9	BARCLAYS BANK PLC
10	BNP PARIBAS
11	CANARA BANK
12	CENTRAL BANK OF INDIA
13	CITIBANK N.A.
14	CITY UNION BANK LTD.
15	CORPORATION BANK
16	DBS BANK LTD
17	DENA BANK
18	DEUTSCHE BANK AG
19	DEVELOPMENT CREDIT BANK LTD
20	DHANALAKSHMI BANK LTD

21	FEDERAL BANK LTD
22	HDFC BANK LTD
23	HONGKONG AND SHANGHAI BANKING CORPORATION LTD
24	ICICI BANK LTD
25	IDBI BANK LIMITED
26	INDIAN BANK
27	INDIAN OVERSEAS BANK
28	INDUSIND BANK LTD
29	ING VYSYA BANK LTD
30	JAMMU & KASHMIR BANK LTD
31	JP MORGAN CHASE BANK, N.A.
32	KARNATAKA BANK LTD
33	KARUR VYSYA BANK LTD
34	KOTAK MAHINDRA BANK LTD
35	LAKSHMI VILAS BANK LTD
36	ORIENTAL BANK OF COMMERCE
37	PUNJAB & SIND BANK
38	PUNJAB NATIONAL BANK
39	SOCIETE GENERALE
40	SOUTH INDIAN BANK LTD
41	STANDARD CHARTERED BANK
42	STATE BANK OF BIKANER & JAIPUR
43	STATE BANK OF HYDERABAD

44	STATE BANK OF INDIA
45	STATE BANK OF MYSORE
46	STATE BANK OF PATIALA
47	STATE BANK OF TRAVANCORE
48	SYNDICATE BANK
49	TAMILNAD MERCANTILE BANK LTD
50	THE BANK OF TOKYO-MITSUBISHI UFJ LTD
51	THE CATHOLIC SYRIAN BANK LTD
52	THE ROYAL BANK OF SCOTLAND N.V.
53	UCO BANK
54	UNION BANK OF INDIA
55	UNITED BANK OF INDIA
56	VIJAYA BANK
57	YES BANK LTD

ANNEXURE 10

FORMAT OF LETTER FOR SUBMISSION OF FIXED DEPOSIT RECEIPT TOWARDS SECURITY DEPOSIT TO THE CUSTODIAN

(Typed on the letterhead of the clearing member)

Date :

To

Name & Address of custodian (Currency Derivatives Segment)

Dear Sir,

As per National Securities Clearing Corporation's (NSCCL) requirements and in compliance of prescribed norms of NSCCL, we have to furnish security deposit and accordingly have furnished you the same in the form of FDR (FDR No.------------) placed with ______________________________ Bank, issued as "Name of Custodian" - A/c. "Clearing Member Name" for Rs. ______/- (Rupees ___________________ only)

I/We hereby agree and consent that as the custodian of NSCCL, you shall have an irrevocable authority to encash the said FDR and to withdraw the said FDR amount at any time, even prior to maturity, without notice to me/us for recovery/adjustment of NSCCL/NSEIL dues and we have no objections whatsoever for the same.

I/We agree that you may renew the FDR for periods of one year each time till the FDR is released by NSCCL.

I/we agree that on the encashment of FDR, NSCCL will be entitled to the interest accrued on the said FDR also and you are hereby authorized to pay the accrued interest to NSCCL alongwith the principal amount (FDR amount) payable.

Yours faithfully,

Authorised Signatory

________ Clearing Member name and – Clearing member ID

ANNEXURE 11

FORMAT OF LETTER TO BE GIVEN BY THE BANK ISSUING SECURITY DEPOSIT FDR TO THE CUSTODIAN

(Typed on the letterhead of the bank)

Date:

To

Name & Address of the Custodian

Dear Sir,

We refer to the fixed deposit receipt (FDR) bearing no. ______________ issued for Rs.___________ (Rs in words) in your name (A/c Clearing Member's name)

We hereby confirm that

i. There is no lock in period for encashment of the said FDR.

ii. The amount under the said FDR would be paid to you on demand, at any point of time without any reference to the ________________ (name of clearing member).

iii. Encashment whether premature or otherwise would not require any clearance from any other authority / person.

iv. We agree that on the encashment of FDR, the interest accrued will also be released to you.

v. We agree that the FDR will be renewed for such periods as you may instruct.

vi. The FDR is payable at Mumbai (In case FDR is issued from places other than Mumbai, Delhi, Kolkata, Chennai, Ahmedabad and Hyderabad)

Yours faithfully,

Authorised Signatory

__________ Bank Ltd

ANNEXURE 12

FORMAT OF LETTER FOR SUBMISSION OF FIXED DEPOSIT RECEIPT TOWARDS SECURITY DEPOSIT TO CLEARING CORPORATION

(Typed on the letterhead of the clearing member)

Date:

To
National Securities Clearing Corporation Ltd (Currency Derivatives Segment)
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai-400 051

Dear Sir,

As per National Securities Clearing Corporation's (NSCCL) requirements and in compliance of prescribed norms of NSCCL, we have to furnish you security deposit and accordingly have furnished you the same in the form of FDR (FDR No.---------) placed with ______________________________ Bank, issued as NSCCL A/c. "Clearing Member Name for Rs. ______/- (Rupees ______________________ only.)

I/We hereby agree and consent that you shall have an irrevocable authority to encash the said FDR and to withdraw the said FDR amount at any time, even prior to maturity, without notice to me/us for recovery/adjustment of NSCCL/NSEIL dues and we have no objections whatsoever for the same.

I/We agree that you may renew the FDR for period of one year each time till the FDR is released by you.

I/we agree that on the encashment of FDR, you will be entitled to the interest accrued on the said FDR and you are hereby authorised to receive the accrued interest from the Bank along with the principal amount (FDR amount) payable.

Yours faithfully,

Authorised Signatory
________ Clearing Member name and (Clearing member ID)

ANNEXURE 13

FORMAT OF LETTER TO BE GIVEN BY THE BANK ISSUING SECURITY DEPOSIT FDR TO CLEARING CORPORATION

(Typed on the letterhead of the bank)

Date:

To

National Securities Clearing Corporation Ltd.

Exchange Plaza

Bandra Kurla Complex

Bandra (E)

Mumbai-400 051

Dear Sir,

We refer to the fixed deposit receipt (FDR) bearing no. _______________ issued for Rs.____________ , (Rs in words) in your name (A/c Clearing Member's name)

We hereby confirm that

1. There is no lock in period for encashment of the said FDR.
2. The amount under the said FDR would be paid to you on demand, at any point of time without any reference to the _________________ (name of clearing member).
3. Encashment whether premature or otherwise would not require any clearance from any other authority / person.
4. We agree that on the encashment of FDR, the interest accrued will also be released to you.
5. We agree that the FDR will be renewed for such periods as you may instruct.
6. The FDR is payable at Mumbai (In case FDR is issued from places other than Mumbai, Delhi, Kolkata, Chennai, Ahmedabad and Hyderabad)

Yours faithfully,

Authorised Signatory

______ Bank Ltd.

ANNEXURE 14

LIST OF BANKS APPROVED FOR ISSUING BANK GUARANTEES

Sr. No	Bank Name
1	ALLAHABAD BANK
2	ANDHRA BANK
3	AXIS BANK LTD
4	BANK OF AMERICA, N.A.
5	BANK OF BARODA
6	BANK OF INDIA
7	BANK OF MAHARASHTRA
8	BANK OF NOVA SCOTIA
9	BARCLAYS BANK PLC
10	BNP PARIBAS
11	CANARA BANK
12	CITIBANK N.A.
13	CITY UNION BANK LTD.
14	CORPORATION BANK
15	DBS BANK LTD
16	DENA BANK
17	DEUTSCHE BANK AG
18	DEVELOPMENT CREDIT BANK LTD
19	DHANALAKSHMI BANK LTD
20	FEDERAL BANK LTD

21	HDFC BANK LTD
22	HONGKONG AND SHANGHAI BANKING CORPORATION LTD
23	ICICI BANK LTD
24	IDBI BANK LIMITED
25	INDIAN BANK
26	INDIAN OVERSEAS BANK
27	INDUSIND BANK LTD
28	ING VYSYA BANK LTD
29	JAMMU & KASHMIR BANK LTD
30	JP MORGAN CHASE BANK, N.A.
31	KARNATAKA BANK LTD
32	KARUR VYSYA BANK LTD
33	KOTAK MAHINDRA BANK LTD
34	LAKSHMI VILAS BANK LTD
35	ORIENTAL BANK OF COMMERCE
36	PUNJAB & SIND BANK
37	PUNJAB NATIONAL BANK
38	SOCIETE GENERALE
39	SOUTH INDIAN BANK LTD
40	STANDARD CHARTERED BANK
41	STATE BANK OF BIKANER & JAIPUR
42	STATE BANK OF HYDERABAD
43	STATE BANK OF INDIA

44	STATE BANK OF MYSORE
45	STATE BANK OF PATIALA
46	STATE BANK OF TRAVANCORE
47	SYNDICATE BANK
48	TAMILNAD MERCANTILE BANK LTD
49	THE BANK OF TOKYO-MITSUBISHI UFJ LTD
50	THE CATHOLIC SYRIAN BANK LTD
51	THE ROYAL BANK OF SCOTLAND N.V.
52	UCO BANK
53	UNION BANK OF INDIA
54	UNITED BANK OF INDIA
55	VIJAYA BANK
56	YES BANK LTD

ANNEXURE 15

FORMAT OF BANK GUARANTEE

BG NO: ___________________

Date : ___________________

To:
National Securities Clearing Corporation Ltd

Exchange Plaza, Plot C-1, G Block,

Bandra Kurla Complex,

Bandra (East),

Mumbai – 400 051.

Dear Sirs:

This guarantee bearing No. __________________________ is issued by ______________________________, a body corporate constituted under the___ Act, 19____having its Head Office at ____ (hereinafter referred to as the "Bank" which term shall wherever the context so permits includes its successors and assigns) in favour of National Securities Clearing Corporation Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Exchange Plaza, Plot C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 (hereinafter referred to as "NSCCL" which expression shall include its successors and assigns).

Whereas

a. Mr./Ms.____ s/o / d/o / w/o

____, residing at __________________________and having his/her office at _____________________________(Complete Address), (hereinafter referred to as the “Clearing Member”, which expression shall include his/her successors and assigns) /* is/are a Clearing Member of NSCCL.

OR

BG NO:
Date

M/s ____, a partnership firm registered under the Indian Partnership Act, 1932 and having their office at ____ (Complete Address), (hereinafter referred to as the “Clearing Member”, which expression shall include their successors and assigns) /* is/are a Clearing Member of NSCCL.

OR

M/s____., incorporated as a company under the Companies Act, 1956 and having its registered office at ___________________________(Complete Address), (hereinafter referred to as the “Clearing Member”, which expression shall include its successors and assigns) * is/are a Clearing Member of NSCCL.

b. One of the conditions of Clearing Membership of NSCCL is that the Clearing Member maintains with NSCCL security deposit/ margin deposit in the form of shares and other securities of a value not less than Rs. _______ after applying suitable margins as prescribed by NSCCL, for Currency Derivatives Segment.

c. At the request of the Clearing Member, NSCCL has agreed to accept a bank guarantee in lieu of such security deposit/ margin deposit, as the case may be in favour of NSCCL from an approved commercial bank for an equivalent amount of Rs.____.

d. The Clearing Member has requested the Bank to furnish to NSCCL a guarantee for Rs.____.

Therefore these presents:

1. This guarantee shall be governed by the terms and conditions of the Master Agreement dated ________executed between the Bank and NSCCL and the same shall form a part and parcel of this guarantee as though the same have been incorporated in this guarantee.

2. The liability of the Bank under this guarantee shall not exceed Rs.________________.

3. This guarantee shall be valid for a period of _________ months i.e. upto ____. However, the Bank is liable to pay the guaranteed amount if NSCCL serves upon Bank a written claim or demand on or before ____________ (i.e. within ___ _____ after the date of expiry of the bank guarantee as mentioned in clause 3 above).

