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# Format of Participant and NCL Agreement

This Agreement is made and executed at Mumbai on this \_\_\_ day of \_\_\_\_ 20..

**Between:**

NSE Clearing Limited, a Company incorporated under the provisions of the Companies Act, 1956, having its registered office at\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter referred to as **“AI”** (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 **“Participant”** (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**.

The **AI** and the **Participant** shall hereinafter be jointly referred to asthe “**Parties**”and severally as the “**Party”.**

**WHEREAS**:

1. The Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) has formulated and issued the Securities Lending Scheme, 1997 (hereinafter referred to as “**SEBI Scheme**”) and SEBI Circular No MRD/DoP/SE/Dep/Cir-14/2007 dated 20th December 2007 for facilitating lending and borrowing of securities through an “Approved Intermediary" registered with SEBI.
2. The AI is registered as an approved intermediary under the SEBI Scheme and is, therefore, authorised to facilitate lending and borrowing of securities in accordance with the SEBI Scheme and Circulars of SEBI issued from time to time. Accordingly, the AI has framed the Securities Lending and Borrowing Scheme (hereinafter referred to as “**SLBS**”) for facilitating lending and borrowing of securities through persons registered as “Participants”.
3. SEBI vide its Circular No. CIR/NRD/DP/19/2014 dated June 3, 2014 (“hereinafter referred to as **SEBI Circular**”) has modified the framework of Securities Lending and Borrowing. Under the said SEBI Circular, AI shall enter into an agreement (“**this Agreement**”)with its Clearing Member as Participant for the purpose of facilitating Securities Lending and Borrowing and which shall specify the rights, responsibilities and obligations of the AI and the CM.
4. Accordingly, in order to participate in the SLBS, the Participants are required to enter into this Agreement with the AI.
5. The Participant is desirous of participating in the SLBS and, therefore, has approached the AI and the AI has agreed to facilitate such participation subject to the terms and conditions contained herein.

**Now therefore this agreement witnesseth and it is hereby agreed by and between the parties hereto as under:**

1. Legal Framework
   1. Securities lending and borrowing shall be facilitated by the AI in accordance with the provisions of the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder by the AI and the Rules, Byelaws and Regulations of the AI as a Clearing Corporation as applicable.
   2. Unless the context otherwise requires, the words and expressions used herein shall have the same meaning as defined in Securities Contracts (Regulation) Act, 1956 or Securities and Exchange Board of India Act, 1992 or Securities Lending Scheme, 1997 or Depositories Act, 1996 or rules and regulations made thereunder respectively or Circulars of SEBI or SLBS and the Circulars issued thereunder and the Rules, Byelaws and Regulations of the AI as a Clearing Corporation.
   3. The provisions of the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder and the Rules, Byelaws and Regulations of the AI as a Clearing Corporation as applicable shall be deemed to be an integral part of this Agreement and all the transactions under the SLBS by the Participant shall be strictly in accordance with thereof. In the event of any conflict or contradiction between the provisions of the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder and the Rules, Byelaws and Regulations of the AI as a Clearing Corporation as applicable, and this Agreement, the provisions of the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder and the Rules, Byelaws and Regulations of the AI as a Clearing Corporation, shall prevail over this agreement.
   4. The provisions of this Agreement shall be subject to the SLBS or such other scheme as may be framed for securities lending and borrowing by the AI with the prior approval of SEBI or as may be permitted by SEBI unless otherwise specified by the AI.
   5. As per the said SEBI Circular, AI is also required to frame rights and obligations document laying down the rights and obligations of the Participant and its Client for the purpose of Securities Lending and Borrowing. The said rights and obligations document shall be mandatory and binding on the Participant as well as on its Client for executing trade in the SLBS. Accordingly, the AI has framed a rights and obligations document which lays down the rights and obligations of the Participant and its Client (“**Rights & Obligations** **Document**”)
   6. Under the SLBS, the agreement is only between the Participant and the AI and there is no privity of contract between the Participants interse. Similarly, there is no privity of contract between Clients interse.
2. Eligibility Criteria
   1. Persons registered as Participants with the AI can participate in the SLBS.
   2. The following persons shall be eligible to be registered as Participants:-
      1. Persons admitted as Clearing Members by the AI as a Clearing Corporation.
      2. Persons who are not prohibited from participating in SLBS under Clause 7.
      3. Such other persons as may be specified by the AI from time to time.
   3. The Participant shall be eligible to participate in the SLBS subject to fulfillment of such eligibility criteria.
   4. The Participant shall fulfill such conditions as may be prescribed by the AI from time to time.
      1. Without prejudice to the generality of the above clause, all Participants shall maintain a minimum deposit as prescribed by the AI from time to time which shall be used towards meeting the obligations and liabilities of the Participant arising by virtue of its participation in the SLBS.
   5. The Participant must be entitled to lend or borrow the securities. There should be no restrictions whatsoever, whether statutory or otherwise, on the power to participate in the SLBS either as a lender or a borrower.
   6. Persons who are registered as Participants are entitled to apply for de-registration and the AI may, subject to such terms and conditions as it may prescribe, de-register the Participant.
   7. A person shall cease to be Participant under such circumstances as may be specified by the AI from time to time.
3. Eligible Securities

Lending and borrowing shall be permitted only in the securities as specified by SEBI or the AI from time to time.

1. ConditionS PRECEDENT for execution of client orders

The Participant shall undertake lending or borrowing of securities on account of its Clients only after receipt of relevant documentation/s from the Client that it is desirous of participating in the SLBS. The Participant on the receipt of said documentation/s from its Client, shall provide the Rights & Obligations Document to its Client, which will be duly acknowledged by the Client of having read, understood and to agreeing to abide by the same prior to the execution of trade in the SLBS.

1. Tenure of Lending / Borrowing

The tenure of lending and borrowing of securities shall be specified in the Circulars as may be issued by the AI from time to time. Such tenure shall be liable to change as and when so determined by SEBI or the AI.

1. Settlement and Risk Management
   1. The Participant and its Client shall be bound by the settlement schedule as prescribed by the AI from time to time and transactions shall be settled in such manner as specified by the AI from time to time.
   2. The Participant and its Client shall not have any right to recall of securities outside the lending and borrowing schedule as prescribed by the AI from time to time.
   3. The transactions under SLBS shall be subject to such margins and position limits as may be specified by the AI from time to time.
   4. Failure to deliver funds and / or securities shall be subject to such action as may be prescribed by the AI.
   5. The Rules, Byelaws, Regulations, or Circulars of the AI as a Clearing Corporation shall apply to the SLBS to the extent applicable.
2. Prohibition from participating in SLBS
   1. The Participant is prohibited from participating in the SLBS under the following circumstances:-
      1. If the Participant has been suspended or expelled by the Stock Exchange or the Clearing Corporation of which it is a member or if the trading / clearing facility of the Participant is withdrawn by the stock exchange or the Clearing Corporation as the case may be;
      2. If the Participant has surrendered its membership of the Stock Exchange or the Clearing Corporation of which it is a member;
      3. If the Participant has been declared a defaulter by the Stock Exchange or the Clearing Corporation;
      4. If the AI comes to know that any legal proceeding is commenced against the Participant or by the Participant with respect to itself seeking declaration of insolvency, winding up, dissolution, merger, amalgamation or other relief with respect to it or its debts under any law for the time being in force or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for any substantial part of its property, or any order for relief shall be passed against the Participant under any bankruptcy, composition, insolvency or under any other similar proceedings for the time being in force. Where the Participant is a bank, in addition to the foregoing, any comparable event occurs, or any supervisory authority of the bank commences any proceeding or seeks or orders any comparable relief or takes any comparable action;
      5. If the Participant consents to any relief under the above clause or to the appointment of or taking possession by any official under the above clause in any case or other proceedings commenced against it, or makes a general assignment for the benefit of creditors, or fails generally to pay its debts as they become due, or admits in writing its inability to pay its debts as they become due, or takes any action in furtherance of any of the foregoing, or, in addition to the foregoing, where the Participant is a bank, any comparable event occurs or the Participant takes any comparable action (including any request for relief from any supervisory authority).
   2. Any person who is barred by SEBI from accessing the securities market shall be prohibited from participating in the SLBS during the barred period.
   3. A Participant may be prohibited from participating in the SLBS under such other circumstances as may be specified by the AI from time to time.
3. CONSIDERATION

In consideration of the AI providing full-fledged securities lending and borrowing under the SLBS, the AI shall be entitled for such fees, charges, levies, penalties and /or any other charges whether statutory or otherwise as prescribed by the AI in its Circulars from time to time.

1. Rights of the AI
   1. Liquidation of Collateral

The AI is authorised by the Participant to liquidate, in its sole discretion, the assets deposited by the Participant as collateral or towards margins in such manner as may be prescribed by the AI in its Circulars from time to time in the event of any failure of the Participant to meet its obligations.

* 1. Fees and Charges

The AI shall be entitled to charge such fees, transaction charges, taxes, duties, regulatory levies, expenses, reimbursements or such other charges from the Participant, whether statutory or otherwise, as may be specified by it in its Circulars from time to time and the same shall be subject to change at the discretion of the AI. The AI may authorise National Stock Exchange of India Limited (“**NSEIL**”) to administratively collect the same from the Participant in such manner as may be specified.

* 1. Cancellation of Transactions

Notwithstanding any other provisions of this Agreement, the AI shall be entitled to cancel the transactions under the SLBS, either on an application by the Participant or suo moto or under regulatory directions (including directions from SEBI), and in such event, the transactions done on behalf of the Client shall ipso facto stand cancelled, and neither the AI nor the Participant shall be liable to compensate the Client for any loss whatsoever (including opportunity loss) arising out of such cancellation.

* 1. Discontinuation of SLBS and Participation in SLBS

The AI shall be entitled to discontinue the SLBS or the participation of the Participant in the SLBS at any time at its discretion. Such discontinuation may be subject to such terms and conditions as may be specified by the AI from time to time.

* 1. Withdrawal of Access

Notwithstanding any other provisions of this Agreement, the AI has the right to withdraw the access of the Participant to the order matching platform of the AI for breach of this Agreement or the SLBS or the Circulars issued thereunder, or if it is detrimental to the interest of the AI and / or under regulatory directions (including directions from SEBI) without terminating this Agreement. Such a withdrawal of access shall be without any notice and shall be for such period as may be determined by the AI.

* 1. Close-out of transactions

The AI has a right to financially close-out such transactions at appropriate rates so as to act as a sufficient deterrent against failure to deliver securities.

* 1. Imposition of Penalties or Fines

The AI has a right to impose penalties or fines or such other charges on the Participant for violation of the requirements under SLBS and Circulars issued thereunder from time to time.

* 1. Amendment

The AI has a right to add, modify or amend any part of this agreement by way of Circulars.

1. OBLIGATIONS OF THE AI
2. To Abide by Law

The AI shall abide by the SEBI Scheme and the Circulars of SEBI from time to time with regard to securities lending and borrowing.

1. Provision of Order Matching Platform

The AI shall provide automated, screen-based, order matching platform and clearing and settlement facility to the Participants for execution and settlement of the transactions under the SLBS.

1. To Guarantee Settlement Obligations

The AI shall guarantee the return of securities to the lender and the delivery of securities to the borrower or financial compensation in lieu thereof, computed in such manner as may be specified by the AI in the SLBS or Circulars issued thereunder from time to time.

1. Books of Accounts and Inspection

The AI shall maintain and make available to SEBI such information, books of accounts, documents, returns and reports as may be specified by SEBI from time to time.

1. Dissemination of Information

The Circulars issued by the AI and the information flowing from the AI to the Participant shall be communicated and disseminated through the order matching platform of the AI.

1. Obligations of the Participant
   1. Compliance with “Know Your Clients”

The Participant shall comply with “Know Your Client” norms specified by SEBI or the AI from time to time. It shall also obtain a copy of the Permanent Account Number (PAN) issued by the Income Tax Department from each Client and do the verification of the PAN with the original PAN. The Participant shall collect, maintain and produce the required details of its Client from time to time before the relevant authorities as and when required.

* 1. Issue of Confirmation Memo

The Participant shall, upon execution of the Client’s transaction on the order matching platform of the AI, issue the confirmation memo in the specified format or such other documents to the Client within such time as may be prescribed by the AI from time to time.

* 1. Securities lent to be Unencumbered

The Participant shall warrant that the securities lent are free from any lien, charge, pledge or any encumbrance(s) of whatsoever nature. In the event the Participant is unable to lend the securities, such default shall be dealt with in accordance with the provisions of the Circulars of SEBI or the AI issued from time to time.

* 1. Collateral

The Participant shall deposit the required collateral with the AI free from defect in title or encumbrance(s) in the form of cash, bank guarantee, fixed deposit receipts of bank(s) or such other securities as may be specified by the AI from time to time. If any defect in title or encumbrance(s) over the collateral deposited with the AI is found subsequently, such collateral shall be immediately replaced by the Participant.

The Participant shall replenish any shortfall in the value of the collateral as may be required within the time frame as may be specified by the AI from time to time.

* 1. Exposure / Position Limits

The Participant shall abide by the exposure / position limits, if any, set by SEBI or the AI from time to time.

* 1. Default and Consequences of Default

If the Participant fails to meet its obligations (funds and/or securities) or margin requirements arising from time to time, the Participant shall be deemed to be a defaulter for this purpose and the AI shall, in addition to such recourse as may be available to it under the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder and Rules, Byelaws and Regulations of the AI as a Clearing Corporation as applicable, have the right to liquidate the collateral and margin deposited by the Participant as a Clearing Member of the Clearing Corporation in order to close the transactions under the SLBS executed on the order matching platform of the AI to fulfill its obligations as specified by the SEBI Scheme Circulars of SEBI, SLBS and the Circulars issued thereunder and Rules, Byelaws and Regulations of the AI as a Clearing Corporation as applicable. Any losses suffered by the AI in meeting the said obligations shall be recovered from the Participant through such mode as may be prescribed under the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder and Rules, Byelaws and Regulations of the AI as a Clearing Corporation. Without prejudice to the foregoing, in the event of a Participant being declared a defaulter, the AI as a Clearing Corporation, shall, in addition to taking such steps as may be necessary for recovery of the loss suffered by it, be entitled to take appropriate disciplinary action as may be permissible against the defaulter Participant as a Clearing Member under the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder and Rules, Byelaws and Regulations of the AI as a Clearing Corporation.

* 1. Return of Securities

The Participant shall return the equivalent number of the securities of the same type and class borrowed by it along with corporate benefits, if any, within the time specified by the AI in the Circulars issued from time to time.

* 1. Settlement Procedure

The Participant shall be bound by the clearing and settlement procedures prescribed by the AI from time to time. Such procedures shall include deposit of collateral and replenishment of the collateral from time to time, close-out of transactions upon failure of the Participant to meet its obligations.

* 1. Books of Accounts and Inspection

The Participant shall maintain and make available for inspection such books of accounts, documents, information, and reports as may be specified by the AI from time to time.

* 1. Code of Conduct

The Participant shall abide by the Code of Conduct as may be prescribed by SEBI or the AI from time to time.

* 1. Payment of Fees and Charges

Participants shall be liable to pay such fees, transaction charges, taxes, duties, regulatory levies, expenses, reimbursements or such other charges, whether statutory or otherwise, as may be specified by the AI from time to time. Unless otherwise specified, amounts so payable by the Participants may be debited from the Participant's relevant designated bank account. In case of debit, if the amount standing to the credit of such designated bank account is insufficient, the Participant shall remain liable to the AI for any such deficiency.

