NOTIFICATION

DEFAULT FUND(s)

Date: 25-09-2018

Notification No.:CCIL/CFM/18/91

CollateralWork-FlowProcedureforDefaultFund(s)
with effect from 29th October, 2018

{MembersmaintainingSGLAccountwithReserveBankofIndia(RBI)andCurrentAccountwithRBI or Designated Settlement Bank (DSB)}

We invite your attention to the work flow process for deposit and/ or withdrawal of securities and/ or funds, separately notified in terms of theChapter on '**Default Fund**' (DF) as and when introduced in the Regulations of Securities, Forex Settlement (USD/INR), Forex Forwards and Rupee Derivatives (Guaranteed Settlement) Segment. This work flow processis effective from 29th October, 2018.

Now, as the Default Fund(s) have been introduced in all segments, this common Notification is issued in terms of provisions contained in CCIL's Bye Laws, Rules and Regulations. This notification setsoutthedetailworkflowprocess asunderrelatingtodepositsandwithdrawals of funds and/or securities towards Default Funds in all segments :

I.   General:

1. In terms of its Bye-Laws, Rules and Regulations The Clearing Corporation of India Limited (CCIL) has instituted a distinct Default Fund for its Forex Forward, Forex Settlement, Rupee Derivatives (Guaranteed Settlement) and Securities Segment (including default fund for Tri Party Repo). The Default Funds comprise ofeligible Securities and / or Funds contributions received from the Members of concerned business segment;

2. Each member shall deposit towards respective Default Fund such sum as notified by CCIL in the form of cash (INR) and/or eligible Securities;

3. For Members settling their Funds Obligations at DAD, RBI, all funds contributions / withdrawals to / from Default Fundshall be undertaken through CCIL's RTGS Settlement Account Number **8710977** having IFSC Code **CCIL0PI0001** and respective member's RTGS Settlement / Current Account with DAD, RBI;

4. For Members settling the Funds Obligations at DSBs, all funds contributions / withdrawals to / from Default Fund shall be undertaken through CCIL's and respective member's Current Account maintained with the DSB.The details of CCIL's Current Account maintained with DSB are provided in **Annexure I** attached herewith;

5. All collateral notices for deposit/ withdrawal of funds, for members settling funds obligations at DSB shall be routed through the respective Settlement Bank. The DSB shall accord its confirmation to the Notice of Funds Deposit submitted by such member(s);

6. All security contributions towards default funds shall be received and held in CCIL's Constituent Subsidiary General Ledger Account (CSGL) No. **52609200001** (SG020044) with Public Debt Office of RBI;

7. All transfers of securities into and/or out of CCIL's Constituent SGL Account shallbe done on **Value Free basis** using the relative functionality available in 'eKuber System' of RBI;

8. TheValue Date of Securities Deposit and / or Withdrawal shall not fall on a day when the relative Security is in "Shut Period';

9. The cut off timings specified for various activities relating to deposit / withdrawal of collateral have been set out in the **Annexure II** attached herewith which shall be strictly adhered to;

10. CCIL shall account for and update individual Member contributions to respective Default Fund only after receipt of necessary confirmation from RBI / DSB about actual receipt offunds and/or securities as applicable;

11. Movement of funds/securities into and/or out of Default Fund shall be captured, storedand maintained on value date basis;

12. CCIL has in place an Electronic web-based interface 'eNotice system' to facilitate electronic delivery of Default Fund related Notices by Member, DSB, CSGLAccount Holdersand CCIL response thereto (hereinafter referred to as 'eNoticeSystem');

13. All Notices of Deposits/Withdrawals shall be sent by members via eNotice System. The notices may be faxed by Members toCollateral Managementon 022-61546499/61546465 (Marked to the attention – Collateral Management) to be followed up with physical intimation as per prescribed format (enclosed herewith for ready reference) in case of non-availability /non-functioning of the eNotice System;

14. All Collateral Notices shall be accepted on days when CCIL is open for business in terms of CCIL's Bye Laws, Rules and Regulations;

15. The Default Fund contribution/withdrawal in funds and Securities (face value) shall be in multiples of **Rs. 1,00,000/-**.