Executed this ____ day of ______________ at _______

For ________(Bank)

Authorized Signatories

Seal of the Bank

* Strike out whichever is not applicable

Instructions:

a) The above printed format is required to be used.
b) Strike out / delete Security Deposit or Margin Deposit whichever is not applicable in clause b
c) In case of margin deposit bank guarantee strike out / delete "of a value not less than Rs. _______" in clause b
d) The Bank Guarantee to be stamped for Rs.100/- or the value prevailing in the State where executed, whichever is higher. Bank Guarantee to be executed on Non-Judicial stamp paper(s) or on paper franked from Stamp Office
e) All the blanks in the format are required to be duly filled by the issuing bank along with the signature of the authorized signatory and stamp of the bank.
f) Each page of the bank guarantee should bear the bank guarantee number and issue date and should be signed by two authorized signatories of the bank unless the bank has specifically intimated NSCCL that only one authorized signatory shall sign the bank guarantees issued by them in favour of NSCCL.

ANNEXURE 16

FORMAT OF DEED OF PLEDGE FOR CLEARING MEMBERS FOR DEPOSIT OF SECURITIES FOR SECURITY DEPOSIT

To be executed on non judicial stamp paper of Rs. 100/- or in accordance with the prevailing rates applicable in the place of execution, whichever is higher.

This Deed of Pledge (hereinafter referred to as "the Deed") is executed at ____________ on this ___ day of _________ 20___ by ________________________________, S/o / d/o / w/o __________________ residing at _____________________ and having his office at _________________________________ *

______________________________, a partnership firm registered under the Indian Partnership Act, 1932 and having its office at ___________________________________*

_________________________Ltd., incorporated as a company under the Companies Act, 1956 and having its registered office at ____*

(hereinafter referred to as "Clearing Member" which expression shall unless repugnant to the context thereof include successors, administrators and assigns) in favour of National Securities Clearing Corporation Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400 051 (hereinafter referred to as "NSCCL" which expression shall unless repugnant to the context thereof, include its successors and assigns).

WHEREAS

a) The Clearing Member is admitted to the Clearing Membership of Currency Derivatives segment of NSCCL.

b) One of the requirement of the clearing Membership is that the Clearing Member shall maintain with NSCCL security deposits in the form of cash, bank guarantees or securities for the due performance and fulfilment by him/it of his/its engagements, commitments, operations, obligations or liabilities as a Clearing Member including any sums due by him/it to NSCCL or any other party as decided by NSCCL arising out of or incidental to any contracts made, executed, undertaken, carried out or entered into by him/it.

c) The securities to be deposited by the Clearing Member shall be securities in dematerialised form and as may be approved by NSCCL from time to time to an extent of Rs. ________ /- (Rupees ________________ only) or of such value as may be specified by NSCCL from time to time.

d) The Clearing Members shall deposit the securities with such custodians acting as depository participants as may be determined by NSCCL from time to time.

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. In consideration of NSCCL having agreed to accept approved dematerialised securities as a security deposit to an extent of Rs.____________ /- (Rupees ________________________________ only), or of such value as may be specified by NSCCL from time to time, the Clearing Member hereby pledges securities (hereinafter referred to as "Said Securities") with NSCCL as security for due performance and fulfilment by him/it of all engagements, commitments, operations, obligations or liabilities as a Clearing Member of NSCCL including any sums due by him/it to NSCCL or National Stock Exchange of India Limited (hereinafter referred to as "NSEIL") or any other party as decided by NSCCL arising out of or incidental to any contracts made, executed, undertaken, carried out or entered into by him/it.

2. The Clearing Member if so determined by NSCCL shall place the Said Securities in the absolute disposition of such custodian/depository participant in such manner as decided by NSCCL and such possession and disposition may be apparent and indisputable notwithstanding the fact that the Clearing Member may be permitted to have access to the Said Securities in the manner and subject to such terms and conditions as determined by NSCCL and provided further that during such time the Clearing Member confirms, affirms and covenants with NSCCL that he/it shall do all such acts and things, sign such documents and pay and incur such costs, debts and expenses as may be necessary without prejudice to any other obligations, liabilities, duties which he/it owes as a Clearing Member.

3. For the purpose of the clauses (1) and (2), and for the purpose of this Deed, the term “Said Securities” shall mean all the securities lying in the Depository Account No. _______________ (hereinafter referred to as “Account”) with the

custodian/depository participant and shall include all securities given in addition, substitution or replacement of the securities in the said Account. All securities lying in the said Account shall be deemed to have been pledged at all times with NSCCL by virtue of this Deed.

4. The Clearing Member declares and assures that all the Said Securities are in existence, owned by him/it and free from any prior charge, lien or encumbrance and further that all the Said Securities over which pledge may be created in future would be in existence and owned by him/it at the time of creation of such pledge and that all the Said Securities to be given in future as security to NSCCL would likewise be unencumbered, absolute and disposable property of the Clearing Member.

5. The Clearing Member agrees that he/it shall not without NSCCL's prior written permission create any charge, lien or encumbrance of any kind upon or over the Said Securities hereby pledged except to NSCCL, that he/it shall not suffer any such charge, lien or encumbrance to affect the Said Securities or any part thereof and further that he/it shall not do or allow anything to be done that may prejudice the Said Securities while he/it remains liable to NSCCL in any manner without the prior written permission of NSCCL.

6. The Clearing Member agrees, declares and undertakes that he/it shall be bound and abide by the terms and conditions of the Scheme for the Deposit of securities in dematerialised form as formulated and determined by NSCCL, for security deposit either in their existing form or as modified/changed/altered /amended from time to time pursuant to requirement/ compliance of Clearing Membership.

7. If in the opinion of NSCCL, the Clearing Member has failed to perform and / or fails to fulfil his/its engagements, commitments, operations, obligations or liabilities as a Clearing Member of NSCCL including any sums due by him/it to NSCCL or to NSEIL or to any other party arising out of or incidental to any contracts made, executed, undertaken, carried out or entered into by him/it, then the Clearing Member agrees that NSCCL on giving one working day notice to the Clearing Member on its own as a pledgee, shall be empowered/entitled to invoke the pledge, sell, dispose of or otherwise effect any other transfer of the Said Securities in such manner and subject to such terms and conditions as it may deem fit and that the money if any realised from such pledge/sale/disposal/or other transfer shall be utilised/disbursed by NSCCL in such manner and subject to terms and conditions as it may deem fit and further the Clearing Member shall do all such things, deeds, acts and execute all such documents as are necessary to enable NSCCL to effect such pledge/sale/disposal/or other transfer. The decision of NSCCL as to the obligations or liabilities or commitments of the Clearing Member and the

amount claimed shall be final and binding on the Clearing Member. The Clearing Member understood and agrees that one working day notice mentioned above shall be deemed to be a reasonable notice, as this pledge of securities is being accepted as security deposit by NSCCL in lieu of cash deposits or bank guarantees, which can be invoked and appropriated in a days time and also due to the nature of transactions on NSCCL.

8. The Said Securities pledged as security shall be available at the disposal of NSCCL as a continuing security and remain available in respect of the obligations, liabilities or commitments of the Clearing Member jointly or severally and may be utilised as such in the discretion of NSCCL, as if each of the obligations, liabilities or commitments is secured by the Said Securities. This Deed shall not be considered as cancelled or in any way affected on its utilisation for meeting any specific obligation, liability or commitment by NSCCL but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Clearing Member.

9. The Clearing Member shall be released from his/its obligations, liabilities under this Deed only when NSCCL, in writing, expressly provides for the release of the Said Securities.

10. The Clearing Member agrees that NSCCL shall be entitled to sell, negotiate or otherwise transfer the Said Securities and to execute transfer documents and/or any other necessary documents, wherever applicable or other endorsements for this purpose and that NSCCL shall be entitled to receive from him/it all expenses incurred by NSCCL/Custodian for the aforesaid purposes.

11. The Clearing Member agrees to execute such further documents whether of a legal nature or otherwise as may be required by NSCCL for the purpose of giving effect to the provisions of this Deed and also the Scheme for the Deposit of securities in dematerialised form.

12. The Clearing Member agrees that the deposit of the 'Said Securities' and the pledge thereof shall not be affected in any manner whatsoever if NSCCL takes any action against the Clearing Member including suspension or expulsion or declaration of the Clearing Member as a defaulter.

13. The Clearing Member agrees that NSCCL shall not be under any liability whatsoever to the Clearing Member or any other person for any loss, damage, expenses, costs etc, arising out of the deposit of the Said Securities, in any manner, due to any cause whatsoever, irrespective of whether the Said Securities shall be in the possession of the NSCCL or not at the time of such loss or damage or the happening of the cause thereof. The Clearing Member

shall at all times indemnify and keep indemnified NSCCL from and against all suits, proceedings, costs, charges, claims and demands whatsoever that may at any time arise or be brought or made by any person against NSCCL in respect of any acts, matters and things lawfully done or caused to be done by NSCCL in connection with the Said Securities or in pursuance of the rights and powers of NSCCL under this Deed.

14. The Clearing Member undertakes that the deposit of the 'Said Securities' and the pledge thereof shall be binding on him/it as continuing and that it shall not be prejudiced by his/its failure to comply with the Rules, Bye-laws or Regulation of NSCCL or any other terms and conditions attendant to the Clearing membership of NSCCL and that NSCCL shall be at liberty, without thereby affecting his/its rights against him/it hereunder or in relation to the 'Said Securities' or to any other security now or hereafter held or taken at any time to vary, amend change or alter any terms or conditions of its Rules, Bye laws or Regulations of NSCCL in general or as applicable to him / it in particular.

Executed at _____________ on the day, month and year above mentioned.

Signed, sealed and delivered by the withinnamed **

Clearing Member.

____

in the presence of witnesses

1.

2.

* strike out whichever is not applicable

** To be signed by

1) the Clearing member in case of individual.
2) all partners in case of a Partnership firm
3) by any two of the following persons in the case of a Company:
    i) Managing Director
    ii) Whole-time Director
    iii) Directors

ANNEXURE 17

FORMAT OF DEED OF PLEDGE FOR OTHER THAN CLEARING MEMBERS FOR DEPOSIT OF SECURITIES FOR SECURITY DEPOSIT

To Be Executed On Non Judicial Stamp Paper Of Rs 100/- Or In Accordance With The Prevailing Rates Applicable In The Place Of Execution, Whichever Is Higher.

This Deed of Pledge (hereinafter referred to as "the Deed") is executed at _______________ on this ___ day of _________ 20___ by ______________________________, S/o / d/o / w/o __________________ residing at ______________________________and having his office at ______________________ (hereinafter referred to as "Pledgor" which expression shall unless repugnant to the context thereof include successors, administrators and assigns) in favour of National Securities Clearing Corporation Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Exchange Plaza, Plot C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 (hereinafter referred to as "NSCCL" which expression shall unless repugnant to the context thereof, include its successors and assigns).

WHEREAS

a) Mr/Ms _____________________ s/o / d/o / w/o ___________________ residing at ____________________________ and having his/her/their office at ________________________ (hereinafter referred to as the Clearing Member, which expression shall include his/its successors and assigns)*

M/s ____________________________, a partnership firm registered under the Indian Partnership Act, 1932 and having their office at _______________________________________ (hereinafter referred to as the Clearing member, which expression shall include their successors and assigns)*

M/s ______________________________ Limited, incorporated as a company under the Companies Act, 1956 and having its registered office at ___________________ (hereinafter referred to as the Clearing member, which expression shall include its successors and assigns) *

Is /are a Clearing member Currency Derivatives Segment of the NSCCL.

b) One of the requirement of the Clearing Membership is that the Clearing Member shall maintain with NSCCL security deposits in the form of cash, bank guarantees or securities for the due performance and fulfilment by him/it of his/its engagements, commitments, operations, obligations or liabilities as a Clearing Member including any sums due by him/it to NSCCL or any other party as decided by NSCCL arising out of or incidental to any contracts made, executed, undertaken, carried on or entered into by him/it.

c) The securities to be deposited by the Clearing Member or any other person, as a security for such Clearing member shall be securities in dematerialised form and as may be approved by NSCCL from time to time to an extent of Rs. ___________/- (Rupees ______________________ only) or of such value as may be specified by NSCCL from time to time.

d) At the request of the Clearing member and as permitted by NSCCL, the Pledgor has agreed to offer securities in the dematerialised form as a security for the purpose of security deposit requirement as aforesaid.

e) The Pledgor shall deposit the securities with such custodians acting as depository participants as may be determined by NSCCL from time to time.