1. Rights of the Participant
   1. The Participant shall be entitled to carry on the business of securities lending and borrowing on its own account or on account of any of its Clients subject to fulfillment of the required norms specified by the AI.
   2. The Participant, as a borrower, shall be entitled to receive securities or financial compensation in lieu thereof, computed in such manner as may be specified by the AI from time to time. Where the Participant, deposits securities approved by the AI as collateral, the Participant shall be entitled to receive from the AI, the collateral.
   3. The Participant, as a lender, shall be entitled to receive the securities lent or financial compensation in lieu thereof, computed in such manner as may be specified by the AI from time to time.
   4. The Participant, as a lender, shall be entitled to receive lender’s fee for the securities lent.
2. Duration and Termination
   1. This Agreement shall remain in force unless terminated by the AI.
   2. The AI can terminate this Agreement at any time without giving any reason or notice to the Participant. Such termination shall, however, not affect the liabilities/obligations of either party arising out of the transactions under SLBS entered into prior to the date of the notice of termination.
3. Consequences of Termination
   1. The Participant shall cease to participate in the SLBS on termination of this agreement.
   2. The Participant shall not enter into transactions under SLBS with any of its Client or other third party upon termination of this agreement.
   3. Notwithstanding the termination of this agreement, the provisions in Clauses 2, 3, 5, 10, 14 and 16 shall survive the termination of this agreement.
4. Disclaimer
   1. The obligation of the AI shall be limited to providing a platform for lending and borrowing of securities, and nothing herein contained shall constitute an obligation on the part of the AI to ensure that any particular security or any type or quantity of securities is available for lending or borrowing by the Participants.
   2. Nothing herein contained shall exempt the AI from discharging any obligations imposed on the AI by any law, regulations and guidelines.
5. Indemnity
   1. The Participant shall, at its own cost and expense, indemnify, defend or at its option settle and hold the AI free and harmless from and against including but not limited to any and all losses, liabilities, claims, actions, costs and expenses, including reasonable attorneys’ fees and court costs, relating to, resulting from or in any way arising out of –
      1. Breach or material breach of any of the Participant’s representations, warranties or obligations contained herein including loss or damage arising out of willful misconduct or negligence.
      2. Any action of the Participant not authorised or permitted under this agreement.
      3. Any claim, suit or proceeding brought against the AI for any harm, loss or injury suffered by any third party in respect of the agreement.
6. Notice
   1. Any communication sent by the AI to the Participant shall be deemed to have been properly delivered or served, if the same is sent to the ordinary business address and/or ordinary place of residence and/or last known address of the Participant, in any one or more of the following ways:-
      1. by post;
      2. by registered post;
      3. under certificate of posting;
      4. by speed post/courier;
      5. by telegram;
      6. by affixing it on the door at the last known business or residential address;
      7. by oral communication to the Participant in the presence of a third person;
      8. by advertising it in at least one prominent daily newspaper having circulation in the area where the last known business/residential address of the Participant is situated;
      9. by sending a message through the Order Matching System;
      10. by electronic mail or fax;
      11. by hand delivery.
   2. Any communication sent by the Participant to the AI shall be made in any one or more of the following ways:-
      1. by post (registered or speed) or courier;
      2. by telegram;
      3. by electronic mail or fax;
      4. by hand delivery.
7. Non-waiver

No forbearance to exercise or failure to exercise or delay in exercising any right, power or remedy vested in this agreement shall constitute a waiver by that party of that or any other right, remedy or power.

1. Assignment

The Participant shall not assign this agreement or any part thereof or any benefit or interest therein. The AI shall have the right to assign this agreement or any part thereof or any benefit or interest therein in favour of any of its successors/assigns. In the event of any such assignment, the rights and obligations of the AI under this agreement shall stand transferred in the name of such successors or assigns.

1. Headings

The headings of the clauses are used for the purpose of convenience only and shall not affect the construction of the clauses or this agreement.

1. Stamp duty

Stamp duty, if any, applicable/payable on this agreement shall be borne by the Participant.

1. Governing Law and Jurisdiction
   1. This agreement shall be governed by and construed in all respects in accordance with the laws of India.
   2. In relation to any legal action or proceedings to enforce this agreement, the parties irrevocably submit to the exclusive jurisdiction of the courts of Mumbai, India and waive any objection to such proceedings on grounds of venue or on the grounds that the proceedings have been brought in an inconvenient forum.
2. Effective Date

This agreement shall be effective as of the date first set forth above once executed by or on behalf of both parties from the date of execution and with immediate effect the Participant shall be eligible to participate in the SLBS from such date the AI permits the Participant to participate in the SLBS subject to the terms and conditions as prescribed by the AI from time to time.**IN WITNESS WHEREOF**, the Parties hereto have executed this agreement as of the day and the year first above written.

|  |  |
| --- | --- |
| Signed and Delivered for and on behalf of NATIONAL SECURITIES CLEARING CORPORATION LIMITED by its Authorised Signatories | Signed and Delivered for and on behalf of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ by its Authorised Signatories |
| In the presence of  1.  2. | In the presence of  1.  2. |

# Rights And Obligations document for SLBS

1. The Securities and Exchange Board of India (“**SEBI**”) has formulated and issued the Securities Lending Scheme, 1997 (“**SEBI Scheme**”) and SEBI Circular No MRD/DoP/SE/Dep/Cir-14/2007 dated 20th December 2007 for facilitating lending and borrowing of securities through an “Approved Intermediary" registered with SEBI.
2. NSE Clearing Ltd. is an Approved Intermediary (“**AI**”) registered under the SEBI Scheme and is, therefore, authorised to facilitate lending and borrowing of securities in accordance with the SEBI Scheme and Circulars of SEBI issued from time to time. Accordingly, the AI has framed the Securities Lending and Borrowing Scheme (hereinafter referred to as “**SLBS**”) for facilitating lending and borrowing of securities through persons registered as “Participants”.
3. SEBI, thereafter, vide its Circular No. CIR/NRD/DP/19/2014 dated June 3, 2014 (“**SEBI Circular**”) has modified the framework of Securities Lending and Borrowing. Under the said SEBI Circular, AI shall enter into an agreement with its Clearing Member/Participant (“**Agreement**”) for the purpose of facilitating Securities Lending and Borrowing and which shall specify the rights, responsibilities and obligations of the AI and the Clearing Member/Participant (“**Participant**”). The said Agreement shall also define the exact role of AI/Participant vis-à-vis the Client of Participant. As per the said SEBI Circular, AI is also required to frame rights and obligations document laying down the rights and obligations of the Participant and its Client for the purpose of Securities Lending and Borrowing. The said rights and obligations document shall be mandatory and binding on the Participant. Accordingly, the AI has framed this rights and obligations document laying down the rights and obligations of Participant as well as of its Client (“**Rights & Obligations** **Document**”).
4. Securities Lending and Borrowing can be undertaken by the Participant either on their own account or on account of its Client registered with them. Any person(s) who meets the eligibility criteria as may be specified by the AI for the Clients under the SLBS, shall be eligible to participate in the SLBS by submitting duly signed relevant documentation/s to the Participant that it is desirous of participating in the SLBS. The Participant on the receipt of said relevant documentation/s from its Client, shall provide this Rights & Obligations Document to its Client which will be duly acknowledged by the Client of having read, understood and to agreeing to abide by the same prior to the execution of trade in the SLBS. The terms and conditions of this Rights & Obligations Document shall be binding on the Participant as well as on its Client.
5. All the transactions under the SLBS by the Client shall be strictly in accordance with SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder and the Rules, Byelaws, Regulations of the AI as a Clearing Corporation as applicable and the terms and conditions of the said Agreement. In the event of any conflict or contradiction between the provisions of the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder and the Rules, Byelaws, Regulations of the AI as a Clearing Corporation as applicable and the terms and conditions of the said Agreement and this Rights & Obligations Document, the provisions of the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder, the Rules, Byelaws and Regulations of the AI as a Clearing Corporation and the terms and conditions of the said Agreement shall prevail over this Rights & Obligations Document. The provisions of this Rights & Obligations Document are in addition thereto and not in derogation thereof.
6. The Participant has made the Client aware of and the Client has understood the precise nature of the Participant’s liability towards the Client under SLBS including any limitations on the liability and the capacity in which the Participant acts.
7. Subject to the SEBI Scheme, Circulars of SEBI, SLBS and Circulars issued thereunder, and/or the Rules, Byelaws, Regulations of the AI as a Clearing Corporation as applicable and as in force from time to time, the rights and obligations of the Participant as well as its Client shall be hereto as under.
8. Unless the context otherwise requires, the words and expressions used herein shall have the same meaning as defined in Securities Contracts (Regulation) Act, 1956 or Securities and Exchange Board of India Act, 1992 or Securities Lending Scheme, 1997 or Depositories Act, 1996 or the rules and regulations made thereunder respectively or Circulars of SEBI or SLBS and the Circulars issued thereunder and the Rules, Byelaws and Regulations of the AI as a Clearing Corporation.

RIGHTS OF THE PARTICIPANT

1. In consideration of the Participant providing full-fledged securities lending and borrowing under the SLBS, the Participant shall be entitled for charges, fees, other levies and /or any such other charges, subject to such limits as may be permitted by the AI in its Circulars from time to time.
2. Margins

The Participant is empowered to call upon its Client to pay such margins as may be specified by the AI from time to time.

1. Recovery

The Participant shall be entitled to recover from the Client the loss or charges, fees, other levies and /or any such other charges that has been paid by the Participant to the AI or imposed by the AI on account of its Client arising out of default or transactions under the SLBS whether current or past that are effected by the Client in meeting its obligations by adjusting margins and other deposits, if any, available with the Participant against the Client's liabilities / obligations.

OBLIGATIONS OF THE PARTICIPANT

1. The Participant has satisfied itself about the genuineness and financial soundness of the Client and the objectives relevant to the services to be provided and is therefore, agreeable to facilitating such participation subject to the terms and conditions contained herein.
2. Issue of Confirmation Memo

The Participant shall, upon execution of the Client’s transaction on the order matching platform of the AI, issue the confirmation memo in the specified format or such other documents to the Client within such time as may be prescribed by the AI from time to time.

1. Money / Securities to be kept in separate account

The Participant agrees that the money / securities deposited by the Client shall be kept in a separate bank account / settlement demat account, distinct from its own account or accounts of any other Clients, and shall not be used by the Participant for itself or for any other Clients or for any purpose other than the purposes mentioned in the SEBI Scheme, Circulars of SEBI, SLBS and Circulars issued thereunder and/or the Rules, Byelaws, Regulations of the AI as a Clearing Corporation and as in force from time to time.

1. Update on Settlement Process

The Participant agrees to inform and keep the Client apprised about securities lending and borrowing settlement cycles, delivery/payment schedules and any changes therein from time to time.

1. Compliance with Know Your Client Norms

The Participant undertakes to maintain the “Know Your Client” details of the Client as mentioned in the Client Registration Form or any other information pertaining to the Client in confidence and that it shall not disclose the same to any person / authority except to the AI or as required under any law / regulatory requirements or in compliance with any decree, order or direction of any Court, Tribunal, SEBI or other authority duly empowered in law; Provided however that the Participant may so disclose information about its Client to any person or authority with the express permission of the Client.

1. Reconciliation of Account

The Participant and the Client shall agree to reconcile their accounts regularly with reference to the transactions under the SLBS.

1. Return of Securities and Lending Fees

Where the Client is a lender unless otherwise agreed upon between the Participant and the Client -

* + - 1. The Participant shall ensure the return of securities to the Client by transferring the same to the Client’s account within such time as may be prescribed by the AI.
      2. The Participant shall ensure the return of the lending fees to the Client within such time as may be prescribed by the AI.

1. Delivery of Securities

Where Client is a borrower unless otherwise agreed upon between the Participant and the Client –

The Participant shall ensure the delivery of securities to the Client by transferring the same to the Client’s account within such time as may be prescribed by the AI.

RIGHTS OF THE CLIENT

1. Where the Client is the lender unless otherwise agreed upon between the Participant and the Client -
2. The Client shall be entitled to receive the securities lent or financial compensation in lieu thereof, computed in such manner as may be specified by the AI from time to time.
3. The Client shall be entitled to receive lender’s fee for the securities lent.
4. Where the Client is the borrower unless otherwise agreed upon between the Participant and the Client -
5. The Client shall be entitled to receive securities borrowed or financial compensation in lieu thereof, computed in such manner as may be specified by the AI from time to time.
6. The Client shall be entitled to receive from the Participant, the collateral in case the Client has deposited securities approved by the AI as collateral.
7. Notwithstanding any other provisions of the said Agreement and this Rights & Obligations Document, the Client shall be entitled to have all the rights that are conferred on it from time to time under the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder.

OBLIGATION OF THE CLIENT

1. Abide by Law & Acquaintance to Law

The Participant declares that it has brought the contents of the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder from time to time, and the terms and conditions of the said Agreement to the notice of the Client and the Client agrees to comply with and adhere to the same.

1. Update & Comply with the Settlement Process

Notwithstanding anything contained in Clause 15 hereto, the Client shall at all times make its own inquiries and keep itself updated on all settlement cycles, delivery/payment schedules and changes therein, and it shall be the responsibility of the Client to comply with such schedules/procedures of the AI.

1. Processing Charges

The Client agrees to pay the Participant, processing charges and statutory levies prevailing from time to time or any other charges for the services provided by the Participant. The Participant agrees that it shall not charge processing charges / fees beyond the maximum limit permissible under the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder from time to time.

1. Change in Client Registration Form

The Client agrees to immediately notify the Participant in writing whenever there is any change of information in the details provided by the Client to the Participant at the time of its registration with the Participant and also as provided in the said relevant documentation/s required for participating in SLBS.

1. Authorised Representative

The Client agrees to be bound by the instructions issued by its authorised representative, if any, in accordance with the letter authorising the said representative to deal on its behalf.

1. Return of Securities

The Client shall return the equivalent number of securities of the same type and class borrowed by it within the time specified by the AI in the Circulars issued from time to time.

1. Payment of Margins

The Client agrees to pay such margins as may be specified by the Participant in accordance with the requirement of AI or SEBI from time to time.

1. Exposure / Position Limits

The Client agrees to abide by the exposure / position limits, if any, set by the Participant or the AI or SEBI from time to time.

1. Securities lent to be Unencumbered

The Client agrees and warrants that the securities lent are free from lien, charge, pledge or any encumbrance(s) of whatsoever nature.

1. Collateral

At the discretion of the Participant, where the Client deposits the required collateral with the Participant, the same shall be free from any encumbrance(s) of whatsoever nature or defect in the title. If any encumbrance(s) or defect in the title is found subsequently, such collateral shall be immediately replaced by the Client.

1. Insolvency

The Client agrees to immediately furnish information to the Participant in writing, if any winding up petition or insolvency petition has been filed or any winding up or insolvency order or decree or award is passed against it or if any litigation which may have material adverse bearing on its net worth has been filed against it.

1. Cancellation of Transactions

Notwithstanding anything contained in the said Agreement, the AI shall be entitled to cancel transactions under the SLBS, either on an application by a Participant or suo moto or under regulatory directions, and in such event, the transactions done on behalf of the Client shall ipso facto stand cancelled, and neither the AI nor the Participant shall be liable to compensate the Client for any loss whatsoever (including opportunity loss) arising out of such cancellation.

1. Discontinuation of SLBS and Participation in SLBS

The AI shall be entitled to discontinue the SLBS or the participation of the Participant in the SLBS at any time at its discretion. Such discontinuation may be subject to such terms and conditions as may be specified by the AI from time to time.

ARBITRATION

1. The Participant and the Client shall co-operate with each other and / or the AI in redressing their grievances in respect of transactions under the SLBS.
2. All disputes and differences or questions arising out of or in relation to this agreement including obligations, failure or breach thereof by any of the parties and/or of any matter whatsoever arising out of this agreement shall in the first instance be resolved mutually by the parties. If the parties fail to resolve the same mutually, then the same shall be referred to and decided by arbitration in accordance with the procedures as prescribed by the AI under the SLBS and the Circulars issued thereunder.

GOVERNING LAW AND JURISDICTION

1. In relation to any legal action or proceedings to which the AI is a party, the Participant as well as the Client irrevocably submit to the exclusive jurisdiction of the courts of Mumbai, India and waive any objection to such proceedings on grounds of venue or on the grounds that the proceedings have been brought in an inconvenient forum.
2. In relation to any legal action or proceedings to which AI is not a party, the parties irrevocably submit to the jurisdiction of any competent court of law where the Client ordinarily resides at the time of execution of the transactions under the SLBS.

# Format for intimation of CDSL pool account to NCL

Date:

From:

[Participant Name and address]

To:

[Central Depository Services (I) Ltd. and address]

Dear Sirs,

Sub: Operation of Depository for NSE Clearing Limited (NCL)

Ref: Our Depository Account No: with [CDSL, address].

With reference to the above, we note that:

1. NCL has established a clearing and settlement system, whereby its Participants will be able to undertake the clearing and settlement of deals admitted.

2. Central Depository Services (I) Limited (CDSL) has been appointed by NCL as a Settling Depository for the purpose of settlement of securities in dematerialised form.

3. Now I/We do hereby irrevocably authorize CDSL to block/earmark the balances in my/our Depository account and to debit/credit my/our above account as the case maybe as per the instructions received from NCL. Additionally I/We authorize CDSL to report balances and give any other information as and when required to NCL relating to my/our above mentioned account. This irrevocable undertaking will be effective from the date of commencement of operation by NCL.

4. I/We further hereby undertake to abide by such other or further guidelines / instructions as may be communicated / devised by the NCL.