16. The funds / securities contributions towards each Default Fund shall be maintained individuallyanddefaultfundwisedistinctHoldingStatementshallbemadeavailable   to members.

II.   DepositProcedure:

A. FundsDeposit

1. Members desirous of making fund contribution to respective Default Fund shall intimate via eNotice System (Notice of Deposit) to CCIL on the day of deposit prior to/along with the actual deposit. CCIL shall not afford credit in respect offunds deposits without proper receipt of requisite "Notice of Deposit" from the concerned Member(s);

2. For effecting fund transfer(s) to CCIL's RTGS Settlement Account, members shall incorporateCCIL's IFSC Codeviz. **'CCIL0PI0001'**inthepayment instructionstobe executed on NG-RTGS System. Members settling funds obligation at DSB need to credit the Fund contribution to CCIL's Current Account with respective DSB;

3. The unique reference of transaction on NG-RTGS System shall be incorporated in the Notice of Deposit sent to CCIL either via Fax or through eNotice system to assist CCIL in identification of Credit(s) received in the RTGS Settlement Account. Other members shall incorporate their CCIL Membership ID in the relative reference so asto enable easy identification of Credit;

4. The Deposit shall be accounted foronly upon sighting of funds in CCIL's RTGS Settlement Account / Current Account as above. CCIL shall update concerned Member's holdings and the status of notice in the eNotice System will be updated as '**Confirmed**'. Member Default Fund "Transaction Statement" and "Holding Statement" shall be available for electronic download by the concerned Member on the relative date of deposit for each Default Fund;

5. Incaseofexceptionalcircumstancesornon-availabilityoftheNG-RTGSSystem, funds deposit may be accepted in any other mode as accepted by DAD, RBI.

B.SecuritiesDeposit

1. Members desirous of makingsecurities contribution to respective Default Fundshall intimateCCILvia eNoticeSystem on thedayofdeposit alongwith the actual deposit. CCIL shall not confirm any deposit entry in respect of securities deposits without proper receipt of requisite "Notice of Deposit" from the concerned Member(s);

2. All securities contributions shall be made by Members, from amongst the list of eligible securities prescribedby CCIL and current at the time of such deposit;

3. Deposit of Securities by Members into Default Fund(s) shall be carried out electronically using the relative functionality in RBI's eKuber System;

4. Membershallinitiatethesecuritydeposittransactionbyenteringthedetailsinthe `**Margin Transfer Screen'** under the Security Services>Security Transfer Menu in their eKuber System. Member shall select "**Contribution to SGF"** in Transfer Type>reason for Transfer and CCIL's CSGL Account **number 52609200001 (SG020044**).MembershallselectthesourceSGLA/cNumberandtheInstrument

details with the appropriate quantity (In Face Value) and create the transaction. eKuber system shallgenerate a 'Service Reference Number' in respect of the transaction. Members shall incorporate the Service Reference Number in the eNotice system in the block provided for inputting the saidReferenceor in their "Notice of Deposit" sent to CCIL as para II.B.1 above;

5. Maker/Checker facility is available for theDefault Fund contribution Transfer order entry. Once the Maker has created the transaction as per para II.B.4 above, the Checker shall verify and approve (option to reject is also available) the same. Once approved the transaction is expected to electronically flow to CCIL for confirmation via eKuber System;

6. Upon receipt of transaction via eKuber System at CCIL, the Security deposit transaction approved by the member in the eKuber System as above, would then be verified with the eNotice submitted by the member or with the physical Notice of Deposit received directly from the Member. Upon verification of the relevant records in the eKuber Systemand ensuring that the same tallycompletelywith the Member's eNoticethe transaction shall be "Confirmed" at CCIL's end. On confirmation, the transactions would electronically flow to RBI and are expected to get 'Settled' over eKuber System subject to availability of requisite balance and other validations on eKuber System. In case the transaction particulars in the eKubersystem do not tally with Member's eNotice /Notice of Deposit, the concerned transaction shall be Rejected by CCIL;