NOW IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. In consideration of the NSCCL having agreed to accept approved dematerialised securities as a security deposit to an extent of Rs.____________ /- (Rupees _______________________________ only), or of such value as may be specified by NSCCL from time to time, the Pledgor hereby pledges securities (hereinafter referred to as "Said Securities") with NSCCL as security for due performance and fulfilment by the Clearing Member of all his/its engagements, commitments, operations, obligations or liabilities as a Clearing Member of NSCCL including any sums due by him/it to NSCCL or National Stock Exchange of India Limited (hereinafter referred to as "NSEIL") or any other party as decided by NSCCL arising out of or incidental to any contracts made, executed, undertaken, carried out or entered into by him/it.

2. The Pledgor if so determined by NSCCL shall place the Said Securities in the absolute disposition of such custodian/depository participant in such manner as decided by NSCCL and such possession and disposition may be apparent and indisputable notwithstanding the fact that the Pledgor may be permitted to have access to the Said Securities in the manner and subject to such terms and

conditions as determined by NSCCL and provided further that during such time the Pledgor confirms, affirms and covenants with NSCCL that he/it shall do all such acts and things, sign such documents and pay and incur such costs, debts and expenses as may be necessary without prejudice to any other obligations, liabilities, duties which the Clearing Member owes as a Clearing Member of NSCCL.

3. For the purpose of the clauses (1) and (2), and for the purpose of this Deed, the term "Said Securities" shall mean all the securities lying in the Depository Account No. _______________ (hereinafter referred to as "Account") with the custodian/depository participant and shall include all securities given in addition, substitution or replacement of the securities in the said Account. All securities lying in the said Account shall be deemed to have been pledged at all times with NSCCL by virtue of this Deed.

4. The Pledgor declares and assures that all the Said Securities are in existence, owned by him/it and free from any prior charge, lien or encumbrance and further that all the Said Securities over which pledge may be created in future would be in existence and owned by him/it at the time of creation of such pledge and that all the Said Securities to be given in future as security to NSCCL would likewise be unencumbered, absolute and disposable property of the Pledgor.

5. The Pledgor agrees that he/she shall not without NSCCL's prior written permission create any charge, lien or encumbrance of any kind upon or over the Said Securities hereby pledged except to NSCCL, that he/she shall not suffer any such charge, lien or encumbrance to affect the Said Securities or any part thereof, and further that he/she shall not do or allow anything to be done that may prejudice the Said Securities while he/she remains liable to NSCCL in any manner without the prior written permission of NSCCL.

6. The Pledgor agrees, declares and undertakes that he/she shall be bound and abide by the terms and conditions of the Scheme for the Deposit of securities in dematerialised form as formulated and determined by NSCCL for security deposit, for its Clearing Members.

7. If in the opinion of NSCCL, the Clearing Member has failed to perform and / or fails to fulfil his/its engagements, commitments, operations, obligations or liabilities as a Clearing Member of NSCCL including any sums due by him/it to NSCCL or to NSEIL or to any other party arising out of or incidental to any contracts made, executed, undertaken, carried out or entered into by him/it, then the Pledgor agrees that NSCCL on giving one working day notice to the Pledgor on its own as a pledgee, shall be empowered/entitled to invoke the pledge, sell, dispose of or otherwise effect any other transfer of the Said Securities in such

manner and subject to such terms and conditions as it may deem fit and that the money if any realised from such pledge/sale/disposal/or other transfer shall be utilised/disbursed by NSCCL in such manner and subject to terms and conditions as it may deem fit and further the Pledgor shall do all such things, deeds, acts and execute all such documents as are necessary to enable NSCCL to effect such pledge/sale/disposal/or other transfer. The decision of NSCCL as to the obligations or liabilities or commitments of the Clearing Member and the amount claimed shall be final and binding on the Pledgor. The Pledgor understood and agrees that one working day notice mentioned above shall be deemed to be a reasonable notice, as this pledge of securities is being accepted as security deposit by NSCCL in lieu of cash deposits or bank guarantees, which can be invoked and appropriated in a days time and also due to the nature of transactions on NSCCL.

8. The Said Securities pledged as security shall be available at the disposal of NSCCL as a continuing security and remain available in respect of the obligations, liabilities or commitments of the Clearing Member jointly or severally and may be utilised as such in the discretion of NSCCL, as if each of the obligations, liabilities or commitments is secured by the Said Securities. This Deed shall not be considered as cancelled or in any way affected on its utilisation for meeting any specific obligation, liability or commitment by NSCCL but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Clearing Member.

9. The Pledgor shall be released from his/its obligations, liabilities under this Deed only when NSCCL, in writing, expressly provides for the release of the Said Securities.

10. The Pledgor agrees that NSCCL shall be entitled to sell, negotiate or otherwise transfer the Said Securities and to execute transfer documents and/or any other necessary documents, wherever applicable or other endorsements for this purpose and that NSCCL shall be entitled to receive from him/her all expenses incurred by NSCCL/Custodian for the aforesaid purposes.

11. The Pledgor agrees to execute such further documents whether of a legal nature or otherwise as may be required by NSCCL for the purpose of giving effect to the provisions of this Deed and also the Scheme for the Deposit of securities in dematerialised form.

12. The Pledgor agrees that the deposit of the 'Said Securities' and the pledge thereof shall not be affected in any manner whatsoever if NSCCL takes any action against the Clearing Member including suspension or expulsion or declaration of the Clearing Member as a defaulter.

13. The Pledgor agrees that NSCCL shall not be under any liability whatsoever towards the Pledgor or any other person for any loss, damage, expenses, costs, etc arising out of the deposit of the Said Securities in any manner, due to any cause, whatsoever, irrespective of whether the Said Securities shall be in the possession of the NSCCL or not at the time of such loss or damage or the happening of the cause thereof. The Pledgor /Clearing Member shall at all times indemnify and keep indemnified NSCCL from and against all suits, proceedings, costs, charges, claims and demands whatsoever that may at any time arise or be brought or made by any person against NSCCL in respect of any acts, matters and things lawfully done or caused to be done by NSCCL in connection with the Said Securities or in pursuance of the rights and powers of NSCCL under this Deed.

14. The Pledgor undertakes that the deposit of the 'Said Securities' and the pledge thereof shall be binding on him/her as continuing and that it shall not be prejudiced by the Pledgor /Clearing Members failure to comply with the Rules, Bye-laws or Regulation of NSCCL or any other terms and conditions attendant to the Clearing membership of NSCCL and that NSCCL shall be at liberty, without thereby affecting its rights against him/ her hereunder or in relation to the 'Said securities' or to any other security now or hereafter held or taken at any time to vary, amend change or alter any terms or conditions of its Rules, Bye laws or Regulations of NSCCL in general or as applicable to him / it in particular.

Executed at _____________ on the date, month and year above mentioned.

Signed, sealed and delivered by the within named
Pledgor

____

in the presence of witnesses

1.
2.

*   strike out whichever is not applicable

ANNEXURE 18

FORMAT OF LETTER FOR SUBMISSION OF FIXED DEPOSIT RECEIPT TOWARDS MARGIN DEPOSIT TO THE CUSTODIAN

(Typed on the letterhead of the clearing member)

Date :

To
Name & Address of Custodian (Currency Derivatives Segment)

Dear Sir,

As per requirements of National Securities Clearing Corporation Limited (NSCCL) and in compliance of prescribed norms of NSCCL, I/ we hereby furnish margin deposit with you in the form of Fixed Deposit Receipts (FDRs) (FDR No.---------) placed with ______________________________ Bank, issued in favour of Custodian A/c. (Clearing Member Name) for Rs. ______/- (Rupees ______________________________ only).

I/ We hereby agree and consent that as the custodian of NSCCL, you shall have an irrevocable authority to encash the said FDR and to withdraw the said FDR amount at any time, even prior to maturity, without notice to me/ us for recovery/ adjustment of NSCCL/ NSEIL dues and we have no objections whatsoever for the same.

I/We agree that you may renew the FDR for periods of one year each time till the FDR is released by NSCCL.

I/we agree that on the encashment of FDR, NSCCL will also be entitled to the interest accrued on the said FDR and you are hereby authorised to pay the accrued interest to NSCCL alongwith the principal amount (FDR amount) payable.

Yours faithfully,

Authorised Signatory

________ Clearing Member name and CM ID (Clearing member ID)

ANNEXURE 19

FORMAT OF LETTER TO BE GIVEN BY THE BANK ISSUING MARGIN DEPOSIT FDR TO THE CUSTODIAN

(Typed on the letterhead of the bank)

Date:

To
Name & Address of the Custodian

Dear Sir,

We refer to the fixed deposit receipt (FDR) bearing no. ______________ issued for Rs.__________, (Rs in words) in your name (A/c Clearing member's name)

We hereby confirm and agree that:

I. There is no lock in period for encashment of the said FDR.
II. The amount under the said FDR would be paid to you on demand, at any point of time without any reference to the ________________ (name of clearing member).
III. Encashment whether premature or otherwise would not require any clearance from any other authority / person.
IV. On encashment of the FDR by you, the interest accrued thereon will also be released to you.
V. The FDR will be renewed for such periods as may be instructed by you.
VI. The FDR is payable at Mumbai (In case FDR is issued from places other than Mumbai, Delhi, Kolkata, Chennai, Ahmedabad and Hyderabad)

Yours faithfully,

Authorised Signatory
For __________ Bank Ltd

ANNEXURE 20

FORMAT OF LETTER FOR SUBMISSION OF FIXED DEPOSIT RECEIPT TOWARDS MARGIN DEPOSIT TO CLEARING CORPORATION

(Typed on the letterhead of the clearing member)

Date:

To
National Securities Clearing Corporation Ltd (Currency Derivatives Segment)
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051.

Dear Sir,
As per requirements of National Securities Clearing Corporation's (NSCCL) and in compliance of prescribed norms of NSCCL, I/we hereby furnish **margin deposit** with you in the form of Fixed Deposit Receipts (FDRs) (FDR No.-------) placed with ______________________________ Bank, issued in favour of NSCCL A/c. (Clearing Member Name) for Rs. ______/- (Rupees _____________________________ only.)

I/We hereby agree and consent that you shall have an irrevocable authority to encash the said FDR and to withdraw the said FDR amount at any time, even prior to maturity, without notice to me/us for recovery/adjustment of NSCCL/NSEIL dues and we have no objections whatsoever for the same.

I/We agree that you may renew the FDR for periods of one year each time till the FDR is released by you.

I/we agree that on the encashment of FDR, you will be entitled to the interest accrued on the said FDR and you are hereby authorised to receive the accrued interest from the Bank along with the principal amount (FDR amount) payable.

Yours faithfully,

Authorised Signatory

________ Clearing Member name and CM ID (Clearing member ID)

ANNEXURE 21

FORMAT OF LETTER TO BE GIVEN BY THE BANK ISSUING MARGIN DEPOSIT FDR TO THE CLEARING CORPORATION

(Typed on the letterhead of the bank)

Date:

To
National Securities Clearing Corporation Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051.

Dear Sir,

We refer to the Fixed Deposit Receipt (FDR) bearing no. ______________ issued for Rs.___________ , (Rs in words) in your name (A/c Clearing member's name)

We hereby confirm and agree that

I. There is no lock in period for encashment of the said FDR.
II. The amount under the said FDR would be paid to you on demand, at any point of time without any reference to the ________________ (name of clearing member).
III. Encashment whether premature or otherwise would not require any clearance from any other authority / person.
IV. On encashment of the FDR by you, the interest accrued thereon will also be released to you.
V. The FDR will be renewed for such periods as may be instructed by you.
VI. The FDR is payable at Mumbai (In case FDR is issued from places other than Mumbai, Delhi, Kolkata, Chennai, Ahmedabad and Hyderabad)

Yours faithfully,

Authorised Signatory
For__________ Bank Ltd.
.

ANNEXURE 22

FORMAT OF DEED OF PLEDGE FOR CLEARING MEMBERS FOR DEPOSIT OF SECURITIES FOR MARGIN DEPOSIT

To Be Executed On Non Judicial Stamp Paper Of Rs 100/- Or In Accordance With The Prevailing Rates Applicable In The Place Of Execution, Whichever Is Higher.