Yours faithfully

Authorised Signatory.

cc to NCL

cc to DP

**Account opening confirmation**

(to be sent, by Member, duly filled to NCL)

T.M.Code :

T.M.Name : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Account No.:

(by CDSL)

DP Id :

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Stamp :\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date :\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Client Code and CP Code modification file

The file in CSV format should be uploaded in extranet folder **slbftp\S<partcode>\ cpcode\upld**

Naming convention:

<participant\_code>\_SLB\_YYYYMMDD.Tnn

where,

Participant\_code - Member Code/ Custodian Code

YYYYMMDD - Date in YYYYMMDD format

T - The file indicator

nn - The batch number of file

**Control record:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sr. No. | Field | Length | Mandatory/  Option | Description |
| 1. | Record type | Number (2) | Mandatory | Value = 01 |
| 2. | Participant Type | Char (1) | Mandatory | M/ C |
| 3. | Participant Code | Char (5) | Mandatory | Member code/ Custodian code |
| 4. | Batch date | Char (8) | Mandatory | (Format: DDMMYYYY) |
| 5. | Batch Number | Number (7) | Mandatory |  |
| 6. | Total Number of Records | Number (6) | Mandatory |  |

**Detail record:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sr. No. | Field | Length | Mandatory/  Option | Description |
| 1. | Record type | Number (2) | Mandatory | Value = 20 |
| 2. | Custodial Participant code | Char (12) | Optional | Only if CP code need to be modified |
| 3. | Client code | Char (10) | Mandatory | Existing client code shall be specified, if Only if CP code need to be modified |
| 4. | Warehouse code | Char (1) | Optional | To be left blank |
| 5. | Buy/Sell Flag | Char (1) | Mandatory | B or S |
| 6. | Trade Number | Number (16) | Optional | To be left blank |
| 7. | Order Number | Number (16) | Mandatory |  |

**Client Code/ CP Code Modification Return File**

The file in CSV format will be downloaded in Extranet folder **slbftp\S<partcode>\cpcode\dnld**

**Naming convention**:

<participant\_code>\_SLB\_YYYYMMDD.Snn or Rnn

where,

participant\_code - Member Code/ Custodian Code

YYYYMMDD - Date in YYYYMMDD format

S - The file indicator for a success file

R - The file indicator for a rejected file

nn - The batch number of file

**Control record:**

|  |  |  |  |
| --- | --- | --- | --- |
| Sr. No. | Field | Length | Description |
| 1. | Record type | Number (2) | Value = 01 |
| 2. | Participant Type | Char (1) | M/ C |
| 3. | Participant Code | Char (5) | Member code/ Custodian code |
| 4. | Batch date | Char (8) | (Format: DDMMYYYY) |
| 5. | Batch Number | Number (7) |  |
| 6. | Total Number of Records | Number (6) |  |

**Detail record:**

|  |  |  |  |
| --- | --- | --- | --- |
| Sr. No. | Field | Length | Description |
| 1. | Record type | Number (2) | Value = 20 |
| 2. | Custodial Participant code | Char (12) |  |
| 3. | Client code | Char (10) |  |
| 4. | Warehouse code | Char (1) | To be left blank |
| 5. | Buy/Sell Flag | Char (1) |  |
| 6. | Trade Number | Number (16) | To be left blank |
| 7. | Order Number | Number (16) |  |
| 8. | Status Flag | Char (1) | The values can be ‘S’ – Success / ‘R’ – Reject |
| 9. | Error code | Number (1) | Error code explained below |

**Error codes:**

1. Modification of client code of repay, recall and rollover trade not allowed

2. Client code cannot be blank

3. Invalid CP code

4. Invalid Order number (see note below)

5. Invalid Buy/ Sell flag

6. Invalid header record format

7. Invalid detailed record format

8. Invalid Trade number

**Note:** The order number may be invalid for various reasons such as, Order number does not exist, Order number doesn’t exist for the current date, Order number doesn’t exist for the member, order number doesn’t exist for the buy or sell flag specified by member in the file or order belongs to a proprietary trade.

# Features and user navigation of Order Matching Platform

**Parameters for Securities Lending & Borrowing**

|  |  |  |  |
| --- | --- | --- | --- |
| **SI** | **Feature** | **Value** | **Remarks** |
| 1. | Market time | 9.15 AM - 5:00 PM | SLBS Segment |
| 2. | Market Type | N | Normal Market |
| 3. | Book Type | RL | Regular Lot |
| 4. | Order Type | Borrow / Recall  Lend / Repay | Type of order |
| 5. | Series | For each symbol there are 24 monthly series from 01 andd X1 to 12 and XD for ex:  01 and X1–January  02 and X2 –February  Additionally there are 48 rollover series viz. JF and J1- Rollover from January (01) and X1 to February (02) and X2 | Member can place only Lend / Borrow order in rollover series |
|  | Series | RL | Auction Market for Reverse Leg in Cash Market |
| 6. | Settlement Date | Settlement Date of Reverse Leg applicable for the series |  |
| 7. | Price band | No price band | Operating range – As per details provided below. |
| 8. | Permitted lot size | 1 |  |
| 9. | Tick Size | Rs 0.01 |  |
| 10. | Instrument Type | SLBINS |  |

**Operating Range -**

|  |  |  |
| --- | --- | --- |
| Base price (Rs.) | Minimum absolute range (Rs.) | Maximum absolute range (as a % of Base price) |
| Closing price of the underlying Security in Cash segment on T -1 day. | 0.01 | =75% of the Base Price |

Accordingly, the Daily Price Range being provided in the security\_slb.gz file available on Extranet will be as per the above operating ranges. The base price details of contracts is being provided to members in the base\_priceddmmyyyy.xls file on NSE EXTRANET path (/slbftp/slbcommon/BasePrice).

Operating range may be flexed during the day, at the discretion of Exchange, considering change in operating range of the underlying security in Cash market and a relevant message shall be broadcasted on all the trading terminals

**Setting up Securities in Market Watch**: For setting up securities in the Market Watch screen, the user has to press the function key [F4], enter the required details in Symbol, Series, settlement date and Market Type fields and press [Enter]. The default option displayed in the market type field is ‘N’. Alternatively the user can also set up security in MW from Security List [Shift + F7]

**Order Entry** – Borrow/ Recall orders can be entered in SLBS using the function keys [F1]. Similarly, Lend/ Repay orders can be entered in SLBS using the function key [F2] and selecting ‘RL’ in the Book Type field. With respect to orders in the SLBS, Participants may note the following:

* Order Type: - Select between Borrow / Recall or Lend / Repay.
* Quantity – Order quantity should be in multiples of Market Lot.
* Price – In price field member has to enter fees for securities lending & borrowing. They can enter either market orders or limit price orders. Order price for limit price orders should be in multiples of tick size.
* PRO/CLI - Both ‘Proprietary (Pro)’ and ‘Client (Cli)’ orders are allowed.
* Time Conditions – User can specify time conditions as ‘Day’ or ‘IOC’.
* Participant Code – A valid Custodial Participant Code has to be entered in this field.

**Order Cancellation/Modification** – Order cancellation and modification is allowed for orders entered in the SLBS. Both interactive and bulk order cancellations are available. In order to cancel an order, a member has to press [Shift+F1] to invoke Order Cancellation screen and select ‘RL’ in the Book Type field. In order to cancel bulk orders, a member has to pres [SHIFT+F3]

**MBP [F6]** – User can query order information for the SLBS in MBP by selecting ‘REGULAR LOT’ as book type in the selection screen. Orders are stacked according to price-time priority in MBP. The high, low, last transacted price, percentage change, average transaction price and carrying cost figures are calculated with respect to transactions in SLBS.

**Outstanding Orders [F3] /Activity log [F7]/ Previous Transactions** [F8] - Outstanding order/ Activity log/ Previous Transaction information in a particular security can be viewed for SLBS by selecting the book type ‘REGULAR LOT’ in the respective selection screens.

**Order and Transaction Confirmation Slips** - The member can print order and transaction confirmation slips. The slips can be printed online [CTRL+O] or offline [CTRL+F]. The user can print the confirmation slips in tabular or one line format.

**On-line Backup** – The member can export orders/ transaction based on the filtered order/ transaction attributes.

**Full Message Display** – In Full Message Display, messages can be filtered on Symbol and Series.

**Offline Order Entry** – This function is available for SLBS. The structure for the input file is given in the online help.

**Branch Order Value Limit –** The corporate manager can set limit for branch manager

**User Order Value Limit** – The branch manager can set limit for associated dealers.

**Order Limits** - The dealer can set order limit for each order in terms of quantity and value.

**Price Information** - Security price statistics pertaining to SLBS will be shown in the Market Statistics report.

In case of clarification / queries members pertaining to Features & User Navigation of Order Matching Platform members are advised to contract Helpdesk no. 1800 266 0053.

# Format of application for activation / deactivation of custodial participant code

(To be given by the Custodian/Clearing Member on the letter head)

Date:

NSE Clearing Limited

Exchange Plaza, Bandra Kurla Complex,

Bandra (East), Mumbai 400 051

Dear Sir,

**Sub: Application - Custodial Participant Code**

|  |  |  |
| --- | --- | --- |
| **Segment** (Select as per requirement) | (CM/FO/CD/SLB/DEBT) | |
| **Type :**  1. New / Activation  2. Deactivation  3. Modification/ Transition (Name/ Category/Custodian/Clearing Member) | | |
| **Particulars** | **Applicable to , ‘Type’** | **Details** |
| Category (FPI/FII/FIISA/MF/MF- Scheme /INS/ BNK/ DFI/ PF/ NRI/QFI/PMS/AIF/DBC/OTH) | 1,2,3 |  |
| FPI/FII/QFI Category (I, II) | 1 |  |
| FPI type (Select any one)  Corporate bodies=Y  Individuals=Y  Family offices=Y  Other=N | 1 | (Y/N) |
| Client Name (Please mention new name and old name in case of name change) | 1,2,3 |  |
| Client Reg. No (FPI/ MF) | 1 |  |
| Client Existing CP code (If obtained) | 1,2,3 |  |
| Name of Main/ Related FII / MF | 1,2,3 |  |
| Registration no of Main/ Related FII /MF | 1,2,3 |  |
| CP code of Main FII/MF (If Any) | 1,2,3 | CP code |
| Permanent Account Number (PAN) | 1 |  |
| Passport No. (For NRI) & expiry date | 1 |  |
| Certification (DBC) | 1 | Annexure -A |
| For Change in Custodian/ Clearing Member | 3 | Old Cust/Clg Mem: (Name)  Old CP Code |
| Deactivation/ Modification/ Transition Effective Dt. | 2,3 |  |

The information furnished above is true to the best of my/our knowledge and belief and I/we undertake to inform that all KYC checks have been performed by us.

I/we undertake that I/we shall settle all the transactions done by the above client until deactivation and comply with such requirements as stipulated by the Exchange/Clearing Corporation from time to time.

CM/Custodian Code:

TM Code:

Thanking You,

Authorized Signatory

**--------------------------------------------------------------------------------------------------------------**

**Annexure A**

To be provided by Custodian/ Clearing member on letter head

|  |  |
| --- | --- |
| Name of Client |  |
| Networth certification.( Min. networth Rs.1 cr ) | Confirmed |

I/We certify that in addition to the standard KYC checks we have collected the above documents and the client meets the Net-worth criterion stipulated above.

Authorised Signatory

Stamp

# Letter format for Auto Delivery Out

Date:

From: [Participant / Custodian Name and address]

To:

NSE Clearing Limited

Exchange Plaza,

Plot C/1, G Block,

Bandra Kurla Complex, Bandra East,

Mumbai - 400051

Dear Sirs,

Sub: Availing the facility of Automatic Delivery Out in NSDL for Securities Lending & Borrowing (SLB) segment

We wish to avail of the Auto Delivery Out (Auto DO) facility for the SLB segment for the following settlement types.

Settlement Type 'L', Market Type 23, SLB FIRST LEG

Settlement Type 'P', Market Type 24, SLB REVERSE LEG

Settlement Type 'Q', Market Type 25, SLB REVERSE LEG AUCTION BUY-IN

We do hereby irrevocably authorize NCL to provide NSDL with the details of the delivery obligations, including the security details and the quantities to deliver for all the above settlement types and any other details which may have to be given to NSDL with respect to the above subject. This irrevocable undertaking will be effective from the date of this letter.

We understand that in the case of pari-passu shares and multiple ISINs, Auto DO instructions will be generated for only the primary ISIN. 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.

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 NCL. We understand that NCL will be generating Auto DO instructions for a single depository account only, even if two CM pool accounts are operating at the same time.

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

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

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

Yours faithfully

Signature of Authorised signatory of the Participant / Custodian

(Full Name of the Authorised signatory of the Participant / Custodian and contact no.)

# File structure for Direct Payout to Client

**File format:** Comma Separated

**Location of the file:** slbftp\S<Part code>\cpd\upld

**Naming Convention of the file:** CPD<SYYYYYYYD>.Xnn

Where:

|  |  |
| --- | --- |
| CPD | File type |
| S | Settlement Type |
| YYYYYYY | Settlement Number |
| D | Delivery Type |
| X | File Indicator |
| T | File coming from the Participant |
| S | Success File sent to the Participant |
| R | Reject File sent to the Participant |
| nn | Batch number (is a running sequence) |

**Control record Format:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr. No.** | **Field** | **Length** | **Mandatory/ Optional** | **Description** |
| 1. | Record Type | CHAR(2) | Mandatory | Value = 10 |
| 2. | File Type | CHAR(3) | Mandatory | Value = CPD |
| 3. | Participant Type | CHAR(1) | Mandatory | 'M'- For Participant. ‘C’ for Custodian |
| 4. | Participant Code | CHAR(5) | Mandatory | Participant/Custodian Code |
| 5. | Settlement type | CHAR(1) | Mandatory |  |
| 6. | Settlement number | CHAR(7) | Mandatory |  |
| 7. | Delivery Type | CHAR(1) | Mandatory |  |
| 8. | Batch Number | Number(2) | Mandatory | Batch Number in running sequence |
| 9. | Total No. of Records | Number(7) | Mandatory | Total number of records in file |
| 10. | Total quantity | Number(9) | Mandatory |  |

**Detail Record Format**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr. No** | **Field** | **Field Length** | **Mandatory/Optional** | **Description** |
| 1. | Record Type | CHAR(2) | Mandatory | Value = 20 |
| 2. | Depository Id | CHAR(5) | Mandatory | Value = NSDL / CDSL |
| 3. | ISIN | CHAR(12) | Mandatory |  |
| 4. | Beneficiary Account No | CHAR(16) | Mandatory | In case of CDSL the Beneficiary a/c.  In case of NSDL the 1st 8 digit shall be the DP Id and the next 8 digits shall be the beneficiary a/c, in that order. |
| 5. | Quantity | Number(9) | Mandatory |  |

Return file to Participant

**slbftp\S<Part code>\cpd\dnld**

**Control record Format:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr. No.** | **Field** | **Length** | **Mandatory/ Optional** | **Description** |
| 1. | Record Type | CHAR(2) | Mandatory | Value = 10 |
| 2. | File Type | CHAR(3) | Mandatory | Value = CPD |
| 3. | Participant Type | CHAR(1) | Mandatory | 'M'- For Participant. ‘C’ for Custodian |
| 4. | Participant Code | CHAR(5) | Mandatory | Participant /Custodian code |
| 5. | Settlement type | CHAR(1) | Mandatory |  |
| 6. | Settlement number | CHAR(7) | Mandatory |  |
| 7. | Delivery Type | CHAR(1) | Mandatory |  |
| 8. | Batch Number | Number(2) | Mandatory | Batch Number in running sequence |
| 9. | Total No. of Records | Number(7) | Mandatory | Total number of records in file |
| 10. | Total quantity | Number(9) | Mandatory |  |

**Detail Record Format**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr. No** | **Field** | **Field Length** | **Mandatory/Optional** | **Description** |
| 1. | Record Type | CHAR(2) | Mandatory | Value = 20 |
| 2. | Depository Id | CHAR(5) | Mandatory | Value = NSDL / CDSL |
| 3. | ISIN | CHAR(12) | Mandatory |  |
| 4. | Beneficiary Account No | CHAR(16) | Mandatory | In case of CDSL the Beneficiary a/c.  In case of NSDL the 1st 8 digit shall be the DP Id and the next 8 digits shall be the beneficiary a/c, in that order. |
| 5. | Quantity | Number(9) | Mandatory |  |
| 6. | Status Flag | Char (1) | Mandatory | The values can be ‘S’ – Success / ‘R’ – Reject |

# Letter for Preferred Deporitory

(To be given on the Participant’s/ Custodian’s letterhead)

Date:

From: [Participant/ Custodian’s Name and address]

To: [NCL and address]

Dear Sirs,

Sub: Availing the facility of directing the payout to Preferred Depository- Securities Lending & Borrowing Scheme.

With reference to the above, we note that:

NCL is commencing a facility for providing payout to the specified pool account in either of the depositories viz. NSDL or CDSL.