7. Upon transfer of security from Member's SGL Account into CCIL's CSGL Account, CCIL shall update concerned Member's holdings and the status of notice in the eNotice System will be updated as "**Confirmed**". Default Fund "Transaction Statement" and "Holding Statement" for each Default Fund shall be available for electronic download by the concerned Member on the relative date of Deposit.

III. WithdrawalProcedure:

A. FundsWithdrawal

1. Members desirous of seeking fund withdrawals from their respective Default Fund contribution shall intimate CCIL via eNotice System at least **ONE**business day prior to the actual value date of proposed withdrawal;

2. Members shall ensure that such Notice of Withdrawal is properly received by CCIL within the cut-off timings prescribed for the purpose;

3. Notice(s) of Withdrawal received via fax or physical submission after the prescribed cut off time shall be rejected by CCIL;

4. Before submission of Notice of Withdrawal, member shall ensure that the requisite balance as notified by CCIL is maintained towards individual Default Fund post withdrawal also;

5. IncasetheNoticeofwithdrawalishonoured,thestatusofthesameisupdatedas `**Confirmed'**oneNoticeSystem.Withdrawalsshallalsobereflectedinconcerned

Member'sDefault Fund Transaction and Holding Statements on relative value dateof payment;

6. Payment instructions shall be created by CCIL on the NG-RTGS System indicating credit to respective member's RTGS Settlement / Current Account maintained with DAD, RBI. CCIL shall use the relative IFSC Code recorded with CCIL for effecting funds transfer(s).For other members relative amount shall be credited to their Account as per details recorded with CCIL usingDesignated Settlement Bank's Net Banking System;

7. The Transaction Reference Number in NG-RTGS System for the funds transfer will be conveyed to concerned member through eNotice System / e-Mail / telephone for the purpose of identification of credit at member end;

8. CCIL shall not be responsible for non-execution of payment instruction(s) on NG-RTGS System/DSB's Net banking System on account of any reason;

9. In case of exceptional circumstances ornon-functioning of the NG-RTGS System, payment shall be effected by any other mode accepted by DAD, RBI.

B. SecuritiesWithdrawals

1. Members desirous of seeking securities withdrawal from their respective DefaultFund contributions shall intimate CCIL via eNotice System;

2. Such withdrawal requests shall be accepted as provided in the Bye-Laws, Rules and Regulations of relevant business segment, for refund on **same day (Intraday)** or **Overnight (next business day)** subject to applicable validations;

3. Members shall ensure that such Notice of Withdrawal is properly received by CCIL within the cut-off timings prescribed for the purpose;

4. Member shall ensure that the Notice of Withdrawal is submitted after taking into account their Default Fund requirement and that the same is permissible in terms of CCIL's Bye Laws, Rules and Regulations;

5. IncasetheNoticeofwithdrawalishonoured,thestatusofthesameisupdatedas **'Confirmed'**ineNotice System;

6. For permissible securities withdrawals, honoured by CCIL after completion of necessary internal checks, CCIL shall initiate the securities withdrawal transaction by entering the details in the Margin Transfer Screen under Security Services>Security TransferMenu in eKuber System on the Value Date of withdrawal based on the notice of withdrawal submitted by the member. The same will then be approved by CCIL and electronically transmitted to the concerned Member via eKuber System for confirmation;

7. Upon initiation and authorization of the transaction by CCIL the relative "Service ReferenceNumber"willbecommunicatedbyCCILtotheconcernedMember

througheNoticeSystemwithanautoemailalertorviatelefax/email/telephoneto assist the Member in the confirmation process;

