NATIONAL SECURITIES CLEARING CORPORATION LIMITED

SEGMENT: MUTUAL FUND SERVICE SYSTEM	
Download Ref No : NSE/CMPT/ 21497	Date : August 16, 2012
Circular Ref. No : 0317/2012	

All Participants

Sub: Settlement procedure for Historical NAV for liquid subscriptions and subscription amount greater than or equal to Rs. 1 crore for debt schemes

This has reference to circular no. NSE/CMTR/21451 dated August 09, 2012 and circular NSE/CMPT/16506 dated December 10, 2010. Participants are requested to note the procedure for clearing and settlement for Historical NAV for liquid subscriptions and subscription amount greater than or equal to Rs. 1 crore for debt schemes.

Item 1
Clearing and Settlement

Item 2
Funds settlement procedure for subscription orders

Item 3
Units settlement procedure for subscription orders

Item 4
Limitation of liability

For any further clarifications and queries kindly contact the following officials of the Clearing Corporation: Mr. Samir Rajdev, Mr. Saurabh Kene and Mr. Jigar Shah.

For National Securities Clearing Corporation Ltd.

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Item 1

Clearing and Settlement

All requests for subscription will be settled on individual basis and only to the extent of the funds paid in by the clients of the Participants before funds pay in cut-off time on T day.

Salient features for clearing and settlement procedure for Historical NAV for liquid subscriptions and subscription amount greater than or equal to Rs. 1 crore for debt schemes are as follows:

- Subscription orders for liquid schemes with Historical NAV shall be settled under settlement type 'K'. These will be traded under category code 'HLIQD' in series 'LQ'.

- Subscription orders for debt schemes with subscription amount greater than or equal to Rs. 1 crore shall be settled under existing settlement type 'S'. These will be traded under category code 'DBTCR' in series 'LQ'.

- Participants shall mandatorily be required to send the order confirmation file to NSCCL by 1:05 p.m. on T day as per Annexure I by e-mail or fax. Orders shall not be taken up for further processing in the following cases:
  - Non receipt of funds within the stipulated time
  - Shortage of funds
  - Non receipt of the order confirmation file from the Participant

- The Participant's client shall be required to transfer the funds directly to the funds settlement account specified by NSCCL from time to time. The funds shall be transferred as per the timelines defined by NSCCL from time to time. The funds payout shall be done to the AMC / Mutual fund bank account maintained with the Clearing Bank before the cut off time on T day.

- The units pay-in will be from the designated AMC Pool A/c and the units pay-out will be to the designated pool account of the Participants in Capital Market segment in dematerialized mode. In turn, the Participants shall credit mutual funds units to their respective clients.

- Funds settlement for liquid & debt schemes shall be done on T day as per the specified timelines. Units settlement for liquid schemes shall be done on T day whereas for debt schemes it shall be done on T+1 day along with normal subscription orders as per the specified timelines.

- The settlement schedule for liquid & debt schemes is attached as Annexure II & III and the list of scheme category codes is attached as Annexure IV.

Item 2

Funds settlement procedure for subscription orders

- The Participant's client shall be required to transfer the funds directly to the following settlement account of NSCCL:

Bank Name	: HDFC Bank
Settlement A/c No	: 0000990610005906
Description	: NSCCL SETTLEMENT ACCOUNT - MFS
RTGS Code	: HDFC0000060
NEFT	: HDFC0000240

- The clients shall be required to transfer the funds to above mentioned NSCCL bank account on T day before 1.00 p.m. for the units subscribed.
- Wherever the funds collected from the bank account of the client falls short of the order value, the order shall be cancelled. In case of order cancellation, the funds collected, if any, shall be returned to the bank account of the client from where the funds were received on T day by 6:00 pm.
- The funds shall be moved from NSCCL bank account to the AMC / Mutual fund bank account maintained with the clearing Bank before the cut off time i.e. 2.00 p.m. on T day.

Item 3

Units settlement procedure for subscription orders

- Units pay-out to the Participants pool account for liquid subscription schemes with historical NAV shall be done on T day before 6:00 p.m.
- Units pay-out to Participants pool account for debt schemes with subscription amount equal to or greater than Rs.1 crore shall be done on T+1 day along with the normal subscription orders by 4:30 p.m.
- Clearing Corporation will download the client wise units receivable obligation report (M_<TM Code>_DLVR_<STP type and no>_<DDMMYYYY>.csv) in the existing format based on the allotment information provided by the RTA on T day for liquid schemes and on T+1 day for debt schemes.
- Security wise Demat Final Receipt Statement (M_<TM code>_DFRS_<DDMMYYYY>.csv will be downloaded to the Participants giving details of mutual fund units received on T day for liquid schemes and on T+1 day for debt schemes.

- A typical activity cycle for such schemes shall be as under:

Activity	Indicative Timings
T day	
Order capture for subscription	9:00 a.m. – 1:00 p.m.
Pay-in of funds by Investors directly to NSCCL	by 1:00 p.m.
Order confirmation file from Participants to NSCCL	by 1:05 p.m.
Obligation report to Participants	by 4:30 p.m.
Units pay-out for liquid subscription to Participants	Before 6:00 p.m.
T+1 day	
Units pay-out for debt schemes to Participants	By 4:30 p.m.

Item 4

Limitation of Liability

NSCCL is only a facilitator and not a counter party for the subscription of liquid schemes with Historical NAV and debt schemes with subscription amount greater than or equal to Rs. 1 crore. NSCCL will not guarantee the fulfillment of the settlement obligations. NSCCL shall not be liable for obligations arising out of liquid schemes with Historical NAV and debt schemes with subscription amount greater than or equal to Rs. 1 crore by Participants and to any losses in connection therewith.

