

**NATIONAL STOCK EXCHANGE OF INDIA LIMITED****DEPARTMENT : FUTURES & OPTIONS**

Download Ref No : NSE/FAOP/34596

Date : April 07, 2017

Circular Ref. No : 30/2017

All Members

**F&O Consolidated Circular**

Exchange periodically consolidates circulars issued by the department over the period of time to provide one single document to refer for various policy and operational matters. This circular is consolidation of all the previous circulars issued by the Futures & Options segment.

For the convenience of members, circular is categorised as following:

**Part-A**

Summary of Important circulars issued during the period April 1, 2016 – March 31, 2017

**Part-B**

Detailed Consolidated Circular

**Part-C (Attachment)**

Format of various reports and files provided by the Exchange

**For and on behalf of  
National Stock Exchange of India Limited**

**Khushal Shah  
Chief Manager**

<b>Telephone No</b>	<b>Fax No</b>	<b>Email id</b>
1800-266-00-53	+91-22-26598155	<a href="mailto:msm@nse.co.in">msm@nse.co.in</a>

**Part-A**

**Summary of Important circulars issued during the period April 1, 2016 – March 31, 2017**

<b>Sr No</b>	<b>Subject</b>	<b>Circular No</b>	<b>Download No</b>	<b>Dated</b>
1.	Introduction of Weekly Options contracts on BANKNIFTY Index	44/2016	<a href="#">FAOP32329</a>	May 05, 2016
2.	Levy of fair usage charges for multi-leg orders in derivatives segments	51/2016	<a href="#">FAOP32600</a>	June 17, 2016
3.	Prevention of Self-Trade	54/2016	<a href="#">FAOP32649</a>	June 24, 2016
4.	Introduction of Trade Drop Copy Facility	73/2016	<a href="#">FAOP33126</a>	September 01, 2016
5.	NEAT Corporate Manager password reset through ENIT	96/2016	<a href="#">FAOP33499</a>	October 26, 2016
6.	Introduction of Futures and Options Contracts on Nifty CPSE Index	115/2016	<a href="#">FAOP33907</a>	December 29, 2016
7.	Consolidated circular on Market Data	118/2016	<a href="#">FAOP33923</a>	December 30, 2016
8.	Tick by Tick market data via Multicast	10/2017	<a href="#">FAOP34213</a>	February 17, 2017

- 1. Weekly Options contracts on BANKNIFTY Index:** Exchange has introduced weekly contracts in BANKNIFTY INDEX. [More](#)
- 2. Levy of fair usage charges for multi-leg orders in derivatives segments:** Exchange has levied charges on 2L/3L orders to facilitate and encourage fair usage of such order entry. [More](#)
- 3. Prevention of Self-Trade:** Exchange has modified the facility for prevention of Self-Trade. [More](#)
- 4. Introduction of Trade Drop Copy facility:** Exchange has introduced Trade Drop Copy facility for users. [More](#).
- 5. NEAT Corporate Manager password reset through ENIT:** Exchange has introduced NEAT corporate manager password reset request through ENIT. [More](#)
- 6. Introduction of F&O contracts on Nifty CPSE Index:** Exchange has introduced weekly/monthly F&O contracts on Nifty CPSE Index. [More](#)
- 7. Consolidated circular on Market Data:** Exchange has issued a consolidated circular of circulars issued on Market Data Broadcast. [More](#)
- 8. Tick by Tick Market Data via Multicast:** Exchange has modified the tick by tick order and trade data via Multicast [More](#)

## **Part-B**

### **Detailed Consolidated Circular**

#### **Item 1**

##### **MARKET PARAMETERS**

- 1.1 Order type/Order book/Order attribute
- 1.2 Permitted lot size
- 1.3 Price steps for contracts
- 1.4 Base price and operating ranges applicable to the contracts.
- 1.5 Calculation of theoretical base price of contracts as per Black –Scholes model
- 1.6 Trade Execution
- 1.7 Corporate Actions
- 1.8 Quantity freeze for futures and options contracts
- 1.9 Trading exigencies
- 1.10 Exposure Limits and Position Limits
- 1.11 Final Settlement for futures and options contracts
- 1.12 Off- Market deals/Negotiated Deals
- 1.13 Strikes Price Interval
- 1.14 Day Spread Order functionality
- 1.15 Revision of market lot of futures and options contracts
- 1.16 Trade Modification
- 1.17 Contract Specification

#### **Item 2**

##### **TRADING HOLIDAYS AND TRADING HOURS**

- 2.1 Trading Holidays
- 2.2 Trading Hours
- 2.3 Extension of Market hours
- 2.4 Market Close for trading
- 2.5 Index Circuit Filter
- 2.6 Contingency Drill / Mock Trading schedule

#### **Item 3**

##### **COMPLIANCE**

- 3.1 Trade Annulment
- 3.2 Proprietary Account Trading
- 3.3 Trading Through Other Trading Member
- 3.4 User Order Value & Branch Order Value Limit
- 3.5 Eligibility criteria of stocks
- 3.6 Eligibility criteria of Indices
- 3.7 Debarred clients
- 3.8 Self trade prevention
- 3.9 Levy of Fair Usage charges for multi leg orders

**Item 4****SYSTEMS**

- 4.1 Extranet facility for members
- 4.2 TAP (Trading Access Point)
- 4.3 Market Data Broadcast
- 4.4 Direct Connection – Login without TAP
- 4.5 Introduction of Trade Drop Copy

**Item 5****SUPPORT**

- 5.1 Assistance for Futures & Options trading system
- 5.2 Reset Password
- 5.3 Unlock User
- 5.4 Contingency Pool trading facility for members
- 5.5 NSEIL Dashboard

## **ITEM 1**

### **MARKET PARAMETERS**

In pursuance of Regulation 2.7 and Regulation 3.3, the following trading parameters and order attributes are specified for the Futures & Options segment:

#### **1.1 Order type/Order book/Order attribute**

- Regular lot order
- Stop loss order
- Immediate or cancel
- Spread order

#### **1.2 Permitted lot size**

The value of the Contracts in the Futures & Options segment may not be less than Rs. 5 lakhs at the time of introduction. The permitted lot size for futures & options contracts shall be the same for a given underlying or such lot size as may be stipulated by the Exchange from time to time.

#### **1.3 Price steps for contracts**

The price steps in respect of all contracts admitted to dealings on the Futures & Options segment of the Exchange shall be Re.0.05 or as may be stipulated by Exchange from time to time.

#### **1.4 Base price & operating ranges applicable to the contracts**

The base price for the futures contract, on the day of introduction of the new contract, shall be theoretical futures price. The base price of the contracts on subsequent trading days shall be the daily close price of the futures contracts. However on days when the contracts were not traded in the last half an hour or not traded at all during the day, the base price for the next day shall be the theoretical price of the futures contracts.

There shall be no fixed price band applicable for the futures contract. However in order to prevent erroneous order entry, a dynamic price band for futures contract shall be kept at certain percentage of the base price as defined by Exchange from time to time.

In the event of a market trend in either direction, the dynamic price band may be relaxed during the day in co-ordination with the other Exchange:

- a. If the dynamic price band of the underlying security has been relaxed OR
- b. If the dynamic price band for the same contract is relaxed by another Exchange OR
- c. If the last trade in the contract occurs at 9.90% and more of the base price

AND

That a minimum of 10 trades must be executed with multiple UCC on both sides of the trade at or above 9.90% or more of the base price and in further multiples of 5% of the price movement.

- d. In extraneous cases, both the exchanges shall consult and relax the dynamic price band with 15 minute notice to the market.

Base price of the options contracts on introduction of new contracts shall be the theoretical value of the options contract arrived at based on Black-Scholes model of calculation of options premium. Please refer to point 1.5 for computation methodology.

The base price of the options contracts on subsequent trading days shall be the daily close price of the options contracts. The base price of the options contracts which were not traded in the last half an hour but traded during the day shall be the last traded price of such contracts. The base price of the contracts which were not traded at all during the day shall be the theoretical price of such contracts arrived using Black-Scholes model.

The options contracts shall have specific price ranges that shall be based on the delta of the options contracts using previous day's close price of the underlying asset and its volatility. The price range shall be computed for each options contract using this method on a daily basis and the same shall be applicable for the next trading day. Members can view the daily price range for the options contracts on NEAT-FO and NEATPlus TWS upon double clicking (Shift+F8) the options contract on Market Watch screen after uploading latest contract.txt file.

The price range may be flexed during the day in case the options trade price crosses 80% of the set price range, at the discretion of the Exchange. A relevant message shall also be broadcast to all the trading terminals. After flexing the price range, the orders entered beyond the new price range shall be cancelled by the Exchange. Additionally, members desiring to place orders in option contracts beyond the day's price range would be required to intimate the Exchange. The price range for such options contracts may be modified, at the discretion of the Exchange.

The applicable minimum price range for all options contracts has been set as Rs.3

Details of base price of the options contracts which are not traded on a day and futures contracts not traded in the last half an hour shall be available on the extranet, in the file bpddmmyy.csv in the directory: faoftp/faocommon/base price. The structure of the file is Instrument type, Symbol, Expiry date, Strike price (in paise), Option type and Base price (in paise).

### **1.5 Calculation of theoretical base price of contracts as per Black –Scholes model**

The base price for a call option shall be computed as follows:

$$C = S * N(d1) - X * e^{(-rt)} * N(d2)$$

and the base price for a put option shall be computed as follows:

$$P = X * e^{(-rt)} * N(-d2) - S * N(-d1)$$

Where:

$$d1 = \frac{\ln(S / X) + (r + s^2 / 2) * t}{s * \sqrt{t}}$$

$$d2 = \frac{\ln(S / X) + (r - s^2 / 2) * t}{s * \sqrt{t}}$$

$$= d1 - s * \sqrt{t}$$

and

C = price of a call option

P = price of a put option

S = price of the underlying asset

X = Strike price of the option

r = rate of interest (Rate of interest shall be the relevant MIBOR rate for the day)

t = time to expiration

s = volatility (Volatility shall be the higher of the underlying volatility or the near month futures contract volatility on the relevant day.)

N represents a standard normal distribution with mean = 0 and standard deviation = 1, and ln represents the natural logarithm of a number. Natural logarithms are based on the constant e (2.71828182845904).

## 1.6 Trade Execution

Exchange has taken several order and risk management measures including limits and controls. To further strengthen orderly trading, the exchange has put in place the following mechanism –

- 1) Orders shall be matched and trades shall take place only if the trade price is within the trade execution range based on the reference price of the contract.
- 2) Reference price for each contract shall be computed as follows:
  - At market open – it shall be the theoretical price based on the underlying price (using implied volatility in case of options contracts and rate of interest - 10%)
  - During trading hours – it shall be the simple average of trade prices of that contract in the last 1 minute
  - For contracts that have traded in the last 1 minute, the reference price shall be revised throughout the day on a rolling basis at 1 minute intervals

- For all other contracts the reference price shall be the theoretical price based on the latest available underlying price and shall be revised throughout the day at regular intervals. (30 minutes)
- 3) Execution range is the range on both sides of the reference price as given below:

Segment	Reference Price (Rs.)	% of Reference Price	Minimum absolute Range (Rs.)
Futures	All	5%	-
Options	0.05 to 50	-	20.00
	>50	40%	-

- 4) There is no change to the existing applicable operating ranges. For valid order entry and all orders that are within the operating range shall be accepted as is being done currently.
- 5) If any order which is within the operating range but which may result in a trade outside the execution range is entered then such an order (full or partial as the case may be) shall be cancelled by the Exchange.
- 6) The Exchange may modify the execution range as and when necessary.
- 7) Trade Execution range shall not be applicable to India VIX futures and long term Option contracts on NIFTY.

## 1.7 Corporate Actions

Corporate actions mean and include dividend, bonus, rights shares, and issue of shares as a result of stock split, stock consolidations, and schemes of mergers/de-mergers, spin-offs, amalgamations, capital restructuring and such other privileges or events of a similar nature announced by the issuer of the underlying securities. The Exchange may make such modifications as may be deemed necessary including modifications in the open interest and/or contract specifications in accordance with the rules, byelaws and regulations of the Exchange and as specified by SEBI from time to time.

The basis for any adjustment for corporate action shall be such that the value of the position of the market participants on cum and ex-date for corporate action shall continue to remain the same as far as possible. This will facilitate in retaining the relative status of positions viz. in-the-money, at-the-money and out-of-money. This will also address issues related to exercise and assignments.

Any adjustment for corporate actions shall be carried out on the last day on which a security is traded on the cum basis in the underlying Capital market segment.

Adjustments shall mean modifications to positions and/or contract specifications as listed below such that the basic premise of adjustment laid down above is satisfied:

1. Strike Price
2. Position
3. Market Lot/Multiplier



The adjustments shall be carried out on any or all of the above based on the nature of the corporate action. The adjustments for corporate actions shall be carried out on all open, exercised as well as assigned positions.

Exchange gives notice of four weeks to the market for any change in the contract specifications and also in case of change in a constituent of an Index on which derivatives are available.

The methodology proposed to be followed for adjustment of various corporate actions to be carried out shall be as follows:

**Bonus, Stock Splits and Consolidations**

**Strike Price:** The new strike price shall be arrived at by dividing the old strike price by the adjustment factor as under.

