

FACT BOOK

February 2022

OVERVIEW

The Indian Clearing Corporation Limited is a wholly owned subsidiary of BSE, the oldest stock exchange in Asia.

ICCL carries out the functions of clearing, settlement, collateral management and risk management for various segments of BSE and for Corporate Bonds OTC market.

ICCL is regulated by the Indian Capital Market Regulator, Securities and Exchange Board of India (“SEBI”) and the Central Bank, Reserve Bank of India (“RBI”), for select products.

ICCL has a Counterparty Default Insurance cover for USD 60 million (INR 4.62 Billion). The objective, is to protect ICCL against counterparty defaults, and add a further capital cushion to the ICCL net worth making the resources of the non-defaulting members even safer.

ICCL has received temporary recognition pursuant to the UK Statutory Instrument The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (“the SI”)

ICCL granted recognition by ESMA under the European Market Infrastructure Regulations on September 27, 2017 as a TC-CCP under Chapter 4 of Title III of EMIR. On 26th March, 2021 the annual fee for recognition, of EUR 50,000 was paid to ESMA.

ICCL granted renewal of recognition by SEBI under the Securities Contracts (SECC Regulations) for a period of three years, commencing on the 3rd day of October, 2020 and ending on the 2nd day of October, 2023.

ICCL complies with the Principles for Financial Market Infrastructure issued by CPMI- IOSCO and hence, has been accorded QCCP status by SEBI .

ICCL continues to enjoy the highest domestic long term credit rating of “AAA” in India (Rating accorded by India Ratings, the Indian arm of Fitch Ratings and CARE Ratings).

