

**Default Waterfall (as per SEBI Circular SEBI/HO/MRD2/DCAP/CIR/P/2020/245
dated December 21, 2020)**

The default waterfall of Clearing Corporation for the segment shall generally follow the following order –

- a. monies of defaulting member (including defaulting member's primary contribution to Core SGF(s)).
- b. Insurance, if any.
- c. Issuers contribution to Core SGF.
- d. Clearing Corporation resources (equal to 5% of the segment MRC).
- e. Core SGF of the segment in the following order:
 - i. Penalties
 - ii. Previous financial years profit of Clearing Corporation transferred to Core SGF
 - iii. Remaining Core SGF: Clearing Corporation contribution, contribution and non-defaulting members' primary contribution to Core SGF on pro-rata basis
 - iv. Remaining profit of Clearing Corporation transferred to Core SGF
- f. Remaining Clearing Corporation resources (excluding INR 100 Crore) *
- g. Remaining Clearing Corporation resources to that extent as approved by SEBI.
- h. Capped additional contribution by non-defaulting members. **
- i. Any remaining loss to be covered by way of pro-rata haircut to pay outs.***

**INR 100 Crore to be excluded only when remaining Clearing Corporation resources are more than INR 100 Crore.*

***Clearing Corporation shall call for the capped additional contribution only once during a period of 30 calendar days regardless of the number of defaults during the period. The period of 30 calendar days shall commence from the date of notice of default by Clearing Corporation to market participants (ii) Clearing Corporation shall have relevant regulations/ provisions for non-defaulting members to resign un-conditionally within the abovementioned period of 30 calendar days, subject to member closing out/settling any outstanding positions, paying the capped additional contribution and any outstanding dues to SEBI. No further contribution shall be called from such resigned members.*