

### **Operating Guidelines for use of the NSEIL e-ETF Platform**

These operating guidelines (the “Operating Guidelines”) shall be applicable to all Participants who use the e-ETF platform (“the Platform”) of National Stock Exchange of India Limited (“NSEIL”) to participate in Further Fund Offers (“Offers”) for subscription for units of various Exchange Traded Funds (ETF Units). Participants shall apply for ETF Units using the network and order collection mechanism provided by NSEIL. Funds collection for bids to subscribe to ETF Units shall be carried out by NSEIL through the agency of National Securities Clearing Corporation Ltd. (NSCCL), a 100% subsidiary of NSEIL by adopting NSCCL’s funds collection mechanism in Capital Market Segment.

All capitalized terms not defined herein shall have the meaning respectively assigned to them under the Terms and Conditions.

#### **1 Market/Issue/Subscription hours**

The subscription hours for ETF Units shall be from 9 am to 6 pm during the subscription period or as may be specified/extended by NSEIL from time to time.

#### **2 ETF Units Subscription requirements**

- a. Subscriptions on the Platform shall be based on application amounts, or as may be otherwise specified by the Asset Management Companies (“AMC”) issuing the ETF Units, or its Registrar and Transfer Agent (“RTA”), in accordance with the scheme information/offer document.
- b. The minimum & maximum subscription amounts shall be as specified by NSEIL/the AMC from time to time.
- c. **The AMC/RTA shall be solely responsible for allotment, determination of allotment price and shall provide the refund of subscription amount (if any) to NSCCL in order to refund the same to Participants.**
- d. The details and terms of any Offer shall be as specified by the Government of India/the Securities and Exchange Board of India /Association of Mutual Funds of India/the AMC from time to time.

- e. There will be no recourse to the settlement guarantee fund, the investor grievance redressal mechanism, the arbitration mechanism or the investor protection fund of NSEIL, as applicable to transactions subject to NSEIL's Bye Laws, Rules and Regulations, for the participation in Offers on the Platform.

### **3 Application Entry, Modification & Cancellation**

- a. A fully automated online subscription collection system called e-ETF under E-IPO shall be available. Participants can enter the applicant/subscription details from order entry panel and/or from bulk upload facility.
- b. Only Depository Mode shall be available.
- c. Modification & Cancellation of subscription/application shall be allowed **only on the day of entry** till the subscription hours and as specified by the Exchange from time to time.
- d. Bids for subscriptions for ETF Units on the Platform can be placed by clients/person(s) holding Demat accounts in single or joint names. However, the applicant(s) should provide the name and PAN of the person whose name appears first in the depository account during subscription/application entry. The joint holder(s) of such demat accounts, if any, would be deemed to have subscribed to the units of the ETF. Applicant(s) should note that on the basis of information uploaded on the Platform such as first holder's PAN details, Depository name, Depository participants identification number and Beneficiary Account number linked with those details, etc., the AMC/RTA will obtain necessary details for paying refunds (if any) from the Depository, including the details of joint holder(s) (if any).
- e. **Important Points for Clients participating through Demat Mode:-**
  - If the subscriptions/applications are rejected on issue close date due to depository validation, for such subscription/applications only a limited modification facility shall be provided on the Platform on subscription close date post depository validation or as may be specified/extended by NSEIL from time to time.
  - From the Demat details provided by the Participants, the AMC/RTA will extract relevant information of clients from depositories, for allotment & refund (if any) purpose. For all future procedures, information available with demat account will be used.

#### **4 Fund Collection and Remittance Mechanism**

- a. NSCCL shall facilitate funds collection & remittance related activities for transactions on the Platform.
- b. The procedure for collection of funds and remittance mechanism is provided in Point 5 (Detailed procedure for application, fund collection, and remittance).

#### **5 Detailed Procedure for subscription/application, fund collection, and remittance**

##### **A. Subscription/Application process**

##### **During the subscription period (T Day)**

- a. Clients will provide subscription request(s) to their respective Participants along with funds.
- b. Participants shall be solely responsible for the completion of the necessary KYC/FATCA related formalities involving their Clients, and also record/document the prior consent of their Clients to participate and bid.
- c. Participants are requested to maintain records of the subscription request details received from the client.
- d. After completing the verification, Participants shall enter the subscription bid/application on the Platform (www.nseindiaipo.com) under –**Misc tab in ‘e-ETF’**.
- e. Bulk upload facility shall be available, The Format of the bulk upload file is provided in Annexure 5.
- f. Once the subscription/application is submitted, system will generate a unique order number.
- g. Participants shall provide subscription/transaction confirmations to their Clients.
- h. NSEIL will validate these subscription/applications at end of day with the respective depository and any discrepancy observed in Demat (DP & Beneficiary ID) and/or PAN details will result in rejection of application. NSEIL shall forward/update the details of such rejections to the Participants.
- i. In case of mismatch in Demat (DP & Beneficiary ID) and/or PAN details for subscription request entered **on last day of subscription period**, details of such mismatch will be provided and a limited subscription/application modification facility shall be available on the e-ETF platform on the last day post depository validation. The Participants can only modify demat and PAN details only once.