MANAGEMENT

Board of Directors

Public Interest Directors

Dr. Hemant Kumar Manuj, Chairman
Dr. Medha Tapiawala
Mr. Prasad Dahapute

Managing Director & CEO

Ms. Devika Shah

Shareholder Directors

Mr. Neeraj Kulshrestha

Management Team

Managing Director & CEO

Ms. Devika Shah

Chief Operating Officer

Mr. Tushar Ambani

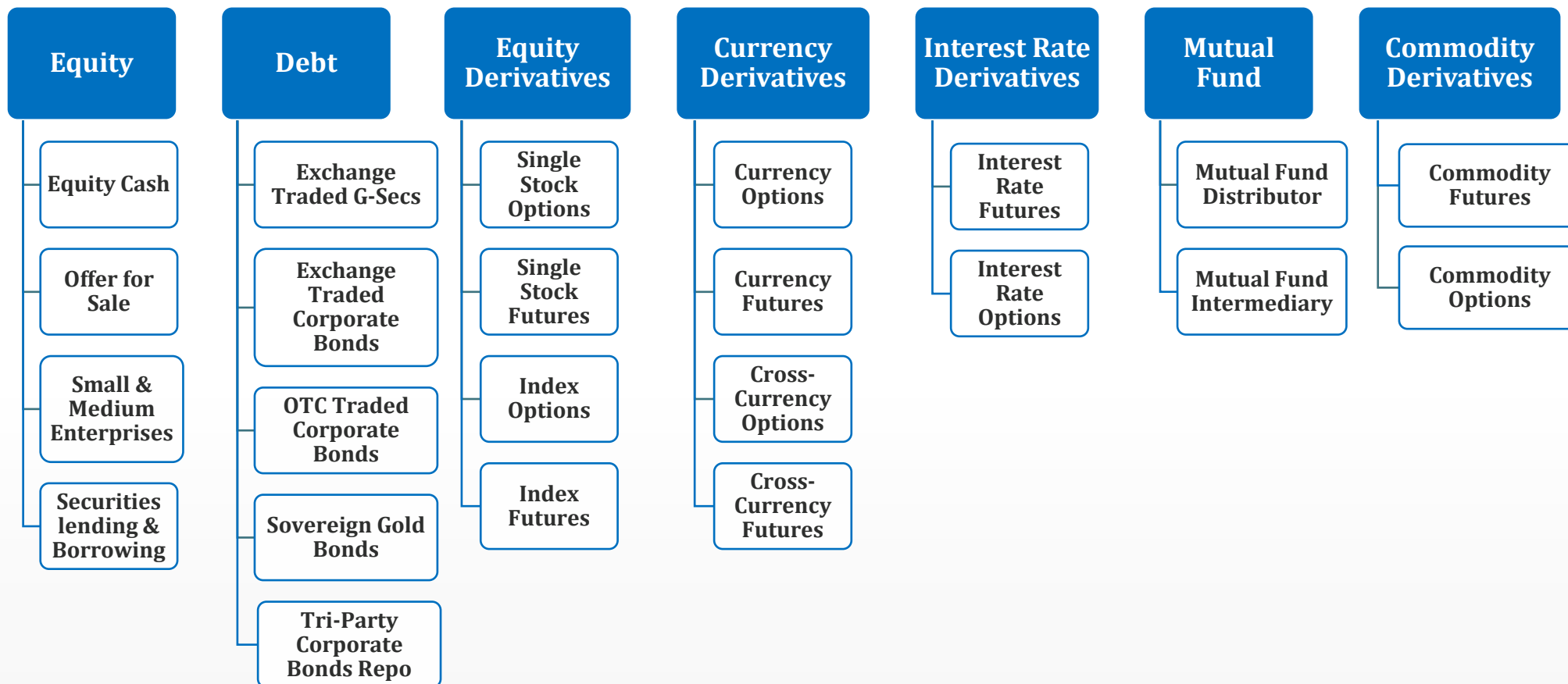
Chief Risk Officer & Head - Strategy

Mr. Piyush Chourasia

Chief Financial Officer

Mr. Nimeshkumar Mistry

BUSINESS LINES



TRADE PROCESS



- Streaming Data to Trading Terminals.
- Trading Data Streaming.
- Indices Data Streaming.
- Currency and Bond Data Streaming

- Operate Electronic Order Books.
- Connectivity to Trading Members.

- Full novation and Post Trade Management.
- Give-up/Take-up for Custodial Settlement.
- Delivery of Securities.
- Delivery of Funds.
- Securities Lending and Borrowing.

- Robust Real time Risk Management System.
- Collateral Management System.
- System generated alerts when Margin utilization is 70%, 80% and 90%.

- ISIN for Securities.
- Individual Beneficiary Owner Accounts.
- Custody of Securities.
- Transfer of Securities.
- KYC Registration.
- Related services.



Trading Engine of BSE based on T7 platform of EUREX

UNIQUE FEATURES: OPERATIONS

Collateral Management

- Acceptance of “AAA” rated foreign government securities as collateral, a joint product offering in collaboration with Clear Stream.
- Acceptance of Indian Sovereign Securities held in CSGL account of the members through lien in favour of ICCL without title transfer.
- Members can transfer their unutilized collateral from one segment to another, intraday, through the online CLASS module.
- Fungibility of FDRs and BGs across segments.
- E-FDR and E-BG facility available with select banks.
- No additional charges for same day cash withdrawal.