**Market Lot / Multiplier:** The new market lot/multiplier shall be arrived at by multiplying the old market lot by the adjustment factor as under.

The adjustment factor for Bonus, Stock Splits and Consolidations is arrived at as follows:

***Bonus***

Ratio – A: B Adjustment factor:  $(A+B)/B$

***Stock Splits and Consolidations***

Ratio – A: B Adjustment factor:  $A/B$

**Right Issue**

Ratio – A: B and Issue price of rights is S.

Adjustment factor:  $(P-E)/P$

Where P = Spot price on last cum date

$E = (P-S) \times A / (A+B)$

**Strike Price:** The new strike price shall be arrived at by multiplying the old strike price by the adjustment factor as under.

**Market Lot / Multiplier:** The new market lot/multiplier shall be arrived at by dividing the old market lot by the adjustment factor as under.

The above methodology may result in fractions due to the corporate action. Therefore, the strike prices shall be rounded off to the nearest tick size and the lot size shall be rounded off to the nearest integer.

**Extra Ordinary Dividends:**

Dividends which are below 10% of the market value of the underlying stock would be deemed to be ordinary dividends and no adjustment in the strike price would be made for ordinary dividends.

For extra-ordinary dividends, above 10% of the market value of the underlying stock, the strike price and base price of the contracts would be adjusted.

The Exchange may on a case to case basis carry out adjustments for other corporate actions as decided by the Exchange in conformity with the above guidelines.

### **Adjustment for Corporate Actions in case of Mergers / Demergers**

#### **Mergers:**

Pursuant to the decision of the Sub-Committee of SEBI Advisory Committee on Derivatives, the following adjustments shall be made for the Options and Futures contracts on an underlying in case of its merger with any other company.

1. On the announcement of the record date for the merger, the exact date of expiration (Last Cum-date) of the contracts would be informed to the members.
2. After the announcement of the Record Date, no fresh contracts on Futures and Options would be introduced on the underlying, that will cease to exist subsequent to the merger.
3. Un-expired contracts outstanding as on the last cum-date would be compulsorily settled at the settlement price. The settlement price shall be the closing price of the underlying on the last cum-date.

#### **Demerger:**

All the following conditions shall be met in the case of shares of a company undergoing restructuring through any means for eligibility to re-introduce derivative contracts on that company from the first day of listing of the post restructured company/(s) 's (as the case may be) stock (herein referred to as post restructured company) in the underlying market,

- a. the futures and options contracts on the stock of the original (pre restructure) company were traded on any Exchange prior to its restructuring;*
- b. the pre restructured company had a market capitalisation of at least Rs.1000 crores prior to its restructuring;*
- c. the post restructured company would be treated like a new stock and if it is, in the opinion of the Exchange, likely to be at least one-third the size of the pre restructuring company in terms of revenues, or assets, or (where appropriate) analyst valuations; and*
- d. in the opinion of the Exchange, the scheme of restructuring does not suggest that the post restructured company would have any characteristic (for example extremely low free float) that would render the company ineligible for derivatives trading,*

If the above conditions are satisfied, then the Exchange shall take the following course of action in dealing with the existing derivative contracts on the pre-restructured company and introduction of fresh contracts on the post restructured company:

- a) All existing contracts of the security shall be expired on the last cum date.
- b) The Exchange shall introduce near month, middle month and far month derivative contracts on the stock of the restructured company from the ex-date of the demerger.

In subsequent contract months, the normal rules for entry and exit of stocks in terms of eligibility requirements would apply. If these tests are not met, the Exchange shall not permit further futures & options contracts on this stock and future month series shall not be introduced.

### 1.8 Quantity freeze for futures & options contracts

Quantity freeze limit for all contracts on indices shall be on the following methodology for computation of quantity freeze for Index underlying.

Index Level		Quantity Freeze Limit
From	To	
0	5750	15000
5751	8625	10000
8626	11500	7500
11501	17250	5000
> 17250		2500

All orders entered in the trading system having quantity more than the specified freeze quantity limit for contracts on indices shall be frozen.

Similarly, in case of contracts on individual stocks, all orders entered in the trading system having quantity more than the respective freeze quantity limit specified for the individual stock shall be frozen.

Orders which may come to the Exchange as a quantity freeze shall be the lesser of the following:

1. 1% of the market wide position limit\*.

Or

2. Notional value of the contract\*\* of around Rs.5 crores.

The quantity freeze limits for individual stocks shall be based on number of contracts arrived at by dividing the above by market lot and rounding off the number of contracts to the nearest 10 contract on the higher side. The number of contracts thus arrived at would be multiplied by the market lot to arrive at the final freeze quantity.

An example of calculation of Quantity freeze for security ABC Ltd. is given below:

A) Market wide Position limit	57856890
B) Market Lot	600
C) Highest strike price	300
D) Maximum value of an order	Rs.50000000
E) 1% of market wide position limit (A*0.01)	578568.9
F) Freeze quantity based on Rs. 5 Crs Limit (D/C)	166666.667
G) Interim freeze quantity (lesser of E and F)	166666.67
H) Conversion of freeze quantity to no of contracts (G/B)	277.78
I) Rounding off the number of contracts to the nearest 10 contracts on the higher side	280
<b>J) Final Freeze quantity (I*B)</b>	<b>168000</b>

\*The Market wide position limit applicable on Futures and Options contracts on individual securities shall be as stipulated by National Securities Clearing Corporation Ltd (NSCCL) in this regard from time to time.

\*\*The notional value for the above will be computed based on the highest available strike price on the security.

In respect of orders which have come under quantity freeze, member shall be required to confirm to Exchange that there is no inadvertent error in order entry and that the order is genuine. On such confirmation, Exchange at its discretion may approve such order subject to availability of turnover/exposure limits, etc. In all other cases, quantity freeze orders shall be cancelled by the Exchange. The Exchange shall revise the quantity freeze limit on a monthly basis for all underlying derivative securities and also on the ex-date for stocks undergoing corporate action like bonus/split/rights. Members are informed that details of quantity freeze limits of all stocks and indices are available in a file named “qtyfreeze.xls” on NSE website and Extranet (\faofp\faocommon).

## 1.9 Trading exigencies

### a. Cancel on logout

**COL facility at User level** is being provided. Corporate Manager of a trading member can enable / disable user level COL flag for their users.

#### The salient features of COL at User level are:

- Corporate Manager shall have an option to enable / disable the user level COL facility for their users
- By default the User level COL facility shall be disabled for all users.
- If a user for whom User level COL flag is enabled logs out, all outstanding orders shall be cancelled for that user.

- Corporate manager can enable/disable users for COL before, after or anytime during the market hours.

**COL facility at order entry level** is being provided to users that can be specified for an order. As and when the user is logged out, either a clean sign out (voluntary) or due to any technical reason (involuntary), outstanding orders that are marked with COL shall be cancelled irrespective of whether such User id is enabled for COL or not by Corporate Manager.

**The salient features of COL at Order entry level are:**

- COL can be specified for Regular Lot, Stop Loss and Spread Orders.
- COL can be specified for Limit as well as Market Order.
- In order entry the default value for COL shall be 'Non-COL'. User shall be required to explicitly select the value for the COL field as 'COL' if required.
- COL can be specified only for Day Orders. COL shall not be applicable to IOC orders.
- User shall not be able to modify COL during order modification.

**b. Kill Switch**

An additional facility 'Kill Switch' is being provided. When the Kill switch function is executed, all outstanding orders shall be cancelled.

**A) Trading member level:**

The trading member level kill switch shall be available to Corporate Manager of a trading member. When trading member level kill switch is executed, all outstanding orders of that trading member shall be cancelled.

The salient features of trading member level Kill Switch are:

- Only corporate manager can execute this Kill Switch
- All outstanding orders of all users of that trading member shall be cancelled

**B) User level:**

The User level kill switch functionality shall be available to all users. When user level kill switch is executed, all outstanding orders for that user shall be cancelled.

The salient features of Kill Switch at user level are:

- User Level Kill Switch is available to all users.
- On executing user level Kill Switch, all outstanding orders entered by that user shall be cancelled.

## **1.10 Exposure Limits and Position Limits**

The exposure limits and position limits applicable on Futures and Options on contracts shall be as stipulated by NSCCL in this regard from time to time.

## **1.11 Final Settlement for futures and options contracts**

Final Settlement in respect of futures and options contracts shall be cash settled and as per the provisions of NSCCL as may be stipulated from time to time.

## **1.12 Off- Market deals/Negotiated Deals**

Off-market deals outside the trading system shall not be allowed. Negotiated deals shall not be permitted in the Futures & Options segment.

### 1.13 Strikes Price Interval

#### Index Options

The number of contracts to be provided and the strike interval applicable for all short term expiries (near, mid and far months) in Index options shall be as follows:

Index Level From To		Strike Interval	Number of strikes In the money- At the money- out of the money
≤	2000	50	8 - 1 - 8
> 2000	≤ 3000	100	6 - 1 - 6
> 3000	≤ 4000	100	8 - 1 - 8
> 4000	≤ 6000	100	12 - 1 - 12
>	6000	100	16 - 1 - 16

Only in case of Nifty Index options the strike parameters for near expiries (i.e. Near, Mid and Far month expiries) shall be as follows:

Nifty Index Level	Strike Interval	Number of strikes In the money- At the money- out of the money
All levels	50	30 - 1 - 30

The scheme for Quarterly and Half Yearly expiry (Only for Nifty Option contracts) shall be as follows:

Index Level From To		Strike Interval	Number of strikes In the money- At the money- out of the money
≤	2000	100	6 - 1 - 6
> 2000	≤ 3000	100	9 - 1 - 9
> 3000	≤ 4000	100	12 - 1 - 12
> 4000	≤ 6000	100	18 - 1 - 18
>	6000	100	24 - 1 - 24

The previous day's closing value of respective indices shall be rounded off to the nearest strike price for arriving at the at-the-money strike.

#### Stock Options

The scheme of strike prices in stock options are,

1. The step value applicable for each stock shall be determined based on the volatility of the underlying stock.
2. The step value shall be reviewed and if necessary revised on a quarterly basis.
3. The number of call and put option strikes provided for each underlying shall be a minimum of 5-1-5 subject to a maximum of 10-1-10 strikes. (In the money-At the money-Out of the money)

4. New contracts with new strike prices shall be introduced for trading on the next working day based on the previous day's underlying close values.
5. In order to decide upon the at-the-money strike price, closing underlying value shall be rounded off to the nearest strike price interval.
6. The Exchange, at its discretion, may enable additional strikes as mentioned in the above table in the direction of the price movement, intraday, if required. The additional strikes may be enabled during the day at regular intervals and message for the same shall be broadcast to all trading terminals.

#### **1.14 Day Spread Order functionality**

Exchange offers spread order functionality with 'DAY' time validity in futures contracts of indices and stocks. Members using NEAT-F&O, NEATPlus and CTCL facility (using their CTCL software) are advised to download updated **spd\_contract.gz file** every day from the directory faoftp/faocommon on the Extranet server to setup spread combination contract on their terminals before trading.

Traders can place Buy Spread order (BSP) and Sell Spread order (SSP) with individual contracts defaulted for LEG1 and LEG2. A spread DAY order shall be matched in the spread order book maintained separately for the spread combination contract with the opposite side spread order. If not matched, it shall be treated as a passive order in spread order book. The outstanding 'DAY' orders shall be stacked on price time priority in spread order book. The user can modify or cancel such outstanding spread order. If 'DAY' spread order is matched, the trades shall be executed at following prices:

Traded price for the first leg contract	=	Reference price
Traded price for the second leg contract	=	Reference price + the price difference entered for the spread order

Where Reference price = Last Traded Price of the first leg contract. If last traded price of the first leg contract is not available then base price for the first leg contract shall be treated as reference price.

The price range applicable will be 1% of the base price for spread combination contracts. The base price of the spread combination contract shall be the settlement price of its first leg contract.

#### **1.15 Revision of market lot of futures and options contracts**

SEBI in its circular CIR/MRD/DP/14/2015 dated July 13, 2015 has prescribed the revised methodology for revising the lot size for derivative contracts on individual securities and indices as given below:

1. The lot size for derivatives contracts in equity derivatives segment shall be fixed in such a manner that the contract value of the derivative on the day of review is within Rs. 5 lakhs and Rs. 10 lakhs.

2. For stock derivatives, the lot size (in units of underlying) shall be fixed as a multiple of 25, provided the lot size is not less than 50. However, if the contract value of the stock derivatives at the minimum lot size of 50 is greater than Rs. 10 lakhs, then lot size shall be fixed as a multiple of 5, provided the lot size is not less than 10.
3. For index derivatives, the lot size (in units of underlying) shall be fixed as a multiple of 5, provided the lot size is not less than 10.

The Exchange shall review the lot sizes once in every 6 months based on the average of the closing price of the underlying for last one month and wherever warranted, revise the lot sizes by giving an advance notice of at least 2 weeks to the market. If the revised lot size is higher than the existing one or lower than the existing one and not in multiple of old lot, it is made effective for only new month contracts. In case of corporate action, the revision in lot size of existing contracts shall be carried out as per SEBI circular SMDRP/DC/CIR-15/02 dated December 18, 2002.