We do hereby irrevocably authorize NCL to provide the payout in following depository pool account (Please mark „Y‟ and mention the respective active pool account against the depository for which this facility is desired and 'N' against the depository for which this facility is not required)

Depository 'NSDL', Y/N [‘Depository Account No’]

Depository ‘CDSL’ Y/N [‘Depository Account No’]

We understand that the payout to the above specified preferred depository shall be made after giving effect to any client direct payout instructions which may have been provided by us for the respective security for the respective settlement.

We undertake to provide the new pool account details in case of any closure of the said account.

We understand that NCL will not be responsible for any failed payouts to the said account due to lack of intimation of change in pool account or any other reason.

We further hereby undertake to abide by such other or further guidelines / instructions as may be communicated / prescribed by NCL from time to time.

We hereby enclose a copy of the client master of pool account.

Yours faithfully

Signature of

Authorised Signatory

Participant/ Custodian code: ( )

Encl a/a

# Procedure for Early pay-in of securities for Reverse Leg

Before entering an early repayment requests order the participant will be required to transfer the securities in NCL’s early repayment accounts with NSDL from their NSDL Pool account. The settlement number shall be the reverse leg settlement number of the respective borrow transaction.

**The details of the Early Repayment account numbers is mentioned below**

1. NSDL-

CM Name – NCL

CM-BP Id – IN565832

Market Type - 24, SLB REVERSE LEG

Settlement No-

Simultaneously, the participants shall be required to provide client EPI instruction file for Reverse Leg details as per procedure mentioned later.

After the transfer of securities in the NCL repayment account and successful processing of client EPI instruction file for Reverse Legfrom the participant, NCL shall drop margins for the transaction.

Subsequently the Participant shall place the early repayment request on the order matching terminal.

**Instruction while providing the Client EPI instruction file for Reverse Leg**

* 1. Members shall confirm details of their NSDL CM pool account for Capital Market (viz. CM BP ID, DP ID and Client ID) with NCL. In case of any change in said details, the same shall be intimated to NCL from time to time. The member shall submit request letter to change the NSDL details and NSDL client master copy.
  2. The settlement number for a particular security, series and client code combination to be mentioned in the EPI file shall be as given in ‘Final obligation report for Reverse leg’, having naming convention as SOTD\_M\_P\_FNL\_DDMMHHMMSS.csv available at slbftp\reports.
  3. File shall always be consolidated, i.e. it shall contain the all records uploaded in the previous file.
  4. During market hours (9:15 am to 5:00 pm) members can only add new client records or increase the EPI quantity for a client uploaded in the previous file. e.g.: If the member wishes to increase the quantity for a client cumulative quantity needs to be provided. For e.g. if the member wants to increase the EPI quantity for a client CL1 from 10 to 20, while uploading the revised file member needs to mention the EPI quantity as 20 for this client.
  5. Post market hours (After 5:00 pm), members can additionally reduce/remove the EPI quantity for a client uploaded in the previous file, by updating the record in the subsequent file with revised quantity/zero.
  6. The EPI allocation shall be reduced/ removed on T+1, post settlement based on the repay trades done for that client on T day. EPI quantity shall have to be reduced by quantity of repay trades, in the EPI file to be uploaded on T+1 day, post settlement.
  7. EPI Benefit shall be passed on to the client only to the extent of outstanding borrow positions of the client.

**File format**

* The file should be in CSV format.
* **Naming convention:** CLNTEPI\_S\_YYYYMMDD.Tnn

where,

YYYYMMDD - Date in YYYYMMDD format

nn - The batch number of file to be uploaded. The Batch no shall be 01 to 99

* **Control record:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr. No.** | **Field** | **Length** | **Mandatory/**  **Option** | **Value** |
| 1. | Record Type | CHAR(2) | Mandatory | 01 |
| 2. | File Type | CHAR(4) | Mandatory | CLEP |
| 3. | Member Type | CHAR(1) | Mandatory | In case of participant - M  In case of Custodian - C |
| 4. | Member Code | CHAR(5) | Mandatory | Participant/Custodian code |
| 5. | Batch Date | CHAR(8) | Mandatory | Format : DDMMYYYY  Should be same as that in the file name. |
| 6. | Batch number | Number(2) | Mandatory | The batch number of the file sent. |
| 7. | Number of records | Number(7) | Mandatory | Total number of records in the file |

* **Detail record:**

| **Sr. No.** | **Field** | **Length** | **Mandatory/**  **Option** | **Value** |
| --- | --- | --- | --- | --- |
| 1. | Record Type | CHAR(2) | Mandatory | 20 |
| 2. | Symbol | CHAR(10) | Mandatory | This shall be the security symbol, example “RELIANCE” |
| 3. | Series | CHAR(2) | Mandatory | This shall be the security series,“01 to 12” / “X1 to XD” |
| 4. | Client Code | CHAR(20) | Mandatory | This shall be the client code/ CP code to whom EPI benefit needs to be passed. |
| 5. | Settlement Type | CHAR(1) | Mandatory | P |
| 6. | Settlement No | CHAR(7) | Mandatory | For example “2017501”. |
| 7. | Early Payin Quantity | NUMBER | Mandatory | This shall be the quantity on which EPI benefit needs to be given. |

**Return file**

In case the file uploaded by the member gets rejected, then the file extension ‘Tnn’ will get replaced with ‘Rnn’ and the return file will be downloaded to the members in CEP directory. The control record in the file will have R appended. A file shall get rejected due to error in header record such as incorrect member type, incorrect member code, incorrect date or date format, incorrect record no, incorrect batch no quantity mismatch with detailed record, or insertion of blank record in the file.

The naming convention for return files will be:

<XXXXX>\_CLNTEPI\_S\_YYYYMMDD.Rnn

In case the file is accepted (success) then the file extension ‘Tnn’ will get replaced with ‘Snn’ and the return file will be downloaded to the members in CEP directory. The return file with extension ‘Snn’ will have S appended for successful records and R appended for rejected records.

The naming convention for return files will be:

<XXXXX>\_CLNTEPI\_S\_YYYYMMDD.Snn

* + S shall be appended for successful records and R shall be appended for rejected records.
  + A detailed record may be rejected for reasons such as follows:
* Error in format of any of the field of that record
* Incorrect symbol, series, settlement type and settlement number
* Client code is null or greater than 20
* Quantity is null or fraction
* No position is exists in the record
* Reduction in quantity is requested intraday.

Members can verify the benefit received in the EPI allocation report downloaded.

**EPI Allocation report format**

* **Naming Convention:** RLCEPYYYYMMDD.Dnn

YYYYMMDD - Date in YYYYMMDD format

D - The file indicator

nn - The batch number of file to be downloaded.

* **Control record**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sr. No.** | **Field** | **Length** | **Value** |
| 1. | Record Type | NUMBER(2) | 10 |
| 2. | Date | DATE(9) | Date in format DDMMYYYY |
| 3. | Member Code | VARCHAR2(5) | Participant/Custodian code |
| 4. | Number of records | NUMBER(7) | Total number of records in the file |

* **Detail record (Allocated Quantity)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sr. No.** | **Field** | **Length** | **Value** |
| 1. | Record Type | NUMBER(2) | 20 |
| 2. | Settlement Type | VARCHAR2(1) | P |
| 3. | Settlement Number | VARCHAR2(7) | Settlement number for which EPI is provided |
| 4. | Symbol | VARCHAR2 (10) | Symbol for which EPI is provided |
| 5. | Series | VARCHAR(2) | Series for which EPI is provided |
| 6. | Client Code | VARCHAR(20) | Client code/ CP code for which EPI is provided. |
| 7. | Quantity Requested | NUMBER(9) | EPI Quantity as provided in the EPI file or existing position, whichever is less |
| 8. | Quantity Allocated | NUMBER(9) | EPI benefit provided |

* **Detail record (Balance Quantity)**

| **Sr. No.** | **Field** | **Length** | **Value** |
| --- | --- | --- | --- |
| 1. | Record Type | NUMBER(2) | 30 |
| 2. | Settlement Type | VARCHAR2(1) | P |
| 3. | Settlement Number | VARCHAR2(7) | Settlement number |
| 4. | Symbol | VARCHAR2 (10) | Symbol |
| 5. | Series | VARCHAR(2) | Series |
| 6. | Client Code | VARCHAR(20) | Client code/ CP code |
| 7. | Balance Quantity | NUMBER(9) | Balance Quantity to be repaid |

# Format of uploading securities pay-in/pay-out shortages

Participants may note the below:

* The file is to be uploaded only in case of securities Pay-in / Pay-out shortages (including internal shortages).
* The reporting is not applicable for custodian
* Participants may upload the file in respective segment or in any one of the segments as a single file.
* Participants need to ensure the correctness of details of client UCC in UCI database.
* The files in the specified format shall be uploaded by the participants to NCL till S+5 working day basis, where ‘S’ is the settlement date for the respective settlement.
* For every valid file uploaded by participant, return file shall be generated with the indication of the success/rejection of the file and the records. This shall be purely a validation of the correctness of the file format.
* In case participant intend to modify the data in a file, which has been already submitted to NCL, participant would be having an opportunity to submit the revised file after carrying out the modifications before the cut-off date.
* Participants will have to submit all the files in a running sequence of batch numbers across segments. If participants fail to submit an earlier batch file then the subsequent batches will not be processed. However, if the earlier file was completely rejected, the same batch number should be used for the subsequent corrected file.
* NCL shall consider the data provided by the participants as final and correct and shall not be responsible for any incorrect data provided by the participants. Participants shall be fully responsible for any erroneous data provided to NCL.

File format for reporting of securities Pay-in / Pay-out shortages data by Participant

File format: Comma Separated (csv)

*Location on extranet: /<MemberCode>/SEC\_SHRT/Upld*

Naming Convention of the file: Shortage\_reporting\_ddmmyyyy.Xnn

where,

ddmmyyyy = Settlement date

X = File Indicator (T = File coming from the member, S = Success File sent to the members, R = Reject File sent to the members)

nn = incremental batch no. for settlement date starting with ‘01’

**Control record Format:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sr. No. | Field | Length | Mandatory/Optional | Description | Expected sample value |
| 1. | Record Type | CHAR(2) | Mandatory | Value = 10 | 10 |
| 2. | Settlement Date | DATE | Mandatory | Same as date in filename | DDMMYYYY |
| 3. | Total No. of Records | Number(7) | Mandatory | Total number of records in file |  |

**Detail Record Format:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sr. No. | Field | Length | Mandatory/Optional | Description | Expected sample value |
| 1. | Record Type | CHAR(2) | Mandatory | Value = 20 | 20 |
| 2. | Market Type | CHAR(2) | Mandatory | 01 -Normal  02 - T2T  03 – Auction  04 – SLBM  05 – T+0 | 01 or 02 or 03 or 04 or 05 |
| 3. | Settlement No. | CHAR(8) | Mandatory | Example: XNNNNNNN  Where  X = Settlement Type  NNNNNNN = Settlement Number  Values for settlement type = N/W/A/L/P/F/D Description  M = Normal  Z= Trade for Trade  A= Auction  5= T+0  L= SLB first leg  P= Reverse Leg (SLB)  Q= Reverse Leg Auction (SLB) | M2018100 |
| 4. | Unique Client code (UCC) | CHAR(10) | Mandatory |  |  |
| 5. | ISIN | CHAR(12) | Mandatory |  |  |
| 6. | Symbol | CHAR(10) | Mandatory |  |  |
| 7. | Transaction Type | CHAR(1) | Mandatory | Value B /S (Description : Buy/Sell) | B or S |
| 8. | Quantity delivered short in the settlement including Internal Shortage (A) | Number (12,3) | Mandatory | 999999999.999 | Decimal not required if value is a whole number |
| 9. | Quantity cleared in subsequent auction by delivery by NCL (B) | Number (12,3) | Mandatory | 999999999.999 | Decimal not required if value is a whole number |
| 10. | Quantity cleared in subsequent auction by close out by NCL (C) | Number (12,3) | Mandatory | 999999999.999 | Decimal not required if value is a whole number |
| 11. | Balance to be reconciled - Qty settled by member internally (D)  (D = A – (B+C)) | Number (12,3) | Mandatory | 999999999.999 | Decimal not required if value is a whole number |
| 12. | Reconciliation (E) | CHAR(1) | Mandatory | 1 - Purchased by member in own account  2 - Purchased by member in client account  0 - Nil quantity to reconcile | 1 or 2 or 0 |

Note:

1. Field 9 “Quantity cleared in subsequent auction conducted at CC” Members should report shortage quantity delivered by clearing corporation in auction including voluntary auction conducted by clearing corporation for internal shortages.

2. Field 10 “Quantity cleared in subsequently by close out by CC and member” Members should report quantity cleared by close-out done at clearing corporations and/or by member.

3. Field 12 “Reconciliation” Members should report either value 1 or 2 or 0 (1 - Purchased by member in own account or 2 - Purchased by member in client account or 0 – Nil quantity to reconcile)

List of error codes and in case of a failure of file or record shall be as under

|  |  |  |
| --- | --- | --- |
|  |  | **Control Record** |
| **Sr. No.** | **Reason Code** | **Description** |
| 1 | 11 | No of fields in Control record is not equal to 3 |
| 2 | 12 | Size of any of the fields in control records is greater than maximum allowed size. -Record type length : 2 - Batch date length : 8 (DDMMYYYY)  - Total records length : 7 (9999999) |
| 3 | 13 | Any field of control record is null |
| 4 | 14 | Value of control record type is not '10' |
| 5 | 15 | batch date in control record and date in file name does not match |
| 6 | 16 | Total number of records in file does not matches with 'Total records' field in file |
|  |  |  |
|  |  | **Data Record** |
| **Sr. No.** | **Reason Code** | **Description** |
| 1 | 21 | Total No of fields in data record is not equal to 12 |
| 2 | 22 | Size of any of the fields in control records is greater than maximum allowed size. -Record type length : 2  - Market Type length : 2  - settlement no length : 8 - Unique Client code length : 10 - ISIN length: 12 - Symbol length : 10 - Transaction Type length : 1 (B or S) - Quantity delivered short length : 12 (999999999.999) - Quantity cleared in subsequent auction length : 12 (999999999.999) - Quantity cleared in subsequent auction Quantity by close out by CC : 12 (999999999.999) - Balance to be reconciled : 12 (999999999.999) - Reconciliation flag length : 1 (0 or 1 or 2 or 3 or null) |
| 3 | 23 | Any field of data record is null except Reconciliation flag |
| 4 | 24 | Value of data record type is not '20' |
| 5 | 25 | Market Type not in (01,02,03,04,05) |
| 6 | 26 | Settlement Type not in (M,Z,A,5, L,P,Q,) |
| 7 | 27 | Settlement Number not valid |
| 8 | 28 | Symbol-ISIN combination not present in Securities table |
| 9 | 29 | Transaction Type not valid (other than B - Buy OR S - Sell) |
| 10 | 30 | validation for Short quantity, Auction quantity, closeout quantity & reconcile quantity for proper format(999999999.999) |
| 11 | 31 | validation : Reconcile quantity = Short quantity – (Auction quantity + Close out quantity) |
| 12 | 32 | Reconciliation flag value is invalid (other than 0,1,2,3 and null) |
| 13 | 33 | Client obligation validation (Obligation of client for given security on given settlement type and number is not valid) |
| 14 | 34 | File uploaded beyond stipulated time of S+5 days |

# List of Approved Banks for issuance of Fixed Deposit Receipts

|  |  |  |
| --- | --- | --- |
|  | | |
| **Sr. No** | **Bank Name** | **E-BG/E-FD** |
| 1 | AU SMALL FINANCE BANK | E-FDR |
| 2 | AXIS BANK LTD | E-FDR & E-BG |
| 3 | BANK OF BARODA |  |
| 4 | BANK OF INDIA |  |
| 5 | BANK OF MAHARASHTRA |  |
| 6 | BARCLAYS BANK PLC | E-FDR |
| 7 | CANARA BANK |  |
| 8 | CENTRAL BANK OF INDIA |  |
| 9 | CITIBANK N.A. | E-FDR |
| 10 | DBS BANK INDIA LTD | E-FDR |
| 11 | DEUTSCHE BANK AG |  |
| 12 | FEDERAL BANK LTD | E-FDR |
| 13 | HDFC BANK LTD | E-FDR & E-BG |
| 14 | HONGKONG AND SHANGHAI BANKING CORPORATION LTD | E-FDR |
| 15 | ICICI BANK LTD | E-FDR & E-BG |
| 16 | IDBI BANK LIMITED | E-FDR & E-BG |
| 17 | IDFC FIRST BANK LTD | E-FDR & E-BG |
| 18 | INDIAN BANK | E-FDR |
| 19 | INDIAN OVERSEAS BANK |  |
| 20 | INDUSIND BANK LTD | E-FDR |
| 21 | JP MORGAN CHASE BANK, N.A. |  |
| 22 | KARUR VYSYA BANK LTD |  |
| 23 | KOTAK MAHINDRA BANK LTD | E-FDR & E-BG |
| 24 | MIZUHO BANK LTD |  |
| 25 | MUFG BANK LTD |  |
| 26 | PUNJAB NATIONAL BANK |  |
| 27 | STANDARD CHARTERED BANK | E-FDR |
| 28 | STATE BANK OF INDIA | E-FDR |
| 29 | SUMITOMO MITSUI BANKING CORPORATION | E-FDR |
| 30 | UCO BANK | E-FDR |
| 31 | UNION BANK OF INDIA |  |

Note : Clearing members are advised to check their applicable limit before getting their bank guarantees or fixed deposit issued.

