National Securities Depository Ltd.

Participant Interface
Circular

Circular No.: NSDL/POLICY/2009/0095 Date: October 16, 2009

Sub : Insurance Premium Computation Methodology

As Participants are aware, NSDL obtains a comprehensive insurance policy to cover NSDL and its Participants against infidelity of employees, Electronic & computer crime and Professional Indemnity. A part of the total premium is borne by NSDL and the remaining is shared by the Participants in proportion to their aggregate custody and transaction volumes.

Participants were informed vide Circular No. NSDL/POLICY/2008/0073 dated October 17, 2008 about the methodology for computing premium payable by Participants in respect of insurance policy for the year 2008-09. In accordance with the same, the incidences of insurance claims would be considered while computing the premium payable by Participants for the insurance policy for the insurance year 2009-10. The proposed computation methodology is as follows:

- NSDL will negotiate the aggregate premium with the insurance company.
- The insurance premium to be paid by each Participant will be first computed on the basis of custody and transaction volume of each Participant, subject to a minimum value, in the same manner as done last year.
- The additional premium thus recovered from the Participants shall be distributed to the Participants, in proportion to their original computed premium.
- There will be a loading on the premium for the year 2009-10 for Participants who have lodged claim(s) during the year.
- A Participant closing its depository operations, will be required to pay the annual premium for the succeeding year, in order to cover the claims (if any) arising in the year immediately following the year of closure.

In case you have any clarifications, please contact Mr. Pritesh Parikh, Mr. Vinith Nair or Mr. Marlon Correia on 022-2499 4574 / 2499 4414 / 2499 4208 or on e-mail id: priteshp@nsdl.co.in/ vinithn@nsdl.co.in/ marlonc@nsdl.co.in

For and on behalf of
National Securities Depository Limited

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Samar Banwat
Vice President