### 1.16 Trade Modification

Trades can be modified with respect to client code / custodial participant code only till the end of trade modification time of the day. Members can access a Trade modification report containing details of the trades modified as follows:

1. Original Trades – which were modified later where the activity type shall be ‘11’
2. Modified Trades – All instances of the modification of original trade where the activity type shall be ‘12’.
3. Members are advised to note the following –

Sr No	Description	Action	Remarks
1.	Modify Trade from PRO to CLI	Not Permitted	
2	Modify Trade from CLI to PRO	Not Permitted	
3	Modify client code for all trades of an order	Allowed	
4	Modify client code for a few trades of an order	Allowed	All trades for that order shall be updated to client code as per the latest trade modification at the end of the day.

The report is available on the Extranet FTP in the online backup folder of the respective member folder. (Refer Part-C, Annexure 9 for file structure)

In case there are no modifications during the day, the member shall receive a ‘NIL’ report.

A Facility to send multiple trade modification requests for normal trades resulting from the same order number is provided. User will not be able to send individual trade modification using this functionality. User can directly give the order number based on which all the trades of that order



will be available for bulk modification. The user can also filter the orders based on Contract descriptor, Client code & CP code.

The bulk trade modification facility will be available by clicking function key (**Alt + F9**), Menu Transaction → Multiple Trade Modification or invocation of Single trade modification screen (**Shift + F5**).

Members must take steps to ensure that orders are placed for PRO or CLI correctly. Order Modification (Shift + F2) will be allowed for book type, order price and order quantity only.

### 1.17 Contract Specification –

- **Indices and Stocks**

Parameter	Index Futures	Index Options	Stock Futures	Stock Options	Long Term Index Options
<b>Instrument</b>	FUTIDX	OPTIDX	FUTSTK	OPTSTK	OPTIDX
<b>Trading Symbol</b>	Symbol of Underlying Index	Symbol of Underlying Index	Symbol of Underlying Security	Symbol of Underlying Security	NIFTY
<b>Option Type</b>	-	CE / PE	-	CE / PE	CE / PE
<b>Trading Cycle</b>	Monthly:- 3 month trading cycle - the near month (one), the next month (two) and the far month (three) Weekly:- 7 weekly expiry contracts excluding the expiry week of monthly contract New serial weekly options contract shall be introduced after expiry of the respective week's contract. <i>Note-only applicable to BANKNIFTY &amp; Nifty CPSE</i>				Three quarterly expiries (March, June, Sept & Dec cycle) and next 8 half yearly expiries (Jun, Dec cycle)
<b>Expiry Day /Last Trading Day</b>	Monthly:- Last Thursday of the expiry month. If the last Thursday is a trading holiday, then the expiry day is the previous trading day. Weekly:- Every Thursday of the week. If Thursday is a trading holiday, then the expiry day is the previous trading day.				
<b>Strike Price Intervals</b>	-	Depending on underlying price	-	Depending on underlying price	Depending on underlying price
<b>Permitted Lot Size</b>	Underlying specific (min contract value of at least Rs.5 Lakhs at the time of introduction)				
<b>Tick Size</b>	Re.0.05				

<b>Price Range</b>	10% of the base price of the contract	Contract specific price range based on the delta of the options contract. Minimum price range set as Rs.3	10% of the base price of the contract	Contract specific price range based on the delta of the options contract. Minimum price range set as Rs.3	Contract specific price range based on the delta of the options contract. Minimum price range set as Rs.3
--------------------	---------------------------------------	---	---------------------------------------	---	---

CE – Call European, PE – Put European

### Derivatives on Global Indices

<b>Underlying Index</b>	<b>S&amp;P 500 Index Futures</b>	<b>Dow Jones Industrial Average Index Futures</b>	<b>FTSE 100 Index Futures</b>	<b>S&amp;P 500 Index Options</b>	<b>FTSE 100 Index Options</b>
<b>Instrument</b>	FUTIDX	FUTIDX	FUTIDX	OPTIDX	OPTIDX
<b>Trading Symbol</b>	S&P500	DJIA	FTSE100	S&P500	FTSE100
<b>Option Type</b>	-	-	-	CE/PE	CE/PE
<b>Trading Cycle</b>	Three serial monthly contracts and following three quarterly expiry contracts in the Mar-Jun-Sep-Dec cycle				
<b>Expiry day /Last Trading Day</b>	Third Friday of the expiry month. In case the third Friday of the expiry month is a holiday in USA or India, the contract shall expire on the preceding business day in both USA and India in the expiry month.				
<b>Strike Price Interval</b>	-	-		12-1-12 strikes (In the money-At the money- Out of the money) with 5 point interval and further 4-4 strikes of 10 point interval	8-1-8 strikes (In the money-At the money- Out of the money) with 100 point interval
<b>Permitted Lot Size</b>	Underlying specific (min contract value of at least Rs.5 Lakhs at the time of introduction)				
<b>Tick Size</b>	Re. 0.25	Rs. 2.50	Re. 1.00	Re. 0.05	Re. 0.05

<b>Price Range</b>	5 % of the base price of the contract	Contract specific price ranges based on the delta of the options contract. Minimum price range set as Rs.3	
<b>Settlement basis</b>	Cash settlement in INR		
<b>Calendar Spread</b>	M1-M2, M2-M3, M1-M3, Q1-Q2, & Q2-Q3		
	(Where M denotes monthly expiry and Q denotes quarterly expiry)		

CE – Call European, PE – Put European

For the general information on the indices, methodology adopted for computation of the index, constituent securities, their weights in the index, company information of the constituent securities and other details, members are requested to visit the following links:

[http://www.nseindia.com/products/content/gi/product\\_SP500.htm](http://www.nseindia.com/products/content/gi/product_SP500.htm)

[http://www.nseindia.com/products/content/gi/product\\_DJIA.htm](http://www.nseindia.com/products/content/gi/product_DJIA.htm)

[http://www.nseindia.com/products/content/gi/product\\_FTSE100.htm](http://www.nseindia.com/products/content/gi/product_FTSE100.htm)

### **Futures on India VIX**

<b>Underlying</b>	India VIX Index
<b>Symbol</b>	INDIAVIX
<b>Instrument Type</b>	FUTIVX
<b>Market Type</b>	N
<b>Quotation Price</b>	India VIX Index X 100
<b>Contract Value</b>	Minimum Rs. 10 lakhs at the time of introduction
<b>Tick Size</b>	Rs.0.25
<b>Expiry Date</b>	Every Tuesday of the week
<b>Contract Cycle</b>	Weekly - 3 serial contracts
<b>Spread Contracts</b>	W1-W2, W2-W3, W1-W3 (Where W denotes weekly expiry)
<b>Price Range</b>	Operating Range of 10% of the base price.
<b>Base Price</b>	Daily Settlement Price of the contract
<b>Final Settlement Procedure</b>	Cash Settlement

## ITEM 2

### TRADING HOLIDAYS AND TRADING HOURS

#### 2.1 Trading Holidays

The Futures and Options segment shall remain closed on Saturday and Sunday, unless it is explicitly stated otherwise. The trading holidays for the calendar year 2016 are as below.

[http://www.nseindia.com/global/content/market\\_timings\\_holidays/market\\_timings\\_holidays.htm](http://www.nseindia.com/global/content/market_timings_holidays/market_timings_holidays.htm)

Sr. No.	Date	Day	Description
1	January 26, 2017	Thursday	Republic Day
2	February 24, 2017	Friday	Mahashivratri
3	March 13, 2017	Monday	Holi
4	April 04, 2017	Tuesday	Ram Navami
5	April 14, 2017	Friday	Good Friday Dr.Baba Saheb Ambedkar Jayanti
6	May 01, 2017	Monday	Maharashtra Day
7	June 26, 2017	Monday	Id-Ul-Fitr (Ramzan ID)
8	August 15, 2017	Tuesday	Independence Day
9	August 25, 2017	Friday	Ganesh Chaturthi
10	October 02, 2017	Monday	Mahatama Gandhi Jayanti
11	October 19, 2017	Thursday	Diwali-Laxmi Pujan*
12	October 20, 2017	Friday	Diwali-Balipratipada
13	December 25, 2017	Monday	Christmas

\* Muhurat Trading will be conducted on Thursday, October 19, 2017. Timings of Muhurat Trading shall be notified subsequently...

The holidays falling on Saturday / Sunday are as follows:

Sr. No.	Date	Day	Description
1	April 09, 2017	Sunday	Mahavir Jayanti
2	September 02, 2017	Saturday	Bakri ID
3	September 30, 2017	Saturday	Dasera
4	October 01, 2017	Sunday	Moharram
5	November 04, 2017	Saturday	Gururanak

#### 2.2 Trading Hours

In pursuance of clause 2.4 of Regulation (F&O Segment), the trading hours for the Futures & Options Segment of the Exchange is given below:

Normal Market Open Time	09:15 hrs.
Normal Market Close Time	15:30 hrs.
Position Limit/Collateral Value Set Up Cut Off Time	16:15 hrs.
Trade Modification End Time	16:15 hrs.

Further, Exchange has made the trading environment available from 7.00 am onwards on every trading day for users to login and check connectivity.

### **2.3 Extension of Market hours**

The Exchange may extend the market time for trading after carrying out preliminary checks/assessment of the problem, for such time period as may be deemed necessary from time to time in the event of 25% or more of normally active trading terminals being unable to trade due to loss of access to the trading system of the segment during the normal or extended course of trading hours for reasons beyond their control.

### **2.4 Market Close for trading**

The Exchange may close the Futures & Options Segment for trading after carrying out preliminary checks/assessment of the problem for such time period deemed necessary in the event of 40% or more of normally active trading terminals, being unable to trade due to loss of access to the trading system of the segment during the normal or extended course of trading hours for reasons beyond their control.

In this situation the Future & Option segment may be closed after giving short notice. For any reason, if the Future & Options Segment at the Exchange is closed / is required to be closed for trading, Capital Market Segment at the Exchange shall continue to remain open and operational.

### **2.5 Index Circuit Filter**

SEBI vide its circular number SMDRPD/Policy/Cir-35/2001 dated June 28, 2001 has informed the Exchange to implement index based market wide circuit breaker in compulsory rolling settlement with effect from July 02, 2001. The index based market wide circuit breaker system shall apply at three stages of the index movement either way at 10%, 15% and 20%. These circuit breakers shall bring about a coordinated trading halt in all equity and equity derivative markets nationwide.

The market wide circuit breakers shall be triggered by movement of either BSE Sensex or the NSE Nifty 50 whichever is breached earlier.

- In case of a 10% movement of either of these indices, there would be a one-hour market halt if the movement takes place before 1:00 p.m. In case the movement takes place at or after 1:00 p.m. but before 2:30 p.m. there would be trading halt for ½ hour. In case movement takes place at or after 2:30 p.m. there will be no trading halt at the 10% level and market shall continue trading.
- In case of a 15% movement of either index, there shall be a two-hour halt if the movement takes place before 1 p.m. If the 15% trigger is reached on or after 1:00 p.m. but before 2:00 p.m., there shall be a one-hour halt. If the 15% trigger is reached on or after 2:00 p.m. the trading shall halt for remainder of the day.

- In case of a 20% movement of the index, trading shall be halted for the remainder of the day.

## 2.6 Contingency Drill / Mock Trading schedule

Contingency Drills/ Mock Trading sessions are conducted by the Exchange from time to time for periodical testing of trading infrastructure and its recovery & response mechanisms. Large scale participation of members is quintessential for the success of such sessions.

In order to enable market participants to plan and schedule their own contingency plans/testing, the Exchange is hereby notifying the Contingency drills/Mock trading sessions calendar for the year 2016, as follows;

<b>Sr. No.</b>	<b>Dates of Contingency Drill / Mock Trading Sessions</b>
1	January 07, 2017
2	February 04, 2017
3	March 04, 2017
4	April 01, 2017
5	May 06, 2017
6	June 03, 2017
7	July 01, 2017
8	August 05, 2017
9	September 09, 2017
10	October 07, 2017
11	November 11, 2017
12	December 02, 2017

## ITEM 3

### COMPLIANCE

#### 3.1 Trade Annulment

Exchange has modified existing trade cancellation procedure in accordance with the provisions of SEBI circular no. CIR/MRD/DP/15/2015 dated July 16, 2015 which lays down policy for annulment of trades undertaken on stock exchanges.

SEBI in its circular expressly advises that “to ensure finality of trades executed on trading platforms of the stock exchanges, to the extent possible, annulment of trades should be avoided by the stock exchanges.”

In order to discourage frequent or frivolous annulment requests, the following revised procedure and guideline for submission and processing trade annulment requests shall be applicable:

#### I. Submission of Trade Annulment Request:

Trade annulment request can be placed only by the executing trading members (buyer /seller) who have executed the trade to be annulled.