This Deed of Pledge (hereinafter referred to as "the Deed") is executed at ________________ on this ___ day of __________ 20___ by______________________, S/o / d/o / w/o ____________________ residing at _____________________ and having his office at __________________________________ *

______________________________, a partnership firm registered under the Indian Partnership Act, 1932 and having its office at ____________________________________*

_________________________Ltd., incorporated as a company under the Companies Act, 1956 and having its registered office at ____*

(hereinafter referred to as "Clearing Member" which expression shall unless repugnant to the context thereof include successors, administrators and assigns) in favour of National Securities Clearing Corporation Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Exchange Plaza, Plot C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 (hereinafter referred to as "NSCCL" which expression shall unless repugnant to the context thereof, include its successors and assigns).

WHEREAS

a) The Clearing Member is admitted to the Clearing Membership on the Currency Derivatives segment of NSCCL.

b) One of the requirement of the clearing membership is that the Clearing Member shall maintain with NSCCL margin deposits in the form of cash, bank guarantees or securities for the due performance and fulfilment by him/it of his/its engagements, commitments, operations, obligations or liabilities as a Clearing Member including any sums due by him/it to NSCCL or any other party as decided by NSCCL arising out of or incidental to any contracts made, executed, undertaken, carried out or entered into by him/it.

c) The securities to be deposited by the Clearing Member shall be securities in dematerialised form and as may be approved by NSCCL from time to time to an extent of Rs. ________ /- (Rupees ________________ only) or of such value as may be specified by NSCCL from time to time.

d) The Clearing Members shall deposit the securities with such custodians acting as depository participants as may be determined by NSCCL from time to time.

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. In consideration of NSCCL having agreed to accept approved dematerialised securities as a margin deposit to an extent of Rs.____________ /- (Rupees _______________________________ only), or of such value as may be specified by NSCCL from time to time, the Clearing Member hereby pledges securities (hereinafter referred to as "Said Securities") with NSCCL as security for due performance and fulfilment by him/it of all engagements, commitments, operations, obligations or liabilities as a Clearing Member of NSCCL including any sums due by him/it to NSCCL or National Stock Exchange of India Limited (hereinafter referred to as "NSEIL") or any other party as decided by NSCCL arising out of or incidental to any contracts made, executed, undertaken, carried out or entered into by him/it.

2. The Clearing Member if so determined by NSCCL shall place the Said Securities in the absolute disposition of such custodian/depository participant in such manner as decided by NSCCL and such possession and disposition may be apparent and indisputable notwithstanding the fact that the Clearing Member may be permitted to have access to the Said Securities in the manner and subject to such terms and conditions as determined by NSCCL and provided further that during such time the Clearing Member confirms, affirms and covenants with NSCCL that he/it shall do all such acts and things, sign such documents and pay and incur such costs, debts and expenses as may be necessary without prejudice to any other obligations, liabilities, duties which he/it owes as a Clearing Member.

3. For the purpose of the clauses (1) and (2), and for the purpose of this Deed, the term "Said Securities" shall mean all the securities lying in the Depository Account No. __________________ (hereinafter referred to as "Account") with the custodian/depository participant and shall include all securities given in addition, substitution or replacement of the securities in the said Account. All securities lying in the said Account shall be deemed to have been pledged at all times with NSCCL by virtue of this Deed.

4. The Clearing Member declares and assures that all the Said Securities are in existence, owned by him/it and free from any prior charge, lien or encumbrance and further that all the Said Securities over which pledge may

be created in future would be in existence and owned by him/it at the time of creation of such pledge and that all the Said Securities to be given in future as security to NSCCL would likewise be unencumbered, absolute and disposable property of the Clearing Member.

5. The Clearing Member agrees that he/it shall not without NSCCL's prior written permission create any charge, lien or encumbrance of any kind upon or over the Said Securities hereby pledged except to NSCCL, that he/it shall not suffer any such charge, lien or encumbrance to affect the Said Securities or any part thereof and further that he/it shall not do or allow anything to be done that may prejudice the Said Securities while he/it remains liable to NSCCL in any manner without the prior written permission of NSCCL.

6. The Clearing Member agrees, declares and undertakes that he/it shall be bound and abide by the terms and conditions of the Scheme for the Deposit of securities in dematerialised form as formulated and determined by NSCCL, for margin deposit either in their existing form or as modified/changed/altered /amended from time to time pursuant to requirement/ compliance of Clearing Membership.

7. If in the opinion of NSCCL, the Clearing Member has failed to perform and / or fails to fulfil his/its engagements, commitments, operations, obligations or liabilities as a Clearing Member of NSCCL including any sums due by him/it to NSCCL or to NSEIL or to any other party arising out of or incidental to any contracts made, executed, undertaken, carried out or entered into by him/it, then the Clearing Member agrees that NSCCL on giving one working day notice to the Clearing Member on its own as a pledgee, shall be empowered/entitled to invoke the pledge, sell, dispose of or otherwise effect any other transfer of the Said Securities in such manner and subject to such terms and conditions as it may deem fit and that the money if any realised from such pledge/sale/disposal/or other transfer shall be utilised/disbursed by NSCCL in such manner and subject to terms and conditions as it may deem fit and further the Clearing Member shall do all such things, deeds, acts and execute all such documents as are necessary to enable NSCCL to effect such pledge/sale/disposal/or other transfer. The decision of NSCCL as to the obligations or liabilities or commitments of the Clearing Member and the amount claimed shall be final and binding on the Clearing Member. The Clearing Member understood and agrees that one working day notice mentioned above shall be deemed to be a reasonable notice, as this pledge of securities is being accepted as margin deposit by NSCCL in lieu of cash deposits or bank guarantees, which can be invoked and appropriated in a days time and also due to the nature of transactions on NSCCL.

8. The Said Securities pledged as security shall be available at the disposal of

NSCCL as a continuing security and remain available in respect of the obligations, liabilities or commitments of the Clearing Member jointly or severally and may be utilised as such in the discretion of NSCCL, as if each of the obligations, liabilities or commitments is secured by the Said Securities. This Deed shall not be considered as cancelled or in any way affected on its utilisation for meeting any specific obligation, liability or commitment by NSCCL but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Clearing Member.

9. The Clearing Member shall be released from his/its obligations, liabilities under this Deed only when NSCCL, in writing, expressly provides for the release of the Said Securities.

10. The Clearing Member agrees that NSCCL shall be entitled to sell, negotiate or otherwise transfer the Said Securities and to execute transfer documents and/or any other necessary documents, wherever applicable or other endorsements for this purpose and that NSCCL shall be entitled to receive from him/it all expenses incurred by NSCCL/Custodian for the aforesaid purposes.

11. The Clearing Member agrees to execute such further documents whether of a legal nature or otherwise as may be required by NSCCL for the purpose of giving effect to the provisions of this Deed and also the Scheme for the Deposit of securities in dematerialised form.

12. The Clearing Member agrees that the deposit of the 'Said Securities' and the pledge thereof shall not be affected in any manner whatsoever if NSCCL takes any action against the Clearing Member including suspension or expulsion or declaration of the Clearing Member as a defaulter.

13. The Clearing Member agrees that NSCCL shall not be under any liability whatsoever to the Clearing Member or any other person for any loss, damage, expenses, costs etc, arising out of the deposit of the Said Securities, in any manner, due to any cause whatsoever, irrespective of whether the Said Securities shall be in the possession of the NSCCL or not at the time of such loss or damage or the happening of the cause thereof. The Clearing Member shall at all times indemnify and keep indemnified NSCCL from and against all suits, proceedings, costs, charges, claims and demands whatsoever that may at any time arise or be brought or made by any person against NSCCL in respect of any acts, matters and things lawfully done or caused to be done by NSCCL in connection with the Said Securities or in pursuance of the rights and powers of NSCCL under this Deed.

14. The Clearing Member undertakes that the deposit of the 'Said Securities'

and the pledge thereof shall be binding on him/it as continuing and that it shall not be prejudiced by his/its failure to comply with the Rules, Bye-laws or Regulation of NSCCL or any other terms and conditions attendant to the Clearing membership of NSCCL and that NSCCL shall be at liberty, without thereby affecting his/its rights against him/it hereunder or in relation to the 'Said Securities' or to any other security now or hereafter held or taken at any time to vary, amend change or alter any terms or conditions of its Rules, Bye laws or Regulations of NSCCL in general or as applicable to him / it in particular.

Executed at _____________ on the day, month and year above mentioned.

Signed, sealed and delivered by the within named **
Clearing Member.

____
in the presence of witnesses
1.

2.
* strike out whichever is not applicable
** To be signed by

a) the Clearing member in case of individual.
b) all partners in case of a Partnership firm
c) by any two of the following persons in the case of a Company:
   I. Managing Director
   II. Whole-time Director
   III. Directors

ANNEXURE 23

FORMAT OF DEED OF PLEDGE FOR OTHER THAN CLEARING MEMBERS FOR DEPOSIT OF SECURITIES FOR MARGIN DEPOSIT

To Be Executed On Non Judicial Stamp Paper Of Rs 100/- Or In Accordance With The Prevailing Rates Applicable In The Place Of Execution, Whichever Is Higher.

This Deed of Pledge (hereinafter referred to as "the Deed") is executed at ________________ on this ___ day of __________ 20___ by _________________________________, S/o / d/o / w/o ___________________ residing at _________________________________and having his office at _______________________ (hereinafter referred to as "Pledgor" which expression shall unless repugnant to the context thereof include successors, administrators and assigns) in favour of National Securities Clearing Corporation Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Exchange Plaza, Plot C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 (hereinafter referred to as "NSCCL" which expression shall unless repugnant to the context thereof, include its successors and assigns).

WHEREAS

a) M r/Ms ______________________ s/o / d/o / w/o ____________________ residing at ______________________________ and having his/her/their office at _________________________ (hereinafter referred to as the Clearing Member, which expression shall include his/its successors and assigns)*

M/s ______________________________ , a partnership firm registered under the Indian Partnership Act, 1932 and having their office at ____ (hereinafter referred to as the Clearing member, which expression shall include their successors and assigns)*

M/s _______________________________ Limited, incorporated as a company under the Companies Act, 1956 and having its registered office at ____________________ (hereinafter referred to as the Clearing member, which expression shall include its successors and assigns) * is /are a Clearing member Currency Derivatives Segment of the NSCCL.

b) One of the requirement of the Clearing Membership is that the Clearing Member shall maintain with NSCCL margin deposits in the form of cash, bank guarantees or securities for the due performance and fulfilment by him/it of his/its engagements, commitments, operations, obligations or liabilities as a Clearing Member including any sums due by him/it to NSCCL or any other party as decided by NSCCL arising out of or incidental to any contracts made, executed, undertaken, carried on or entered into by him/it.

c) The securities to be deposited by the Clearing Member or any other person, as a security for such Clearing member shall be securities in dematerialised form and as may be approved by NSCCL from time to time to an extent of Rs. ___________/- (Rupees ______________________ only) or of such value as may be specified by NSCCL from time to time.

d) At the request of the Clearing member and as permitted by NSCCL, the Pledgor has agreed to offer securities in the dematerialised form as a security for the purpose of margin deposit requirement as aforesaid.

e) The Pledgor shall deposit the securities with such custodians acting as depository participants as may be determined by NSCCL from time to time.

NOW IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. In consideration of the NSCCL having agreed to accept approved dematerialised securities as a margin deposit to an extent of Rs.____________ /- (Rupees _______________________________ only), or of such value as may be specified by NSCCL from time to time, the Pledgor hereby pledges securities (hereinafter referred to as “Said Securities”) with NSCCL as security for due performance and fulfillment by the Clearing Member of all his/its engagements, commitments, operations, obligations or liabilities as a Clearing Member of NSCCL including any sums due by him/it to NSCCL or National Stock Exchange of India Limited (hereinafter referred to as “NSEIL”) or any other party as decided by NSCCL arising out of or incidental to any contracts made, executed, undertaken, carried out or entered into by him/it.

