



Procedure for Handling Rectification of Breach of the Provision 9.1.1(ka)(v) of the CDC Regulations by a Participant with respect to Collateral Account (CLA)

Movement of shares for rectifying the breach during the Blocking of CLA shall take place as per the following procedure:

- 1 Participant will be required to request CDC for such transfer. The request letter (on Participant letter head) addressed to MCSS should be duly signed by the authorized signatory(ies). The letter shall **also confirm payment of fine**.
- 2 CDC on the basis of which will allow movement of security from CLA in control environment in the following manner:
 - 2.1 First, FD Intra Saving will be allowed / provided to a specific user for saving of transaction while keeping other users blocked. At the same time CDC will unblock CLA to facilitate the control environment activity.
 - 2.2 Participant will be required to inform CDC after execution of saving. Based on which CDC will block the save users.
 - 2.3 After saving, specific user will be allowed to post the transaction while keeping other users blocked. Again, participant will be required to inform CDC after posting of transaction.
 - 2.4 On the basis of above, once shares have been moved and breach rectified, CDC will restore user authorities and block CLA once again. Please note that no verification in respect to the above will be carried out by CDC. It will be the responsibility of the participants to ensure that shares in correct quantity are moved to the respective accounts.
 - 2.5 CDC will unblock CLA upon completion of the period as defined in the notice subject to 2.4 above.

-----****-----