1. Prior to initiating the trade annulment request, the trading member shall ensure and certify the following:
  - i. that the member had taken adequate precautions such as defining order quantity limit; order value limit; user value limit; branch value limit and all the risk management measures as provided by the Exchange from time to time.
  - ii. that the orders related to the trade(s) to be annulled were routed after filtering them as per the risk management principles of the member,
  - iii. that the orders were in compliance with the order placement limits applicable to the dealer, branch and member.
  - iv. that the member has a process in place to ensure that the orders leading to the trade(s) to be annulled were covered by adequate margins, where applicable.
  - v. that the orders were placed by a qualified dealer.
  
2. Mode of placing the annulment request:
  - i. The trading system of the Exchange provides a facility to a member to initiate a trade annulment request in electronic form whereupon the member on the other side of the trade would receive the details of the trade annulment request anonymously.
  - ii. The member has to file the annulment request electronically only on the trading system provided by the Exchange.
  - iii. The Exchange shall electronically disseminate the request on trading system to all concerned counter party trading members to the trade(s) for which annulment is sought.
  - iv. Considering the strict time lines, Exchange shall not accept any request in any form or any other mode other than the screen based electronic mechanism provided by the Exchange. However, Exchange may permit filing of request in any other mode in exceptional cases.

- v. Counterparty trading member who accepts the request has to respond on the trading system intimating their consent to annul the trade.
- vi. The Exchange may seek additional information from such members for further scrutiny, if found necessary.

## II. Criteria & Processing of Trade Annulment Request:

The trade/s for which annulment is requested shall have to fulfil all the conditions listed below for the Exchange to be taken up for further processing;

- Trade annulment requests should be placed only by the executing trading members (buyer /seller) who have executed the trade(s) to be annulled. Trade annulment requests placed by third parties viz. Clearing Member / trading member other than executing trading members, shall not be accepted for processing.
- Trade annulment requests should be submitted to the Exchange within 30 minutes of the execution of trade.
- A trade annulment request can only be made for an order of a minimum value of Rs 10 Crores (premium value in case of options contracts shall be considered).
- Minimum trade value of trade(s) originating from a single order for which annulment request is made should be Rs. 10 lakhs or above (premium value in case of options contracts shall be considered).
- The trade(s) in question are not within the price bands / operating range / trade execution range applicable at the time of trade.
- Trade(s) for which annulment requests are submitted should have been executed in the continuous session (Normal market).
- Trade(s) have not been executed with the same PAN number on both the buying and selling side.

Exchange shall require the trading members to submit additional information such as reason to request for trade annulment, whether similar trade annulment requests have been submitted simultaneously to other exchange etc. in electronic form through ENIT

Trade Annulment requests fulfilling the conditions specified above shall be accepted for further processing and should satisfy the following additional criteria:

- Counterparty trading member should have provided acceptance to trade annulment in electronic form within 30 minutes after the market closure or within 30 minutes from time of trade annulment requests whichever is later. If the counterparty member does not intimate his consent within 30 minutes of market closure or within 30 minutes from time of trade annulment requests whichever is later, it will be deemed that the counterparty member does not consent to the request for annulment.
- The executing member and the member on the other side of the said trade for a trade annulment request is not the same.

The Exchange shall expeditiously, not later than start of next trading day, examine and decide upon accepted annulment requests. The Exchange shall intimate the requesting member about the acceptance / rejection of the annulment request.

Where a trading member has requested for annulment of trade(s) to more than one exchange, Exchange shall coordinate with the other exchanges to take appropriate inputs to decide upon the trade annulment request.



Member may note that any trade annulment, if accepted, will not result in re-computation of index or bhavcopy.

III. Application fee for trade annulment request

A fee equal to 5% of the value of trade(s) for which annulment is requested, subject to minimum fee of Rs. 1 lakh and maximum fee of Rs. 10 lakhs shall be charged as Annulment Application fee for accepting the request. Such fee shall be debited from the Member's Exchange dues account or deducted from Members money available with the Exchange on the day of receipt of trade annulment request. The amount so collected as Annulment Application Request fees shall be credited to Investor Protection Fund (IPF) of the Exchange.

IV. Dissemination of following information on Exchange website

Exchange shall disseminate the following details of trade annulment requests on its website [www.nseindia.com](http://www.nseindia.com):

- Details of receipt of trade annulment request.
- Details of decision on trade annulment request.

- V. A mechanism for review of the decision of the Exchange on Trade annulment request shall be provided. For the purpose of review the trading members shall submit a request for review to the Exchange before the payout deadline for the trades. A detailed procedure for review mechanism shall be notified separately.
- VI. As prescribed in SEBI Circular para no. 4, in case there is more than 1 instance from the same trading member in the same segment in a calendar quarter, an additional amount equal to 1% of the value of trade(s), subject to minimum of Rs. 1 lakh shall be charged. This is being done to discourage frequent or frivolous requests and maintain the sanctity of the trades on the Exchange. This charge shall be non-reversible. This shall be in addition to the Annulment request application fee.
- VII. Members may note that pursuant to Byelaw 5 of chapter VII of the Byelaws, the Exchange may, to protect the interest of investors in securities market and for proper regulation of the securities market, suo motu annul trades at any time if the relevant authority is satisfied for reasons to be recorded in writing that such trade(s) is/are vitiated by fraud, material mistake, willful misrepresentation or market or price manipulation and the like.

### **3.2 Proprietary Account Trading**

SEBI vide letter SEBI/MRD/SE/Cir-32/2003/27/08 dated August 27, 2003 has advised Stock Exchanges to facilitate placing of orders on 'proprietary-account' through trading terminals only from one location. Trading member is required to submit an application to the Exchange through the NSE ENIT system on the following path <https://www.connect2nse.com/Memberportal/> to avail the facility. Trading terminals located at places other than the above location shall have a facility to place orders only for and on behalf of a client by entering client code details as required / specified by the Exchange / SEBI. In case any member requires the facility of using "pro-account" through trading terminals from more than one location and / or CTCL, is required to submit an application along with undertaking to the Exchange in the format given below

Single proprietary undertaking is applicable for all segments for proprietary trading on more than one location (additional location) and / or CTCL across segments. The Exchange may, on case to case basis and after due diligence, consider extending the facility of allowing use of proprietary account from more than one location.

Members are requested to note that in case of the undertaking for proprietary enablement, the value of the non-judicial stamp paper used is Rs. 100/-. The said undertaking is required in case the location of user id (on which proprietary facility is to be availed) is other than default location or the user id is enabled for CTCL.

## Format of Undertaking

### **UNDERTAKING FOR AVAILING PROPRIETARY ACCOUNT ORDER ENTRY FACILITY**

I/We \_\_\_\_\_, an individual /a firm registered under the Indian Partnership Act, 1932 / a Company / body corporate incorporated under the Companies Act of 1956 / \_\_\_\_\_ Act, 19\_\_, and residing at / having our registered office at \_\_\_\_\_ give this UNDERTAKING on this the \_\_\_\_ day of \_\_\_\_\_ 20 at \_\_\_\_\_ IN FAVOUR of National Stock Exchange of India Limited, a company incorporated under the Companies Act of 1956, with its registered office at "Exchange Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051(hereinafter called "NSEIL")

#### **WHEREAS**

1. NSEIL provides the National Exchange for Automated Trading (NEAT) software to enable its Trading Members to trade and in addition NSEIL also provides Computer To Computer Link (hereinafter called "CTCL") facility to Trading Members for order entry, receipt of order and trade confirmation and also for receipt of data relating to its trade quotations.
2. NSEIL, has prescribed that the facility of placing orders on "Pro-account" through trading terminals shall be availed by the Trading Members only at one location of the Trading members as specified / required by the Trading Members; any trading terminal located at a place other than the above location shall have a facility to place order only for and on behalf of a Constituent by entering client code details as required by NSEIL/ SEBI; and In case any Trading Member requires the facility of using "Pro-account" through trading terminals from more than one location, such Trading Member shall request NSEIL stating the reason for using the "Pro-account" at multiple locations.
3. NSEIL has as a precondition to the Undersigned being permitted the facility of using "Pro-account" through trading terminals from more than one location required me/us to furnish the undertaking in the manner and on the terms herein below:-

**NOW THEREFORE IN CONSIDERATION OF NSEIL** having agreed to allow me/us at my/our request to avail the Pro-account facility from more than one location, I/we hereby **IRREVOCABLY AND UNCONDITIONALLY UNDERTAKE** and agree to abide by and be bound by the following terms and conditions:-

1. That I/we undertake to enter proprietary orders only from the Pro-account terminals permitted by NSEIL and undertake not to misuse the said "Pro-account" facility and state that the proprietary trades on the Pro-account terminals pertain to proprietary trades and not client trades.
2. That I/we state that our Director(s) / Partner(s) is/are based at the location where the "Pro-account" trading terminals are located. The Pro-account facility shall be made available to the Approved Users only after obtaining the prior written consent of NSEIL and subject to such terms and conditions as may be prescribed by NSEIL from time to time.

3. That I/we undertake not to use the "Pro-account" trading terminals for purposes other than the defined reasons.
4. That I/we undertake to take all such steps and/or precautions to ensure and keep ensured that the 'Pro-account' facility is not extended to a location other than the location of the trading terminals where the "Pro-account" facility is permitted by NSEIL and CTCL terminals shall not be extended beyond the location of such permitted trading terminals.
5. That NSEIL, at its absolute discretion, may make the Pro-account facility available to me / us only from the date of my / our enablement on the Pro-account facility till such time as it may deem fit and further that the Pro-account facility may at any time be withdrawn by NSEIL at its discretion without giving me / us any notice or any reasons whatsoever.
6. That I/we shall execute, sign, and subscribe, to such other documents, papers, agreements, covenants, bonds, and / or undertakings as may be prescribed or required by NSEIL from time to time.
7. That I/we undertake to abide by all the provisions of the Byelaws, Rules, Regulations and Circulars/norms and requirements that may be in force from time to time relating to use and operation of the NEAT Trading System (including use of CTCL software) and that they shall also mutatis mutandis become applicable to the use and operation of the Pro-account facility.
8. That I/we undertake to render all possible assistance and cooperation to NSEIL by providing all information in any form as it may require and shall produce such documents, records, accounts, books, data howsoever stored including data stored in magnetic tapes, floppy diskettes, etc. and any other information as may be required by NSEIL at its discretion.

**IN WITNESS WHEREOF** this Undertaking is executed by the undersigned on the day, month, year and the place first mentioned above.

Signed by, for and on behalf of: Before me

**Instructions for Undertaking:**

1. The Undertaking is to be executed on a non-judicial stamp paper worth Rs.100/- if executed in State of Maharashtra. If this Undertaking is executed outside the State of Maharashtra, then it must be executed on a non-judicial stamp paper stamped in accordance to the duty as payable in the place of execution or on a non-judicial stamp paper worth Rs. 100/- whichever is higher.
2. Further this Undertaking (including all annexures / schedules) has to be notarised before a Notary Public.
3. All the pages of this Undertaking (including all annexures / schedules) have to be signed in full. The persons signing should also sign in full at all places in the Undertaking where anything has been hand-written / any corrections have been made.

4. If the Trading Member is an individual, then the Undertaking has to be signed by the individual Trading Member himself.
5. If the Trading member is a firm, then ALL the partners are required to sign this Undertaking.
6. If the Trading Member is a corporate, then the Undertaking has to be signed by the Managing Director or any two Directors of the company named as an authorised signatories of the company. The Common Seal of the company has to be affixed by the company on this Undertaking in the presence of such persons as authorised by the Articles of Association of the company.

### **Instructions for Board Resolution**

1. If the Trading Member is a corporate, the Undertaking has to be accompanied with a certified copy of the resolution of the Board of Directors of the company authorising the person(s) executing the undertaking to do so along with their specimen signatures and designations.
2. The Board Resolution should clearly state that the affixation of common seal shall be made in the presence of such persons as authorised by the Articles of Association of the company and should also clearly state the names of such persons. The above persons should sign the undertaking as a token of their presence when the common seal is affixed.

Further, the trading members shall be subject to and abide by all circulars, requirements, conditions, norms, guidelines and / or such terms as may be prescribed or required by NSEIL from time to time and the same shall become applicable ipso facto, upon its notice to the members by the Exchange.