- Acceptance of Sovereign Gold Bonds (SGBs) as Collateral.

Settlement

- ICCL provides DvP1, DvP2 and DvP3 settlement for various products and asset classes on a T+2 settlement basis.
- For Corporate Bonds settlement (DvP1 mechanism), ICCL offers choice of T day, T+1 day and T+2 day settlement.

Risk Management

- ICCL uses VaR (for Equity Cash) and SPAN (for all Derivatives contracts) for calculation of Initial Margin.
- ICCL margins its members on an upfront basis (margin is calculated and collateral blocked on a trade-per-trade basis).
- ICCL uses one-day gross for margins computation.
- ICCL conducts daily stress tests for sizing of its Default Fund (Core SGF).

FACTS & FIGURES

Activities	Quarter Ended September - 2021 (Rs. in Billion)	Quarter Ended December - 2021 (Rs. in Billion)	Month of February 2022 (Rs. in Billion)
Equity Cash			
Total Funds Settled	216.51	233.00	70.88
Total Value of Securities Settled	1234.78	1148.89	352.07
Total early Pay-in of Funds	94.10	66.86	10.69
Equity Derivatives			
Total Funds Settled	24.83	56.99	37.99
Currency Derivatives			
Funds Settled	4.46	8.15	3.48
Mutual Fund			
Total Subscription & Redemption	800.03	907.64	265.10
Indian Corporate Debt Market ("ICDM")			
Total Settlement Value	459.40	403.85	143.86
Offer For Sale ("OFS")			
Total Funds Settled	0.86	0.0003	0.0026
Total Value of Securities Settled	0.86	0.0003	0.0026
Offer For Buy ("OTB")			
Total Settlement Value	2.57	29.38	0.62
SLB			
Notional Turnover	0.0235	0.0168	0.0088
Commodity Derivatives			
Total Funds Settled	0.0174	0.023	0.0067

CLEARING BANKS

List of Designated Clearing Banks

Designated Clearing Banks are the banks empanelled by ICCL for providing funds settlement services to clearing members. Clearing members are required to fulfil their funds obligation through any of the designated Clearing Banks.