# List of Approved Banks for issuance of Bank Guarantees.

|  |  |
| --- | --- |
| 1 | AXIS BANK LTD# |
| 2 | BANK OF INDIA |
| 3 | CITIBANK NA |
| 4 | DCB BANK LTD |
| 5 | HDFC BANK LTD# |
| 6 | ICICI BANK LTD# |
| 7 | IDBI BANK LIMITED# |
| 8 | IDFC BANK LIMITED# |
| 9 | INDUSIND BANK LTD |
| 10 | KARUR VYSYA BANK LTD |
| 11 | KOTAK MAHINDRA BANK LTD# |
| 12 | PUNJAB NATIONAL BANK |

#Banks issuing E-BG

# Format of letter requesting activation of account in Collateral Interface for Members

Date:

The Manager

Collaterals Department

NSE Clearing Ltd

Dear Sir/ Madam,

**Sub: Application for activation of account in Collateral Interface for Members**

We are interested in availing the facilities provided through the Collateral Interface for Member (CIM). 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** |
|  | Trading Member Code |  |
|  | Member Name |  |
|  | Segment for which application is being made (Cash/F&O/CDS/SLBS/DEBT) |  |
|  | Contact Person (The account details will be sent to this person) |  |
|  | Address for Communication with Pin Code |  |
|  | Phone Number with STD Code |  |
|  | Mobile number of contact person |  |
|  | Fax Number with STD Code |  |
|  | Email id for correspondence in matters related to the interface ( preferably a corporate mail id) |  |
|  | No of User Ids required |  |

We hereby authorize NSE Clearing Limited 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 the CM, CDS, SLBS, DEBT, F&O and Commodity 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. With respect to cash deposits, the rejected records, if any, that have not been received by the Clearing Corporation will be visible to the member at the front end application.
3. 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.

# Format of Letter to be given by Participant along with FDR

(To be typed on participant’s letter head)

Date:

Date:

To

NSE Clearing Limited

Exchange Plaza, Plot C-1, G Block,

Bandra Kurla Complex,

Bandra (East),

Mumbai – 400 051.

Dear Sir,

As per the prescribed norms of NSE Clearing Limited (NCL) as an Approved Intermediary for Securities Lending and Borrowing transactions, we have to furnish you collateral and accordingly have furnished you the same in the form of FDR (FDR No.\_\_\_\_\_\_\_\_\_\_\_\_\_\_) placed with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Bank, issued as NCL A/c.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 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 Approved Intermediary dues and we have no objections whatsoever for the same.

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 ( Rs. \_\_\_\_\_\_\_\_) payable.

Yours faithfully,

Authorised Signatory

\_\_\_\_\_\_\_\_ Participant name

# Format of Letter to be given by the Bank issuing FDR

(on the letter head of the Issuing bank)

Date:

Date:

To

NSE Clearing Limited

Exchange Plaza, Plot C-1, G Block,

Bandra Kurla Complex,

Bandra (East),

Mumbai – 400 051.

Dear Sir,

We refer to the fixed deposit receipt (FDR) bearing no. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ issued for Rs.\_\_\_\_\_\_\_\_\_\_\_ , ( Rs in words) in the name of NSE Clearing Limited A/c ( Participant’s name.) Details are as under

|  |  |  |  |
| --- | --- | --- | --- |
| **FDR No** | **Issue Date** | **Amount (in Rs.)** | **Maturity Date** |
|  |  |  |  |

We hereby confirm that-

1. The FDR is lien marked to NSE Clearing Ltd.
2. There is no lock in period for encashment of the said FDR.
3. 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 Participant).
4. Encashment whether premature or otherwise would not require any clearance from any other authority / person.
5. We agree that on the encashment of FDR, the interest accrued will also be released to you.
6. The principal amount of the FDR shall remain protected throughout the tenure, notwithstanding any possible pre-termination costs incurred by the Bank
7. The FDR is payable at Mumbai (In case FDR is issued from places other than Mumbai, Delhi, Kolkata, Chennai, Ahmedabad, Hyderabad and Bangalore)

Yours faithfully,

Authorised Signatory ***(Seal and Signature)***

\_\_\_\_\_\_ Bank Ltd.

# Format of the letter to be given by the Bank in case of renewal where there is change in FDR number

(on the letter head of the Issuing bank)

Date:

To

NSE Clearing Limited

Exchange Plaza, Plot C-1, G Block,

Bandra Kurla Complex,

Bandra (East),

Mumbai – 400 051.

Dear Sir,

We refer to the fixed deposit receipt (FDR) issued, in the name of NCL - A/c (Participant’s name). Details are as under.

|  |  |  |  |
| --- | --- | --- | --- |
| **FDR No** | **Issue Date** | **Amount** | **Maturity Date** |
|  |  |  |  |

The above FDR has been renewed for further period of \_\_\_\_\_months on the request of the Participant. Details are as follows.

|  |  |  |  |
| --- | --- | --- | --- |
| **New FDR No** | **Issue Date** | **New Maturity Date** | **Amount** |
|  |  |  |  |

We hereby confirm that

1. The FDR is lien marked to NSE Clearing Ltd.
2. There is no lock in period for encashment of the said FDR.
3. 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 Participant)
4. Encashment whether premature or otherwise would not require any clearance from any other authority / person.
5. We agree that on encashment of FDR, the interest accrued will also be released to you.
6. The principal amount of the FDR shall remain protected throughout the tenure, notwithstanding any possible pre-termination costs incurred by the Bank
7. The FDR is payable at Mumbai. (In case FDR is issued from places other than Mumbai, Delhi, Kolkata, Chennai, Ahmedabad, Hyderabad and Bangalore)
8. Old instrument will remain valid unless revoked.

Yours faithfully,

Authorised Signatory

\_\_\_\_\_\_\_\_\_\_ Bank Ltd ***(Seal and Signature)***

(Branch Address)

# Format of the Letter to be given by the Bank In case of renewal where the FDR number is not changed

(on the letter head of the Issuing bank)

Date:

To

NSE Clearing Limited

Exchange Plaza, Plot C-1, G Block,

Bandra Kurla Complex,

Bandra (East),

Mumbai – 400 051.

Dear Sir,

We refer to the fixed deposit receipt (FDR) issued, in the name of NCL - A/c (Participant's name). Details are as under.

|  |  |  |  |
| --- | --- | --- | --- |
| **FDR No** | **Issue Date** | **Amount** | **Maturity Date** |
|  |  |  |  |

The above FDR has been renewed for further period of \_\_\_\_\_months on the request of the Participant. Details are as follows.

|  |  |  |
| --- | --- | --- |
| **Renewal Date** | **Amount** | **New Maturity Date** |
|  |  |  |

We hereby confirm that

1. The FDR is lien marked to NSE Clearing Ltd.
2. There is no lock in period for encashment of the said FDR.
3. 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 Participant ).
4. Encashment whether premature or otherwise would not require any clearance from any other authority / person.
5. We agree that on encashment of FDR, the interest accrued will also be released to you.
6. The principal amount of the FDR shall remain protected throughout the tenure, notwithstanding any possible pre-termination costs incurred by the Bank.
7. The FDR is payable at Mumbai. (In case FDR is issued from places other than Mumbai, Delhi, Kolkata, Chennai, Ahmedabad, Hyderabad and Bangalore)
8. Old instrument will remain valid unless revoked.

Yours faithfully,

Authorised Signatory ***(Seal and Signature)***

\_\_\_\_\_\_\_\_\_\_ Bank Ltd

(Branch Address)

# Format of Bank Guarantee

BG NO:**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Date : **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**SCHEDULE I**

**FORMAT OF BANK GUARANTEE**

BG NO:**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Date : **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**To:  
NSE Clearing 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/Registered/corporate Office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and Branch Office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**, hereinafter referred to as the “Bank” (which term shall wherever the context so permits includes its successors and assigns) in favour of NSE Clearing 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 “AI” (which expression shall include its successors and assigns).

Whereas

a. Mr./Ms.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Pro, of Entity name) s/o / d/o / w/o \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, residing at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and having his/her office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Complete Address), (hereinafter referred to as the “ Participant”, which expression shall include his/her successors and assigns) /\* is/are a Participant of the AI.

OR

M/s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a partnership firm/ a Limited Liability Partnership firm registered under the Indian Partnership Act, 1932/ Limited Liability Partnership Act, 2008 and having their office at

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Complete Address), (hereinafter referred to as the “ Participant”, which expression shall include their successors and assigns ) / is/are a Participant of the AI.

BG NO:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date : \_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

OR

M/s\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_., incorporated as a company under the Companies Act, 1956 /Companies Act 2013 and having its registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Complete Address), (hereinafter referred to as the “ Participant”, which expression shall include its successors and assigns ) is/are a Participant of the AI.

b. One of the conditions for participating in Securities Lending and Borrowing Scheme (SLBS) of the AI is that the Participant maintains with the AI collateral as may be specified by the AI under SLBS and the Circulars issued there-under from time to time.

c. At the request of the Participant, the AI has agreed to accept a bank guarantee towards collateral, in favour of the AI from an approved commercial bank for an equivalent amount of Rs.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_( Rs in words)

d. The Participant has requested the Bank to furnish to the AI a guarantee for Rs.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Rs in words).

Therefore these presents:

1. This guarantee shall be governed by the terms and conditions of the Master Agreement dated \_\_\_\_\_\_\_\_executed between the Bank and the AI 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.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Rs. In words).
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 the AI 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 this clause).
4. The Bank agrees to ensure that the security created for issuing the bank guarantee will not belong to the clients of the Participants. (The foregoing will not be applicable for proprietary funds of Participants in SLBS and Participant’s proprietary funds deposited capacity of a client).

Executed this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ at \_\_\_\_\_\_\_\_\_\_\_

For \_\_\_\_\_\_\_\_(Bank)

Authorized Signatories

Seal of the Bank

BG NO:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date : \_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Instructions:**

* *The above printed format is required to be used.*
* *The Bank Guarantee to be stamped for the value prevailing in the State where executed. Bank Guarantee to be executed on Non-Judicial stamp paper(s) or on paper franked from Stamp Office*
* *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.*
* *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 AI that only one authorized signatory shall sign the bank guarantees issued by them in favour of AI.*

# Format of Renewal of Bank Guarantee

Date : \_\_\_\_\_\_\_\_\_\_\_

To,

NSE Clearing Ltd.(AI)

Exchange Plaza, Plot C-1, G Block,

Bandra Kurla Complex,

Bandra (East),

Mumbai – 400 051.

We, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Bank) having our registered head/corporate/ office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_and our branch office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ refer to the Bank Guarantee number : \_\_\_\_\_\_\_\_\_ executed by us on the \_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (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 “ Participant”) 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 Participant, we extend the period of the validity of the said guarantee upto \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

The said guarantee may be invoked by AI in part(s) without affecting its rights to invoke the said guarantee for any liabilities that may devolve later.

Notwithstanding anything mentioned herein above,

1. the liability of the Bank under this guarantee shall not exceed Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Rupees \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ only)
2. This guarantee shall be valid for a period of \_\_\_\_\_months i.e. upto \_\_\_\_\_\_\_\_\_\_\_\_\_.
3. The bank is liable to pay the guaranteed amount only if AI 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).
4. The Bank agrees to ensure that the security created for issuing the bank guarantee will not belong to the clients of the Participants. (The foregoing will not be applicable for proprietary funds of Participants in SLBSand Participant’s proprietary funds deposited capacity of a client).

Executed this \_\_\_\_day of\_\_\_\_\_\_\_\_\_\_\_\_ at \_\_\_\_\_\_\_\_\_\_\_\_\_ (place)

FOR \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(BANK)

**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 the value prevailing in the State where executed. 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 AI that only one authorised signatory shall sign the bank guarantees issued by them in favour of AI*

# Format of deed of pledge

*To Be Executed On Non Judicial Stamp Paper Of Rs 600/- 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 ”Participant” which expression shall unless repugnant to the context thereof include successors, administrators and assigns) in favour of NSE Clearing Limited (Formerly known as 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 (East), Mumbai - 400051 hereinafter referred to as “AI” (which expression shall include its successors and assigns).

WHEREAS

1. The AI in its capacity as an Approved Intermediary has launched the Securities Lending and Borrowing Scheme (hereinafter referred to as “SLBS”) and permitted the Participant to participate in the SLBS.
2. One of the conditions for participating in SLBS is that the Participant maintains with the AI collateral as may be specified by the AI under SLBS and the Circulars issued there-under from time to time for the due performance and fulfilment by him/it of his/its engagements, commitments, operations, obligations or liabilities as a Participant.
3. The securities to be deposited by the Participant shall be securities in dematerialised form and as may be approved by AI from time to time.
4. The Participant shall deposit the securities with such custodians acting as depository participants as may be determined by AI from time to time.

**NOW THIS DEED WITNESSETH AS FOLLOWS**:

1. In consideration of AI having agreed to accept approved dematerialised securities as margin deposit to an extent of Rs.\_\_\_\_\_\_\_\_\_ /- (Rupees \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_only), the Participant hereby pledges securities (hereinafter referred to as “Said Securities”) with AI as security for due performance and fulfilment by him/it of all engagements, commitments, operations, obligations or liabilities as a Participant.
2. The Participant if so determined by AI shall place the Said Securities in the absolute disposition of such custodian/depository participant in such manner as decided by AI and such possession and disposition may be apparent and indisputable notwithstanding the fact that the Participant may be permitted to have access to the Said Securities in the manner and subject to such terms and conditions as determined by AI and provided further that during such time the Participant confirms, affirms and covenants with AI 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 Participant.
3. In case where the Participant are not using the facility of such custodians acting as depository participants as may be determined by NCL from time to time, the Participant shall ensure creation of pledge on said securities as per the depository mechanism by the depository participant where such securities are held
4. For the purpose of the clauses (1), (2) and (3), 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 AI by virtue of this Deed.
5. In respect of the Said Securities owned by him / it, the Participant declares and assures that they are in existence, owned by him/it and/or are free from any prior charge, lien or encumbrance and further that the Said Securities over which the 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 the Said Securities to be given in future as security to AI would likewise be unencumbered, absolute and disposable property of the Participant.
6. Participant is permitted to pledge the securities owned by clients in accordance with the provisions of the SEBI Circular Ref: SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 and such other circulars issued by SEBI in this regard from time to time. Such pledged securities belonging to clients shall be dealt with by AI in accordance with the provisions of the SEBI Circulars.
7. The Participant agrees that he/it shall not without AI’s prior written permission create any charge, lien or encumbrance of any kind upon or over the Said Securities hereby pledged to AI, 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 AI in any manner without the prior written permission of AI.
8. The Participant agrees, declares and undertakes that he/it shall be bound and abide by the terms and conditions of the SLBS as formulated and determined by AI for deposit of securities towards margin deposits, either in their existing form or as modified/changed/altered /amended from time to time.
9. If in the opinion of AI, the Participant has failed to perform and / or fails to fulfil his/its engagements, commitments, operations, obligations or liabilities as a Participant including any sums due by him/it to AI, then the Participant agrees that AI on giving one working day notice to the Participant 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 AI in such manner and subject to terms and conditions as it may deem fit and further the Participant shall do all such things, deeds, acts and execute all such documents as are necessary to enable AI to effect such pledge/sale/disposal/or other transfer. The decision of AI as to the obligations or liabilities or commitments of the Participant and the amount claimed shall be final and binding on the Participant. The Participant 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 AI 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 AI.
10. The Said Securities pledged as security shall be available at the disposal of AI as a continuing security and remain available in respect of the obligations, liabilities or commitments of the Participant jointly or severally and may be utilised as such in the discretion of AI, 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 AI but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Participant.
11. The Participant shall be released from his/her obligations, liabilities under this Deed only when AI, in writing, expressly provides for the release of the Said Securities.
12. The Participant agrees that AI 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 AI shall be entitled to receive from him/her all expenses incurred by AI/Custodian for the aforesaid purposes.
13. The Participant agrees to execute such further documents whether of a legal nature or otherwise as may be required by AI for the purpose of giving effect to the provisions of this Deed and also the SLBS.
14. The Participant agrees that the deposit of the ‘Said Securities’ and the pledge thereof shall not be affected in any manner whatsoever if AI takes any action against the Participant as a Clearing Member including suspension or expulsion or declaration of the Participant as a defaulter in its capacity of a Clearing Member.
15. The Participant agrees that AI shall not be under any liability whatsoever to the Participant 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 AI or not at the time of such loss or damage or the happening of the cause thereof. The Participant shall at all times indemnify and keep indemnified AI 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 AI in respect of any acts, matters and things lawfully done or caused to be done by AI in connection with the Said Securities or in pursuance of the rights and powers of AI under this Deed.
16. The Participant undertakes that the deposit of the ‘Said securities’ and the pledge thereof shall be binding on him/them as continuing and that it shall not be prejudiced by his/its failure to comply with the agreement the Participant has with AI (SLBS Agreement) for participation in SLBS or any other terms and conditions attendant to the Participant and that AI shall be at liberty, without thereby affecting 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 the SLBS Agreement or the SLBS and the circulars issued thereunder.