Members may please note that

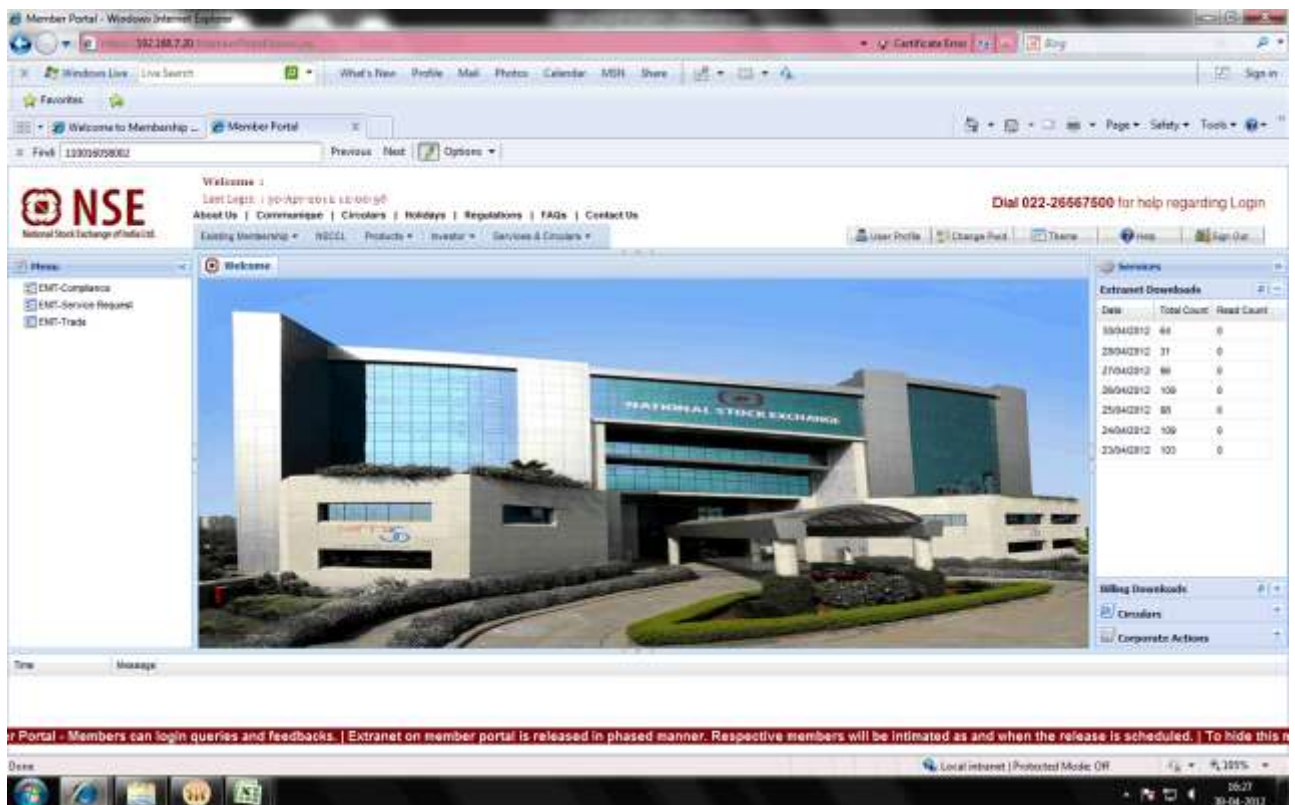
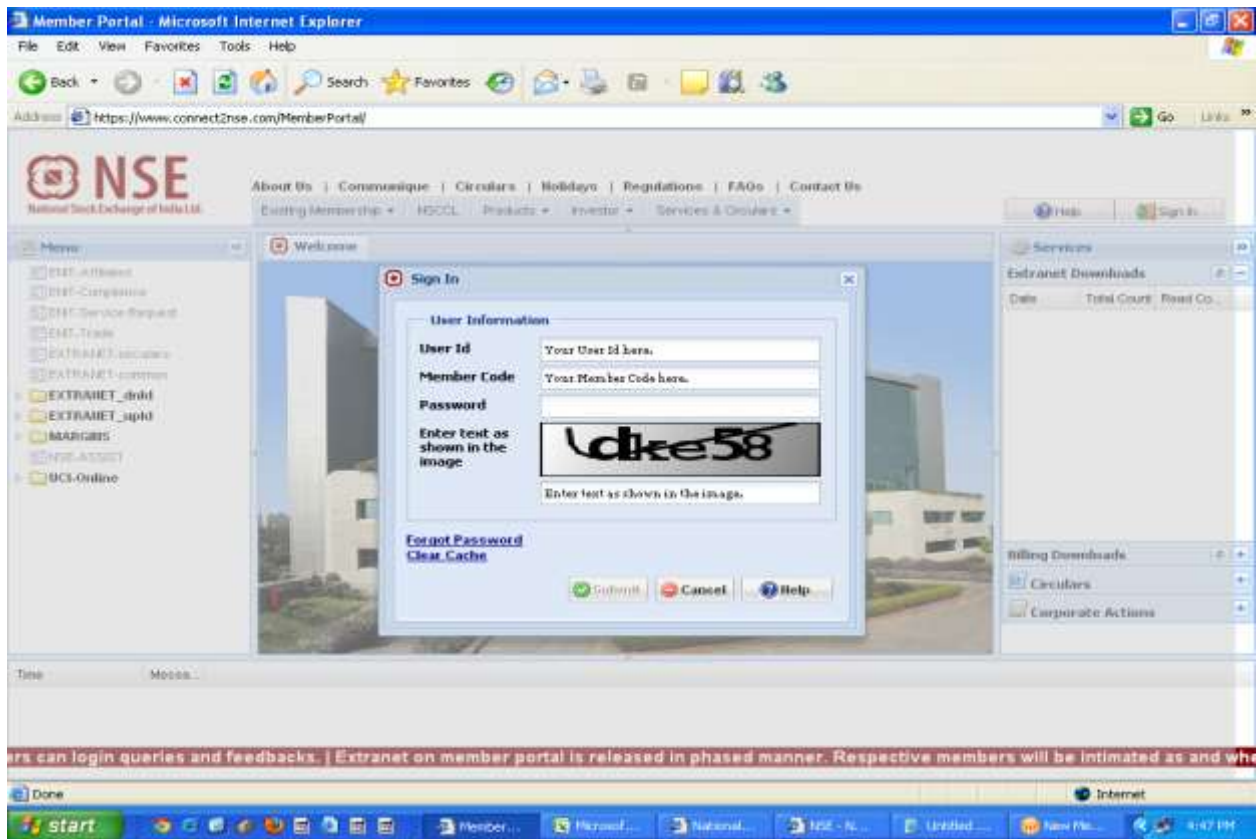
- a) The facility of PRO account trading is given by default to the corporate manager user id of the member by the exchange. However, member can request for its deactivation, if required so by member, in the relevant form on NSE ENIT interface.
- b) The Pro trading facility is given to the user id for a specific location as mentioned in the application. Any change to the location of user id / connectivity shall result in deactivation of Pro trading facility by the exchange.

### **Procedure for Application of Pro-Trading:**

Exchange has provided facility on member portal to handle requests for proprietary account trading applications electronically. Further, it may be noted that digital signature is imperative for accepting the applications through member portal. Hence, it is mandatory that all the applications sent electronically through -member portal contain digital signature as allotted by the Exchange to Authorised personnel of the trading firm. Trading members may send the application for availing proprietary account trading facility by logging in Member portal (<https://www.connectto.nse/memberportal>) Member can login through corporate manager user id by entering User ID and password.

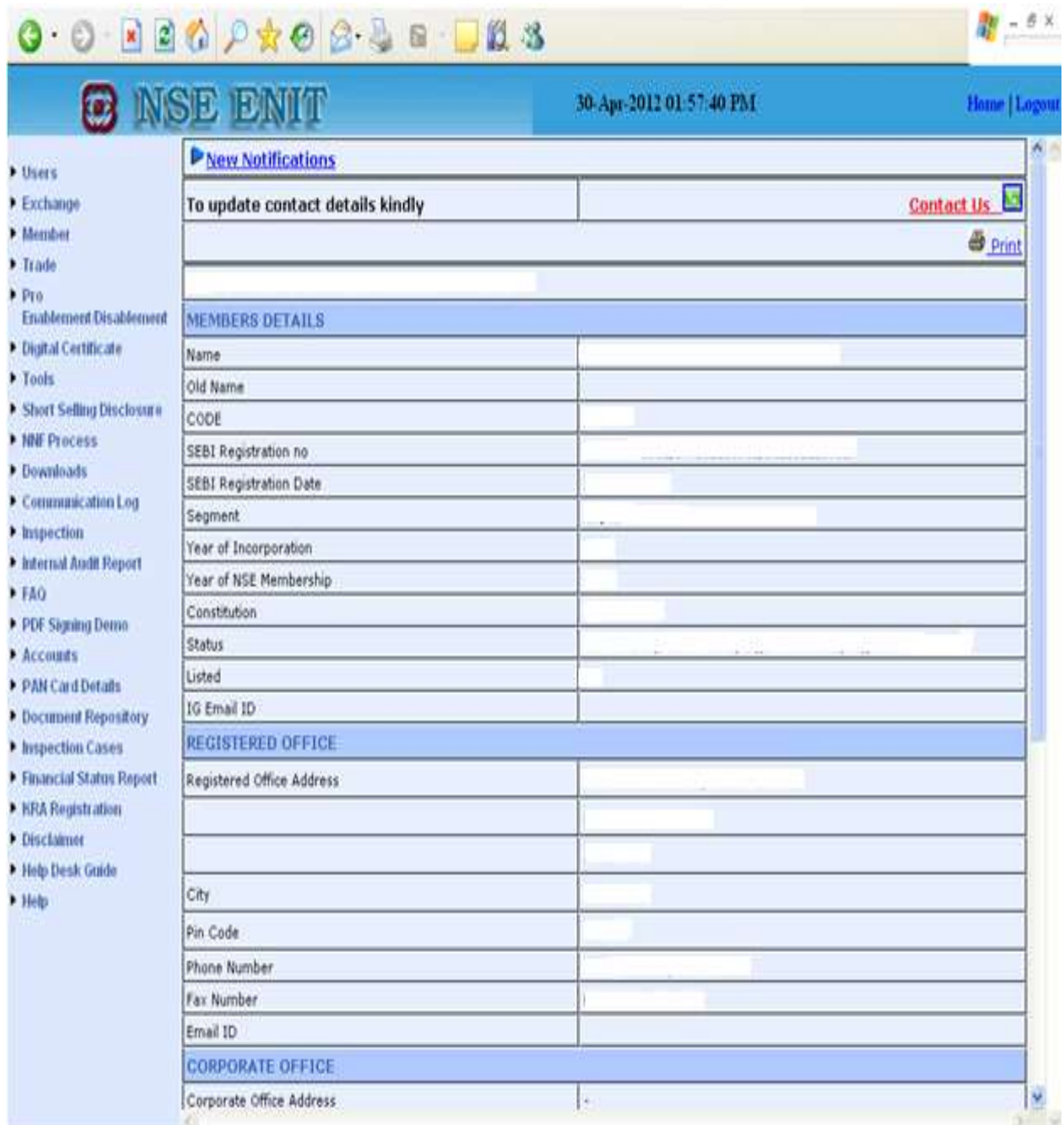
Members are required to send their request for proprietary enablement and disablement through the facility on NSE ENIT electronically.

## Login screen – Member Portal





1) Once logged in, the user can click on the ENIT link on the left to go to the ENIT page



1) User can click on the Pro enablement/ disablement option on the Left pane to access Proprietary trading sub menu

The screenshot shows the NSE ENIT web interface. At the top, there is a navigation bar with the NSE ENIT logo, the date and time '30-Apr-2012 01:57:53 PM', and links for 'Home' and 'Logout'. A left-hand menu contains various options such as 'Users', 'Exchange', 'Member', 'Trade', 'Pro', 'Enablement/Disablement', 'Digital Certificate', 'Tools', 'Short Selling Disclosure', 'NMF Process', 'Downloads', 'Communication Log', 'Inspection', 'Internal Audit Report', 'FAQ', 'PDF Signing Demo', 'Accounts', 'PAN Card Details', 'Document Repository', 'Inspection Cases', 'Financial Status Report', 'KRA Registration', and 'Disclaimer'. The main content area features a 'New Notifications' section with a message: 'To update contact details kindly' and links for 'Contact Us' and 'Print'. Below this is a 'MEMBERS DETAILS' form with fields for Name, Old Name, CODE, SEBI Registration no, SEBI Registration Date, Segment, Year of Incorporation, Year of NSE Membership, Constitution, Status, and Listed. This is followed by a 'REGISTERED OFFICE' section with fields for Registered Office Address, City, Pin Code, Phone Number, Fax Number, and Email ID. Finally, there is a 'CORPORATE OFFICE' section with a field for Corporate Office Address.

### 1) Default location Activation:-

Member can notify details of default location to the Exchange through 'Default Location Activation' option. All members using ENIT interface for the first time to send request are required to specify this option.



**Default Location Activation**

Member Name:	<input type="text"/>
Sebi Registration Code:	<input type="text"/>
Segment:	-SELECT--
Connectivity:	<input type="radio"/> X.25 <input type="radio"/> TCP-IP
List of Active Equipments:	-SELECT--
Address Line1:	<input type="text"/>
Address Line2:	<input type="text"/>
Address Line3:	<input type="text"/>
City:	<input type="text"/>
PinCode:	<input type="text"/>

Reset

Certify Data Submit Cancel

Once connectivity type is selected the list of active equipment ids will appear

Upon selecting the equipment id, postal address associated with it will automatically appear

Members are required to click Certify Data and submit the request for Default location. Exchange on receipt of the request shall verify the contents.

Once Exchange has approved the request and updated the default location, members can put request for proprietary trading for their users on the default location using ENIT interface.