2. The Pledgor if so determined by NSCCL shall place the Said Securities in the absolute disposition of such custodian/depository participant in such manner as decided by NSCCL and such possession and disposition may be apparent and indisputable notwithstanding the fact that the Pledgor may be permitted to have access to the Said Securities in the manner and subject to such terms and conditions as determined by NSCCL and provided further that during such time the Pledgor confirms, affirms and covenants with NSCCL that he/it shall do all such acts and things, sign such documents and pay and incur such costs, debts and expenses as may be necessary without prejudice to any other obligations,

liabilities, duties which the Clearing Member owes as a Clearing Member of NSCCL.

3. For the purpose of the clauses (1) and (2), and for the purpose of this Deed, the term “Said Securities” shall mean all the securities lying in the Depository Account No. _______________ (hereinafter referred to as “Account”) with the custodian/depository participant and shall include all securities given in addition, substitution or replacement of the securities in the said Account. All securities lying in the said Account shall be deemed to have been pledged at all times with NSCCL by virtue of this Deed.
4. The Pledgor declares and assures that all the Said Securities are in existence, owned by him/it and free from any prior charge, lien or encumbrance and further that all the Said Securities over which pledge may be created in future would be in existence and owned by him/it at the time of creation of such pledge and that all the Said Securities to be given in future as security to NSCCL would likewise be unencumbered, absolute and disposable property of the Pledgor.

5. The Pledgor agrees that he/she shall not without NSCCL’s prior written permission create any charge, lien or encumbrance of any kind upon or over the Said Securities hereby pledged except to NSCCL, that he/she shall not suffer any such charge, lien or encumbrance to affect the Said Securities or any part thereof, and further that he/she shall not do or allow anything to be done that may prejudice the Said Securities while he/she remains liable to NSCCL in any manner without the prior written permission of NSCCL.

6. The Pledgor agrees, declares and undertakes that he/she shall be bound and abide by the terms and conditions of the Scheme for the Deposit of securities in dematerialised form as formulated and determined by NSCCL for margin deposit, for its Clearing Members.

7. If in the opinion of NSCCL, the Clearing Member has failed to perform and / or fails to fulfil his/its engagements, commitments, operations, obligations or liabilities as a Clearing Member of NSCCL including any sums due by him/it to NSCCL or to NSEIL or to any other party arising out of or incidental to any contracts made, executed, undertaken, carried out or entered into by him/it, then the Pledgor agrees that NSCCL on giving one working day notice to the Pledgor on its own as a pledgee, shall be empowered/entitled to invoke the pledge, sell, dispose of or otherwise effect any other transfer of the Said Securities in such manner and subject to such terms and conditions as it may deem fit and that the money if any realised from such pledge/sale/disposal/or other transfer shall be utilised/disbursed by NSCCL in such manner and subject to terms and conditions as it may deem fit and further the Pledgor shall do all such things, deeds, acts and execute all such documents as are necessary to enable NSCCL to effect such pledge/sale/disposal/or other transfer. The decision of NSCCL as

to the obligations or liabilities or commitments of the Clearing Member and the amount claimed shall be final and binding on the Pledgor. The Pledgor understood and agrees that one working day notice mentioned above shall be deemed to be a reasonable notice, as this pledge of securities is being accepted as margin deposit by NSCCL in lieu of cash deposits or bank guarantees, which can be invoked and appropriated in a days time and also due to the nature of transactions on NSCCL.

8. The Said Securities pledged as security shall be available at the disposal of NSCCL as a continuing security and remain available in respect of the obligations, liabilities or commitments of the Clearing Member jointly or severally and may be utilised as such in the discretion of NSCCL, as if each of the obligations, liabilities or commitments is secured by the Said Securities. This Deed shall not be considered as cancelled or in any way affected on its utilisation for meeting any specific obligation, liability or commitment by NSCCL but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Clearing Member.

9. The Pledgor shall be released from his/its obligations, liabilities under this Deed only when NSCCL, in writing, expressly provides for the release of the Said Securities.

10. The Pledgor agrees that NSCCL shall be entitled to sell, negotiate or otherwise transfer the Said Securities and to execute transfer documents and/or any other necessary documents, wherever applicable or other endorsements for this purpose and that NSCCL shall be entitled to receive from him/her all expenses incurred by NSCCL/Custodian for the aforesaid purposes.

11. The Pledgor agrees to execute such further documents whether of a legal nature or otherwise as may be required by NSCCL for the purpose of giving effect to the provisions of this Deed and also the Scheme for the Deposit of securities in dematerialised form.

12. The Pledgor agrees that the deposit of the ‘Said Securities’ and the pledge thereof shall not be affected in any manner whatsoever if NSCCL takes any action against the Clearing Member including suspension or expulsion or declaration of the Clearing Member as a defaulter.

13. The Pledgor agrees that NSCCL shall not be under any liability whatsoever towards the Pledgor or any other person for any loss, damage, expenses, costs, etc arising out of the deposit of the Said Securities in any manner, due to any cause, whatsoever, irrespective of whether the Said Securities shall be in the possession of the NSCCL or not at the time of such loss or damage or the happening of the cause thereof. The Pledgor /Clearing Member shall at all times indemnify and keep indemnified NSCCL from and against all suits,

proceedings, costs, charges, claims and demands whatsoever that may at any time arise or be brought or made by any person against NSCCL in respect of any acts, matters and things lawfully done or caused to be done by NSCCL in connection with the Said Securities or in pursuance of the rights and powers of NSCCL under this Deed.

14. The Pledgor undertakes that the deposit of the ‘Said Securities’ and the pledge thereof shall be binding on him/her as continuing and that it shall not be prejudiced by the Pledgor /Clearing Members failure to comply with the Rules, Bye-laws or Regulation of NSCCL or any other terms and conditions attendant to the Clearing membership of NSCCL and that NSCCL shall be at liberty, without thereby affecting its rights against him/ her hereunder or in relation to the ‘Said securities’ or to any other security now or hereafter held or taken at any time to vary, amend change or alter any terms or conditions of its Rules, Bye laws or Regulations of NSCCL in general or as applicable to him / it in particular.

Executed at _____________ on the date, month and year above mentioned.

Signed, sealed and delivered by the within named
Pledgor

____

in the presence of witnesses

1.
2.

* strike out whichever is not applicable

ANNEXURE 24

FORMAT OF LETTER REQUESTING ACTIVATION OF ACCOUNT IN COLLATERAL INTERFACE FOR MEMBERS APPLICATION

Date:

The Manager
NSCCL

Dear Sir/ Madam,

Sub: Activation of account in Collateral Interface for Members Application

We are interested in availing the facilities provided through the Collateral Interface for Members Application. We therefore request you to activate our account and provide us necessary access in the said interface.

Please find below the necessary details as required:

S No	Particulars	To be filled by the Member
1.	Member Code	
2.	Member Name	
3.	Segment for which application is being made (Cash/F&O/Currency Derivatives)	
4.	Contact Person (The account details will be sent to this person)	
5.	Address for Communication with Pin Code	
6.	Phone Number with STD Code	
7.	Mobile number of contact person	
8.	Fax Number with STD Code	
9.	No of User Ids required	
10.	E-mail address	

We hereby authorize NSCCL to act upon the instructions sent through the interface and we shall be solely responsible for any errors pertaining to data entry from our end.

We would request you to advise us the account details allotted to us for this purpose at the above mentioned address.

Yours sincerely,

Authorized Signatory
Name:
Designation:

Note:

1. Since the CIM application is common for CM, CDS and F&O segments, user accounts shall be common for members across the segments. Hence once enabled in a segment, member need not request for an account in other segment.
2. The benefit to /release of the total liquid assets shall be carried out subject to successful receipt of the request at the Clearing Corporation and the relevant policies as applicable from time to time.

ANNEXURE 25

FORMAT OF THE LETTER TO BE GIVEN BY THE BANK ISSUING THE FDR TO THE CLEARING CORPORATION ON RENEWAL (IN CASE OF AUTO RENEWAL WHERE THE OLD FDR NO. IS SAME)

(Typed on the letterhead of the bank)

Date:

To
National Securities Clearing Corporation Ltd
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East)
Mumbai 400 51

Dear Sir,

We refer to the fixed deposit receipt (FDR) issued, in the name of NSCCL - A/c (clearing member's name). Details are as under.

FDR No	Issue Date	Amount	Maturity Date

The above FDRs has been renewed for further period of _____months/days under the autorenewal facility on the request of the Clearing Member. Details are as follows.

Renewal Date	Amount	New Maturity Date

We hereby confirm that

I. There is no lock in period for encashment of the said FDR.
II. The amount under the said FDR would be paid to you on demand, at any point of time without any reference to the ________________ (name of clearing member).
III. Encashment whether premature or otherwise would not require any clearance from any other authority / person.
IV. We agree that on encashment of FDR, the interest accrued will also be released to you.
V. We agree that the FDR will be renewed for such periods as per the instructions of the Clearing Corporation
VI. The FDR is payable at Mumbai. (In case FDR is issued from places other than Mumbai, Delhi, Kolkata, Chennai, Ahmedabad, and Hyderabad)

VII. Old instrument will remain valid.

Yours faithfully,

Authorised Signatory
__________ Bank Ltd

ANNEXURE 26

FORMAT OF THE LETTER TO BE GIVEN BY THE BANK ISSUING THE FDR TO THE CLEARING CORPORATION ON RENEWAL (IN CASE OF AUTO RENEWAL WHERE THE OLD FDR NO. IS CHANGED)

(Typed on the letterhead of the bank)

Date:

To
National Securities Clearing Corporation Ltd
Exchange Plaza,C-1, Block G,
Bandra Kurla Complex,
Bandra (East)
Mumbai 400 51

Dear Sir,
We refer to the fixed deposit receipt (FDR) issued, in the name of NSCCL - A/c clearing member's name. Details are as under.

FDR No	Issue Date	Amount	Maturity Date

The above FDRs has been renewed for further period of _____months/days under the autorenewal facility on the request of the Clearing Member. Details are as follows.

New FDR No	**Issue Date**	**New Maturity Date**	**Amount**

We hereby confirm that

a) There is no lock in period for encashment of the said FDR.
b) The amount under the said FDR would be paid to you on demand, at any point of time without any reference to the _________________ (name of clearing member).
c) Encashment whether premature or otherwise would not require any clearance from any other authority / person.
d) We agree that on encashment of FDR, the interest accrued will also be released to you.
e) We agree that the FDR will be renewed for such periods as per the instructions of the Clearing Corporation.
f) The FDR is payable at Mumbai. (In case FDR is issued from places other than Mumbai, Delhi, Kolkata, Chennai, Ahmedabad, and Hyderabad)
g) Old instrument will remain valid and no new instrument with new FDR

No.______ is issued.

Yours faithfully,

Authorised Signatory
___________ Bank Ltd

ANNEXURE 27

FORMAT OF THE LETTER TO BE GIVEN BY THE CLEARING MEMBER FOR SHIFTING OF BANK GUARANTEE FROM CAPITAL MARKET /F&O SEGMENT TO CURRENCY DERIVATIVES SEGMENT

(To be typed on Clearing member letter head)

Date :

To
National Securities Clearing Corporation Ltd.
Exchange Plaza, Plot C-1, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.

Dear Sir,

Re: Bank Guarantee for Rs. _____vide BG No.____for **Currency Derivatives Segment**

Member Code	:	____________
Bank Name	:	______________
Bank Branch	:	______________
City	:	______________
Bank Guarantee No	:	______________
Bank Guarantee Amount	:	______________
Issue Date	:	______________
Maturity Date	:	______________
Last Claim date	:	______________

We refer to the above Guarantee issued on our behalf in your favour towards the margin deposit of the ***Capital Market Segment/ F&O Segment** of National Securities Clearing Corporation Ltd. (NSCCL). As we intend to make the said bank guarantee available towards our margin deposit in the **Currency Derivatives Segment**, we have instructed the bank vide our letter dated ________ to make the said guarantee available as a security for meeting, satisfying, discharging or fulfilling all or any of our obligation or liability arising in the **Currency Derivatives Segment** as directed and decided by NSCCL with no reference to us.

Pursuant to our request the bank has issued to you an amendment letter dated ______ agreeing and confirming to make the said guarantee available as a security for meeting, satisfying, discharging or fulfilling all or any of our obligation or liability arising in the **Currency Derivatives Segment** as directed and decided by NSCCL with no reference to us.
Hence the above bank guarantee may be treated as if issued on our behalf towards the margin deposit of the **Currency Derivatives Segment** of NSCCL.

