



NOTIFICATION

CBLO is Decommissioned

No:CCIL/MCM/04/08

03rd March 2004

CBLO SEGMENT

Revised Work-Flow Procedure for CBLO-(Non-NDS Members) Collaterals w.e.f. 03rd March 2004

I. General

1. This Notification is applicable only to Associate Members admitted to The Clearing Corporation of India Ltd. (CCIL)'s CBLO Segment;
2. In terms of Bye Laws, Rules and Regulations of CCIL, all Associate Members admitted to CCIL's CBLO Segment are required to contribute securities and/or funds towards their Collateral / Margin contributions to cover their operations in CCIL's CBLO Segment;
3. The rules and regulations governing Member Collateral / Margin contributions towards their Borrowing Limits and Initial Margin requirements have been spelt out in CCIL's Bye-Laws, Rules and Regulations and all Members shall be governed by the relative provisions as applicable;
4. All Associate Members of CCIL's CBLO Segment shall maintain a Current Account and a Gilt Account with their designated Settlement Bank for movement of its collaterals / margins to / from CCIL;
5. All Associate Members desirous of making security contributions towards collaterals / margins for their CBLO operations, shall maintain a Gilt Account with CCIL for lodgement of eligible securities;
6. This Notification, issued in terms of provisions contained in CCIL's Bye Laws, Rules and Regulations, sets out the workflow process relating to deposits and withdrawals of funds and/or securities in respect of CCIL's CBLO Segment;
7. All Associate Members accessing the CBLO Dealing System through their designated Settlement Bank are required to effect a minimum fund contribution of Rs.10,000/- (Rupees Ten Thousand only) prior to activation of their Membership. This minimum contribution shall be retained by them with CCIL throughout their Membership to CCIL's CBLO segment;
8. All fund contributions / withdrawals towards collaterals / margins by Associate Members shall be achieved by transfer of funds from / to Associate Member's



- Current Account with their designated Settlement Bank and CCIL's Proprietary Current Account with the said Settlement Bank;
9. All security contributions by Associate Members shall be received by CCIL in its CSGL Account No. SG090001 with RBI PDO, Mumbai from the CSGL Account of their designated Settlement Bank. Similarly all security withdrawals by Associate Members shall be delivered by CCIL from its above CSGL Account to the CSGL Account of the designated Settlement Bank with RBI, PDO, Mumbai.
 10. All security transfers, as per para (9) above, shall be achieved between CCIL and the designated Settlement Bank by using the electronic Value Free Transfer Facility provided by RBI in its Negotiated Dealing System (NDS);
 11. The cut off timings specified for various activities relating to CBLO Segment Collateral / Margin operations have been set out in the Annexure appended hereto which shall be strictly adhered to;
 12. Movement of funds/securities into and/or out of collateral/margin contributions shall be captured, stored and maintained by CCIL on value date basis;
 13. All corporate actions in respect of securities by Associate Members shall flow into CCIL's Proprietary Current Account with RBI. CCIL shall arrange to remit relative proceeds to concerned Associate Members' Current Accounts with their designated Settlement Bank, after receipt of funds by CCIL from RBI. Issuance of such instruction to transfer funds from the Proprietary Current Account of CCIL with the designated Settlement Bank to the Current Account of the Associated Member with the said Settlement Bank shall be construed as due and proper delivery of funds to the said Associate Member by CCIL;
 14. All corporate actions in respect of Fund Margin/ Collateral Contribution, as per provision of CCIL's Byelaws, Rules and Regulations, shall be credited to concerned Associate Member's Current Account with the designated Settlement Bank. Issuance of instructions to transfer funds from the Proprietary Current Account of CCIL with the designated Settlement Bank to the Current Account of the Associate Member with the said Settlement Bank shall be construed as due and proper delivery of funds to the said Associate Member by CCIL;
 15. All Notices of Deposits/Withdrawals shall be faxed by Associate Members through Settlement Bank to CCIL's Collateral Management Department on Fax No.2490 2441 (marked to the attention – Collateral Management Department) to be followed up with physical intimation as per prescribed format (enclosed at Annexures II, III, IV for ready reference). All such Notices shall be signed by duly authorised signatory/ies of the concerned Associate Member(s);
 16. A copy of such Notices of Deposit / Withdrawal shall be sent by the concerned Associate Member to its designated Settlement Bank.
 17. In respect Deposits, the Settlement Bank shall, upon completion of actual transfer of funds/securities as instructed by the concerned Associate Member, update relevant portions of the said Notice & fax the same to CCIL as mentioned in para (15) hereinabove. In respect of withdrawals, the Settlement Bank shall await



payment/transfer instructions from CCIL for final payment/delivery to concerned Associate Member;