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

Signed, sealed and delivered by the withinnamed \*\*

Participant.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

in the presence of witnesses

1.

2.

\* strike out whichever is not applicable

\*\* To be signed by

the Participant in case of individual.

all partners in case of a Partnership firm

by any two of the following persons in the case of a Company:

i. Managing Director

ii. Whole-time Director

iii. Directors

# Format of covering letter for pledge through NSDL

To Date

NSE Clearing Ltd

Collaterals Department

Securities Lending and Borrowing Scheme (SLBS)

Mumbai

Sub: Registration for placing securities as collateral

Dear Sir,

1. We <<participant name>> (Code) are participant in SLBS and would wish to avail the facility to place securities as collaterals in SLBS from our below-mentioned depository account
2. Details of depository account

|  |  |  |
| --- | --- | --- |
| DP ID | DP Name | Beneficiary account |
|  |  |  |

1. The securities shall be placed towards

|  |  |
| --- | --- |
| Deposit Type | Please mark “Y” or “N” |
| Margin Deposit |  |

1. We confirm that above mentioned account shall be solely used for the purpose of pledging securities in favour of NSE Clearing Ltd (NCL)
2. Following documents are enclosed herewith
3. Client master for above mentioned depository account
4. Pledge deed for margin deposit
5. List of authorized signatories who are authorized to sign deed of pledge
6. We further hereby undertake to abide by such other or further guidelines / instructions as may be communicated / prescribed by NCL from time to time.

Yours faithfully

Authorised Signatory

<<Participant name>>

<< Code>>

Encl – as above

# Format of covering letter for Margin pleDge

To Date

NSE Clearing Ltd

Collaterals Department

Securities Lending and Borrowing Scheme (SLBS)

Mumbai

Dear Sir,

1. We <<member name>> (Member Code) are participant in SLB Scheme and would wish to avail the facility to place securities as collaterals using margin pledge facility of depositories in SLB Scheme from our below-mentioned depository account
2. Details of depository account

|  |  |  |
| --- | --- | --- |
| DP ID | DP Name | Beneficiary account |
|  |  |  |

1. We confirm that above mentioned account is used for the purpose of pledging/re-pledging securities only as specified in SEBI circular SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020
2. Following documents are enclosed herewith
3. Client master for above mentioned depository account
4. Pledge deed for margin deposit
5. Copy of Board Resolution with List of authorized signatories who are authorized to sign deed of pledge
6. We further hereby undertake to abide by such other or further guidelines / instructions as may be communicated / prescribed by NCL from time to time.

Yours faithfully

Authorised Signatory

<<Participant name>>

<<Member Code>>

Encl – as above

# Format of agreement for providing G-sec/T-bill as collaterals

This Agreement is made and executed at Mumbai on this \_\_\_ day of \_\_\_\_ 20\_\_.

**Between:**

NSE Clearing Limited (Formerly known as 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 **“NCL”** (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**:

Reserve Bank of India (RBI) has allowed NCL to open Constituent Subsidiary General Ledger Account (SGL Account) with it which NCL 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.

The Constituent being a Clearing Member of NCL, has requested NCL 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/security deposit and NCL 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 NCL in its Circulars issued from time to time.

The parties hereto are desirous of recording the terms and conditions subject to which NCL 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:**

NCL shall open a SGL Sub Account in the name of the Constituent in its SGL Account with RBI.

Only government securities in electronic form shall be permitted to be transferred to the SGL Account.

The government securities transferred to the said SGL Account as collateral shall not be permitted by NCL to be used by the Constituent for any purpose other than as collateral towards margin/security 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.

The government securities transferred to the said SGL Account shall be dealt with by NCL as a Clearing Corporation in accordance with the Rules, Byelaws, Regulations and the Circulars issued there under from time to time.

The Constituent agrees and consents that NCL 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 NCL/NSEIL dues, in case of default of the Constituent in meeting its obligations as a member/ custodian of NCL.

The Constituent agrees to abide by the Business Rules laid down by the NCL from time to time regarding the SGL Sub Account and as specified by NCL in its Circulars issued from time to time.

If RBI deducts any income tax at source (TDS) on the interest payable at the rate applicable to NCL 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 NCL within such time as required by NCL/RBI for the purpose. In such cases, NCL will try on a best effort basis to get the interest payment without the deduction.

Operation of the SGL Sub Account will be carried out on the written instructions received from the authorised signatories of the Constituents received by NCL at its designated office(s) as may be intimated by NCL. A facsimile received by NCL for this purpose shall also be considered a conclusive evidence of instruction.

NCL 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 NCL within 2 days of the receipt of the statement or else NCL shall assume the balances to be correct.

The Constituent shall pay the charges as may be intimated to the Constituent by NCL from time to time for the opening and maintenance of the SGL Sub Account.

On the failure of the Constituent to pay the charges within the prescribed time NCL shall debit the same from Constituent’s Clearing Bank account.

NCL 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.

NCL 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.

The Constituent authorises NCL to execute/submit all deeds /agreements/drafts /forms etc which NCL may have to enter into/submit on behalf of the Constituent for the proper functioning of the SGL Account or SGL Sub Account.

The Constituent hereby requests and fully authorises NCL 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.

The Constituent shall execute in favour of NCL such declarations, undertakings and any deeds including power of attorney as may be required by NCL from time to time.

Incase of any dispute/difference between NCL and the Constituent with respect to this agreement, the same shall be settled as per the procedure prescribed by NCL in its Circulars issued from time to time.

In case a Constituent maintains an account with any bank designated as a Clearing Bank by NCL, then the Constituent shall authorise NCL 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.

While handling, corporate actions, NCL 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 NCL.

**2. Liabilities and Indemnities**

The Constituent shall indemnify and keep NCL 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 NCL for any act of commission or omission by Constituent pursuant to this agreement.

NCL 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 NCL under this agreement.

**3. Termination of the Agreement:**

**3.1** This Agreement will terminate automatically if the NCL 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 NCL 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 NCL, NCL 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 NCL 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.

1. **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.

1. **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 NCL.

**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**

NSE Clearing Limited (Formerly known as National Securities Clearing Corporation Limited) represented by their authorised signatories.

Authorised signatories

1.

2.

Witnesses

1.

2.

**Note:-**

To be executed on a non-judicial stamp paper of Rs.100/- or the value as applicable in the state where executed

Page no.1 to be retyped on the stamp paper as above

3. Page no. 2 –6 should be attached to the stamp paper

# Format of letter to be given for request of G-Sec / T-bills addition

(To be typed on Participant letter head)

Date:

To,

NSE Clearing Limited

Exchange Plaza,

Bandra Kurla Complex,

Bandra (E)

Mumbai – 400 051

Dear Sir / Madam, P**articipant Code: \_\_\_\_\_\_\_\_\_**

**E–Kuber ref** **no**:\_\_\_\_\_\_\_\_\_

**Re: Request for Addition of Securities (G-Sec / T-bills) as Collaterals**

We would like to deposit below mentioned G-Sec / T-bill as margin/security deposit in Securities Lending and Borrowing Scheme of NSE Clearing Limited

Details are as under:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Participant Code** | **Participant Name** | **Source SGL A/c No.** | **Source SGL A/c Holder Name** | **Instrument details** | **Nomenclature** | **ISIN No.** | **Maturity Date** | **Quantity of Securities (Rs. in face value)** |
|  |  |  |  |  |  |  |  |  |

Further we have initiated transfer of securities to SGL-II account of NSE Clearing Limited vide margin transfer through E-KUBER. You are requested to confirm the same and considered the above G-Sec / T-bills towards our margin/security deposit.

Thanking You,

Yours Faithfully,

Authorised Signatory

# Format of letter to be given for request of G-Sec / T-bills release

(To be typed on Participant letter head)

Date:

To,

NSE Clearing Limited

Exchange Plaza,

Bandra Kurla Complex,

Bandra (E)

Mumbai – 400 051

Dear Sir / Madam, **Participant Code: \_\_\_\_\_\_\_\_\_**

**Re: Request for release of Securities (G-Sec / T-bills)**

Please release the below mentioned G-Sec / T-bills provided as margin/security deposit in Securities Lending and Borrowing Scheme of NSE Clearing Limited.

Details are as under:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Participant Code** | **Participant Name** | **ISIN No.** | **Instrument details** | **Nomenclature** | **Quantity of Securities (Rs in face value)** | **Maturity Date** | **Target SGL A/c No.** | **Target SGL A/c Holder Name** |
|  |  |  |  |  |  |  |  |  |

The G-Sec / T-bills may be transferred to our above mentioned SGL account.

Thanking You,

Yours Faithfully,

Authorised Signatory

# File Format for Requesting Collateral Releases

File name: S\_RRQ\_DDMMYYYY\_NN.CSV

Where S 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 | S |
| Member Code | Participant code/ Custodian Code |
| Type of Collateral | BC /ABC |
| Instrument Type | CSH/BGN/FDP/SDP/NMF/CMF/GMF/OMF |
| Instrument Id | Applicable only for BGN/FDP |
| Custodian code | To be provided only in case of SDP/CMF/NMF/OMF/GMF |
| Security symbol | To be provided only in case of SDP/CMF/NMF/OMF/GMF |
| Requested Quantity | To be provided only in case of SDP/CMF/NMF/OMF/GMF |
| Requested amount | To be provided only in case of BGN/FDP/CSH in Rs. Incase of SDP/CMF/NMF/OMF/GMF it should be typed as NA |
| TM Code | To be provided only in case of SDP/CMF/NMF/OMF/GMF TM prop security release / else NA |
| Client / CP Code | To be provided only in case of SDP/CMF/NMF/OMF/GMF CP / TM client security release / else NA |
| ISIN Code | To be provided only in case of OMF/GMF. In case of BGN/FDP/CSH/SDP/CMF/NMF it should be typed as NA |
| Bank Code | Mandatory for instrument type CHQ. NA for rest. |
| Fungibility Flag | Y/N |

Notes:

1. Member code stands for the Participant code (5 digit) / custodian code.
2. CSH stands for cash, BGN for bank guarantee, FDP for Fixed deposit receipt, SDP for securities, NMF for non cash component mutual funds, CMF for cash component mutual funds, GMF for gilt mutual funds and OMF for other than gilt mutual funds
3. Instrument ID stands for the NCL Ref no as is available in the latest MG05 report. For eg the instrument id for Ref no. ABC/BG/39288 will be 39288
4. Non Applicable fields should be blank. or as specified in table above
5. The return files giving the status of the acceptance/rejection of the release request will be available through the collateral interface for members (CIM) at the following path Collateral Release > Download Return File. The file naming convention for the same will be S\_RRR\_Member Code\_DDMMYYYY\_NN.csv.
6. The details of the releases for the day will be available as an annexure to MG05 report.

**File format for Instruction wise release request of securities as collateral**

File name: S\_RRT\_DDMMYYYY\_NN.CSV

Where S is Segment indicator

RRT 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*

The file should be uploaded under the option CIM →Collateral Release →Instruction wise File Upload

|  |  |
| --- | --- |
| Segment Indicator | S |
| Member Code | Participant code/ Custodian Code |
| Type of Collateral | BC /ABC |
| Instrument Type | SDP/NMF/CMF/GMF/OMF |
| Instrument Id/ Mode | Blank for SDP/NMF/CMF/OMF  Depository for GSE |
| Custodian code | CDSL or NSDL, in case of SDP/CMF/NMF/OMF/GMF  NSCCL in case of GSE |
| Security symbol | To be provided only in case of SDP/CMF/NMF/OMF/GMF/GSE |
| Requested Quantity | To be provided only in case of SDP/CMF/NMF/OMF/GMF/GSE |
| Requested amount | To be provided only in case of GSE in Rs. In case of SDP/CMF/NMF/OMF/GMF it should be typed as NA |
| ISIN Code | To be provided only in case of Corporate Bond/OMF/GMF. In case of SDP/CMF/NMF it should be typed as NA |
| TM Code | TM Code else NA |
| Client / CP Code | Client or CP code else NA |
| Bank Code/ Gsec Ac No | NA for SDP/NMF/CMF/OMF  Custodian Code NSDL/CDSL for GSE |
| MPR/PSN | To be provided only in case of SDP/CMF/NMF/OMF/GMF |
| DP ID | To be provided only in case of SDP/CMF/NMF/OMF/GMF |
| Fungibility Flag | Y/N |

Notes:

* The file format is only applicable for instruction wise release of securities pledged as collateral.
* Member code stands for the Participant code (5 digit) / custodian code.
* NMF for non-cash component mutual funds, CMF for cash component mutual funds, GMF for gilt mutual funds, OMF for other than gilt mutual funds and GSE for Government Securities
* Non-Applicable fields should be blank or as specified in table above

The return files giving the status of the acceptance/rejection of the release request will be available through the collateral interface for members (CIM) at the following path Collateral Release > Download Return File. The file naming convention for the same will be S\_RTR\_Member Code\_DDMMYYYY\_NN.csv.

# File Format for transfer of fungible securities

File name: S\_TRQ\_DDMMYYYY\_NN.CSV

Where S is Segment indicator

TRQ 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*

The file should be uploaded under the option CIM →Collateral Release →File Upload

|  |  |
| --- | --- |
| Segment Indicator | S |
| Member Code | Participant code/ Custodian Code |
| Type of Collateral | ABC |
| Instrument Type | SDP/NMF/CMF/GMF/OMF |
| Instrument Id/ Mode | Blank for SDP/NMF/CMF/OMF  Depository for GSE |
| Custodian code | CDSL or NSDL, in case of SDP/CMF/NMF/OMF/GMF/GSE |
| Security symbol | To be provided only in case of SDP/CMF/NMF/OMF/GMF/GSE |
| Available Quantity | To be provided only in case of SDP/CMF/NMF/OMF/GMF/GSE |
| Amount | To be provided only in case of GSE in Rs. In case of SDP/CMF/NMF/OMF/GMF it should be typed as NA |
| ISIN Code | To be provided only in case of Corporate Bond/OMF/GMF/GSE. In case of SDP/CMF/NMF it should be typed as NA |
| TM Code | TM Code else NA |
| Client / CP Code | Client or CP code else NA |
| Bank Code/ Gsec Ac No | NA for SDP/NMF/CMF/OMF  Custodian Code NSDL/CDSL for GSE |
| Fungibility Flag | Y |
| Destination segment | C/F/X/O//D/S. To be provided for Destination segment transfer |

**File format for Instruction wise release request of securities as collateral**

File name: S\_TRT\_DDMMYYYY\_NN.CSV

Where S is Segment indicator

TRT 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*

The file should be uploaded under the option CIM →Collateral Release →Instruction wise File Upload

|  |  |
| --- | --- |
| Segment Indicator | S |
| Member Code | Participant code/ Custodian Code |
| Type of Collateral | BC /ABC |
| Instrument Type | SDP/NMF/CMF/GMF/OMF |
| Instrument Id/ Mode | Blank for SDP/NMF/CMF/OMF  Depository for GSE |
| Custodian code | CDSL or NSDL, in case of SDP/CMF/NMF/OMF/GMF  NSCCL in case of GSE |
| Security symbol | To be provided only in case of SDP/CMF/NMF/OMF/GMF/GSE |
| Available Quantity | To be provided only in case of SDP/CMF/NMF/OMF/GMF/GSE |
| Amount | To be provided only in case of GSE in Rs. In case of SDP/CMF/NMF/OMF/GMF it should be typed as NA |
| ISIN Code | To be provided only in case of Corporate Bond/OMF/GMF. In case of SDP/CMF/NMF it should be typed as NA |
| TM Code | TM Code else NA |
| Client / CP Code | Client or CP code else NA |
| Bank Code/ Gsec Ac No | NA for SDP/NMF/CMF/OMF  Custodian Code NSDL/CDSL for GSE |
| MPR/PSN | To be provided only in case of SDP/CMF/NMF/OMF/GMF |
| DP ID | To be provided only in case of SDP/CMF/NMF/OMF/GMF |
| Fungibility Flag | Y |
| Destination segment | C/F/X/O//D/S. To be provided for Destination segment transfer |

# Format for allocation of collateral

* All Cash, FDR and fungible BGs placed towards margin deposited by participants shall be available as common pool for allocation to participants prop/Custodial Participant (CP)/Clients.
* Participants can use the file upload mechanism as per the format specified below for allocation of collateral from common pool to participants prop/CP/Clients in any segment where the participant is a CM.
* The amount mentioned in the file would be the final allocation requested amount for the mentioned combination. Accordingly, the value provided in the file shall replace the previous values for the mentioned combination.
* Any amount added as collateral and not allocated shall remain as un-allocated collateral in the common pool. No exposure for the same shall be provided to any entity for such unallocated collateral.
* Participants shall provide records for allocation only where there is change in the value of allocation. In order to avoid rejections of file/API participants shall ensure that records where there is no change in value of allocation are not included.
* Participants shall upload the file allocation in NMASS in Collateral Management module under File allocation menu. Participants shall use intra-day/immediate options for change in allocation.
* In case of non-fungible BGs the same shall be permitted to be allocated by the participants to Prop/CP/Clients in the same segment where the BG has been added

**G-Sec placed through E-Kuber system**

* Participants at time of placing request for addition of G-Sec in Collateral Interface for Members (CIM) shall also be required to allocate the face-value of such G-Sec to Prop/ Prop/CP/Client in respective segment.
* The net-value based on the valuation price and post haircut of such face-value of G-Sec allocated to Prop/Client shall be added to the allocated collateral of the respective Prop/ Prop/CP/Client in the respective segment.