Yours faithfully,

Authorised Signatory

ANNEXURE 28

FORMAT OF THE AMENDMENT LETTER TO BE GIVEN BY THE BANK TO THE CLEARING CORPORATION IN CASE OF SHIFTING OF BANK GUARANTEE FROM CAPITAL MARKET /F&O SEGMENT TO CURRENCY DERIVATIVES SEGMENT

On stamp paper of the same value as the original bank guarantee or Rs. 100/= whichever is higher)

To,
National Securities Clearing Corporation Limited
Exchange Plaza,
Plot C-1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051

We,________________________________ having our registered office at ____________________ refer to the Bank Guarantee number: ____________ executed by us on the ___________ day of _______________ at _____________ (hereinafter referred to as "Said Guarantee") on behalf of ___________________________ (hereinafter referred to as "Clearing Member") having its registered office at ______________________________________ for a sum of Rs ______________ (Rupees ____only) in your favour.

We, now at the request and desire of the Clearing Member, do hereby irrevocably and unconditionally guarantee to pay a sum of Rs. ___________/-, (Rupees ____________ only) to National Securities Clearing Corporation Limited. (hereinafter referred to as NSCCL) as a security for due performance and fulfillment by the Clearing Member of his/her/its engagements, commitments, obligations or liabilities as a Clearing Member of NSCCL including any sums due by the Clearing Member to NSCCL or any other person as decided by NSCCL arising out of or incidental to any contracts made, executed, undertaken, carried on or entered into or purported so to be, by the Clearing Member in the **Currency Derivatives Segment.** The Bank agrees and confirms that the said guarantee shall be available as a security for meeting, satisfying, discharging or fulfilling all or any obligation or liability of the Clearing Member arising out of or incidental to any contracts made, executed, undertaken, carried on or entered into or purported so to be, by the Clearing Member in the **Currency Derivatives Segment**. .

We hereby affirm and confirm that save and except to the extent as provided for herein above, the Said Guarantee together with all other terms and conditions therein shall remain operational and in full force and effect.

Signed for and on behalf of ____ on this _______ day of______ at _______________.

FOR _______________________________(BANK)

_______________________________(BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

ANNEXURE 29

FORMAT OF RENEWAL OF BANK GUARANTEE TOWARDS MARGIN DEPOSIT AND SECURITY DEPOSIT

Date : ___________

To,
National Securities Clearing Corporation Ltd.
Exchange Plaza, Plot C-1, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051.

We, ____ (Bank) having our registered office at ____and our branch office at ____ _______________________________ refer to the Bank Guarantee number : _________ executed by us on the ___________ day of _______________ 200_ at __________ (hereinafter referred to as "said guarantee") on account of Mr. / Ms./ M/s. ____________ ________________________ having his/her/ its/registered office at ________________ ____ ____ (hereinafter referred to as a 'Clearing Member') for a sum of Rs ______________ (Rupees ____only) in your favour.

The validity of the said guarantee was upto ____________________________.

With reference to the same we state as hereunder:
At the request of the Clearing Member, we extend the period of the validity of the said guarantee upto __________________.

The said guarantee may be invoked by NSCCL in part(s) without affecting its rights to invoke the said guarantee for any liabilities that may devolve later.

Notwithstanding anything mentioned herein above,

i. the liability of the Bank under this guarantee shall not exceed Rs. _______________ (Rupees ____ only)

ii. This guarantee shall be valid for a period of _____months i.e. upto _____________.

iii. The bank is liable to pay the guaranteed amount only if NSCCL serves upon the Bank a written claim or demand on or before ________________(i.e. within ___ months after the date of expiry of the bank guarantee as mentioned in clause b above).

We hereby affirm and confirm that save and except to the extent as provided for herein above, the said guarantee together with all other terms and conditions therein shall remain operational and in full force and effect till ___________________________.

Executed this ____day of_____________ at ______________ (place).

FOR __________________________________(BANK)

__________________________________(BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

Instructions:

1. *The above printed format is required to be used.*
2. *The Bank Guarantee to be stamped for Rs.100/- or the value prevailing in the State where executed, whichever is higher. Bank Guarantee to be executed on Non-Judicial stamp paper(s) or on paper franked from Stamp Office*
3. *All the blanks in the format are required to be duly filled by the issuing bank along with the signature of the authorised signatory and seal of the bank.*
4. *Each page of the bank guarantee should bear the bank guarantee number and issue date and should be signed by two authorised signatories of the bank unless the bank has specifically intimated NSCCL that only one authorised signatory shall sign the bank guarantees issued by them in favour of NSCCL.*

ANNEXURE 30

LIST OF APPROVED CUSTODIANS

Sr. No	Name of the Custodian	Contact Person	Address	Phone / Fax
1	HDFC Bank Ltd.	Mr.Anu Khandelwal / Mr.Mitesh.Mehta	Lodha I Think Techno Campus Alpha Building, 8th Floor Office Opp Crompton Greaves , Next to Kanjurmarg Railway Station ,Kanjurmarg – East,Mumbai - 400042	Phone Nos : 022-30752877 Fax : 022-30752846
2	Stock Holding Corporation of India Ltd. (SHCIL)	Mr. Ganesh Zodge / Mr. Vinod	DP Operations (Pledge - NSCCL Margin) Plot no. P - 51, T.T.C. Industrial Area, MIDC, Mahape Navi Mumbai 400 710	Phone Nos.: 022-27785532 Fax : 022-61778533
3	ICICI Bank Ltd.	Mr. Nagesh Srivastava / Mr.Yogesh Gadgill	Securities Market Services, Empire Complex, 1st Floor 414 Senapati Bapat Marg Lower Parel, Mumbai 400 013	Phone Nos.: 022-66672005 022-66672082 Fax : 022-66672740
4	IL&FS Securities Services Ltd.	Mr. Krishnamurthy Iyer	IL&FS House , Plot No. 14, Raheja Vihar,Chandivali , Andheri (E), Mumbai - 400 072	Phone Nos.: 022-28571645 022-42493343 Fax : 022-28578912

ANNEXURE 31

The procedure for acceptance of Government of India Securities (G-Sec)/T-Bills as collateral

1. The clearing member desirous of providing G-Sec/T-Bills shall enter into an agreement with NSCCL as per the format attached in **ANNEXURE 32**

2. NSCCL shall prescribe list of G-Sec/T-Bills that shall be eligible for acceptance as collateral from time to time.

3. G-sec/T-bill shall be accepted as collateral only in electronic form. The members desirous of providing G-Sec/T-Bills as collateral shall put the request for addition of GSEC in Collateral Interface for Members (CIM) under menu option "EMI – GSEC Deposit – Request / Enquiry-Request" The member shall further be required to enter the transaction through its custodian/bank on NDS under Settlement-Transfer Order-Clearing Agency Contribution Module. Clearing Corporation shall confirm the transaction entered on the NDS, based on the information received from members in CIM.

4. On selection of "Clearing Agency Contribution" the counter party shall be selected as National Securities Clearing Corporation Limited with Member ID as BYA00168.

5. The members shall input the SGL account details as "SG020168". The clearing member shall continue to intimate NSCCL through fax as per the format attached in ANNEXURE 32.

6. NSCCL shall confirm the transaction entered on the NDS based on the information received from members through fax and shall provide benefit of the G-Sec/T-Bills towards collaterals on transfer of securities to the SGL-II account of NSCCL.

7. For release of G-Sec / T-bills, the member shall put the request for release of GSEC in Collateral Interface for Members (CIM) under menu option "Collateral Release-New request / Inquiry – Release request" . The release of G-Sec/T-Bill shall be processed only at end of day. The G-sec/T-bill released by the Clearing Corporation shall be entered on NDS under Settlement-Transfer Order-Clearing Agency Contribution Module. The members shall ensure that such transactions are approved on NDS by their custodian/Banks.

8. The valuation of G-Sec/T-Bill shall be based on closing price of G-Sec/T-Bills on NDS.

9. A hair cut of 10% shall be applied on the value of G-Sec/T-bill provided as collateral by the member. The value after applying the hair cut shall be added to the cash component of the liquid assets of the member.

10. Periodic coupon / Redemption payments received on the G-Sec/T-Bills provided by the member shall be passed on to the members by NSCCL immediately upon receipt of relative interest from Reserve Bank of India.

11. In case the any of the approved G-Sec is in 'SHUT PERIOD', the members shall not be allowed for request for addition / release of such G-Sec.

ANNEXURE 32

AGREEMENT FOR CONSTITUENT SGL ACCOUNT

This Agreement is made and executed at Mumbai on this ___ day of ____ 2008.

Between:

National Securities Clearing Corporation Limited, a company incorporated under the provisions of the Companies Act, 1956, having its registered office at____________________, hereinafter referred to as **"NSCCL"** (which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns) of the **One Part**;

And

Mr./Ms./M/s. ______________________, an individual/ a partnership firm / a body corporate, registered/ incorporated under the provisions of the Indian Partnership Act, 1932 / Companies Act, 1956, having his /her / its office / registered office at ________________________, hereinafter referred to as **"Constituent"** (which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors and administrators / the partners of the said firm for the time being, the survivor or survivors of them and the heirs, executors and administrators of such last survivor / its successors and legal representatives, as the case may be) of the **Other Part**.

WHEREAS :

1. Reserve Bank of India (RBI) has allowed NSCCL to open Constituent Subsidiary General Ledger Account (SGL Account) with it which NSCCL shall use for the benefit of its constituents by opening sub-accounts (SGL Sub Account) in the name of its constituents in its books of accounts.

2. The Constituent being a Clearing Member of NSCCL, has requested NSCCL to open a SGL Sub Account in its books of accounts for the purpose of transferring government securities to the SGL Account as collateral towards margin deposit and NSCCL has agreed to open a SGL Sub Account in the name of the

Constituent in the SGL Account maintained by it with RBI subject to the terms and conditions as mentioned herein and terms and conditions specified by NSCCL in its Circulars issued from time to time.

3. The parties hereto are desirous of recording the terms and conditions subject to which NSCCL shall open and maintain a SGL Sub Account of the Constituent.

NOW THERFORE, IT IS HEREBY MUTUALLY AGREED UPON BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. **Opening of the SGL Sub Account:**

1.1. NSCCL shall open a SGL Sub Account in the name of the Constituent in its SGL Account with RBI.

1.2. Only government securities in demateralised form shall be permitted to be transferred to the SGL Account.

1.3. The government securities transferred to the said SGL Account as collateral shall not be permitted by NSCCL to be used by the Constituent for any purpose other than as collateral towards margin deposit and therefore the Constituent is barred from creating any encumbrance with respect to the government securities transferred in any manner whatsoever including by way of pledge, hypothecation or lien

1.4. The government securities transferred to the said SGL Account shall be dealt with by NSCCL as a Clearing Corporation in accordance with the Rules, Byelaws, Regulations and the Circulars issued thereunder from time to time.

1.5. The Constituent agrees and consents that NSCCL shall have an irrevocable authority to sell the government securities through its designated brokers at any time, even prior to maturity without notice to the constituent for recovery/adjustment of NSCCL/NSEIL dues, in case of default of the Constituent in meeting its obligations as a Clearing Member of NSCCL.

1.6. The Constituent agrees to abide by the Business Rules laid down by the NSCCL from time to time regarding the SGL Sub Account and as specified by NSCCL in its Circulars issued from time to time.

1.7. If RBI deducts any income tax at source (TDS) on the interest payable at the rate applicable to NSCCL the same will be passed on to the constituent, who may have a different tax rate. In case the Constituent desires to avail of any concession from TDS it will have to submit all requisite forms/documents to NSCCL within such time as required by NSCCL/RBI for the purpose. In such cases, NSCCL will try on a best effort basis to get the interest payment without the deduction.

1.8. Operation of the SGL Sub Account will be carried out on the written instructions received from the authorised signatories of the Constituents received by NSCCL at its designated office(s) as may be intimated by NSCCL. A fascimile received by NSCCL for this purpose shall also be considered a conclusive evidence of instruction.

1.9. NSCCL shall issue daily statements to the Constituent from time to time with respect to the security balances of the Constituent. The Constituent agrees to point out any discrepancies to NSCCL within 2 days of the receipt of the statement or else NSCCL shall assume the balances to be correct.