## Default location status

Members can view the status of the application for Default Location Activation on this screen

The screenshot shows the NSE ENIT web application interface. At the top, the logo 'NSE ENIT' is visible on the left, and the date and time '30-Apr-2012 02:02:31 PM' are on the right. A navigation menu on the left lists various options such as Users, Exchange, Member, Trade, Pro, Enablement/Disablement, Digital Certificate, Tools, Short Selling Disclosure, NNF Process, Downloads, Communication Log, Inspection, Internal Audit Report, FAQ, PDF Signing Demo, Accounts, PAN Card Details, Document Repository, Inspection Cases, Financial Status Report, KRA Registration, and Disclaimer.

The main content area is titled 'Default Location Audit Trail Report'. It contains a search form with the following fields:

- Request Type: --SELECT-- (dropdown menu)
- Request Reference No: (text input field)
- Application From Date: 30-Apr-2012 (calendar icon)
- Application To Date: 30-Apr-2012 (calendar icon)
- Search and Reset buttons

Below the search form is a table with the following columns:

<a href="#">Date Of Application</a>	<a href="#">Type of Application</a>	<a href="#">Segment</a>	<a href="#">Old Default Location</a>	<a href="#">Applied Default Location</a>	<a href="#">Status</a>	<a href="#">Status Date</a>	<a href="#">Remarks</a>
-------------------------------------	-------------------------------------	-------------------------	--------------------------------------	--	------------------------	-----------------------------	-------------------------

## 2) Change in default location:-

Members can use this option to request for change in their existing default location, if necessary.

**Change In Default Location**

Member Name:

Sebi Registration Code:

Segment:

**Existing Default Location**

Address Line1:

Address Line2:

Address Line3:

City:

PinCode:

**New Location Details**

Connectivity:  X.25  TCP-IP

New location Equipments:

Address Line1:

Address Line2:

Address Line3:

City:

PinCode:

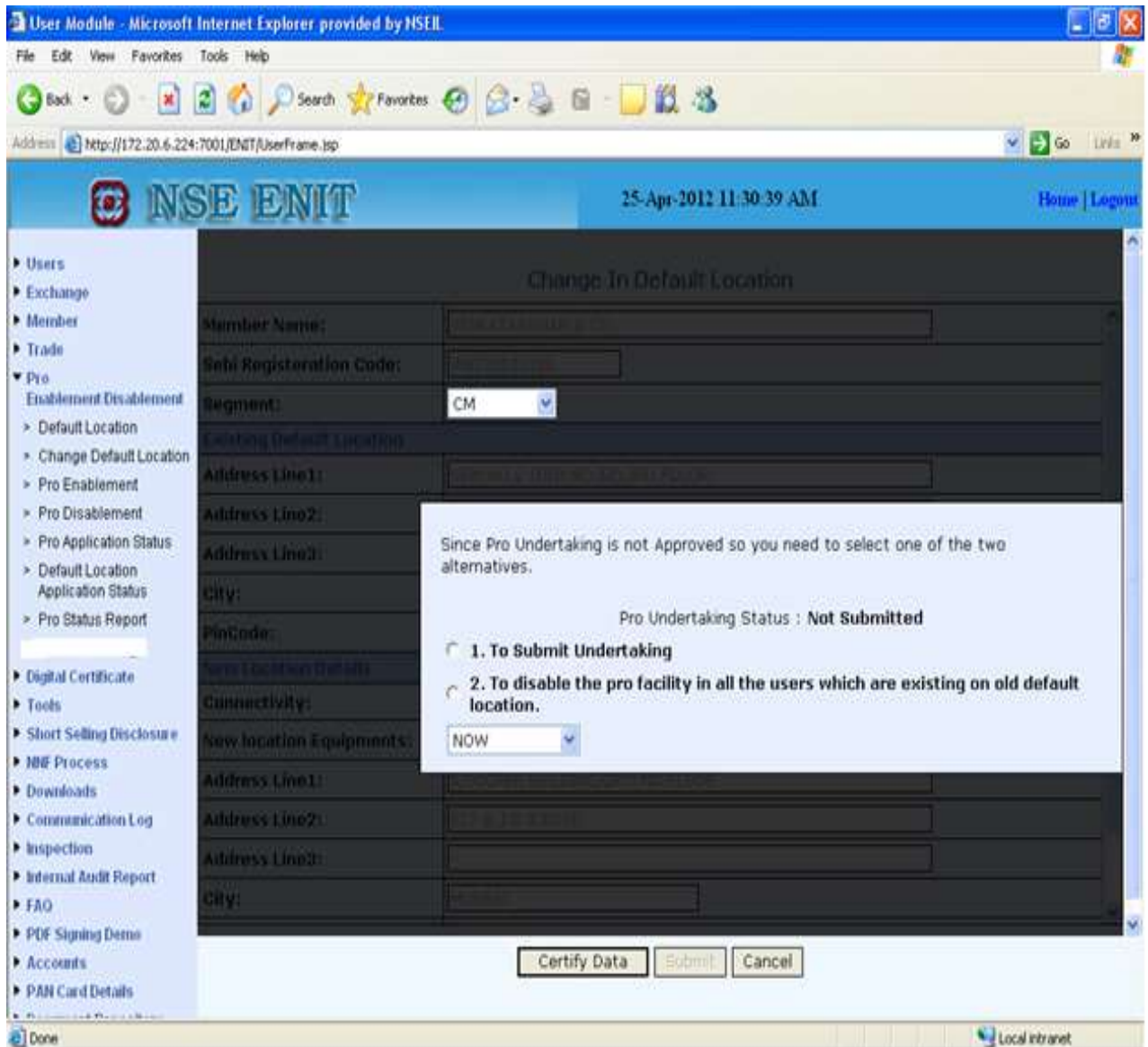
Once connectivity type is selected the list of active equipment ids will appear

Upon selecting the equipment id, postal address associated with it will automatically appear

The option to Change the Default location shall be available only if:

- a) The Pro facility is not currently enabled on any User under Default location
- Or
- b) Member has submitted undertaking to the Exchange in the required format for additional location

If the above conditions are not met, system shall show following screen with two choices:



If option 1 is selected, members are required to submit Undertaking to the Exchange in the required format as mentioned in the circular dated April 24, 2012, Download no. 20615, available on the website (<http://www.nse.co.in>)

If option 2 is selected, members shall be diverted to Pro Disablement screen to submit request to disable Pro facility of users under Default location

### 3) Pro Enablement:-

Members can use this form for placing Proprietary Account Enablement requests

The screenshot shows the NSE ENIT Pro Enablement form. The form is titled "Pro Enablement" and is part of the NSE ENIT system. The date and time are 30-Apr-2012 01:58:56 PM. The form includes the following fields:

- Member Name: [Text Field]
- Sebi Registration Code: [Text Field]
- Market Segment:  CM  F&O  CD
- Connectivity:  X.25  TCP-IP
- User Id: [Dropdown Menu]
- User Name: [Text Field]
- Postal Address:
  - Address Line1: [Text Field]
  - Address Line2: [Text Field]
  - Address Line3: [Text Field]
  - City: [Text Field]
  - PinCode: [Text Field]
- Location:  Default  Additional
- Default Location Address:
  - Address Line1: [Text Field]
  - Address Line2: [Text Field]
  - Address Line3: [Text Field]
  - City: [Text Field]
  - PinCode: [Text Field]

Buttons at the bottom: Certify Data, Submit, Cancel.

Callouts:

- Once connectivity type is selected, the list of User ids under that connectivity will appear
- Upon selecting the user id, postal address associated with it will automatically appear
- Member need to specify whether the user id is pertaining to 'Default location' or 'Additional location'

If the option 'Default' is selected, then member should ensure that both 'Postal Address' and 'Default Location Address' is pertaining to the same location.

Members are advised to ensure accuracy and completeness of the information in the request to enable Exchange to process the request faster and in an efficient manner.



#### 4) Pro Disablement:-

Members can use this form for placing Proprietary account Disablement requests.

The screenshot shows the NSE ENIT web interface for the 'Pro Disablement' form. The form includes the following fields:

- Member Name: [Text Input]
- Sebi Registration Code: [Text Input]
- Market Segment:  CM  F&O  CD
- Connectivity:  X.25  TCP-IP
- Userid: --SELECT-- (Dropdown menu)
- User Name: [Text Input]
- Postal Address:
  - Address Line1: [Text Input]
  - Address Line2: [Text Input]
  - Address Line3: [Text Input]
  - City: [Text Input]
  - PinCode: [Text Input]
- Default Location Address:
  - Address Line1: [Text Input]
  - Address Line2: [Text Input]
  - Address Line3: [Text Input]
  - City: [Text Input]
  - PinCode: [Text Input]
- Vsat ID No./Leased Line Id No.: [Text Input]

Buttons at the bottom: Certify Data, Submit, Cancel.

Callout 1: Once connectivity type is selected, the list of User ids under that connectivity will appear.

Callout 2: Upon selecting the user id, postal address associated with it will automatically appear.

Note: - Pro Disablement request shall be processed after Trading hours

**5) Pro Application Status:-**

Members can view the audit trail of Proprietary Account Enablement and Proprietary Account Disablement requests through the option 'Pro Application Status' report.

The screenshot displays the 'Pro Audit Trail Report' interface on the NSE ENIT website. The page header includes the NSE ENIT logo, the date '30-Apr-2012 02:03:04 PM', and a 'Home | Logout' link. A left-hand navigation menu lists various system functions such as Users, Exchange, Member, Trade, Pro Enablement/Disablement, Digital Certificate, Tools, Short Selling Disclosure, NRE Process, Downloads, Communication Log, Inspection, Internal Audit Report, FAO, PDF Signing Demo, Accounts, PAN Card Details, Document Repository, Inspection Cases, Financial Status Report, NRA Registration, and Disclaimer.

The main content area features a search form for the 'Pro Audit Trail Report'. The form includes the following fields and controls:

- Request Type:** A dropdown menu currently set to '--SELECT--'.
- Request Reference No.:** An empty text input field.
- Request Submission From Date:** A date picker set to '30-Apr-2012'.
- Request Submission To Date:** A date picker set to '30-Apr-2012'.
- Search and Reset:** Two buttons located below the date fields.

Below the search form is a table with the following column headers:

Date Of Application	Type of Application	Connectivity	User Id	User Name	Primary connectivity	Secondary connectivity	Postal Address	Default Location Address	Status	Status Date	Segment
---------------------	---------------------	--------------	---------	-----------	----------------------	------------------------	----------------	--------------------------	--------	-------------	---------

## 6) Pro status report:-

Pro Status Report has been provided on the ENIT front-end. Members may use this option to view the final Pro-status of their user ids in each segment as on current date.

The screenshot shows the NSE ENIT Pro Status Report interface. The page title is "Pro Status Report" and the date is "30-Apr-2012 02:03:08 PM". The main content area says "Please find below the Latest Pro Status of User Ids" and includes an "Export Data | EXCEL" link. A table with columns "User Id", "Segment", "Location", and "Pro Status" is visible but empty. A sidebar menu on the left lists various options like Users, Exchange, Member, Trade, Pro, etc.

## 3.3 Trading Through Other Trading Member

SEBI vide their circular SEBI/MIRSD//Cir-06/2004 dated January 13, 2004 has notified the norms relating to trading by members / sub brokers through other brokers/sub brokers of the same Stock Exchange or other Stock Exchanges. The relevant contents of the circular are given below:

During the course of inspections carried out by SEBI of the books of accounts and other documents of members/sub-brokers, it has been observed that certain members/sub-brokers are dealing through a large number of other stock brokers/sub-brokers of the same exchange/other exchange for their proprietary trades as well as trades on behalf of clients.

The trading through large number of brokers/sub-brokers raises serious issues of regulatory concerns including taking excessive exposure, executing pro account trading from multiple locations in violation of SEBI circular no. SEBI/MRD/SE/Cir-32/2003/27/08 dated August 27, 2003, possibility of over leveraging and default etc.



With a view to address these concerns, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, Stock exchanges ensure the following:-

- A Stock broker/sub-broker of an exchange cannot deal with brokers/sub-brokers of the same exchange either for proprietary trading or for trading on behalf of clients, except with the prior permission of the exchange. The stock exchanges while giving such permission, shall consider the reasons stated by the brokers/sub-brokers for dealing with brokers/sub-brokers of the same exchange and after carrying out due diligence allow such brokers/sub-brokers to deal with only one stock broker/sub-broker of the same exchange.
- A stock broker/sub-broker of an exchange can deal with only one broker/sub-broker of another exchange for proprietary trading after intimating the names of such stock broker/sub-broker to his parent stock exchange.
- As per Regulation 15(1) (e) of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 a sub-broker shall not be affiliated to more than one stock broker of one stock exchange. It is reiterated that a stock broker of an exchange can deal with only one broker of another exchange on behalf of clients after obtaining necessary registration as a sub-broker.

All trading members are advised to ensure due compliance of the direction of SEBI and refrain from indulging in any business not complying with the stipulated requirement unless otherwise permitted to do so by the Exchange.

### **3.4 User Order Value & Branch Order Value Limit**

Members are required to set definite limits for User Order Value Limit (UOVL) and Branch Order Value Limit (BOVL) for each user and branch. If definite limits are not set up, such users/branches may not be able to trade. The daily report containing the various order level limits, set for users by their corporate manager/branch manager shall be downloaded to the members. The nomenclature and the detailed file structure of the report are given in Part-C.