II. Deposits Procedure:

A. Funds Deposit Procedure:

1. Associate Members desirous of making fund contributions shall intimate CCIL and their designated Settlement Bank by means of their “Notice of Deposit” in the prescribed format on the day of deposit duly signed by their authorised signatory/ies (as applicable). CCIL shall not afford credit in respect of funds deposits without proper receipt of requisite “Notice of Deposit” from the concerned Associate Member(s) followed by necessary intimation from Associate Member’s designated Settlement Bank with all details duly completed and authenticated by its (designated Settlement Bank’s) duly authorised signatory/ies (as applicable)
2. Associate members shall ensure proper funding of their Current Account and adequacy of clear funds to facilitate relative funds transfer on the concerned value date within the specified cut-off timings;
3. Associate Members shall adhere to the cut-off timings prescribed by CCIL and Settlement Bank from time to time for deposit of fund contributions;
4. Associate Members shall instruct their designated Settlement Bank to transfer requisite funds to CCIL’s Proprietary Current Account maintained with them (Settlement Bank) together with specific instructions to the Settlement Bank to thereafter advise CCIL about such credit using format prescribed by CCIL for the purpose;
5. Upon receipt of intimation from Settlement Bank about transfer of relative funds into CCIL’s Proprietary Current Account as above, CCIL shall independently verify the position and upon its being satisfied about the relative funds having actually been received in its (CCIL’s) Proprietary Current Account, it shall update concerned Associate Member’s holdings;
6. Deposits shall be reflected in concerned Associate Member’s Collateral Transaction and Holding Statement on the relative date of Deposit.

B. Securities Deposit Procedure:

1. Associate Members desirous of making securities contributions shall intimate CCIL and its designated Settlement Bank by means of a “Notice of Deposit” in the prescribed format on the day of deposit.
2. The concerned Associate Member shall independently arrange to instruct its designated Settlement Bank to arrange for proper transfer of concerned Security to CCIL’s CSGL Account No SG090001 with RBI PDO, Mumbai from their



- (Settlement Bank's) CSGL Account with RBI, PDO, Mumbai using the electronic value free transfer functionality in RBI's NDS;
3. CCIL shall not take cognisance of any deposit entry in respect of securities deposits without proper receipt of requisite "Notice of Deposit" from the concerned Associate Member(s) and its designated Settlement Bank with all details duly filled in as prescribed and authenticated by both the Associate Member and its Settlement Bank;
 4. All security contributions shall be made by Associate Members from amongst the list of eligible securities prescribed by CCIL from time to time;
 5. Associate Members and their designated Settlement Bank shall adhere to the cut-off timings prescribed by RBI and CCIL from time to time for deposit of securities collateral/margin contributions;
 6. Associate Members shall ensure that they do not contribute securities during the "Shut Period" of concerned security;
 7. Upon receipt of the securities deposit transaction duly initiated and approved by the designated Settlement Bank in NDS, CCIL shall verify the said particulars with with Notice of Deposit received from member through its designated Settlement Bank. After verification of the relevant records in the NDS System (Transfer Type, Security Description, ISIN Code, Face Value of Security, Transfer Order No) and ensuring that the same tally completely with the Notice of Deposit sent by the concerned Associate Member and its Settlement Bank, the transaction shall be "Confirmed" at CCIL's end. The transaction would then electronically flow to RBI for "Authorization" and "Settlement". In case the record particulars in the NDS system do not tally with Member's Notice of Deposit, the concerned transaction shall not be confirmed at CCIL's end. Unconfirmed Value Free Transactions in NDS will not be settled;
 8. Upon transfer of security by RBI to CCIL's CSGL Account, CCIL shall update concerned Associate Member's holdings;
 9. Deposits shall be reflected in concerned Associate Member's Collateral Transaction and Holding Statement on the relative date of Deposit;
 10. CCIL's obligation towards the security deposit via NDS as above, is limited to acceptance, confirmation and electronic transmission to RBI for authorization and settlement;

III. Withdrawals Procedure:

A. Funds Withdrawal Procedure:

1. Associate Members desirous of making withdrawals from their collateral/margin contribution shall send "Notice of Withdrawal" to CCIL (in prescribed format) at least one business day prior to the actual value date of proposed withdrawal with copy to its designated Settlement Bank;