Sr. No.	Bank Name	Sr. No.	Bank Name
1	Axis Bank Limited	12	IDBI Bank Limited
2	Bank Of Baroda	13	IndusInd Bank Limited
3	Bank Of India	14	Kotak Mahindra Bank Limited
4	Canara Bank	15	Punjab National Bank
5	Central Bank of India	16	Standard Chartered Bank
6	Citibank N.A.	17	State Bank Of India
7	Corporation Bank	18	Union Bank of India
8	Deutsche Bank AG	19	Yes Bank Limited
9	HDFC Bank Limited	20	J P Morgan Chase Bank N.A.
10	Hongkong & Shanghai Banking Corporation Ltd.	21	City Union Bank Ltd.
11	ICICI Bank Limited	22	DBS Bank India Limited

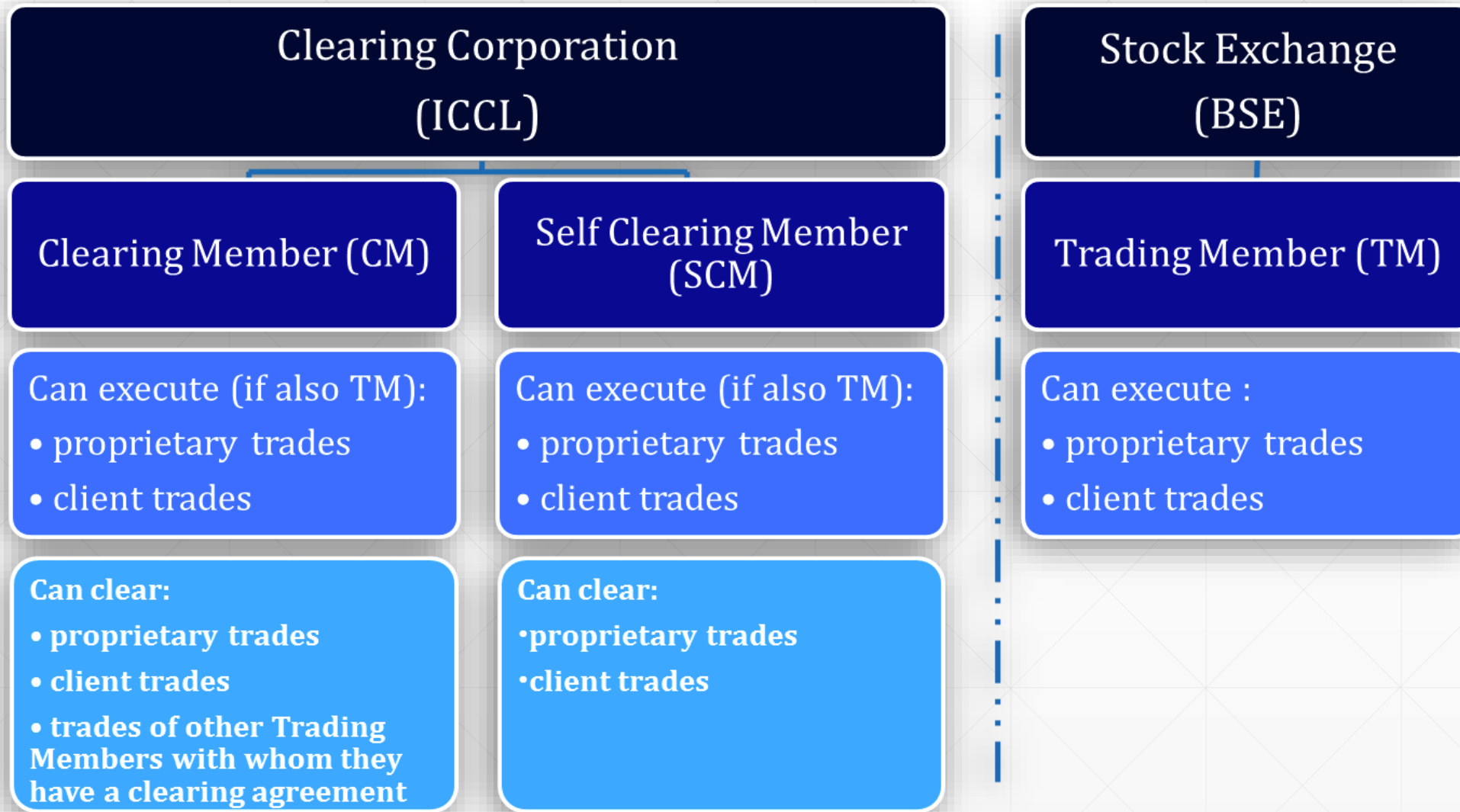
CUSTODIANS

List Of Custodians

Custodians are SEBI registered entities which inter-alia provide custodial services to institutional investors and high networth individuals viz. clearing settlement services, holding securities in physical or demat form, etc.

Sr. No.	Member Name	Sr. No.	Member Name
1	Axis Bank Ltd.	10	JP Morgan Chase Bank N. A.
2	BNP Paribas	11	Kotak Mahindra Bank Ltd.
3	Citibank N.A.	12	Orbis Financial Corporation Ltd.
4	DBS Bank Ltd.	13	SBI SG Global Securities Services Pvt. Ltd.
5	Deutsche Bank AG	14	Standard Chartered Bank
6	Edelweiss Custodial Services Ltd.	15	Stock Holding Corporation of India Ltd.
7	HDFC Bank Ltd.	16	Honkong & Shanghai Banking Corporation Ltd.
8	ICICI Bank Ltd.	17	Yes Bank Ltd.
9	IL&FS Securities Services Ltd.	18	Edelweiss Capital Services Ltd.

TYPES OF MEMBERSHIP



FUNCTIONALITIES

Functionalities	
Real Time Risk Management System	<input checked="" type="checkbox"/>
Risk Management at CM/TM/Client Level	<input checked="" type="checkbox"/>
Settlement in Cash and / or Physical	<input checked="" type="checkbox"/>



