

Annexure A

Detailed framework for acceptance of securities as collaterals from demat account of participant maintained with any Depository Participant (DP) of NSDL.

Registration

- Participants shall be required to open a separate beneficial owner demat account (“designated account”) with any Depository Participant of NSDL. The participant who is a Depository Participant of NSDL can open demat account under its own DP or any other DP of its choice.
- Participants can open and maintain demat account for depositing securities in respect of collateral with the clearing corporation under account type “Body Corporate/Resident” and sub-type “Stock Broker-Collateral” available in NSDL depository system.
- The participant shall ensure that designated account is solely used for the purpose of pledging securities in favour of NSCCL. Any other use of designated account shall be treated as non-compliance and shall be dealt with accordingly.
- The participant shall submit the following information to NSCCL if participant wishes to use new facility for pledging of securities in favour of NSCCL:
 - Covering letter as per format provided in Annexure 1
 - Client master of the designated account
 - Pledge deed as per the specified format provided in Annexure 2
- On submission of necessary documents as specified above NSCCL shall enable the designated account for acceptance of pledge

Pledging of securities

- Participants will be required to subscribe for SPEED-e facility of NSDL to submit the pledge request in favour of NSCCL.
- Participants shall initiate a pledge instruction from the designated account in favour of the requisite beneficial owner account of NSCCL using SPEED-e facility of NSDL. Participants may contact following officials of NSDL to avail the aforesaid facility or email at collaterals@nsdl.co.in :

Name of the Official	Contact Details	Email ID
Mr. Pratik Ahluwalia	(022) 2499 4355	pratika@nsdl.co.in
Mr. Rahul Gupta	(022) 2499 4372	rahulg@nsdl.co.in

- Participants may note that **only** those pledges which are created through SPEED-e facility of NSDL shall be accepted towards collateral purpose.
- Details of NSCCL accounts in whose favour the pledge have to be created are as under

Segment	Deposit type	DP ID	Account number
SLB	Margin Deposit	IN001002	10009085

- Participants shall ensure that correct account is selected while initiating the pledge instructions as these pledges will be confirmed automatically in favour of NSCCL.
- Pledge instructions created in favour of NSCCL for securities which are not accepted as collateral or in favour of segment/type of deposit for which participant is not registered shall

not be auto confirmed and instruction will remain in the status 'Pending Pledge Confirmation'. Participants have to cancel such pledge instructions. Participants can request to Depository Participant to cancel the instruction.

- Pledge instructions in respect of approved securities and in favour of segment/type of deposit for which participant is registered shall be accepted.
- Rules for valuation, haircut, market-wide limits, member-wise limits, prudential limits, securities not approved for acceptance, ownership of securities shall be as currently applicable and specified by NSCCL from time to time.
- The new facility for pledging the securities will be made available to the members in addition to the existing mechanism to pledge the securities through approved custodians.

Release of pledge

- Participant shall request for release of securities pledged from designated account to NSCCL as per the current process through the web based facility of Collaterals Interface for Members (CIM).
- Such requests may be considered by NSCCL if it 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 contracts entered into by such participant and subject to the bye laws, rules and regulations of NSCCL or anything done in pursuance thereof.
- In respect of release requests which have been accepted and processed by NSCCL, NSCCL shall execute closure of the pledge (i.e. Unilateral Closure) in NSDL depository system. Upon execution of the aforesaid pledge closure instructions, securities will be available as free balance in designated account of participant

Charges

- Participant shall be levied a consolidated charges for the above facility by NSDL on the value of securities pledged in favour of NSCCL through aforesaid facility. The charges shall be collected by NSDL from the participants. Participants may refer to instructions issued by NSDL in this regard
- Of the total charges levied as mentioned above, NSCCL charges shall be @0.006% on the value of securities pledged in favour of NSCCL