### **3.5 Eligibility criteria of stocks**

The stock shall be chosen from amongst the top 500 stocks in terms of average daily market capitalisation and average daily traded value in the previous six months on a rolling basis.

- The stock's median quarter-sigma order size over the last six months shall be not less than Rs. 10 lakhs. For this purpose, a stock's quarter-sigma order size shall mean the order size (in value terms) required to cause a change in the stock price equal to one-quarter of a standard deviation. The methodology adopted to calculate the quarter sigma order size is explained subsequently.
- The market wide position limit in the stock shall not be less than Rs. 300 crores. The market wide position limit (number of shares) shall be valued taking the closing prices of stocks in the underlying cash market on the date of expiry of contract in the month. The market wide

position limit of open position (in terms of the number of underlying stock) on futures and option contracts on a particular underlying stock shall be 20% of the number of shares held by non-promoters in the relevant underlying security i.e. free-float holding.

- For an existing F&O stock, the continued eligibility criteria is that market wide position limit in the stock shall not be less than Rs. 200 crores and stock's median quarter-sigma order size over the last six months shall be not less than Rs. 5 lakh. Additionally, the average monthly turnover for last 3 months shall not be less than Rs. 100 crores. If an existing security fails to meet the eligibility criteria for three months consecutively, then no fresh month contract shall be issued on that security. However, the existing unexpired contracts shall be permitted to trade till expiry and new strikes may also be introduced in the existing contracts.
- Further, once the stock is excluded from the F&O list, it shall not be considered for re-inclusion for a period of one year.
- Further, the members may also refer to circular issued by NSCCL regarding Market Wide Position Limit, wherein it is informed that a stock which has remained subject to a ban on new position for a significant part of the month consistently for three months, shall be phased out from trading in the F&O segment. However, the existing unexpired contracts may be permitted to trade till expiry and new strikes may also be introduced in the existing contract months.

The following procedure is adopted for calculating the Quarter Sigma Order Size:

1. The applicable VAR (Value at Risk) is calculated for each security based on the J.R. Varma Committee guidelines. (The formula suggested by J. R. Varma for computation of VAR for margin calculation is statistically known as 'Exponentially weighted moving average (EWMA)' method. In comparison to the traditional method, EWMA has the advantage of giving more weight to the recent price movements and less weight to the historical price movements.)
2. Such computed VAR is a value (like 0.03), which is also called standard deviation or Sigma. (The meaning of this figure is that the security has the probability to move 3% to the lower side or 3% to the upper side on the next trading day from the current closing price of the security).
3. Such arrived at standard deviation (one sigma), is multiplied by 0.25 to arrive at the quarter sigma. (For example, if one sigma is 0.009, then quarter sigma is  $0.009 * 0.25 = 0.00225$ ).
4. From the order snapshots (taken four times a day from NSE's Capital Market Segment order book) the average of best buy price and best sell price is computed which is called the average price.
5. The quarter sigma is then multiplied with the average price to arrive at quarter sigma price. The following example explains the same :

**Security: XYZ**

Best Buy 306.45

Best Sell 306.90

Average Price 306.70

One Sigma 0.009

Quarter sigma 0.00225

Quarter sigma price (Rs.) 0.690075 (0.70 rounded off)

(Average Price \* Quarter sigma)

Based on the order snapshot, the value of the order (order size in Rs.), which will move the price of the security by quarter sigma price in buy and sell side is computed. The value of such order size is called Quarter Sigma order size. (Based on the above example, it will be required to compute the value of the order (Rs.) to move the stock price to Rs. 306.00 in the buy side and Rs. 307.40 on the sell side. That is Buy side = average price – quarter sigma price and Sell side = average price + quarter sigma price). Such an exercise is carried out for four order snapshots per day for all stocks for the previous six months period.

6. From the above determined quarter sigma order size (Rs.) for each order book snap shot for each security, the median of the order sizes (Rs.) for buy side and sell side separately, are computed for all the order snapshots taken together for the last six months.
7. The average of the median order sizes for buy and sell side are taken as the median quarter sigma order size for the security.

Futures & Options contracts may be introduced on new securities which meet the above mentioned eligibility criteria, subject to approval by SEBI.

### 3.6 Eligibility criteria of Indices

- Futures & Options contracts on an index can be introduced only if 80% of the index constituents are individually eligible for derivatives trading. However, no single ineligible stock in the index shall have a weightage of more than 5% in the index. The index on which futures and options contracts are permitted shall be required to comply with the eligibility criteria on a continuous basis.
- The above criteria is applied every month, if the index fails to meet the eligibility criteria for three months consecutively, then no fresh month contract shall be issued on that index, However, the existing unexpired contacts shall be permitted to trade till expiry and new strikes may also be introduced in the existing contracts.

Futures and options contracts may be introduced on indices, which meet the above mentioned eligibility criteria, subject to approval by SEBI.

### 3.7 Debarred Clients

Members may note that w.e.f April 16, 2012, orders and order/trade modifications placed for entities debarred by SEBI shall be rejected by the trading system with the message, “The Account is debarred from trading”. For this purpose, UCC details uploaded by members will be matched with the SEBI specified lists of debarred clients. In addition to this, “Debarred Client Master maintenance” facility is available to restrict order for specific client at terminal level.

### 3.8 Self Trade Prevention

Self-Trade Prevention mechanism has been introduced on September 07, 2015 and revised mechanism w.e.f. July 11, 2016. Members are requested to note the following

1. Member shall have option to stipulate at the time of order entry whether to cancel passive order or active order resulting in self-trade.
2. If an active order is likely to match with a passive order belonging to the same member-client or same member-proprietary combination in the same order book, then active or passive order (full or partial as the case may be) as per the option set in order entry shall be cancelled by the exchange with rejection message “Order cancelled by the System – The order could have resulted in Self-trade”
3. The mechanism shall be applicable to Proprietary (PRO) and Client (CLI – including custodial participant CP) orders.
4. The mechanism shall be applicable only during matching. Member shall take due precaution to prevent self-trade while performing trade modification.

### 3.9 Levy of fair usage charges for multi-leg orders in derivatives segments

The Exchange has provided a multi-leg order entry facility in Equity Derivatives through which members can place combination orders such as 2 Leg and 3 Leg which are Immediate or Cancel (IOC) in nature. This facility enables members to place through a single entry, orders for multiple contracts in the Normal Order book for IOC matching.

In order to facilitate and encourage fair usage of such order entry facility, trading members are requested to note that that the following charges will be levied for 2 Leg and 3 Leg orders in Equity Derivatives segment. The charges shall be based on order execution efficiency i.e. the ratio of number of trade resulting from 2L/3L orders and total number of 2L/3L orders as explained below

<b>Execution Efficiency</b>	<b>Levy on each 2L/3L order*</b>
More than 90%	NIL
Between 70% to 90%	Rs. 0.01 (One Paisa)
Between 50% to 70%	Rs. 0.02 ( Two Paisa)
Less than 50%	Rs. 0.03 ( Three Paisa)

\*Applicable taxes extra

**ITEM 4**  
**SYSTEMS**

**4.1 Extranet facility for Members**

Exchange provides Extranet facility to members of this segment too. The facility enables members to access common and member specific data through FTP. Details of the facility are as follows:

<b>Remote folder</b>	/faoftp/faocommon  (location for common files required to upload daily e.g.: contract.gz, fo_participant.gz and spd_contract.gz)	/faoftp/F(TMID)  (Location for member specific files e.g. Trader report)
<b>Options 1 User ID / Password</b>	F(TMID) / Corporate ID password  It may be noted that the Extranet is updated with the latest password set for the corporate ID after the end of market hours every working day. Hence members are advised to avoid changing their corporate ID password after market hours.	
<b>Options 2 User ID / Password</b>	faoguest /FAOGUEST	Not applicable
<b>IP address for IP enabled users</b>	172.19.125.71 Access is available in both DOWNLOAD & UPLOAD modes. Access is not available between 8:30am and 4:30 pm	
<b>IP address for Internet users</b>	ftp://ftp.connect2nse.com Access through Internet FTP is available round the clock in DOWNLOAD mode only	

**4.2 TAP (Trading Access Point)**

To ensure reliability and security features on the IP network, Exchange provides Trading Access Point (TAP) connectivity.

The TAP system consists of a software component running on server class hardware platform which allows access and connectivity to the Exchange trading systems. Trading front ends - NEAT, NEATPlus and NNF (Non-NEAT Front-end) software will connect to TAP system, which in turn will communicate with the Exchange trading system, thereby facilitating trading.

To enhance the performance and flexibility, Exchange provides the facility of TAP on Linux and Windows operating systems. Members using the IP connectivity are required to set up TAP Box using the running TAP Version by configuring the TAP Box ID allotted to them.

The latest available version setup files for Windows and Linux operating systems reside on extranet path [\\faoftp\faocommon](#). The Exchange periodically upgrades the TAP versions and conducts mock trading sessions to test the connectivity using new versions and implement them in live

environment on successful testing. The information pertaining to new TAP version is provided by the Exchange through circulars updated on the NSE website.

### 4.3 Market Data Broadcast

The exchange provides market data up to 5 depths & Tick by Tick via UDP Multicast. Relevant circulars are as below:

Download No.	Date
NSE/FAOP/ 34213	17-Feb-2017
NSE/FAOP/ 33923	30-Dec-2016
NSE/FAOP/ 32447	25-May-2016

### 4.4 Direct Connection – Login without TAP

Exchange has introduced a facility by which members can connect directly to Exchange without TAP

#### Parameters for Login without TAP

##### PRIMARY (BKC)/ DR site

Gateway IP Addresses	Port
172.19.13.41	10820
172.19.13.42	
172.19.13.43	
172.19.13.44	
172.19.13.45	
172.19.13.46	
172.19.13.47	
172.19.13.48	
172.19.13.49	
172.19.13.50	
172.19.13.51	
172.19.13.52	
172.19.13.53	
172.19.13.54	
172.19.13.55	
172.19.13.56	
172.19.13.57	
172.19.13.58	
172.19.13.59	
172.19.13.60	
172.19.13.61	

#### 4.4 Trade Drop Copy Facility

Exchange has introduced a facility by which members would get their trade details/feed on real time basis.

Members may access the same on their existing TCP/IP network by connecting to separate gateways called “Drop Copy Gateways” with their existing user credentials (trading user id/password).

The parameters for login are as follows:

##### **PRIMARY (BKC)/DR site**

<b>Gateway IP Addresses</b>	<b>Port Number</b>
172.19.13.62	10850
172.19.13.63	

**ITEM 5**  
**SUPPORT**

**5.1 Assistance for Futures & Options trading system**

In an endeavour to enhance trading experience and to improve operational convenience, exchange has introduced dedicated Toll Free number **1800 266 00 53**.

Members can call between 8:00 hours and 19:30 hours on all working days for all trade related queries. Members may also call on alternative number 022 – 62157600 (charged).

It has been observed that sometimes members face problems/ errors while logging or trading on the Trading System. Some of the issues observed and the recommended actions to be taken are listed below:

<b>Sr No</b>	<b>Description</b>	<b>Action to be taken</b>
1	The Corporate Manager user is already signed on	Call MSD team for user sign off
2	Message “This dealer is disabled. Please call the Exchange”	Reset the password of the user using Corporate Manager id.
3	Unable to login to the trading system due to failure of Vsat / Leased Line or due to any problem in the office	Send the request for unlocking of user id for <b>a single day</b> using Corporate Manager id.
4	Message “You are trying to sign on from different location”/ “Broadcast Conference Idle”/ cursor is going up or any other login or connectivity related error message	Call IT Help Desk team at 1800 266 00 53
5	Unable to connect to the Extranet server	Call IT Help Desk team at 1800 266 00 53
6	Unable to trade in a contract due to a particular contract not available on account of <ul style="list-style-type: none"> <li>• Symbol Change</li> <li>• New Underlying</li> <li>• Corporate Action</li> </ul>	Upload latest contract.txt and security.txt on the trading terminal
7	Unable to put a new participant code	Upload latest fo_participant.txt on the trading terminal
8.	Unable to take “Online backup” (Alt+F7) from NEAT and NEAT+ screen (error message w.r.t. particular contract not	Upload contract.txt and spd_contract.txt on the trading terminal.



	available.	
9.	Unable to check order/trade status or pending orders.	Check the order status/trade details from Branch Manager / Corporate Manager id.

### Contact details:

Section	Fax	Email id
Capital Market - Equities	022 26598155	<a href="mailto:msm@nse.co.in">msm@nse.co.in</a>
Currency Derivatives - CD		
Debt Market – NDM		
Equity Derivatives - F&O		
Initial Public Offering - IPO		
Mutual Fund Service - MFSS		
Securities Lending & Borrowing - SLBS		

## 5.2 Password

### Policy

All users should take into account below mentioned password policy for login to trading system.

