



National Spot Exchange Limited

Circular

Ref. No.: NSEL/DP/2011/115

June 29, 2011

Dear Members,

PENALTY FOR WITHHELD OF DEMAT UNITS AT EXCHANGE

In terms of the provisions of the rules, Bye-laws and Business Rules of the Exchange, the Members of the Exchange are hereby informed that the all withheld units at the Exchange level arising out due to non availability of CM-Pool accounts of the member are liable to pay penalty with effect from 01 Jul 2011.

As informed earlier vide circular number NSEL/DP/2010/050, March 20, 2010 and NSEL/DP/2010/061 April 10, 2010, the members of the Exchange mandatorily have to open separate CM-Pool accounts in both NSDL & CDSL with empanelled DP of the Exchange and inform the details to the Exchange before commencement of trading in compulsorily demat segment.

In the absence of the CM-Pool a/c in both depositories by the members during the time of settlement, the Exchange is forced with withheld the units. Members please be noted that the withheld units cannot be used for any onward pay-in at the Exchange. The units shall be transferable only to the CM -Pool accounts of the member in the respective depository.

However, it is observed that sometimes members are participating in the demat segment without opening necessary pool accounts and delaying in opening such accounts even after purchase of demat units for their clients. In order to ensure that every member participating in the demat segment opens necessary pool accounts promptly, the Exchange shall be levying penalties with effect from 01 July 2011, for such non compliances at the following rate and the same shall be debited from the clearing members settlement account.

- 1) ₹ 1 per trading unit per day from the day of Pay-out till 7th day.
- 2) ₹ 2 per trading unit per day from 8th day till 15th day.
- 3) ₹ 5 per trading unit day beyond 15th day onwards

Members whose units are already withheld by the Exchange are requested to open the CM Pool a/c immediately and inform the same to the Exchange to avoid the said penalties.

For any clarification, Mr. Sahendra Singh can be contacted at 022 - 6761 9900 Extn. 9916 / 9819 or through email at [nsei-dp@nationalspotexchange.com](mailto:nsel-dp@nationalspotexchange.com)

For and on behalf of
National Spot Exchange Ltd.,

Santosh Mansingh
Asst. Vice President

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