

Annexure 5

Collaterals

IIBX Clearing would accept the following type of Collaterals:

Item	Minimum Haircut	Limits
Cash Equivalents		
Cash	0	No limit
Bank fixed deposits of IBUs in IFSC	0	No limit
Standby Letter of Credit (SBLC) of IBUs in IFSC	0	Limit on exchange's exposure to a single bank (see Note 'a')
Other Liquid Assets		
Bullion Depository Receipts issued by IIDI	20%	

- a. While taking the Bank Deposits and SBLC, the Exchange shall prescribe the single entity exposure limits so as to avoid any concentration of exposure towards any single entity.
- b. The valuation of the Bullion Depository Receipts shall be done on a daily basis based on the T+0 price of IIBX after applying applicable haircuts.
- c. Cash equivalents shall be at least 50% of liquid assets. This would imply that Other Liquid Assets in excess of the total Cash Equivalents would not be regarded as part of member's liquid assets as well as total liquid assets. In Cash & Cash Equivalent ratio, the cash component should be minimum 50%
- d. IIBX shall make necessary arrangements to enable timely liquidations of the Collaterals accepted by it.