1.10. The Constituent shall pay the charges as may be intimated to the Constituent by NSCCL from time to time for the opening and maintenance of the SGL Sub Account.

1.11. On the failure of the Constituent to pay the charges within the prescribed time NSCCL shall debit the same from Constituent's Clearing Bank account.

1.12. NSCCL shall be bound by any instruction or direction it receives with regard to operation of the SGL Account or SGL Sub Account from any regulatory, judicial or any other competent authority (s) and the opening and maintenance of the SGL Account shall be subject to the provisions of the Government Securities Act, 2006 and the Regulations made thereunder.

1.13. NSCCL shall have the right to give any information to any regulatory, judicial and/or any other competent authority whenever so required in respect of the dealings and the SGL Sub Account of the Constituent.

1.14. The Constituent authorises NSCCL to execute/submit all deeds /agreements/drafts /forms etc which NSCCL may have to enter into/submit on behalf of the Constituent for the proper functioning of the SGL Account or SGL Sub Account.

1.15. The Constituent hereby requests and fully authorises NSCCL to execute any indemnity, declarations, undertakings and any other deed or documents as desired by RBI or any other competent authority in respect of dematerialisation, rematerialisation, settlement, corporate action or any other action in connection with the SGL Sub Account.

1.16. The Constituent shall execute in favour of NSCCL such declarations, undertakings and any deeds including power of attorney as may be required by NSCCL from time to time.

1.17. In case of any dispute/difference between NSCCL and the Constituent with respect to this agreement, the same shall be settled as per the procedure prescribed by NSCCL in its Circulars issued from time to time.

1.18. In case a Constituent maintains an account with any bank designated as a Clearing Bank by NSCCL, then the Constituent shall authorise NSCCL to debit and/or it's funds account maintained with the designated Clearing Banks(s) from time to time for the operations in the SGL Sub Account or recovery or any other amounts due to it as and when required.

1.19. While handling, corporate actions, NSCCL shall provide credit for government securities / funds to the Constituent, as the case may be only after the same has been provided by RBI in the SGL Account of NSCCL.

2. Liabilities and Indemnities

2.1 The Constituent shall indemnify and keep NSCCL indemnified and save harmless at all times from and against all claims, actions, demands, proceedings, costs, charges, expenses whatsoever which may be caused or caused to be incurred, suffered or paid by the NSCCL for any act of commission or omission by Constituent pursuant to this agreement.

2.2 NSCCL shall have a lien or charge on all the government securities in the SGL Sub Account of the Constituent for all the monies payable and due to NSCCL under this agreement.

3. Termination of the Agreement:

3.1 This Agreement will terminate automatically if the NSCCL or the Constituent are declared insolvent or any order of the court like liquidation, execution, distress or any other orders results in the assets/property of the NSCCL or the Constituent being attached or any Receiver appointed for the assets.

3.2 This Agreement will terminate automatically if any arrangement is made by either party with their creditors.

3.3 This Agreement may be terminated if either party fails to comply with or deviates from any of the declarations, representations, undertakings which they had originally agreed to do so. Either party shall give the other party 15 days written notice for termination of this agreement. However if the breach/default can be rectified then the non breaching party should give the other party atleast 30 days to rectify the same.

3.4 The Agreement can be terminated by any of the parties giving a notice in writing for any reason/s other than the reasons stated above. Such notice needs to be given atleast 2 months in advance.

3.5 Upon termination of the agreement and subject to the constituent paying all sum dues from it to the NSCCL, NSCCL may arrange for transfer of government securities belonging to the Constituent, if the Constituent makes alternative arrangements for holding its government securities or in such other manner as may be specified by NSCCL in its Circulars issued from time to time.

4. Notice:

Any notice or communication to be given by either party to the other party shall be given by personal delivery, courier, registered post, fax to the designated address mentioned in this agreement.

5. Jurisdiction and Governing Law:

Both the parties agree that the disputes if any shall be subject to the exclusive jurisdiction of the Civil Courts of Mumbai. This agreement shall be subject to the laws of India and in particular to the Government Securities Act 2006 and the Regulations made thereunder from time to time.

6. Counterparts:

This agreement may be entered into in two counterparts and by each party hereto on separate counterparts, each of which when so executed and delivered, shall be an original, but all the counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written, in two counterparts, one such counterpart to be retained by the Constituent and the other by NSCCL.

Signed and Delivered by

The Constituent represented by their authorised officials as authorised under Board resolution dated ______

Authorised signatories

1.

2.

Witnesses

1.

2.

Signed and Delivered by

National Securities Clearing Corporation Limited represented by their authorised signatories.

Authorised signatories

1.

2.

Witnesses

1.

2.

Note:-

1. To be executed on a non-judicial stamp paper of Rs.100/- or the value as applicable in the state where executed
2. Page no.1 to be retyped on the stamp paper as above
3. Page no 2 –6 should be attached to the stamp paper

ANNEXURE 33

FILE FORMAT FOR REQUESTING COLLATERAL RELEASES

File name: X_RRQ_DDMMYYYY_NN.csv

Where X is Segment indicator
RRQ is Release request
DDMMYYYY is the request date which should be current date
NN is sequential file batch number

The file should be CSV file with the following *columns*

Segment Indicator	X
Member Code	CMID
Type of Collateral	BC /ABC
Instrument Type	CSH/BGN/FDP/SDP/NMF/CMF
Instrument Id	Applicable only for BGN/FDP
Custodian code	To be provided only in case of SDP/CMF/NMF
Security symbol	To be provided only in case of SDP/CMF/NMF
Requested Quantity	To be provided only in case of SDP/CMF/NMF
Requested amount	To be provided only in case of BGN/FDP/CSH in Rs .In case of SDP/CMF/NMF it should be typed as NA.

Notes:

- CMID stands for the clearing member code
- CSH stands for cash, BGN for bank guarantee, FDP for Fixed deposit receipt, SDP for securities, NMF for non cash component mutual funds and CMF for cash component mutual funds
- Instrument ID stands for the NSCCL Ref no as is available in the latest CL01 report.
  e.g., the instrument id for NSCCL.Ref no. 6004.000000 is 6004
- Non Applicable fields should be blank.

ANNEXURE 34

Margin Computation Methodology for Interest Rate Futures on 10 year Notional Coupon Bearing GOI Security

The Methodology A specified in the report of RBI-SEBI Standing Technical Committee on Interest Rate Futures shall be adopted for the purpose of computation of Initial Margin. The initial margins shall be computed as

$3.5 * D * \sigma_{yt} * Y_t$

Where:

D is Modified Duration which shall always be 10;

σ_{yt} is the volatility of the yield computed using EWMA methodology.

Yt is the yield of 10-Year Benchmark government security decided by FIMMDA at time t

ANNEXURE 35

Initial Margin Computation Methodology for Futures on 91 day GOI T-bills

The price scan range shall be fixed at 3.5 standard deviation (volatility). The EWMA method would be used to obtain the volatility estimate every day. The estimate at the end of time period t (σydt) shall be arrived at using the volatility estimate at the end of the previous time period i.e. as at the end of t-1 time period (σydt-1), and the return (rydt) observed in the futures market during the time period t. The formula would be as under:

$(\sigma ydt)^2 = \lambda\ (\sigma ydt\text{-}1)^2 + (1 - \lambda\ )\ (rydt)^2$

Where

λ (lambda) is a parameter which determines how rapidly volatility estimates changes. The value of λ is fixed at 0.94.

σydt (sigma) is the standard deviation of daily logarithmic returns of discount yield of 91 day GOI T-Bill futures at time t.

rydt = ln(Ydt/Ydt-1) where

Ydt is the discount yield of 91 day GOI T-Bill futures at time t.

The plus/minus 3.5 sigma limits for a 99% VAR based on logarithmic returns on discount yield of 91 day GOI T-Bill futures shall be converted into price changes through the following formula :

σpt=D*σydt* Ydt

where

σpt means the standard deviation of percentage change in price at time t

D means Modified Duration which shall be (0.25)

Ydt =Discount Yield for 91 day GOI T-Bill futures at time t

σydt (sigma) means the standard deviation of daily logarithmic returns of discount yield at time t

ANNEXURE 36

MARGIN COMPUTATION METHODOLOGY OF SPAN®

Initial margin computation methodology

The initial margin would be calculated by the NSCCL system (PRISM) using **SPAN®*** which is portfolio based risk management system.

Basic objective of SPAN system

The objective of SPAN is to identify overall risk in a portfolio of futures and options contracts for each member. The system treats futures and options contracts uniformly, while at the same time recognizing the unique exposures associated with options portfolios like extremely deep out-of-the-money short positions, inter-month risk and inter-commodity risk.

Because SPAN is used to determine performance bond requirements (margin requirements), its overriding objective is to determine the largest loss that a portfolio might reasonably be expected to suffer from one day to the next day.

In standard pricing models, three factors most directly affect the value of an option at a given point in time:

1. Underlying market price
2. Volatility (variability) of underlying instrument
3. Time to expiration

As these factors change so too will the value of futures and options maintained within a portfolio. SPAN constructs scenarios of probable changes in underlying prices and volatilities in order to identify the largest loss a portfolio might suffer from one day to the next. It then sets the margin requirement at a level sufficient to cover this one-day loss.

Mechanics of SPAN

The complex calculations (e.g. the pricing of options) in SPAN are executed by the Clearing Corporation. The results of these calculations are called **Risk arrays**. Risk arrays, and other necessary data inputs for margin calculation are then provided to members in a file called the **SPAN Risk Parameter file**. This file will be provided to members on a daily basis.

Members can apply the data contained in the Risk parameter files, to their specific portfolios of futures and options contracts, to determine their SPAN margin requirements.

Hence members need not execute complex option pricing calculations, which would be performed by NSCCL. SPAN has the ability to estimate risk for combined futures and options portfolios, and re-value the same under various scenarios of changing market conditions.

Risk Arrays

The SPAN risk array represents how a specific derivative instrument (for example, an option on an underlying at a specific strike price) will gain or lose value, from the current point in time to a specific point in time in the near future (typically it calculates risk over a one day period called the 'look ahead time'), for a specific set of market conditions which may occur over this time duration.

The specific set of market conditions evaluated, are called the **risk scenarios**, and these are defined in terms of :

a) how much the price of the underlying instrument is expected to change over one trading day, and
b) how much the volatility of that underlying price is expected to change over one trading day.

The results of the calculation for each risk scenario – i.e. the amount by which the futures and options contracts will gain or lose value over the look-ahead time under that risk scenario - is called the **risk array value** for that scenario. The set of risk array values for each futures and options contract under the full set of risk scenarios, constitutes the **Risk Array** for that contract.

In the Risk Array, losses are represented as positive values, and gains as negative values. Risk array values are typically represented in the **currency** (Indian Rupees) in which the futures or options contract is denominated.

SPAN further uses a standardized definition of the risk scenarios, defined in terms of

I. the underlying **'price scan range'** or probable price change over a one day period,
II. and the underlying price **'volatility scan range'** or probable volatility change of the underlying over a one day period.

These two values are often simply referred to as the '**price scan range'** and the '**volatility scan range'**. There are **sixteen** risk scenarios in the standard definition. These scenarios are listed as under:

1. Underlying unchanged; volatility up
2. Underlying unchanged; volatility down
3. Underlying up by 1/3 of price scanning range; volatility up
4. Underlying up by 1/3 of price scanning range; volatility down
5. Underlying down by 1/3 of price scanning range; volatility up
6. Underlying down by 1/3 of price scanning range; volatility down
7. Underlying up by 2/3 of price scanning range; volatility up
8. Underlying up by 2/3 of price scanning range; volatility down
9. Underlying down by 2/3 of price scanning range; volatility up
10. Underlying down by 2/3 of price scanning range; volatility down
11. Underlying up by 3/3 of price scanning range; volatility up
12. Underlying up by 3/3 of price scanning range; volatility down
13. Underlying down by 3/3 of price scanning range; volatility up
14. Underlying down by 3/3 of price scanning range; volatility down
15. Underlying up extreme move, double the price scanning range (cover 35% of loss)
16. Underlying down extreme move, double the price scanning range (cover 35% of loss)

SPAN uses the risk arrays to scan probable underlying market price changes and probable volatility changes for all contracts in a portfolio, in order to determine value gains and losses at the portfolio level. This is the single most important calculation executed by the system.