2. Associate 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 after the prescribed cut off time shall be treated as intimation having been received on subsequent business date and consequent value date of withdrawal shall be treated as having been modified by the concerned Associate Member accordingly;
4. Associate Members shall ensure that such Notice of Withdrawal is submitted after taking into account their outstanding obligations to CCIL as on the value date of withdrawal and that the same falls within permissible limits in terms of CCIL's Bye Laws, Rules and Regulations;
5. For funds withdrawals, after completion of necessary internal checks, CCIL shall instruct the concerned Associate Member's designated Settlement Bank on the concerned value date to transfer relative funds from its (CCIL's) proprietary Current Account with the Settlement Bank to the Current Account of the concerned Associate Member with the said Settlement Bank;
6. Issuance of instructions to transfer funds from the Proprietary Current Account of CCIL with the designated Settlement Bank to the Current Account of the Associate Member with the said Settlement Bank shall be construed as due and proper delivery of funds to the said Associate Member by CCIL;
7. Withdrawals shall be reflected in concerned Associate Member's Collateral Transaction and Holding Statement as of the relative value date of payment;

B. Securities Withdrawal Procedure:

1. Associate Members desirous of making securities withdrawals from their collateral/margin contribution shall send "Notice of Withdrawal" to CCIL (in prescribed format) at least one business day prior to the actual value date of proposed withdrawal with copy to designated Settlement Bank;
2. Associate 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 after the prescribed cut off time shall be treated as intimation having been received on subsequent business date and consequent value date of withdrawal shall be treated as having been modified by the concerned Associate Member accordingly;
4. Associate Members shall ensure that such Notice of Withdrawal is submitted after taking into account their outstanding obligations to CCIL as on the value date of withdrawal and that the same falls within permissible limits in terms of CCIL's Bye Laws, Rules and Regulations;
5. Actual transfer of Securities in respect of Security withdrawals shall be achieved by transfer of relative security from CCIL's CSGI Account with RBI, PDO,



- Mumbai to the CSGL Account of the concerned Associate Member's designated Settlement Bank with RBI;
6. For securities withdrawals, after completion of necessary internal checks, CCIL shall initiate the Collateral withdrawal transaction by entering the details in the Transfer Order Screen under Settlement Menu in CCIL's NDS Terminal on the Value Date of withdrawal based on the notice of withdrawal sent by the member. The same will then be approved by CCIL and electronically transmitted to Settlement Bank via NDS for confirmation;
 7. Upon initiation and authorization of the transaction by CCIL the relative "Transfer Order Number" will be communicated to the Settlement Bank through fax / e-mail / telephone to assist the Settlement Bank in confirmation process;
 8. Settlement Bank shall confirm the Securities Collateral withdrawal transaction by accepting the details entered by CCIL in the NDS System;
 9. Issuance of instructions to transfer securities from CCIL's CSGL Account with RBI to the CSGL Account of the designated Settlement Bank with RBI shall be construed as due and proper delivery of securities to the concerned Associate Member(s) by CCIL;
 10. Withdrawals shall be reflected in concerned Member's Collateral Transaction and Holding Statement as at the commencement of the relative value date of payment;
 11. CCIL's obligation towards the security withdrawal is limited to initiation, confirmation and electronic transmission to the Member's Settlement Bank via NDS;

Assistant Vice President
(Membership & Collateral Management)

**Annexure I**

(Forms Integral Part of Notification No CCIL/MCM/04/08 dated 3rd March, 2004 relating to CBLO Segment – Collateral Work Flow Process) – Associate Members

A. Cut-off Timings for receipt of Notices by CCIL

<u>Particulars of Notice</u>	<u>Timings</u>	
	<u>Funds in CCIL's Current Account with Settlement Bank</u>	<u>Securities</u>
Notice of Deposit	Mondays To Fridays: Upto14.00 hrs Saturdays: Upto12.00 hrs	Mondays To Fridays: Upto13.30 hrs Saturdays: Upto12.00 hrs
Notice of Withdrawal	Mondays To Fridays: Upto14.30hrs Saturdays: Upto12.30 hrs	



Annexure-II
{CBLO Segment- Notice of Deposit}

(Forms Integral Part of Notification No CCIL/MCM/04/08 dated 3rd March, 2004 relating to CBLO Segment – Collateral Work Flow Process) – Associate Members

(To be Issued by Member on its letter head)

Business Segment – CBLO
Notice of Deposit- Funds

As on XXXXXXXXXX (Date)

Reference (if any) _____

Tick whichever is applicable

<input type="checkbox"/>	Additional Deposit
<input type="checkbox"/>	Deposit against Margin call

CCIL Member ID : XXXXXXXX
Member Name :XXXXXXXXXXXXXXXX

I. Funds Deposit- Source Account No. (Member's Current Account with S/B)

Destination Account No. (CCIL's Proprietary Current Account with S/B)

Value Date of Deposit	Amount (Rupees in Figures)	Amount (Rupees in Words)

We have instructed our designated Settlement Bank to transfer funds as above. The funds will be transferred by them as per extant approved procedure within the prescribed cut-off timings with all requisite particulars required by you duly incorporated. Upon receipt of the funds by you, kindly update our funds margin / collateral contribution suitably.