- j. NSEIL will forward the subscription details to AMC. This information will be used for further processing. The Participants and client have to ensure that the accurate information is updated in the demat account.
- k. NSCCL shall provide end of day report to the Participants for the subscription amounts to be paid on T+1 day.

### **Next Day (T+1)**

- a. The Participants may want to withdraw a subscription/application submitted on T-day, before the funds are collected by NSCCL, for the reasons like client failed to provide funds etc. Therefore, NSCCL shall provide a facility to the Participants to submit Application Withdrawal Request. The facility shall be provided through Member CIM login under the ETF tab. The Participant is required to submit Application Withdrawal Request on or before the cut off time as specified in item 8 (“Cut off time for Subscription/Application Withdrawal Request by Participant”). NSCCL shall process withdrawn subscription requests and shall not consider such requests for further processing.
- b. The Participants shall provide for requisite funds in its designated primary clearing bank account in the capital market segment (“clearing bank account”) on or before the cut off time as specified in item 8 (“Cut off time to provide clear funds for funds collection”).
- c. If the Participant fails to provide total subscription amount (either in partial or in full) at the cut off time, NSCCL shall reject all valid T day subscription requests of such Participant. Partial amount recovered, if any, shall be refunded subsequently to the Participant’s clearing bank account. NSCCL shall not consider such subscription requests for further processing.
- d. NSCCL shall facilitate inquiry of funds collection status through e-ETF.

### **Subscription Period Closure day Activities**

- a. On the subscription period close day (T day) Exchange shall place the subscription/application for modification as per the mismatch report from the respective depositories. The Participants can modify the demat details or PAN of such subscription/applications post depository validation or as such time specified by NSEIL from time to time.

- b. NSEIL shall revalidate such modified subscription/applications with the respective depositories. The valid subscription/applications shall be sent for further processing to NSCCL. Invalid subscription/applications will be rejected.
- c. NSCCL shall provide end of day report to the Participants for the subscription amounts to be paid on T+1 day.

**B. Information available to Participants:**

- a. NSEIL shall update depository validation status of the subscriptions/applications entered on T day. This information shall be available on the e-ETF platform.
- b. NSEIL shall update subscription/application status based on information received from Depositories, NSCCL and RTA/AMC on e-ETF System.
- c. NSCCL shall provide the Participants with following reports:
  - i. On T Day: Funds pay-in report all the valid transactions entered on T day.
  - ii. On T+1 Day: Status of applications entered on T day
  - iii. On allotment: Allotment details.

**6 Allotment & Refund**

The allotment of the ETF/units application/subscription amount shall be handled by respective AMC/RTA. The AMC/ RTA shall provide the refund of subscription amount (if any) to NSCCL in order to refund the same to Participants. NSCCL shall refund the amount to the participants as per the details received from AMC/RTA. The participants shall liable to refund the said subscription amount to the Clients on receipt of the same by NSCCL.

**7 Allotment/Refund queries**

For queries on allotment/refund status the Participants are requested to contact respective AMC/RTA. NSEIL and NSCCL shall not be involved in any disputes or queries related to the allotment or refund.

**8 Activity Time line**

A typical time cycle for transaction activities shall be as under:

### Tentative Activity Time line

| Activity                                                                                                                         | Tentative Timelines |
|----------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>During Subscription Period (T day)</b>                                                                                        |                     |
| <b>T day</b>                                                                                                                     |                     |
| Subscription hours                                                                                                               | 09:00 am - 6:00 pm  |
|                                                                                                                                  |                     |
| Funds obligation report                                                                                                          | 7:00 pm             |
| <b>T+1 day</b>                                                                                                                   |                     |
| Cut off time for Subscription/Application Withdrawal Request by Participant                                                      | 09:30 am            |
| Cut off time to provide clear funds for funds collection                                                                         | 10:00 am            |
| Status of subscription/applications of bids entered on T day                                                                     | 02:00 pm            |
|                                                                                                                                  |                     |
| <b>Subscription Closure Day (T Day)</b>                                                                                          |                     |
| Subscription hours                                                                                                               | 09:00 am - 6:00 pm  |
| Modification window for mismatch subscription/application after depository validation- 30 minutes after the bidding closure time | 30 minutes session  |
| <b>T+1 day</b>                                                                                                                   |                     |
| Cut off time for Subscription/Application Withdrawal Request by Participant                                                      | 09:30 am            |
| Cut off time to provide clear funds for funds collection                                                                         | 10:00 am            |