Creating a safer market
where risks are managed
more effectively



Inspiring trust through
reliability

CLEARING MEMBERS

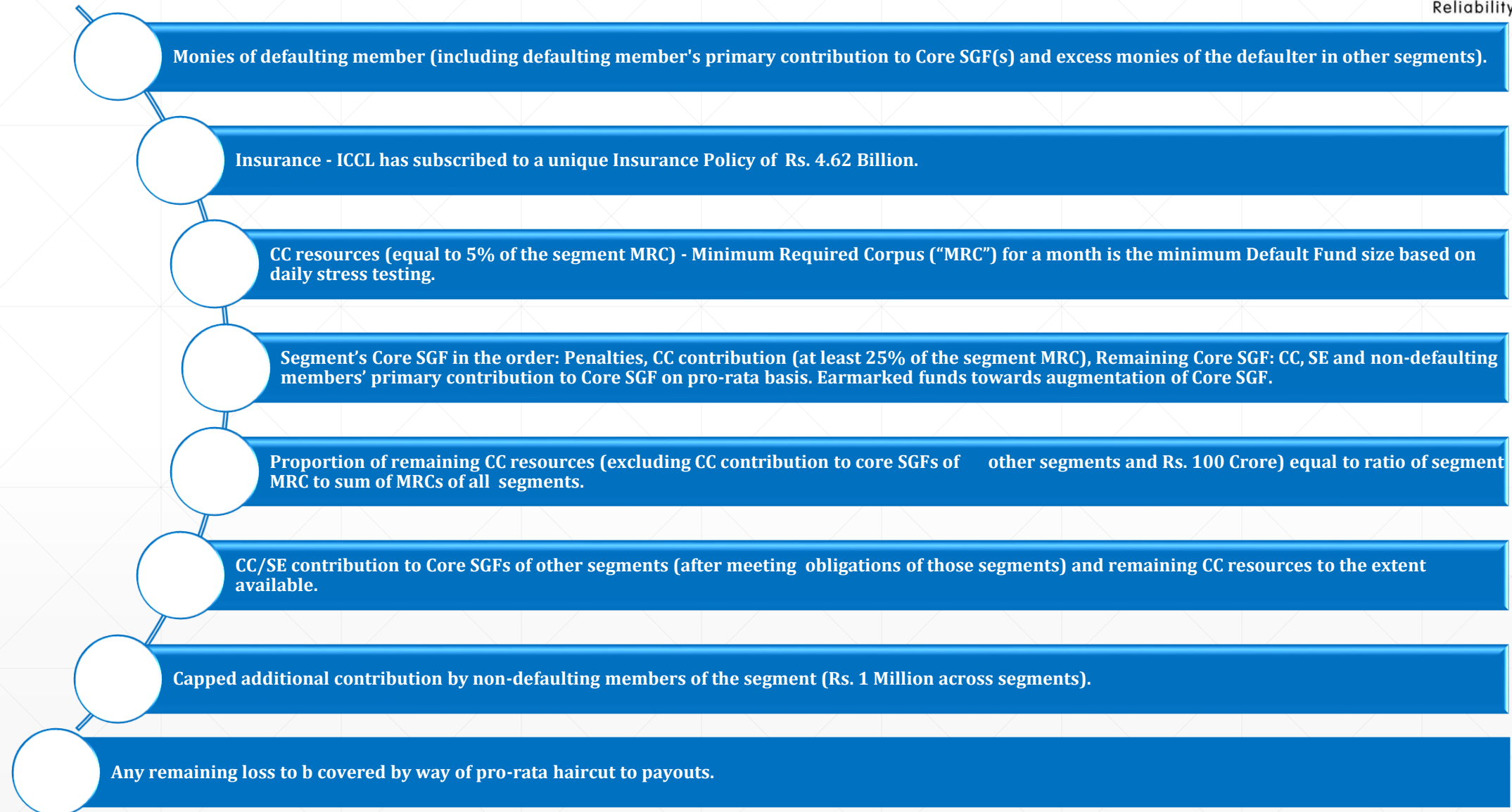
As on February 28, 2022

Type	Equity Cash Segment	Equity Derivative Segment	Currency Derivative Segment	Debt Segment	Commodity derivatives Segment
SCM	1248	80	57	18	19
CM	86	83	49	25	20
Custodian	18	-	-	-	-
Total	1352	163	106	43	39
Unique Members: 1390					

ELIGIBLE COLLATERAL

	Collateral	Haircut	Concentration Limit
Cash & Cash Equivalent	Cash	No haircut	No limit
	P1 (or P1+) rated Bank Guarantee (“BGs”)	No haircut	Limit on the Exchange’s exposure to a single bank as stipulated by SEBI
	Bank Fixed Deposits Receipts (“FDRs”)	No haircut	No limit
	Units of liquid Mutual Fund (or) Govt. Sec. Mutual Fund (by whatever name called which invests in government securities)	10%	No limit
	Indian Sovereign Securities <ul style="list-style-type: none"> • Government Securities • T-Bills • Sovereign Gold Bonds 	10%	No limit
	AAA rated Foreign Sovereign Securities	10%	10% of cash component of liquid assets
Non- Cash Equivalent	Liquid (Group-I) Equity Shares (as per the criteria for classification of scrips on the basis of liquidity).	VaR margin for the respective scrips	Limits specified for each scrip
	Mutual Funds (other than those listed under cash equivalent)	VaR	Member wise and overall limits specified for each scheme
	Gold ETF	VaR	No limit
	AA (or higher) rated Corporate Bonds	10%	Limits specified for each issue and total not to exceed 10% of the total liquid assets of the member