- A. The length of password should be of exact 8 characters.
- B. The password shall be case sensitive and should contain at least one each of the following characters with no space:
  - Uppercase: A to Z
  - Lowercase: a to z
  - Digit: 0 to 9
  - Non- alphanumeric : Special characters @ # \$ % & \* / \
- C. User shall be compulsorily required to change password after the lapse of 14 days
- D. New password must be different from previous 5 passwords
- E. User Id shall be locked after 5 invalid login attempts
- F. Reset of password shall set the password to a default password
- G. User shall not be allowed to set the default password as new password

The above mentioned password policy is applicable to all users i.e. NEAT, NEAT+ and NNF

### **Password Expiry Alert**

The user shall receive alert message for the expiry of their log in password.

Users will start receiving following alert message in the message area of NEAT and NEAT+, five days prior to the expiry of the password at the time of login.

Message Area:-

<USER\_NAME> Signed On.

Attention: User <USER\_ID> Your password shall expire on <DATE>.

Kindly change it to avoid any login issue on <DATE>

### **Reset of password**

A facility is provided to corporate manager to enable and reset password for all the users under his trading firm under supplementary menu in NEAT and under dialogs menu (Ctrl+Alt+R) in NEAT+. The Corporate Manager will be able to reset the password of the user, who is disabled on account of entering wrong password. Corporate manager will be able to change the password of only INACTIVE / DISABLED users.

On entering the user id and pressing Check Status button, the status of the user id will be displayed along with the default password. On pressing Ok button the status of the user will be set as Inactive and the password will be changed to default password.

The Corporate Manager will not be allowed to reset his own password. To reset the password of Corporate Manager, member is required to send the request through ENIT using Trading> Corp Mgr Password Reset path.

Henceforth requests for password reset through fax/e-mail shall not be accepted by the exchange.

### **Procedure for Submitting Requests for Password Reset of NEAT Corporate Manager Id through ENIT**

The module in ENIT will enable members to electronically submit and track password reset request status for NEAT Corporate Manager Id

Members will be able to seek the following services through ENIT:

- Digitally submit password re-set facility for NEAT Corporate Manager Id
- Tracking of request status
- Receive SMS and/or email alert for the submission, completion / rejection of requests.

#### **➤ Request received by the Exchange before and up to market close of trading day:**

Such requests shall be considered for processing on the same day, subject to fulfilment of necessary pre-conditions, if any.

#### **➤ Requests received by the Exchange after market close on a trading day:**

- Such requests will be processed by next working day before market hours subject to fulfilment of necessary pre-conditions, if any.

#### **Request for password reset:**

- Members should login to ENIT through Member Portal.
- Go to the path: Trading> Corp Mgr Password Reset> Request
- In point 1 and 2 the member code and member name will be auto populated.
- In point 3. The segment has to be selected for which corporate manager user id belongs to
- In point 4 the Action type will be “Request for Password Reset” by default
- In point 5 the corporate manager user id will be auto populated.
- In point 6 and 7 contact details of the requestor have to be filled.
- Email / Mobile – either one of them is mandatory
- The request has to be submitted to the Exchange after digitally signing.

#### **Tracking of request:-**

- ➤ On successful submission of a request, member will receive a reference number for all the future correspondence in the below format:  
***DDMMYYYY/SEG/PWDRESET/REQNUMBER***
- ➤ On successful submission the status of the request will be ‘Pending’.
- ➤ Trading Members can view the status of such requests in the report available on the path:  
Trading> Corp Mgr Password Reset> Status
- The requestor will receive SMS and/or email alerts on the contact details provided by him for the below three status
  - On submission of request.
  - On completion of request.
  - On rejection of request along with reason.

#### **Disablement of Users not logged in for more than 180 days**

User IDs which have not logged in for more than 180 days shall be automatically disabled by the Exchange.

The existing RESET PASSWORD facility available to Corporate Manager in NEAT & NEAT Plus can be used to enable logins for such disabled Dealer and Branch Manager Ids.

For corporate manager user id, trading members shall follow the existing process of resetting password by placing the request through ENIT.

#### **5.3 Unlock User**

A facility is provided to the Corporate Manager to send unlocking request to the Exchange through trading system for branch manager and dealer users under Dialogs menu (CTRL+SHIFT+U) in NEAT+.

Corporate Manager has to select user id, reason for unlocking and send the request to the Exchange. Corporate manager will get Unlock request approved or rejected message when the unlock request is acted upon by the Exchange. Corporate manager cannot place unlocking requests for user ids which are already logged in to the system or surrendered user ids.

In order to unlock the password of Corporate Manager, member is required to send the request to the exchange as per format given below.

**Unlocking of User ID**

(Only for Corporate Manager User ID)

(On the letterhead of the Company/ Firm/ Individual)

To,  
Futures and Options Dept.  
National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex  
Bandra (East), Mumbai 400 051

Date:

**Fax no. 2659 8155**

Sir,

**Sub. : Application for Unlocking of a user id**

Please **unlock** the following user id for the reason mention below **for today**:

User id	
Member Code	
User Type	Corporate Manager
Reason for unlocking in detail	

Yours faithfully,

Name of the Trading Member

Name & Designation of the Authorised Signatory

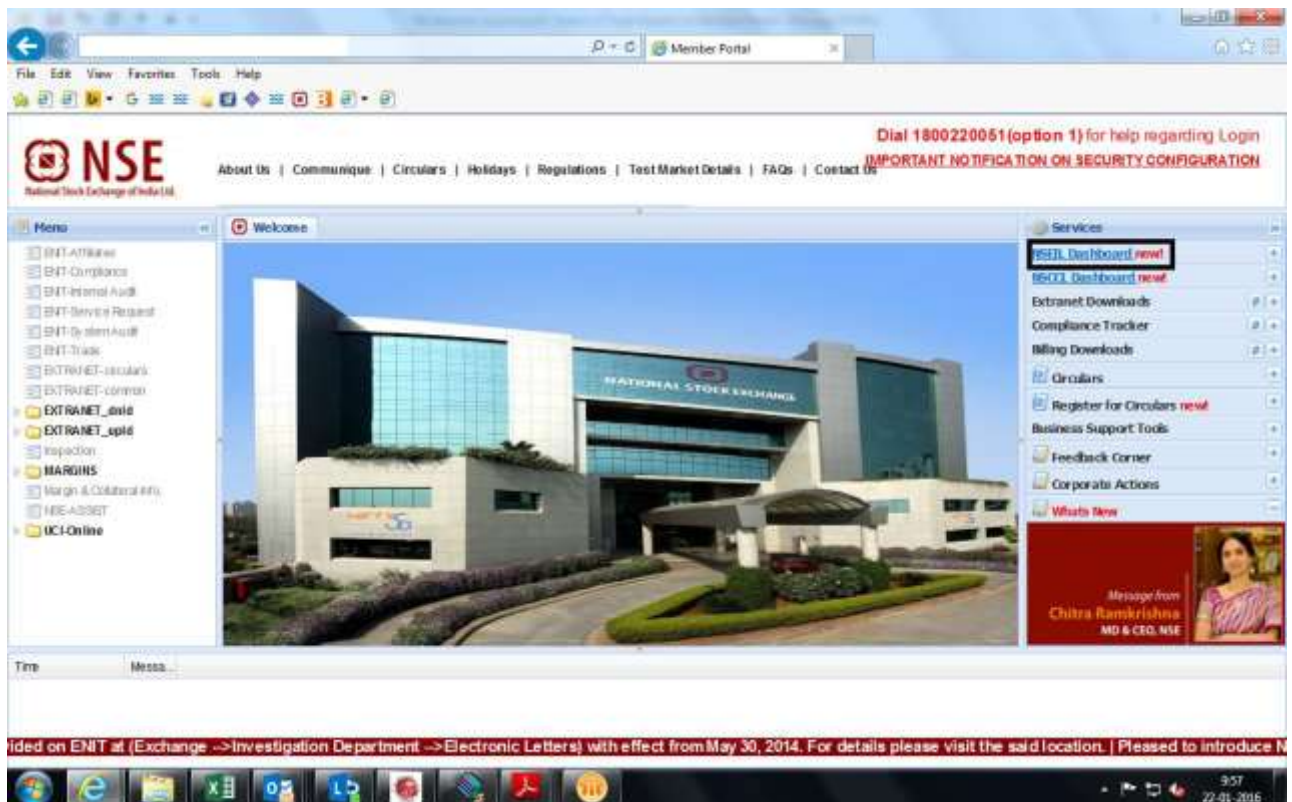
## 5.4 Contingency Pool trading facility for members.

The Exchange provides trading facility from its premises to members in the event of a contingency where trading member is not able to use own connectivity because of a technical or a power failure. In such cases, trading member can send the request in writing to the Exchange asking for permission to trade from the Exchange's premises. Upon receiving such request from the trading member, Exchange verifies the details and allows the representative of the trading member to come and use the trading terminal situated in the contingency pool in its premises. The facility is available on a first come first serve basis. The trading facility in the contingency pool is granted for a particular day only.

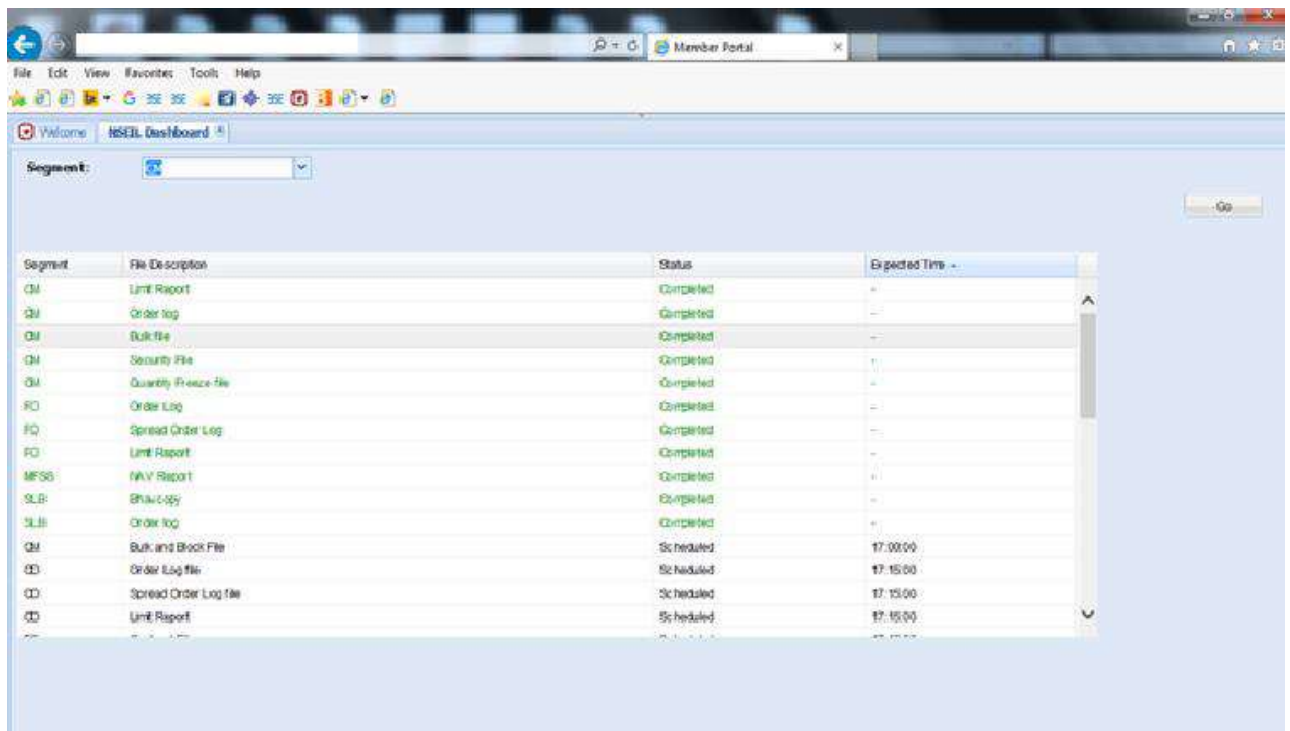
## 5.5 NSEIL Dashboard

In an endeavour to improve operational convenience, Exchange has introduced "NSEIL Dashboard" on Member Portal under "Services".

Members can use this facility to track the status of various reports pertaining to Trade; downloaded on Extranet by Exchange under different segments.



On clicking on “NSEIL dashboard” link, the status and the estimated time of the reports would be displayed



The screenshot shows a web browser window displaying the NSEIL Dashboard. At the top, there is a 'Segment:' dropdown menu and a 'Go' button. Below this is a table with the following columns: Segment, File Description, Status, and Expected Time. The table lists various reports, some with 'Completed' status and others with 'Scheduled' status and specific times.

Segment	File Description	Status	Expected Time
QI	Limit Report	Completed	-
QI	Order log	Completed	-
QI	Bulk file	Completed	-
QI	Security File	Completed	-
QI	Quantity Freeze file	Completed	-
RO	Order Log	Completed	-
IQ	Spread Order Log	Completed	-
PO	Limit Report	Completed	-
MFSO	MVY Report	Completed	-
SLB	Shaw copy	Completed	-
SLB	Order log	Completed	-
QI	Bulk and Book File	Scheduled	17:00:00
QI	Order Log file	Scheduled	17:15:00
QI	Spread Order Log file	Scheduled	17:15:00
QI	Limit Report	Scheduled	17:15:00

In case of any rescheduling, the revised “Expected Time” would be displayed.