The Mutual Fund subscription service is provided on a best effort basis. NSE/NSCCL would not be responsible for any delay / unforeseen circumstances / banking system error / delay, on account of which funds may not reach AMC on time.

Annexure I

Order confirmation file

File Name: M_<TM Code>_ORDC_<Order date (DDMMYYYY)>.csv

Particulars	
Order date	DDMMYYYY
Order no.	
Symbol	
Series	
Client code	
Client Bank name	
Client Bank a/c No.	
UTR no.	
Value (Rs.)	Order value
Confirm	Y / N

NATIONAL SECURITIES CLEARING CORPORATION LIMITED

Annexure II

SETTLEMENT CALENDAR LIQUID – SUBSCRIPTION (T day Units Settlement)			
Settlement Type	**Settlement No.**	**Subscription order date**	**Payin / payout of units**
K	2012159	21-Aug-12	21-Aug-12
K	2012160	22-Aug-12	22-Aug-12
K	2012161	23-Aug-12	23-Aug-12
K	2012162	24-Aug-12	24-Aug-12
K	2012163	27-Aug-12	27-Aug-12
K	2012164	28-Aug-12	28-Aug-12
K	2012165	29-Aug-12	29-Aug-12
K	2012166	30-Aug-12	30-Aug-12
K	2012167	31-Aug-12	31-Aug-12
K	2012168	3-Sep-12	3-Sep-12
K	2012169	4-Sep-12	4-Sep-12
K	2012170	5-Sep-12	5-Sep-12
K	2012171	6-Sep-12	6-Sep-12
K	2012172	7-Sep-12	7-Sep-12
K	2012173	10-Sep-12	10-Sep-12
K	2012174	11-Sep-12	11-Sep-12
K	2012175	12-Sep-12	12-Sep-12
K	2012176	13-Sep-12	13-Sep-12
K	2012177	14-Sep-12	14-Sep-12
K	2012178	17-Sep-12	17-Sep-12
K	2012179	18-Sep-12	18-Sep-12
K	2012180	20-Sep-12	20-Sep-12
K	2012181	21-Sep-12	21-Sep-12
K	2012182	24-Sep-12	24-Sep-12
K	2012183	25-Sep-12	25-Sep-12
K	2012184	26-Sep-12	26-Sep-12
K	2012185	27-Sep-12	27-Sep-12
K	2012186	28-Sep-12	28-Sep-12

Annexure III

SETTLEMENT CALENDAR NORMAL - SUBSCRIPTION (T+1 day Units Settlement)			
Settlement Type	**Settlement No.**	**Subscription order date**	**Payin / payout of units**
S	2012159	21-Aug-12	22-Aug-12
S	2012160	22-Aug-12	23-Aug-12
S	2012161	23-Aug-12	24-Aug-12
S	2012162	24-Aug-12	27-Aug-12
S	2012163	27-Aug-12	28-Aug-12
S	2012164	28-Aug-12	29-Aug-12
S	2012165	29-Aug-12	30-Aug-12
S	2012166	30-Aug-12	31-Aug-12
S	2012167	31-Aug-12	03-Sep-12
S	2012168	3-Sep-12	4-Sep-12
S	2012169	4-Sep-12	5-Sep-12
S	2012170	5-Sep-12	6-Sep-12
S	2012171	6-Sep-12	7-Sep-12
S	2012172	7-Sep-12	10-Sep-12
S	2012173	10-Sep-12	11-Sep-12
S	2012174	11-Sep-12	12-Sep-12
S	2012175	12-Sep-12	13-Sep-12
S	2012176	13-Sep-12	14-Sep-12
S	2012177	14-Sep-12	17-Sep-12
S	2012178	17-Sep-12	18-Sep-12
S	2012179	18-Sep-12	20-Sep-12
S	2012180	20-Sep-12	21-Sep-12
S	2012181	21-Sep-12	24-Sep-12
S	2012182	24-Sep-12	25-Sep-12
S	2012183	25-Sep-12	26-Sep-12
S	2012184	26-Sep-12	27-Sep-12
S	2012185	27-Sep-12	28-Sep-12
S	2012186	28-Sep-12	1-Oct-12

Note: Funds settlement for subscription orders will take place depending on the funds settlement day for the scheme category, viz. T day or T+1 day where T is the transaction date. Participants are requested to check the category of scheme in scheme master.

Annexure IV

Scheme Category Codes

The below are the category codes and the funds settlement day for subscription orders

Category Code	Category Name	Funds settlement day for subscription orders
BLNC1	Balance Fund	T+1
BLNC3	Balance Fund	T+1
FNDF1	Fund of Fund	T+1
FNDF3	Fund of Fund	T+1
DEBT1	Debts Fund	T+1
DEBT2	Debts Fund	T+1
DEBT3	Debts Fund	T+1
LIQET	Liquid ETF	T+1
LIQID	Liquid Fund	T+1
EQITY	Equity Fund	T+1
EQTY6	Equity Fund	T+1
FNDF5	Fund of Fund	T+1
FNDF7	Fund of Fund	T+1
NFODB	New Fund offer-Debt	T+1
NFOEQ	New Fund offer-Equity	T+1
NFOET	NFO Exchange Traded Fund	T+1
NFOFF	NFO Fund of Fund	T+1
HLIQD	Liquid Historical Fund	T Day
DBTCR	Debt Fund above 1 cr	T Day