**File Format for allocation**

1. **Allocation File Format**

Member will load the allocation file in NMASS application

* 1. File Format – Comma separated
  2. File nomenclature -

<MEMCODE>\_ALLOC\_<DDMMYYYY>.T<batchno>

MEMCODE – Primary member code

DDMMYYYY – Current business date

Batch No – Batch no will be unique four digit no

* 1. File Structure:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sr. No.** | **Field Details** | **Data Type** | **Length** | **Description** | **Sample Value** |
| 1 | Current Date | String | 11 | DD-MON-YYYY | 01-NOV-2021 |
| 2 | Segment | String | 3 | CM – Cash Market  FO – Future & Options  CD– Currency derivatives  DT– Debt  CO– Commodity  SLB– Securities Lending & Borrowing  TPR– Triparty  OFS– Offer for sale | CM |
| 3 | CM Code | String | 6 | Primary Member Code of Clearing Member | 22222 |
| 4 | TM Code | String | 5 | Trading Member Code |  |
| 5 | CP Code | String | 12 | Custodial Participant Code |  |
| 6 | Cli Code | String | 10 | Client Code |  |
| 7 | Account Type | String | 1 | Prop – P, Client - C | P |
| 8 | Amount | Number | 15,2 | Amount | 10000 |
| 9 | Filler1 | String | 20 | Filler. Reserved for future. |  |
| 10 | Filler2 | String | 20 | Filler. Reserved for future. |  |
| 11 | Filler3 | String | 20 | Filler. Reserved for future. |  |
| 12 | Filler4 | String | 20 | Filler. Reserved for future. |  |
| 13 | Filler5 | String | 20 | Filler. Reserved for future. |  |
| 14 | Filler6 | String | 20 | Filler. Reserved for future. |  |
| 15 | Action \* | String | 1 | U- Upward, D-Downward | D |

**Note:**

1. Max 10000 records will be accepted in allocation file.
2. The amount mentioned in the file would be the final allocation requested amount for the mentioned combination. Accordingly, the value provided in the file shall replace the previous values for the mentioned combination.
3. In case of allocation to CM Prop, values in TM Code, CP Code, Cli Code will be blank
4. In case of allocation to TM Prop, values in CP Code, Cli Code will be blank
5. In case of allocation to CP, values in TM Code, Cli Code will be blank
6. Examples of various records are as under

|  |  |  |
| --- | --- | --- |
| Sr.no | Particulars | Record Format |
| 1 | CM Prop allocation record | 01-NOV-2021,CM,22222,,,,P,1000,,,,,,,U |
| 2 | TM Prop allocation record | 01-NOV-2021,CM,22222,11111,,,P,1000,,,,,,,U |
| 3 | CP allocation record | 01-NOV-2021,CM,22222,,ABCD,,C,1000,,,,,,,U |
| 4 | Client allocation record | 01-NOV-2021,CM,22222,11111,,XYZ,C,1000,,,,,,,U |
| 5 | Increasing client allocation from 1000 to 2000 | 01-NOV-2021,CM,22222,11111,,XYZ,C,2000,,,,,,,U |
| 6 | Reducing client allocation from 2000 to 1000 | 01-NOV-2021,CM,22222,11111,,XYZ,C,1000,,,,,,,D |
| 7 | Reducing client allocation to 0 | 01-NOV-2021,CM,22222,11111,,XYZ,C,0,,,,,,,D |

\*Change in allocation request shall be processed irrespective of the flag populated in the action field. Change in allocation resulting in increase in allocation value shall be processed only if sufficient amount is available in collateral pool

1. **Return File**

On receiving the return file, member would be able to view the final status of the request. Member will get the return file with same batch no with extension starts with ‘S’ as a response in NMASS application.

* 1. Return file for Allocation
     1. File Format – Comma separated
     2. File Nomenclature -

<MEMCODE>\_ALLOC\_<DDMMYYYY>.S<BATCHNO>

* + 1. File format of status enquiry file for Allocation –

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sr. No.** | **Field Details** | **Data Type** | **Length** | **Description** | **Sample Value** |
| 1 | Current Date | String | 11 | DD-MON-YYYY | 01-NOV-2021 |
| 2 | Segment | String | 3 | CM – Cash Market  FO – Future & Options  CD– Currency derivatives  DT– Debt  CO– Commodity  SLB– Securities Lending & Borrowing  TPR– Triparty  OFS– Offer for sale | CM |
| 3 | CM Code | String | 6 | Primary Member Code | 22222 |
| 4 | TM Code | String | 5 | TM Code |  |
| 5 | CP Code | String | 12 | CP Code |  |
| 6 | Cli Code | String | 10 | Cli Code |  |
| 7 | Account Type | String | 1 | Prop – P, Cli - C | P |
| 8 | Amount | Number | 15,2 | Amount | 10000 |
| 9 | Filler1 | String | 20 | Filler. Reserved for future. |  |
| 10 | Filler2 | String | 20 | Filler. Reserved for future. |  |
| 11 | Filler3 | String | 20 | Filler. Reserved for future. |  |
| 12 | Filler4 | String | 20 | Filler. Reserved for future. |  |
| 13 | Filler5 | String | 20 | Filler. Reserved for future. |  |
| 14 | Filler6 | String | 20 | Filler. Reserved for future. |  |
| 15 | Action | String | 1 | U- Upward, D-Downward | D |
| 16 | Error Code | Number | 8 | Error code | 01050100 |

**Validations**

* Response code shall be populated in the field “**Error Code**” in the return file.It shall be of below format
* First four characters (Field Identifier):  refers to specific field or the entire message
* Next characters (Validation code): refers to specific validation failure or success. Success code shall be populated only on successful acceptance of the record.

**Field Identifier**

| **Sr. No.** | **Field Name** | **Field Code** |
| --- | --- | --- |
| 1 | Entire Record | 0105 |
| 2 | Current Date | 0107 |
| 3 | Segment | 0108 |
| 4 | CM Code | 0109 |
| 5 | TM Code | 0110 |
| 6 | CP Code | 0111 |
| 7 | Client Code | 0112 |
| 8 | Account Type | 0113 |
| 9 | Amount | 0114 |
| 10 | Action | 0115 |
| 11 | Filler1 | 0116 |
| 12 | Filler2 | 0117 |
| 13 | Filler3 | 0118 |
| 14 | Filler4 | 0119 |
| 15 | Filler5 | 0120 |
| 16 | Filler6 | 0121 |

**Validation Codes:**

| **Sr. No.** | **Validation** | **Validation Type** | **Validation**  **Code** | **Validation performed on Field** |
| --- | --- | --- | --- | --- |
| 1 | Submitted to server successfully. | Message Level | NA | NA |
| 2 | Status  Request Rejected due to higher margin utilization - 0103  Request partially accepted due to higher margin utilization – 0104  Request accepted successfully - 0100  Processing - 0102 | Request level | 0103  0104  0100  0102 | Entire request |
| 3 | Minimum Required Length | Generic | 0201 | All Fields \* |
| 4 | Maximum Required Length | Generic | 0202 | All Fields \* |
| 5 | Range validation | Generic | 0203 | All Fields \* |
| 6 | Mandatory Field | Generic | 0204 | All Fields \* |
| 7 | Special Characters not allowed | Generic | 0205 | All Fields \* |
| 8 | Data Format like Msg Id or File Name/ Date Format | Generic | 0206 | All Fields \* |
| 9 | Minimum allowed value | Generic | 0207 | All Fields \* |
| 10 | Maximum allowed value | Generic | 0208 | All Fields \* |
| 11 | Invalid Value | Generic | 0209 | All Fields\* |
| 12 | Duplicate MsgID /File Name | Generic | 0210 | All Fields \* |
| 13 | Service Unavailable | Generic | 0212 | NA |
| 14 | System Error | Generic | 0213 | NA |
| 15 | Number of records | Generic | 0214 | Number of records submitted is greater than configured allowed records per request |
| 16 | Current Date | Field | 0217 | Current Date |
| 17 | Segment  Valid segment  CM  FO  CD  DT  SLB | Field | 0218 | Segment |
| 18 | Primary Member Code | Field | 0219 | CM Code |
| 19 | Trading Member Code  Should be the part of valid CM-TM link of specified segment | Field | 0220 | TM Code |
| 20 | CP code  Should be the part of valid CM-TM link of specified segment | Field | 0221 | CP Code |
| 21 | Account Type  P – Prop  C - Cli | Field | 0222 | Account Type |
| 22 | Upward or downward | Field | 0224 | Action |
| 23 | No Margin Found | Field | 0122 |  |
| 24 | Insufficient allocation amount | Field | 0123 | Amount |

1. Examples for allocation of fresh collateral

CM adds following collateral

Cash – Rs 1,00,00,000

FDR - Rs.5,00,00,000

BG – Rs 3,00,00,000

Total – Rs 9,00,00,000

Current and Proposed Allocation

|  |  |  |
| --- | --- | --- |
| **Entity** | **Amount already Allocated** | **Amount Proposed to be allocated** |
| CM 1 Prop | 10,00,00,000 | 11,00,00,000 |
| CP 1 | 3,00,00,000 | 3,50,00,000 |
| TM XYZ Prop | 4,00,00,000 | 5,00,00,000 |
| TM XYZ Cli ABC | 0 | 1,00,00,000 |
| TM XYZ Cli DEF | 50,00,000 | 1,00,00,000 |
| TM 123 Prop | 5,00,00,000 | 7,00,00,000 |
| TM 123 Cli 456 | 50,00,000 | 3,50,00,000 |
| **Total** | **23,00,00,000** | **32,00,00,000** |

The file to be uploaded by the CM shall have following records

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Current Date** | **Seg** | **CM Code** | **TM Code** | **CP Code** | **Cli Code** | **Acc Type** | **Amount** | **Filler1** | **Filler2** | **Filler3** | **Filler4** | **Filler5** | **Filler6** | **Action** |
| 01-Mar-22 | CM | CM1 |  |  |  | P | 11,00,00,000 |  |  |  |  |  |  | U |
| 01-Mar-22 | CM | CM1 |  | CP1 |  | C | 3,50,00,000 |  |  |  |  |  |  | U |
| 01-Mar-22 | CM | CM1 | XYZ |  |  | P | 5,00,00,000 |  |  |  |  |  |  | U |
| 01-Mar-22 | CM | CM1 | XYZ |  | ABC | C | 1,00,00,000 |  |  |  |  |  |  | U |
| 01-Mar-22 | CM | CM1 | XYZ |  | DEF | C | 1,00,00,000 |  |  |  |  |  |  | U |
| 01-Mar-22 | CM | CM1 | 123 |  |  | P | 7,00,00,000 |  |  |  |  |  |  | U |
| 01-Mar-22 | CM | CM1 | 123 |  | 456 | C | 3,50,00,000 |  |  |  |  |  |  | U |

# Example for collateral valuation

Consider the following example of collateral provided by various entities under a Participant. Suppose the securities are pledged in the same sequence as the rows in the following table.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Entity** | **Cash-equivalent**  **(A)** | **Non-cash  (B)** | **Excess cash-eq.**  **If(A>B,A-B,0)** | **Excess noncash**  **If(B>A,B-A,0)** |
| Participant Prop | 100 | 40 | 60 | 0 |
| Cli-1 | 200 | 250 | 0 | 50 |
| Cli-2 | 70 | 10 | 60 | 0 |
| Cli-3 | 70 | 100 | 0 | 30 |

The excess cash-equivalent collateral of Cli-2 cannot be used to offset the excess non-cash collateral of Cli-1 and Cli-3. Therefore, there will be excess non-cash collateral to the extent of 80 (50 for Cli-1 and 30 for Cli-3).

Summary of excess cash-equivalent and excess non-cash collateral would be as under:

|  |  |  |
| --- | --- | --- |
| **Entity** | **Excess Cash-eq** | **Excess noncash** |
| Prop | 60 | - |
| Cli-1 | - | 50 |
| Cli-3 | - | 30 |

The entities who will get benefit would be identified on FIFO basis of margin utilisation. Accordingly, considering the clients trade in order as Cli 3 first and Cli 1 second then collateral considered as per margin utilisation shall be as under

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Entity** | **Cash-equivalent**  **(A)** | **Non-cash  (B)** | **Margins** | **Collateral considered** | **Collateral Not considered** |
| Cli-3 | 70 | 100 | 170 | 170 | 0 |
| Cli-1 | 200 | 250 | 450 | 430 | 20 |

# Example for change in collateral allocation

1. **Examples for checking for change in allocation**

Suppose a Participant has following collateral:

|  |  |
| --- | --- |
| **Entity** | **Cash (Rs)** |
| Participant Prop | 200 |
| Cli-1 | 200 |
| Cli-2 | 200 |

Out of the total available cash of Rs 600, suppose the Participant has provided an FDR of Rs 400 to the CC (with Rs 200 cash remaining with the member). Suppose, the FDR provided to the CC is allocated by the Participant as follows. Here, the Participant has chosen not to allocate any collateral to Cli-2 in the total collateral placed with the CC:

|  |  |
| --- | --- |
| **Entity** | **Collateral allocated (Rs)** |
| Participant Prop | 200 |
| Cli-1 | 200 |

Suppose the margin requirement is as follows:

|  |  |  |
| --- | --- | --- |
| **Entity** | **Collateral (Rs)** | **Margin blocked (Rs)** |
| Participant Prop | 200 | 160 |
| Cli-1 | 200 | 150 |

Change in allocation: Example 1

Participant shall be permitted to change the allocation as follows (i.e. the Participant chooses to consider the cash retained with it to be as Rs 50 belonging to Cli-1 and Rs 150 belonging to Cli-2):

|  |  |
| --- | --- |
| **Entity** | **Collateral (Rs)** |
| Participant Prop | 200 |
| Cli-1 | 150 |
| Cli-2 | 50 |

Change in allocation: Example 2

Participant shall not be permitted to change the allocation as follows (i.e. the Participant chooses to consider the cash retained with it to be as Rs 100 belonging to each client):

|  |  |
| --- | --- |
| **Entity** | **Collateral (Rs)** |
| CM Prop | 200 |
| Cli-1 | 100 |
| Cli-2 | 100 |

This allocation shall not be permitted since Cli-1 has a margin requirement of Rs 150.

