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NATIONAL STOCK EXCHANGE OF INDIA LIMITED

DEPARTMENT : FINANCE & ACCOUNTS	
Download Ref No : NSE/FA/36191	Date : October 27, 2017
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To all the Trading Members in Capital Market Segment

Sub: Scheme for payment of Interest on Member's NSEIL Cash IFSD of Capital Market Segment

In our constant endeavour to bring in new initiatives for the market and based on the market feedback, the exchange is pleased to introduce a scheme for payment of interest on member's Interest Free Security Deposit of Capital Market Segment. The scheme has been designed with a view to improve the overall cost & capital efficiency of the members.

The scheme will be applicable for the period 01st November, 2017 to 31st October, 2018.

The details of the scheme is given in **Annexure 1**.

All members are encouraged to avail the benefits of the scheme.

National Stock Exchange of India Limited

Yatrik Vin
Chief Financial Officer

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Annexure 1

Details of the scheme

- The scheme shall be applicable only to Capital Market segment.
- Interest shall be available to the members to set off against the incremental transaction charges and will be calculated as follows :
  - Interest will be calculated on the NSEIL Membership IFSD of Capital Market at the rate of 3.5% p.a.
  - It will be only calculated on the unencumbered portion of the IFSD including BMC and/or amount utilised towards trading exposure.
  - Interest shall be at the rate as determined by the Exchange from time to time.
  - Interest will be available on proportionate basis only for the period a member remains enabled in the segment during the Financial year
  - Interest will be proportionately available only from the date of commencement of the scheme or for the period of the scheme.
  - Interest shall be made available for set off at the commencement of the Scheme or the start of scheme or every financial year or at the time of first enablement, as the case may be; however, the interest shall be liable to change during the year based on the increase / decrease in the IFSD due to change in constitution, type of membership, interest rate etc.
  - Unutilised Interest, if any at the end of a financial year shall not be carried forward.

- Setoff of transaction charges shall be provided against the available Interest as follows :
  - In any financial year, the setoff available shall not exceed the interest amount available for that particular financial year.
  - Setoff shall be provided on a monthly basis after deducting applicable taxes, if any.
  - Setoff shall be permitted only on transaction charges applicable to incremental volume recorded by the member compared to a benchmark volume during the applicable month.
  - The benchmark volume shall be calculated as average volume of the last 3 months (i.e. Average volume of the member for January to March and July to September) recorded for the member immediately preceding six months during which the benchmark shall be used.
  - Benchmark volume shall be computed twice (1st day of April & October) in each year and shall be applicable for the period of six months (April to September & October to March). However, in case, of the first time implementation of the scheme the benchmark volume will be calculated for the period of 3 months preceding the launch date.
  - In case of members for whom benchmark is not computable due to any reason like new enablement, re-enablement, etc., the Scheme shall not apply till a benchmark is available as per the scheme.
  - In case of any corporate action, change in constitution, bifurcation of business, etc., where the trading member code continues to be the same, the Scheme shall be applicable to the new entity too.
  - In case of any corporate action, change in constitution, bifurcation of business, etc., where a new trading member code emerges, the Scheme shall not be applicable till a benchmark volume can be computed for the member.
  - Example
    - Scheme start date November 01, 2017
    - Benchmark computation period – August 2017 to October 2017
    - Applicability of the benchmark – November 2017 to March 2018
- The Exchange reserves the right to discontinue the Scheme at any point in time by giving a month's notice to the market. The scheme shall end only on the last day of the month.

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