<For (Member name)>

Authorised Signatory/ies

(To be filled by Settlement Bank)

We confirm receipt of necessary instruction from <Member Name> and hereby confirm having transferred the requisite amount as mentioned above to CCIL's current account No on Date before as per extant procedure within the cut-off timings stipulated by CCIL in terms of our customer's instruction, we hereby confirm having transferred this amount to CCIL Current Account with us for value _____ quoting reference _____.

<For (Settlement Bank)>

Authorised Signatory / ies
(As applicable)



Annexure-III
{CBLO Segment- Notice of Deposit}

(Forms Integral Part of Notification No. CCIL/MCM/04/08 dated 3rd March, 2004 relating to CBLO Segment – Collateral Work Flow Process) – Associate Members

(To be Issued by Member on its letter head)

Business Segment – CBLO
Notice of Deposit – Securities

As on XXXXXXXXXX (Date)

Reference (if any) _____

Tick whichever is applicable

<input type="checkbox"/>	Additional Deposit
<input type="checkbox"/>	Deposit against Margin call

CCIL Member ID : XXXXXXXX
Member Name :XXXXXXXXXXXXXXXX

Security Deposit –

CSGL Account No. (Member’s C SGL Account with Settlement Bank)

Source CSGL Account No. (Settlement Bank’s CSGL Account with RBI)

Destination SGL Account No. (CCIL’s CSGL A/c for Security Segment SGF)

Sl. No.	Value Date of Deposit	ISIN Code	Security Description	Face Value (Rs in figures).	Face Value (Rs in words)

We have instructed our designated Settlement Bank to transfer securities as above. The securities will be transferred by them through VFT module of NDS as per extant approved procedure within the prescribed cut-off timings with all requisite particulars required by you duly incorporated. Upon receipt of Securities by you in your CSGL Account with RBI PDO, Mumbai, kindly update our securities margin / collateral contribution suitably.

<For (Member name)>

Authorised Signatory

(To be filled by Settlement Bank)

We confirm having approved a Collateral Deposit Transaction for above mentioned security / ies & Face value through VFT module of NDS. The NDS Transfer Order No generated for the transaction is

Please arrange to confirm above request in NDS at your end.

<For (Settlement Bank)>

Authorised Signatory/ies
(as applicable)



Annexure-IV
{CBLO Segment- Notice of Withdrawal}

(Forms Integral Part of Notification CCIL/MCM/04/08 dated 3rd March, 2004 relating to CBLO Segment – Collateral Work Flow Process) – Associate Members

(To be issued by member on its Letter Head)

Business Segment – CBLO

Notice of Withdrawal- CASH

As on XXXXX(Date)

Reference (if any) _____

CCIL Membership ID : XXXXXXXX

Member Name : xxxxxxxxxxxxxxxx

I. Funds Withdrawal

Notice Date	Value Date	Amount (Rupees in Figures)	Amount (Rupees in Words)	Current Account No with Settlement Bank

We confirm that this Notice is submitted based on –

1. Our outstanding obligations and extent of withdrawals permissible in terms of CCIL Bye Laws, Rules and Regulations;
2. Actual balances held by us towards our collateral contributions

We are aware that this Notice of Withdrawal should reach your counters within the cut-off timings stipulated for the. 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 this amount (after confirming eligibility) shall be credited to our Current Account with our designated Settlement Bank.

For (Member Name)

Authorised Signatory/ies
(as applicable)

CC : Settlement Bank.



Annexure-V
{CBLO Segment- Notice of Withdrawal}

(Forms Integral Part of Notification No CCIL/MCM/04/08 dated 3rd March, 2004 relating to CBLO Segment – Collateral Work Flow Process) – Associate Members

(To be issued by member on its Letter Head)

Business Segment – CBLO

Notice of Withdrawal-Securities

As on XXXXX(Date)

Reference (if any) _____

CCIL Membership ID : XXXXXXXX

Member Name : XXXXXXXXXXXXXXXX

I. Security Withdrawal

Sl. No	Notice Date	Value Date	ISIN Code	Security Description	Face Value (Rs.in figures)	Face Value (Rs in words)	CSGL A/c No. to be credited with Settlement Bank	CSGL Account No of Settlement Bank with RBI

We confirm that this Notice is submitted based on –

1. Our outstanding obligations and extent of withdrawals permissible in terms of CCIL Bye Laws, Rules and Regulations;
2. Actual balances held by us towards our collateral contributions

We are aware that this Notice of Withdrawal should reach your counters within the cut-off timings stipulated for the. 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 the security transfer shall be carried out by you through RBI’s NDS from your CSGL Account with RBI PDO, Mumbai to the CSGL Account of our designated Settlement Bank with RBI PDO, Mumbai.

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

For (Member Name)

Authorised Signatory/ies
(as applicable)

CC : Settlement Bank.