DEFAULT WATERFALL



QUANTUM OF RESOURCES

February 2022 (Rs. In Million)						
Sr. No.	Description	Equity Cash Segment	Equity Derivative Segment	Currency Derivative Segment	Debt Segment	Commodity Derivative Segment
1	Monies of defaulting member (including defaulting member's primary contribution to Core SGF(s) and excess monies of defaulter in other segments)	As Applicable	As Applicable	As Applicable	As Applicable	As Applicable
2	Insurance, if any	4621.2				
3	CC resources (equal to 5% of the segment MRC)	97.1	27.0	74.9	0.00	70.0
4	i. Penalties					
	ii. CC contribution to the extent of at least 25% of the segment MRC	3272.1	611.1	1869.5	17.8	170.9
	iii. Remaining Core SGF: CC contribution, Stock Exchange contribution and non-defaulting members' primary contribution to Core SGF on pro-rata basis					
	iv. Earmarked, but not contributed, funds towards augmentation of Core SGF*	0.00	0.00	0.00	0.00	2500.00
5	Proportion of remaining CC resources (excluding CC contribution to core SGFs of other segments and INR 100 Crore) equal to ratio of segment MRC to sum of MRCs of all segments	1397.0	388.0	1076.9	0.00	361.8
6	CC/SE contribution to Core SGFs of other segments (after meeting obligations of those segments) and remaining CC resources to that extent as approved by SEBI	4556.4	7954.7	5983.6	8891.2	5872.4
7	Capped additional contribution by non-defaulting members of the segment *	0.00	0.00	0.00	0.00	0.00
8	Any remaining loss to be covered by way of pro-rata haircut to payouts	As applicable	As applicable	As applicable	As applicable	As applicable

Note: The quantum of ICCL resources is based on financial results as on December 31, 2021.

* The funds have been earmarked (not contributed) towards augmentation of Core SGF for Commodity Derivative Segment.

** INR 100 Crore to be excluded only when remaining CC resources (excluding CC contribution to core SGFs of other segments) are more than INR 100 Crore.

*** As per the guidelines prescribed by ICCL Circular dated January 7, 2020 on "Contribution by a non-defaulting member in the Default waterfall of Clearing Corporations"