8. Upon intimation through eNotice System /e-mail alert/fax/telephone, Member shall confirm the Securities withdrawal transaction by accepting the details entered by CCIL in the eKuberSystem using the Transfer Order Query provided under the Security Services > Security Transfer Menu of the eKuber System. Members shall ensure that the same is transmitted to RBI for settlement;

9. Members shall ensure due, proper and timely confirmation of Withdrawal transaction on eKuber System within the cut-off timings prescribed byRBIand ensure transfer of security to their SGL Account. No liability shall rest on CCIL for the Member's failure to do so;

10. Withdrawals shall be reflected in concerned Member's Default Fund Transaction and Holding Statement for respective Default Fund on relative value date of payment;

11. CCIL's obligation towards the security withdrawal is limited to initiation, confirmation and electronic transmission of relative security/ies transfer order to the Members via eKuber System.

IV. SubstitutionProcedure

Members can substitute Cash for Security OR vice versa OR even replace an eligible security with another eligible security. Members shall follow the procedure for Deposits and Withdrawals, as prescribed aboveforthepurpose. Membermayinitially execute the Deposit part of the transaction (prior to submitting withdrawal request) to ensure that the Withdrawal is honoured by CCIL**.**

V. CorporateActionsonCashandSecurities

1. InterestshallbepayabletoMembersatquarterlyrestontheir**eligiblecashbalances** maintainedduringtherelativequarter;

2. SuchinterestshallbepayableataratenotifiedbyCCILfromtimeto time;

3. The interest amount shall be credited to the concerned Member's RTGS Settlement / Current Account maintained with DAD, RBI. For other members, relative amount shall be credited to their Account details recorded with CCIL using Designated Settlement Bank's Net Banking System.Relative reports shall be available for download at member end on value date of payment;

4. CCIL shall not be responsible for non-execution of payment instruction(s) on NG-RTGS System / Net Banking System of DSB on account of any reason.

5. This notification is replacing all the earlier notifications issued towards Default Fund–Collateral work flow procedure for each Default Fund .

Sd/-
AuthorisedSignatory
TheClearingCorporationof IndiaLtd.

THECLEARINGCORPORATIONOFINDIALTD

Annexure8

(FormsIntegralPartofNotificationNo.-CCIL/CFM/18/91dated25-09-2018relatingtoCollateralWorkFlowProcess forallDefault Fund(s)–.)

    I)   DetailsofCCIL'sRTGSSettlementAccount

Account Number   :   **8710977**
IFSC Code   :   **CCIL0PI0001**

    II)   DetailsofCCIL'sCurrentAccount(s)withSettlementBanks:

Sr.No.	Nameof DSB	CCIL'sCurrentA/c.No. with Settlement Bank	IFSCCode
1)	HDFCBank Limited	00600350011471	HDFC0000060
2)	AxisBankLimited	004010200559843	UTIB0000001
3)	Citibank N.A.	9878009	CITI0100000
4)	StateBankofIndia	30496521208	SBIN0011777
5)	StandardCharteredBank	22205449243	SCBL0036046
6)	ICICIBankLimited	039305004968	ICIC0000393

THECLEARINGCORPORATIONOFINDIALTD

(FormsIntegralPartofNotificationNo.-CCIL/CFM/18/91dated25-09-2018relatingtoCollateralWorkFlowProcess forallDefault Fund(s)–.)

Cut-off TimingsforreceiptofNoticesby CCIL

SrNo	ParticularsofNotice		Timings
1.	Deposit	Funds	8.30 to 17.00 hrs
		Securities	8.30 to 17.00 hrs
2.	OvernightWithdrawal	Funds	8.30 to 15.00 hrs
3.	Intraday/Overnight Withdrawal	Securities	8.30 to 17.00 hrs

THECLEARINGCORPORATIONOFINDIALTD

(NoticeofDepositforMembers maintaining fundsaccountatRBI)

(FormsIntegralPartofNotificationNo.-CCIL/CFM/18/91dated25-09-2018relatingtoCollateralWorkFlowProcess forallDefault Fund(s)–.)