As shown above in the sixteen standard risk scenarios, SPAN starts at the last underlying market settlement price and scans up and down three even intervals of price changes ('price scan range').
At each 'price scan point', the program also scans up and down a range of probable volatility from the underlying market's current volatility ('volatility scan range'). SPAN calculates the probable premium value at each price scan point for volatility up and volatility down scenario. It then compares this probable premium value to the theoretical premium value (based on last closing value of the underlying) to determine profit or loss.

Deep-out-of-the-money short options positions pose a special risk identification problem. As they move towards expiration, they may not be significantly exposed to "normal" price moves in the underlying. However, unusually large underlying price changes may cause these options to move into-the-money, thus creating large losses to the holders of short option positions. In order to account for this possibility, two of the standard risk scenarios in the Risk Array (sr. no. 15 and 16) reflect an "extreme" underlying price movement, currently defined as double the maximum price scan range for a given underlying. However, because price changes of these magnitudes are rare, the system only covers 35% of the resulting losses.

After SPAN has scanned the 16 different scenarios of underlying market price and volatility changes, it selects the largest loss from among these 16 observations. This "largest reasonable loss" is the 'Scanning Risk Charge' for the portfolio - in other words, for all futures and options contracts.

Composite Delta

SPAN uses delta information to form spreads between futures and options contracts. Delta values measure the manner in which a future's or option's value will change in relation to changes in the value of the underlying instrument. Futures deltas are always 1.0; options deltas range from -1.0 to +1.0. Moreover, options deltas are dynamic: a change in value of the underlying instrument will affect not only the option's price, but also its delta.

In the interest of simplicity, SPAN employs only one delta value per contract, called the "Composite Delta." It is the weighted average of the deltas associated with each underlying 'price scan point'. The weights associated with each 'price scan point' are based upon the probability of the associated price movement, with more likely price changes receiving higher weights and less likely price changes receiving lower weights. Please note that Composite Delta for an options contract is an estimate of the contract's delta after the lookahead - in other words, after one trading day has passed.

Calendar Spread or Intra-commodity or Inter-month Risk Charge

As SPAN scans futures prices within a single underlying instrument, it assumes that price moves correlate perfectly across contract months. Since price moves across contract months do not generally exhibit perfect correlation, SPAN adds an Calendar Spread Charge (also called the Inter-month Spread Charge) to the Scanning Risk Charge associated with each futures and options contract. To put it in a different way, the Calendar Spread Charge covers the calendar (inter-month etc.) basis risk that may exist for portfolios containing futures and options with different expirations.

For each futures and options contract, SPAN identifies the delta associated with each futures and option position, for a contract month. It then forms spreads using these deltas across contract months. For each spread formed, SPAN assesses a specific charge per spread which constitutes the Calendar Spread Charge.

The margin for calendar spread shall be calculated on the basis of delta of the portfolio in each month. Thus a portfolio consisting of a near month option with a delta of 100 and a far month option with a delta of –100 would bear a spread charge equivalent to the calendar spread charge for a portfolio which is long 100 near month futures contract and short 100 far month futures contract.

A calendar spread would be treated as a naked position in the far month contract three trading days before the near month contract expires.

Net Option Value (only for option contracts)

The Net Option Value shall be the current market value of the option times the number of options (positive for long options and negative for short options) in the portfolio. The Net Option Value shall be added to the Liquid Net Worth of the clearing member. Thus, mark to market gains and losses shall not be settled in cash for options positions.

Net Buy Premium (only for option contracts)

In the above scenario only sell positions are margined and offsetting benefits for buy positions are given to the extent of long positions in the portfolio by computing the net option value.

To cover the one day risk on long option positions (for which premium shall be payable on T+1 day), net buy premium to the extent of the net long options position value is deducted from the Liquid Networth of the member on a real time basis. This would be applicable only for trades done on a given day. The Net Buy Premium margin shall be released towards the Liquid Networth of the member on T+1 day after the completion of pay-in towards premium settlement.

Computation of Initial Margin - Overall Portfolio Margin Requirement

The total margin requirements for a member for a portfolio of futures and options contract would be computed as follows:

(i) SPAN will add up the Scanning Risk Charges and the Intracommodity Spread Charges.
(ii) SPAN will compares this figure (as per above) to the Short Option Minimum charge
(iii) It will select the larger of the two values between (i) and (ii)
(iv) Total SPAN Margin requirement is equal to SPAN Risk Requirement (as per iii above), less the 'net option value', which is mark to market value of difference in long option positions and short option positions.
(v) Initial Margin requirement = Total SPAN Margin Requirement + Net Buy Premium

ANNEXURE 37

FORMAT OF APPLICATION FROM CONSTITUENT
(to be given by the constituent on the letter head)

Date:
National Securities Clearing Corporation Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051.

Dear Sirs,

Sub: Appointment of M/s. (Name of the Clearing member) as Clearing Member in Currency Derivatives Segment.

We wish to inform you that we have appointed M/s. (Name of Clearing Member) as clearing member for clearing and settlement of trades done in National Stock Exchange – Currency Derivatives segment on behalf of us.

In view of this we request you to allot the CP code for Currency Derivatives segment.
Details of our constituent are as follows:

Name	
CP code (as provided for in Capital Market Segment)	
SEBI Registration No. (if applicable)	
Registered Office	
Name of the contact person & designation	
Telephone No.	
Fax No.	
Email ID of the contact person	

Thanking you,
Yours faithfully

Authorised Signatories:

ANNEXURE 38

FORMAT OF LETTER FROM CLEARING MEMBER FOR APPLICATION OF CUSTODIAL PARTICIPANT CODE
(to be given by the clearing member on the letter head)

Date:
National Securities Clearing Corporation Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Dear Sirs,

Sub: Appointment as Clearing Member for M/s. (Name of Constituent)

We wish to inform you that we have been appointed as Clearing Member for M/s (Name of Constituent) in Currency Derivatives segment of National Securities Clearing Corporation Limited.
In view of this we request you to allot the CP code in Currency Derivatives segment.

Details of our constituent are as follows:

Name	
CP code (as provided for in Capital Market Segment)	
SEBI Registration No. of (If applicable)	
Registered Office	
Name of the contact person & designation	
Telephone No.	
Fax No.	
Email ID of the contact person	

We would undertake clearing and settlement of Currency Derivatives trades for the above mentioned constituent in Currency Derivatives segment and therefore request you to allot CP code for Currency Derivatives segment.

Thanking you,

Yours Sincerely

Authorised Signatories
CM Name :
CM Code :

Name:
Designation:

Encl:

1. Letter from constituent confirming our appointment.
2. No Objection Confirmation from clients local custodian

ANNEXURE 39

FORMAT OF NO OBJECTION FROM THE CUSTODIAN
(to be given by the custodian on the letter head)

Date:

National Securities Clearing Corporation Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Dear Sirs,

Sub: No objection for CP Code …………… (Name of the Client)

We refer to a request received from our client to provide a No Objection for the appointment of M/s. ………… (Name of clearing member) as the clearing member for clearing and settlement of its Currency Derivatives trades

We confirm, under the present market structure for dealing and settlement in currency derivatives, we do not have any objection to the appointment of M/s ……… (Name of clearing member) for clearing and settlement of its Currency Derivatives trades for the following client

Name	
CP code (as provided for in Capital Market Segment)	
SEBI Registration No. (if applicable)	
Registered Office	
Name of the contact person & designation	
Telephone No.	
Fax No.	
Email ID of the contact person	

Thanking you,

Yours Sincerely

Authorised Signatories

ANNEXURE 40

FORMAT OF NO OBJECTION FROM THE OLD CLEARING MEMBER IN CASE OF CHANGE OF CLEARING MEMBER
(to be given by the old clearing member on the letter head)

Date:

National Securities Clearing Corporation Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Dear Sirs,

Sub: No objection for shifting of Custodial Participant Code

We wish to inform you that our client M/s………………….. intends to shift the clearing account for M/s………………….from our selves to M/s………………………. in the Currency Derivatives segment of National Securities Clearing Corporation Ltd.

We have no objection towards M/s………………appointing M/s………………………. as their Clearing Member in the Currency Derivatives Segment.

Name	
CP code	
SEBI Registration No.(If applicable)	
Registered Office	
Name of the contact person & designation	
Telephone No.	
Fax No.	
Email ID of the contact person	

Thanking you,

Yours Sincerely

Authorised Signatories

ANNEXURE 41

FORMAT FOR APPLICATION OF SHIFTING OF CP CODE TO THE NEW CLEARING MEMBER

(to be given by the new clearing member on the letter head)

Date:

National Securities Clearing Corporation Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051.

Dear Sirs,

Sub: Appointment as Clearing Member for M/s. (Name of constituent)

We wish to inform you that we have been appointed as Clearing Member for M/s Name of Constituent) in Currency Derivatives segment of National Securities Clearing Corporation Ltd.

In view of this we request you to transfer the open positions of the below mentioned constituent to us.

Details of the constituent are as follows:

Name	
CP code	
SEBI Registration No. (If applicable)	
Registered Office	
Name of the contact person & designation	
Telephone No.	
Fax No.	
Email ID of the contact person	

We would undertake clearing and settlement of Currency Derivatives trades for the above mentioned constituent and therefore request you to **transfer / shift** custodial participant code for Currency Derivatives segment. We also confirm all trades and positions from the date of transfer will be cleared and settled by us.

Thanking you,
Yours Sincerely

Authorised Signatories
CM Name :
CM Code :
Name:
Designation:

Encl:

1. Letter from M/s. (Name of constituent) confirming our appointment.
2. No Objection Confirmation from clients local custodian

ANNEXURE 42

FORMAT FOR APPLICATION OF SHIFTING OF CP CODE BY THE CONSTITUENT
(to be given by the Constituent on the letter head)

Date:

National Securities Clearing Corporation Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Dear Sirs,

Sub: Appointment of M/s. (Name of the Clearing member) as Clearing Member in Currency Derivatives Segment.

We wish to inform you that we have appointed M/s. (Name of Clearing Member) as Clearing Member for clearing and settlement of trades done in National Stock Exchange – Currency Derivatives segment on behalf of us.

In view of this we request you to transfer our open positions from our present clearing member M/s. (Name of old CM) to M/s. (Name of new CM). Our present Clearing member has given the NOC letter to us to transfer all our open positions to our new Clearing Member M/s (Name of new CM)

Details of our organisation are as follows:

Name	
CP code	
SEBI Registration No. (If applicable)	
Registered Office	
Name of the contact person & designation	
Telephone No.	
Fax No.	
Email ID of the contact person	

Thanking you,
Yours faithfully

Authorised Signatories:

Encl:

1. NOC from the present Clearing member.
2. NOC from the custodian

ANNEXURE 43

FORMAT OF LETTER TO BE PROVIDED BY CLEARING MEMBER FOR CLOSE-OUT FACILITY TO BE PROVIDED TO THEIR TRADING MEMBER

Date:

Manager
Currency Derivatives Segment
National Securities Clearing Corporation Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Dear Sir,

Sub: List of trading members to be made eligible for close-out in Currency Derivatives Segment

This is with reference to close-out facility provided by NSCCL, you are requested to set the close-out eligibility status of the following trading member clearing through us, as under:

Sr. No.	Trading Member Code	Trading Member Name	Close-out eligibility status (Yes/ No)

Thanking you,

Yours sincerely

Authorised Signatories
CM Name :
CM Code :

Name:
Designation:

ANNEXURE 44

FORMAT OF APPLICATION OF CLOSE OUT FACILITY BY CLEARING MEMBER ON BEHALF OF TRADING MEMBER

Date:

Chief Manager
Risk Management Group
National Securities Clearing Corporation Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Dear Sir,

Sub: Close-out facility for position of trading member

This is with reference to your circular no. 229 dated December 21, 2010, you are requested to enable the facility for the day to close-out open positions of the following trading members clearing through us as the trading member has failed to close-out the open positions despite the close-out facility provided to them.

Sr. No.	**Trading Member Code**	**Trading Member Name**

Thanking you,

Yours sincerely

Authorised Signatories
CM Name:
CM Code:

Name:
Designation: