



ANNEXURE 2

DIRECT PAY-OUT TO CLIENT ACCOUNT

- Clearing members shall be required to provide files in a specific structure (**as per Annexure 3**) to the Clearing Corporation for effecting pay-out directly to the client's beneficiary accounts.
- Additionally, the clearing member can provide own settlement account details if the clearing member intends to receive full or part pay-out of securities, which is not identified for direct client account pay-out, in the settlement account with specific depository. This information can be provided in the same file. The clearing member is required to provide depository participant ID and depository participant client ID if the settlement account is with NSDL or CM Settlement account number if the settlement account is with CDSL.
- The files would have to be sent by the clearing members to the Clearing Corporation by 9:30AM on the settlement day
- The files shall be uploaded by Clearing Corporation in its system and returned with the indication of the success/rejection of the file and the records. This shall be purely a validation of the correctness of the file and record formats.
- In case Clearing Members intend to modify the data in a file, which has been already submitted to Clearing Corporation, the Clearing Member would be having an opportunity to submit the full file after carrying out the modifications (before the cut off time announced by Clearing Corporation). With the submission of this full file the file submitted earlier shall be ignored and not considered. This would mean that the data provided in the latest batch shall be duly considered final and complete and the file submitted earlier shall be totally ignored.
- Clearing Members will have to submit all the files in a running sequence of batch numbers. If Clearing Members fail to submit an earlier batch file then the subsequent batches will not be processed. However, if the earlier file was completely rejected, the same batch number should be used for the subsequent corrected file.
- The total quantity of securities to be credited to the account of various constituents shall not exceed the net pay out by Clearing Corporation to the Clearing Member.
- The Clearing Members shall provide the details of beneficiary account of the clients in any one of the depositories.
- If for any record, the quantity requested to be credited to the account of the clients is more than the balance available for pay out to the Clearing Member in that depository, the quantity available in that depository shall only be directly credited to the constituent.
- Where the Clearing Members fail to provide the details of the beneficiary account or where the credit to the beneficiary accounts of the constituents fail, or any account whatsoever the remaining quantity received from other depository as pay out shall be credited to the CM Pool / Clearing account of the Clearing Member with the respective depositories



- The credit to the beneficiary account of the constituent shall be pursuant to the file and in conformity with the details provided by the Clearing Member requesting Clearing Corporation to directly credit the accounts of the constituent. Hence execution of such electronic instructions of passing the credit to the account of the constituents shall mean and be pay out to the Clearing Members
- Clearing Members shall be provided a return file after completion of pay out confirming the details of the accounts, which have been credited by the depositories (CM Pool a/c and or Beneficiary accounts).
- Clearing Corporation shall consider the data provided by the Clearing Members as final and correct and shall not be responsible for any incorrect data provided by the Clearing Members. The Clearing Members shall be fully responsible for any erroneous data provided to Clearing Corporation.
- The files must be placed in the extranet server in the directory, FAOFTP\CPD\upld.
- Where clearing members are unable to provide the data in respect of clients to Clearing Corporation for direct credit to the account of the clients the securities would be credited to the respective pool account of the members.