__(TobeIssuedbyMemberonitsletterheadincaseofphysicalsubmissionofNotice)__

__DefaultFund(s)__

__DFFXFWD__	__DFREDRV MIBOR__	__DFFOREX__	__DF–TriParty Repo__	__DF SECURITIES__
☐	☐	☐	☐	☐

__(*Pleasetickwhicheverapplicable*)__

__NoticeofDeposit__
__AsonXXXXXXXXX(Date)__

Reference(ifany)_____

CCILMemberID:XXXXXXX
MemberName   :xxxxxxxxxxxxxx

I. FundsDeposit

ValueDateof Deposit	Transaction ReferenceNo.	Amount(Rupeesin Figures	Amount(Rupeesin Words)

II. SecurityDeposit–SourceSGLAccountNo. [   ] (Member'sProprietarySGLAccount) (CCIL's

DestinationSGLAccountNo. [52609200001] CSGL A/c)

Sl. No.	Value Dateof Deposit	ISINCode	Security Description	Face Value (Rs in figures).	FaceValue(Rsin words)	eKuberService Reference No.

This Notice of Deposit is sent as required as per CCIL's Bye Laws, Rules and Regulations. We herebyundertake to deposit relative funds/securities (by initiation of deposit entry via e-Kuber System) as per extant procedure within the cut-off timings stipulated by RBI / CCIL for the purpose.

<For(MemberName)>
_____
AuthorisedSignatory/ies
(as applicable)

(FormsIntegralPartofNotificationNo.-CCIL/CFM/18/91dated25-09-2018relatingtoCollateralWorkFlowProcess forallDefault Fund(s)–.)

(TobeIssuedbyMemberonitsletterheadincaseofphysicalsubmissionofNotice)

DefaultFund(s)

DFFXFWD	DFREDRV MIBOR	DFFOREX	DF–TriParty Repo	DF SECURITIES
☐	☐	☐	☐	☐

(*Pleasetickwhicheverapplicable*)

NoticeofWithdrawal

AsonXXXXX(Date)

Reference(ifany)_____

CCIL Membership ID:XXXXXXX
Member Name   xxxxxxxxxxxxxx

I. FundsWithdrawal

NoticeDate	ValueDate	Amount(Rupeesin Figures	Amount(Rupeesin Words)

II. SecurityWithdrawal

Sl. No	Notice Date	Value Date	ISINCode	Security Description	FaceValue (Rs. in figures)	FaceValue(Rs in words)	SGLA/cNo.to be credited

WeconfirmthatthisNoticeissubmittedbasedon –
1. ActualbalancesheldbyustowardsourDefaultFundcontributions;
2. Minimum required balance ismaintained towards Default Fund in terms of CCIL's Bye-Laws Rules andRegulations.

WeareawarethatthisNoticeofWithdrawalshouldreachyourcounterswithinthecut-offtimings stipulated for the purpose.

We undertake to confirm the transaction in the eKuber System on value date of withdrawal within the cut-off timings stipulated by RBI for the purpose.

<For(MemberName)>

_____
AuthorisedSignatory/ies
(as applicable)

(FormsIntegralPartofNotificationNo.-CCIL/CFM/18/91dated25-09-2018relatingtoCollateralWorkFlowProcess forallDefault Fund(s)–.)