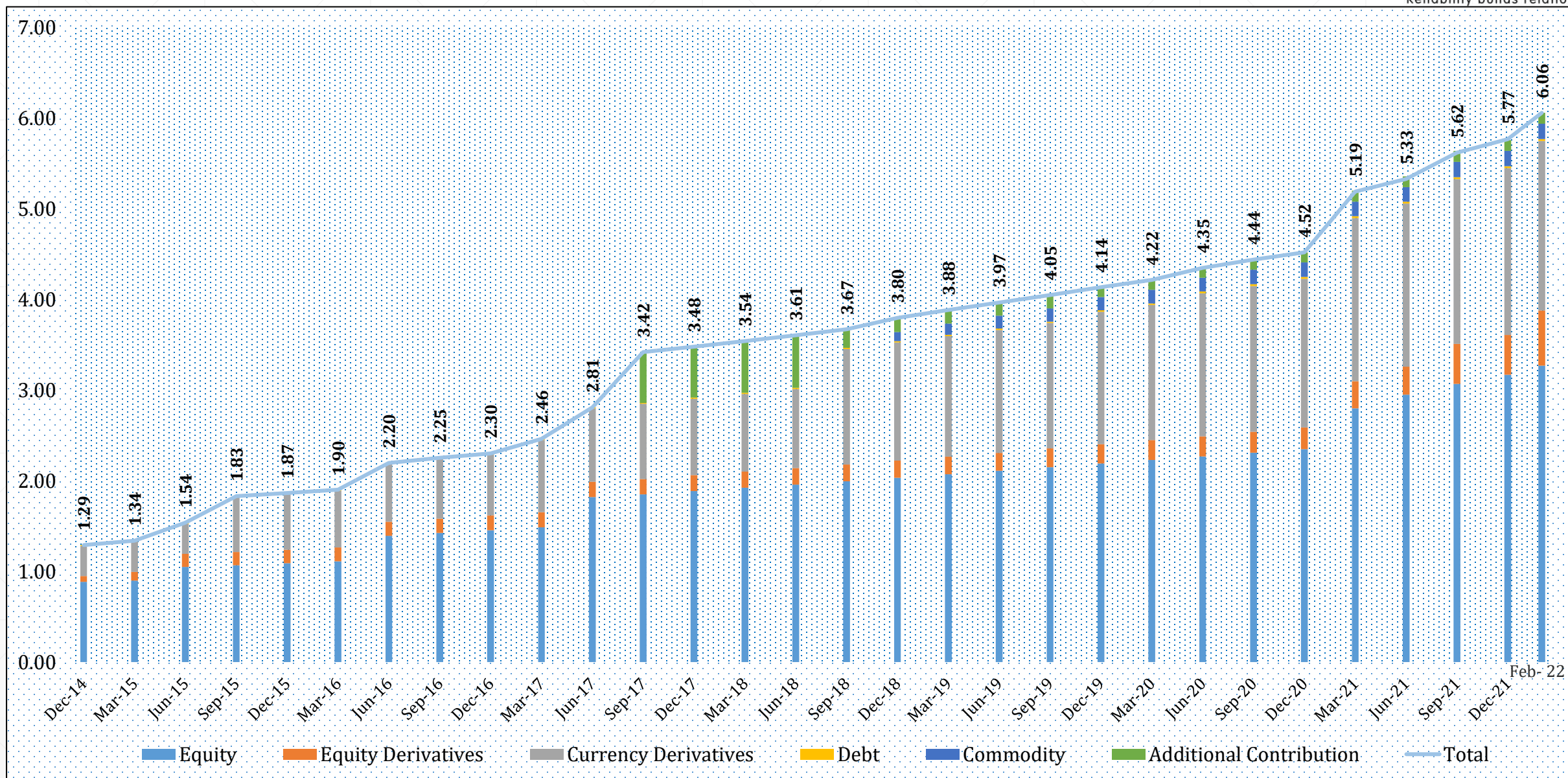
CORE SETTLEMENT GUARANTEE FUND

February 2022 (Rs. in Million)

Segments	ICCL Contribution	BSE Contribution	Members' Contribution	Other Contributions	Total
Equity	1836.2	1022.4	0.00	413.5	3272.1
Equity Derivatives	346.8	192.6	0.00	71.7	611.1
Currency Derivatives	866.4	907.3	0.00	95.8	1869.5
Debt	17.8	0.00	0.00	0.00	17.8
Commodity Derivatives	83.8	84.0	0.00	3.1	170.9
Additional Contribution*	0.00	122.1	0.00	0.00	122.1
Total	3151.0	2328.5	0.00	584.1	5765.3

*Additional Contribution denotes the quantum of excess resources in Core SGF from BSE towards their compliance with the requirement of 'Transfer of Profits' under Regulation 33 of SECC Regulations 2012, from the date the SECC Regulations, 2012 came into effect till August 29, 2016, and which has not been allocated to any specific segment.

GROWTH IN CORE SGF



MEMBERS' EXPOSURE & LIABILITY

February 2022 (Rs. in Million)

Segment	ICCL (BSE)		NSCCL (NSE)	
	Limited Liability	Insurance	Limited Liability	Insurance
Equity Cash Segment				Nil
Equity Derivatives Segment	1	4621.20	No quantitative cap has been fixed. Liability is a multiple of the members' contribution to core SGF at the time of default, Method for establishing members' contribution not publicly disclosed	Nil
Currency Derivatives Segment				Nil
Debt Segment				Nil

CAPITALISATION VS. EXPOSURE

(Rs. in Million)				
Segments	ICCL		NSCCL	
1. Equity Cash Segment 2. Equity Derivatives Segment 3. Currency Derivatives Segment	Average Value of shares Delivered & Total Open Interest	1,67,426.30	Average Value of shares Delivered & Total Open Interest	89,66,786.70
	Networth	667.06	Networth	704.16
	Risk Coverage Ratio (%)	3.98%	Risk Coverage Ratio (%)	0.08%

Note: Value of Shares Deliverable(daily average) and Open Interest are in Rs. Million, as on February 28, 2022 (FY 2021-22).

Networth is denoted in Rs. Million, as on March 31, 2021 (from Annual Report).

Risk Coverage Ratio denotes the Assets of the CCP vis-à-vis the risk carried and is calculated as Networth / (Open Interest and Value of Shares Delivered)

RISK MANAGEMENT FEATURES

- ❑ **Exposure towards CCP:** ICCL is the only CCP in the World which has not sought contribution from members towards its Default Fund
- ❑ **Recovery & Resolution:** Rs. 1 Billion is kept separately for covering operational cost for 1 year, legal cost, regulatory cost, and other liabilities
- ❑ **1st CCP in India to publish Self-assessment of the CPMI-IOSCO's Principles of Financial Market Infrastructures** on its website to ensure a clear understanding and assessment of the risks associated with ICCL
- ❑ **Lines of Credit:** ICCL has dedicated lines of credit with multiple commercial banks; the aggregate of the credit lines being multiple times the average daily funds pay-out
- ❑ **Risk Management Committee** consisting of Independent Directors and Outside Experts
- ❑ **Business Continuity:** BCP plan for systems as well as manpower in place; a far DR site situated in a different seismic zone

FOUR PILLARS OF ICCL





THANK YOU

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