1. **Examples for change in allocation to other segments and for release**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Current** | | | **Proposed** | | |
| **Entity** | **Seg** | **Amount** | **Entity** | **Seg** | **Amount** |
| Participant 1 Prop | SB | 10,00,00,000 | Participant 1 Prop | SB | 5,00,00,000 |
| CM 1 Prop | FO | 3,00,00,000 | CM 1 Prop | FO | 6,00,00,000 |
| TM XYZ Prop | CM | 4,00,00,000 | TM XYZ Prop | CM | 2,00,00,000 |
| TM XYZ Cli ABC | CM | 0 | TM XYZ Cli ABC | FO | 2,00,00,000 |
| TM XYZ Cli DEF | CM | 50,00,000 | TM XYZ Cli DEF | FO | 50,00,000 |
| TM 123 Prop | CM | 5,00,00,000 | TM 123 Prop | CM | 2,50,00,000 |
| TM 123 Cli 456 | CM | 50,00,000 | TM 123 Cli 456 | CM | 0 |
| Unallocated | - | 0 | Unallocated (For release) | - | 5,00,00,000 |
| Total |  | 23,00,00,000 |  |  | 23,00,00,000 |

**Records to be uploaded in file/API shall be**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Current Date | Seg | CM Code | TM Code | CP Code | Cli Code | Acc Type | Amount | Filler1 | Filler2 | Filler3 | Filler4 | Filler5 | Filler6 | Action |
| 01-Mar-22 | SB | CM1 |  |  |  | P | 5,00,00,000 |  |  |  |  |  |  | D |
| 01-Mar-22 | CM | CM1 | XYZ |  |  | P | 2,00,00,000 |  |  |  |  |  |  | D |
| 01-Mar-22 | CM | CM1 | XYZ |  | DEF | C | 0 |  |  |  |  |  |  | D |
| 01-Mar-22 | CM | CM1 | 123 |  |  | P | 2,50,00,000 |  |  |  |  |  |  | D |
| 01-Mar-22 | CM | CM1 | 123 |  | 456 | C | 0 |  |  |  |  |  |  | D |
| 01-Mar-22 | FO | CM1 |  |  |  | P | 6,00,00,000 |  |  |  |  |  |  | U |
| 01-Mar-22 | FO | CM1 | XYZ |  | ABC | C | 2,00,00,000 |  |  |  |  |  |  | U |
| 01-Mar-22 | FO | CM1 | XYZ |  | DEF | C | 50,00,000 |  |  |  |  |  |  | U |

All downward allocation records to be sent/kept before the upward allocation records

# Format of letter from Participants/Custodians for opening SLBS EPI account for CDSL

(To be typed on participant’s letter head)

Date:

From: [Participant/Custodian Name and address]

To:

NSE Clearing Limited

Exchange Plaza,

Plot C/1, G Block,

Bandra Kurla Complex, Bandra East,

Mumbai - 400051

Dear Sir,

Sub: Account for early payin of securities through CDSL for SLBS

We are interested in making early payin of securities through CDSL. We therefore request you to open an early payin account based on the details given hereunder:

S. No. Description

1. Name of the Participant/Custodian

2. Participant/Custodian Code

3. SEBI Registration Number

4. Address (for Communication)

5. City

6. State

7. Country

8. Pincode

9. CDSL Clearing Account No. (Copy of client master of CDSL pool account)

10. PAN No. (Copy of PAN card should be enclosed for verification)

11. Dividend Bank account details (Copy of cancelled cheque for updation)

We hereby authorise NCL to operate the above stated account on our behalf and execute transactions as may be deemed necessary. Further, we hereby authorise NCL to debit our account towards any charges that may be levied by CDSL on account of transactions in this account.

We would request you to advise us the account number allotted to us for this purpose.

Yours Sincerely

Signature of Authorised signatory of the Participant / Custodian

(Full Name of the Authorised signatory of the Participant / Custodian and contact no.)

# Format of client file for Early pay-in of securities for first leg transaction

Format of files to be uploaded by the participant giving client and quantity details

The file should be in CSV format.

**Naming convention:**

CLNTEPI\_L\_YYYYMMDD.Ynn

where,

XXXXX - Is the participant code

YYYYMMDD - Date in YYYYMMDD format

Y - The file indicator (T in this case for upload)

nn - The batch number of file to be uploaded.

**Control record:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr. No.** | **Field** | **Length** | **Mandatory/**  **Option** | **Description** |
| 1. | Record Type | CHAR(2) | Mandatory | Value = 01 |
| 2. | File Type | CHAR(4) | Mandatory | Value = CLEP |
| 3. | Participant Type | CHAR(1) | Mandatory | Participant Type (M for Participant/ C for Custodian) |
| 4. | Participant Code | CHAR(5) | Mandatory | Participant/Custodian code |
| 5. | Batch Date | CHAR(8) | Mandatory | Format : DDMMYYYY  Should be same as that in the file name. |
| 6. | Batch number | Number(2) | Mandatory | The batch number of the file sent. |
| 7. | Number of records | Number(7) | Mandatory | Total number of records in the file |

**Detail record:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr. No.** | **Field** | **Length** | **Mandatory/**  **Option** | **Description** |
| 1. | Record Type | CHAR(2) | Mandatory | Value = 20 |
| 2. | Symbol | CHAR(10) | Mandatory |  |
| 3. | Series | CHAR(2) | Mandatory | Ex ‘01’ / ‘X1’ |
| 4. | Client Code | CHAR(20) | Mandatory |  |
| 5. | Settlement Type | CHAR(1) | Mandatory | L |
| 6. | Settlement No | CHAR(7) | Mandatory |  |
| 7. | Early Payin Quantity | NUMBER | Mandatory |  |

**Return file**

In case the file uploaded by the particpant gets rejected, then the file extension ‘Tnn’ will get replaced with ‘Rnn’ and the return file will be downloaded to the participant in CEP directory. The control record in the file will have R appended. A file may get rejected due to error in header record such as incorrect member type, incorrect participant code, incorrect date or date format, incorrect record no, incorrect batch number, quantity mismatch with detailed records, or insertion of blank record in the file.

The naming convention for return files will be:

<XXXXX>\_CLNTEPI\_L\_YYYYMMDD.Rnn

In case the file is accepted (success) then the file extension ‘Tnn’ will get replaced with ‘Snn’ and the return file will be downloaded to the participants in CEP directory. The return file with extension ‘Snn’ will have S appended for successful records and R appended for rejected records.

The naming convention for return files will be:

<XXXXX>\_CLNTEPI\_L\_YYYYMMDD.Snn

* + S shall be appended for successful records and R shall be appended for rejected records.
  + A detailed record may get rejected for
* Invalid symbol, series and settlement number
* Client code is null or greater than 20
* Quantity is null or fraction
* Error in format of any of the field of that record

**Note:**

1. Participant should mention the total quantity for the clients to whom EPI needs to be allocated. If participant wants to change the EPI once allocated to a client, the same needs to be provided in the next file with the revised quantity and the old quantity will get updated with the revised quantity. If participant wants to remove the EPI benefit given earlier to a client, a record needs to be sent in the subsequent file with the revised quantity as zero. Where the quantity is specified for a client as zero the client will become eligible for random allocation.
2. Wherever allocation is specified by the participant for a client -security-settlement type- settlement number, EPI will be specifically allocated to that client irrespective whether the client has any outstanding sell position or not and such clients shall not be considered for random allocation. Even if the client is allocated excess EPI, the excess will not be considered in the pool for random allocation.
3. Where the participant has to provide EPI for his proprietary position, he has to specify client code as his participant code
4. At the end of the day EPI allocation will be done on the same lines as intraday i.e. first specific and then random.
5. Specific client level EPI should be given only for all open settlements.
6. Participant are requested to verify the benefit received in the EPI report downloaded.

**EPI Allocation details downloaded to the members - File format**

A file will be downloaded to the participant in the CEP directory providing the following details. The file name shall be

<XXXXX>\_CEPYYYYMMDD.Dnn

XXXXX - Is the participant code

YYYYMMDD - Date in YYYYMMDD format

D - The file indicator

nn - The batch number of file to be uploaded.

Report file structure is as follows:

**Control record**

10,DDMMYYYY, Participant /Custodian code, Number of Records

**Detail record (Allocated Quantity)**

20, Settlement Type, Settlement Number, Symbol, Series, Client Code, Quantity Requested, Quantity Allocated

**Detail record (Balance Quantity)**

30, Settlement Type, Settlement Number, Symbol, Series, Balance Quantity

# Example for blocking of margins

Suppose the total collateral (allocated collateral plus securities collateral placed through margin pledge/ repledge to CC) available against various entities are as given below.

|  |  |
| --- | --- |
| **Entity** | **Collateral (Rs)** |
| Participant Prop | 1000 |
| Cli-1 | 300 |
| Cli-2 | 300 |

* Trade-1: Cli-2 trades with margin requirement of Rs 100. Blocking of margin shall be as follows:

|  |  |  |
| --- | --- | --- |
| **Entity** | **Collateral (Rs)** | **Blocking (Rs)** |
| Participant Prop | 1000 | 0 |
| Cli-1 | 300 | 0 |
| Cli-2 | 300 | 100 |

* Trade-2: Cli-1 trades with margin requirement of Rs 600. Blocking shall be as follows:

|  |  |  |
| --- | --- | --- |
| **Entity** | **Collateral (Rs)** | **Blocking (Rs)** |
| Participant Prop | 1000 | 300 |
| Cli-1 | 300 | 300 |
| Cli-2 | 300 | 100 |

* Trade-3: Cli-2 trades with revised margin requirement for Cli-2 of Rs 600. Blocking shall be as follows:

|  |  |  |
| --- | --- | --- |
| **Entity** | **Collateral (Rs)** | **Blocking (Rs)** |
| Participant Prop | 1000 | 600 |
| TM-1 Cli-1 | 300 | 300 |
| TM-1 Cli-2 | 300 | 300 |

* Trade-4: Cli-2 trades with revised margin requirement for Cli-2 of Rs 900. Blocking shall be as follows:

|  |  |  |
| --- | --- | --- |
| **Entity** | **Collateral (Rs)** | **Blocking (Rs)** |
| Participant Prop | 1000 | 900 |
| Cli-1 | 300 | 300 |
| Cli-2 | 300 | 300 |

In the above examples, the collateral of Rs 900 blocked from the Participant Prop, shall be deemed to be allocated to Cli-1 and Cli-2. The deemed allocation would be as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Client** | **Margin (Rs)** | **Blocked from client collateral (Rs)** | **Deemed allocation from Participant** **Prop (Rs)** |
| TM-1 Cli-1 | 600 | 300 | 900 |
| TM-1 Cli-2 | 900 | 300 |

# List of contracts

1. Contracts which shall be mandatorily foreclosed in the event of AGM/EGM

|  |  |  |  |
| --- | --- | --- | --- |
| **Regular Contracts** | **Rollover series** | **Rollover from (Source series)** | **Rollover to (Target series)** |
| 01 | JF | 01 | 02 |
| 02 | JM | 01 | 03 |
| 03 | FM | 02 | 03 |
| 04 | FA | 02 | 04 |
| 05 | MA | 03 | 04 |
| 06 | MM | 03 | 05 |
| 07 | AM | 04 | 05 |
| 08 | AJ | 04 | 06 |
| 09 | MJ | 05 | 06 |
| 10 | ML | 05 | 07 |
| 11 | JL | 06 | 07 |
| 12 | JA | 06 | 08 |
|  | LA | 07 | 08 |
|  | LS | 07 | 09 |
|  | AS | 08 | 09 |
|  | AO | 08 | 10 |
|  | SO | 09 | 10 |
|  | SN | 09 | 11 |
|  | ON | 10 | 11 |
|  | OD | 10 | 12 |
|  | ND | 11 | 12 |
|  | NJ | 11 | 01 |
|  | DJ | 12 | 01 |
|  | DF | 12 | 02 |

1. Contracts which shall not be foreclosed in the event of AGM/EGM

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Months** | **New Contracts** | **New Rollover series** | **Rollover from (Source series)** | **Rollover to (Target series)** |
| January | X1 | J1 | X1 | X2 |
| February | X2 | J2 | X1 | X3 |
| March | X3 | F1 | X2 | X3 |
| April | X4 | F2 | X2 | X4 |
| May | X5 | M1 | X3 | X4 |
| June | X6 | M2 | X3 | X5 |
| July | X7 | A1 | X4 | X5 |
| August | X8 | A2 | X4 | X6 |
| September | X9 | Y1 | X5 | X6 |
| October | XO | Y2 | X5 | X7 |
| November | XN | U1 | X6 | X7 |
| December | XD | U2 | X6 | X8 |
|  |  | L1 | X7 | X8 |
|  |  | L2 | X7 | X9 |
|  |  | G1 | X8 | X9 |
|  |  | G2 | X8 | XO |
|  |  | S1 | X9 | XO |
|  |  | S2 | X9 | XN |
|  |  | O1 | XO | XN |
|  |  | O2 | XO | XD |
|  |  | N1 | XN | XD |
|  |  | N2 | XN | X1 |
|  |  | D1 | XD | X1 |
|  |  | D2 | XD | X2 |

# List of Rollover series

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Rollover series** | **Rollover from (Source series)** | **Rollover to (Target series)** | **New Rollover series** | **Rollover from (Source series)** | **Rollover to (Target series)** |
| JF | 01 | 02 | J1 | X1 | X2 |
| JM | 01 | 03 | J2 | X1 | X3 |
| FM | 02 | 03 | F1 | X2 | X3 |
| FA | 02 | 04 | F2 | X2 | X4 |
| MA | 03 | 04 | M1 | X3 | X4 |
| MM | 03 | 05 | M2 | X3 | X5 |
| AM | 04 | 05 | A1 | X4 | X5 |
| AJ | 04 | 06 | A2 | X4 | X6 |
| MJ | 05 | 06 | Y1 | X5 | X6 |
| ML | 05 | 07 | Y2 | X5 | X7 |
| JL | 06 | 07 | U1 | X6 | X7 |
| JA | 06 | 08 | U2 | X6 | X8 |
| LA | 07 | 08 | L1 | X7 | X8 |
| LS | 07 | 09 | L2 | X7 | X9 |
| AS | 08 | 09 | G1 | X8 | X9 |
| AO | 08 | 10 | G2 | X8 | XO |
| SO | 09 | 10 | S1 | X9 | XO |
| SN | 09 | 11 | S2 | X9 | XN |
| ON | 10 | 11 | O1 | XO | XN |
| OD | 10 | 12 | O2 | XO | XD |
| ND | 11 | 12 | N1 | XN | XD |
| NJ | 11 | 01 | N2 | XN | X1 |
| DJ | 12 | 01 | D1 | XD | X1 |
| DF | 12 | 02 | D2 | XD | X2 |

# Format of Confirmation Memo

**NAME OF PARTICIPANT**

REGISTERED OFFICE ADDRESS

**(PARTICIPANT OF SECURITIES LENDING & BORROWING SCHEME OF NSE CLEARING LIMITED [AI])**

**(SEBI REGISTRATION NO. -------------)**

**SECURITIES LENDING & BORROWING CONFIRMATION MEMO**

**Confirmation memo issued by Participant acting for Client**

|  |  |  |
| --- | --- | --- |
| Dealing Office Address of the Participant  Tel. No.  Fax. No. | To: Name of the Client  Address of the Client:  Unique Client Code:  PAN of Client: | Confirmation Memo No:  Transaction Date :  SLB session No :  Return session no. |

Dear sir / madam,

I/We have this day done by your order and on your account the following transactions in the SLB session

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | “Securities Borrowed for you | | | | | | | | | “Securities Lent for you | | | | | |
| Order No. | Order Time | Transaction No. | Transaction Time | Kind of Security | Quantity | SBP | | | Borrowing fees | | Net rate | | Processing charge | | SLP | Lending fees | | Net rate | Processing charge | |
|  |  |  |  |  |  |  | | |  | |  | |  | |  |  | |  |  | |
| TOTAL | | | | | | |  | | | | | | | |  | | | | | |
|  |  |  |  |  |  | |  |  | |  | |  | |  | | |  |  | |  | |  |

|  |  |
| --- | --- |
| Total Borrowing at SBP:Rs\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Total Borrowing Fees: Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Total Processing Charges: Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  You are requested to issue a cheque for Rs\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Total Lending at SLP: Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Total Lending Fees: Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Total Processing Charges: Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  You are requested to credit our pool a/c with securities by \_\_\_\_\_\_\_\_\_\_\_\_\_ (date) |

Other levies (if any):\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Your a/c will be debited / credited towards Securities Lending & Borrowing for Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

In matters where theAI is a party to the dispute, the Civil Courts at Mumbai shall have exclusive jurisdiction.

This memo constitutes and shall be deemed to constitute an agreement between you and me/us, and in the event of any claim (whether admitted or not ), difference or dispute in respect of any transactions, of a date prior or subsequent to the date of this confirmation memo (including any question whether such transactions have been entered into or not ) shall be referred to arbitration as provided in Part B of the Master Agreement between the Participant and Client.

Date: **Yours faithfully,**

Place:

For \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Name of Participant)

Name & Signature of Partner / Proprietor / Authorised Signatory