(TobeIssuedbyMemberonitsletter head)
DefaultFund(s)

DFREDRV MIBOR	DF–TriParty Repo	DFSECURITIES
☐	☐	☐

(*Pleasetickwhicheverapplicable*)
NoticeofDeposit

As on_____(Date)

Reference(ifany)_____

CCIL Membership ID   :XXXXXXX
MemberName   XXXXXXX

I. FundsDeposit-SourceAccountNo. ⬜(Member'sCurrentAccountwithDSB)

DestinationAccountNo. ⬜ rrentAccountwith DSB)

ValueDateof Deposit	Amount(Rupeesin Figures	Amount(Rupeesin Words)

We have instructed ourdesignated Settlement Bank totransfer fundsasabove. The fundswill be transferred bythem asper extant approvedprocedurewithin theprescribed cut-offtimings with allrequisiteparticulars required byyou dulyincorporated. Upon receipt ofthefundsbyyou, kindly update our Default Fund contribution suitably.

II. SecurityDeposit–SourceSGLAccountNo. ⬜ (Member'sProprietarySGLAccount) (CCIL's
DestinationSGLAccountNo. | 52609200001 | CSGL A/c)

Sl. No.	Value Dateof Deposit	ISINCode	Security Description	Face Value (Rsin figures)	FaceValue(Rsin words)	eKuberService Reference No.

This Notice of Deposit is sent as required as per CCIL's Bye Laws, Rules and Regulations. We hereby undertake to deposit relativesecurity/ies (by initiation of deposit entry via eKuber System) as per extant procedure within the cut-off timings stipulated by RBI / CCILfor the purpose.
<For (Member
name)>AuthorisedSigna
tory/ies

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(TobefilledbySettlementBankincaseofFundsDepositonly)

Weconfirmreceiptofnecessaryinstructionfrom<MemberName>andherebyconfirmhavingtransferredtherequisiteamountasmentioned above to CCIL's current account No ⬜ on ⬜
before ⬜ as perextantprocedurewithinthecut-off timings stipulatedbyCCILin terms of our customer's instruction,weherebyconfirmhavingtransferredthisamounttoCCILCurrentAccountwithusforvalue_____quotingreference
_____.

<For (Settlement

Bank)>AuthorisedSignatory/ies

THECLEARINGCORPORATIONOFINDIALTD

VI(NoticeofWithdrawalforMembersmaintainingfundsaccountat DSB)

Annexure-
VI(NoticeofWithdrawalforMembersmaintainingfundsaccountat DSB)

(FormsIntegralPartofNotificationNo.-CCIL/CFM/18/91dated25-09-2018relatingtoCollateralWorkFlowProcess forallDefault Fund(s)–.)

(TobeIssuedbyMemberonitsletter head)

DefaultFund(s)

DFREDRV MIBOR	DF–TriParty Repo	DFSECURITIES
☐	☐	☐

NoticeofWithdrawal

Ason _____ (Date)

Reference(ifany)_____

CCIL Membership ID :XXXXXXX

Member Name   XXXXXXXX

I. FundsWithdrawal

NoticeDate	ValueDate	Amount(Rupeesin Figures	Amount(Rupeesin Words)	CurrentAccountNo with Designated Settlement Bank

II. SecurityWithdrawal

Sl. No	Notice Date	Value Date	ISIN Code	Security Description	FaceValue (Rs. in figures)	FaceValue(Rsin words)	SGLA/cNo.to be credited

WeconfirmthatthisNoticeissubmittedbasedon –
1.   ActualbalancesheldbyustowardsourDefaultFundcontributions;
2.   Minimum required balance is maintained towards Default Fund in terms of CCIL's Bye-Laws Rules andRegulations.

Weareaware thatthisNotice ofWithdrawal shouldreachyourcounters withinthecut-offtimingsstipulated for the purpose. In the event of this Notice reaching you after the cut-off time as above, we are aware that the same will be treated as having been received by you as of the subsequent business day.

We are aware that payment of thisamount (after confirming eligibility) shall be credited to our Current Account with our designated Settlement Bank.

We undertake to confirm the security transaction in eKuber System on value date of withdrawal within the cut-off timings stipulated by RBI for the purpose.

For(MemberName)

_____
AuthorisedSignatory/ies
(as applicable)

CC:SettlementBankincaseofFundsWithdrawalOnly