

Securities Lending & Borrowing Mechanism (SLBM)



Are you..

- Looking for opportunities to earn from your long term Equity investments?
- Need a low risk option?
- Which also secures your precious holdings?

SLBM can help!





Mr. Amit has idle shares in his portfolio.



STOCK EXCHANGE



Mr. Amit receives back his shares and a lending fee

Stock Lending and Borrowing Mechanish (SLBM) is a facility which allows long term investors to earn on their idle shares.

SLBM is facilitated by **National Securities Clearing Corporation of India (NSCCL)**, the clearing corporation of **National Stock Exchange of India (NSE)** as well as by **Indian Clearing Corporation Limited (ICCL)**, the clearing corporation of **Bombay Stock Exchange (BSE)**

All borrowing and lending are Cleared, Settled and Guaranteed.

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It is a scheme of lending and borrowing shares through the exchange platform. It is permitted in dematerialized form only.

NSE and BSE periodically publish a list of eligible securities for SLB

- **What are the market timings:** 9.15 AM – 3.30 PM in line with Equities Market
- **What do I receive for lending my shares:** When you lend a share, you receive a lending fee which is quoted per share. Hence, when you lend 1,000 shares of ABC at Rs 20/share, then you receive Rs 20,000 (Rs 20/share * 1000 shares) which is credited to your account on T+1 Day
- **How do I trade:** Your orders will be placed by your mapped Dealer. Alternatively, you can call on the Centralized SLBM Dealing Desk on +91-22-6136-3728
- **Which stocks can I lend:** NSE and BSE periodically publish a list of eligible securities for SLB segment
- **How do I know if my Stock has a lending opportunity:** Once you register for the SLBM facility, as & when, an opportunity becomes available on any Stock in your holding, we will send an SMS with the opportunity details. You can also get to know about SLB opportunities from your mapped Dealer

- **When will my lent shares leave my DP account:** Shares lent by you on T day will exit your DP on T+1 day. Hence, to lend, you need to ensure the shares are available & free in your DP
- **When will my lent shares come back to me:** In case you do not roll over your prior lending order, then shares lent in say December for say, the January series will come back to your DP on the first Thursday of January. The first Thursday of every month is the expiry day for SLB contracts
- **What happens to my benefits under Corporate Actions:** Benefits are passed onto you as the lender viz. Dividend collected from Borrower on Book Closure or record date and passed onto the Lender

- **Can I check the lending opportunities online:** Yes. You can check the currently open lending opportunities on the SLBM page on www.nseindia.com, Visit the following path: Home > Live Market > Live Watch > SLB. Select from the list of Month(s) & series available or type in a Stock symbol. You may also get a quote for SLB scripts on www.bseindia.com, Visit the following path: Home > Markets > SLB> Get Quote
- **What is the minimum & maximum time I can lend for:** You can lend for a minimum of 1 month. In case you want to continue lending beyond that period, before the lent shares return on the Reverse Leg settlement date for the respective scrip, you can simply order for a rollover. Maximum period of lending is 12 months

- What are the charges: Processing charges for SLB order is 15% of lending fee received by the lender. GST at 18% on processing charge is applicable. There is a Transaction Charge of 2.5% of lending fee for all SLBM orders executed on NSE as well as 18% GST on this transaction charge. No Transaction Charge applicable for orders placed on BSE.
- What will be the Tax implications: Lending of securities under SLBM do not construe as a Sale/Transfer vide a CBDT circular. Hence, transactions are not subject to taxation under Long Term Capital Gains. Instead, lending fee earned from SLBM transactions are to be declared under “Income from Other Sources”

- **Who can register:** Resident Indian Individuals & Non-Individuals can register for SLBM.
- **How do I register:** For assistance with registration, you can contact your Dealer or call on the Centralized SLBM Dealing Desk on +91-22-6136-3728
- **What are the documents required:**
 - SLBM Registration form
 - Self Declaration for Financial Details – Individual / Non-Individual
- **How much time does it take to get the process completed:** The process is completed within 3 to 4 working days if all forms are correctly submitted

Kotak Securities Limited. Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051. CIN: U99999MH1994PLC134051, Telephone No.: +22 43360000, Fax No.: +22 67132430. Website: www.kotak.com / www.kotaksecurities.com. Correspondence Address: Infinity IT Park, Bldg. No 21, Opp. Film City Road, A K Vaidya Marg, Malad (East), Mumbai 400097. Telephone No: 42856825. SEBI Registration No: NSE INB/INF/INE 230808130, BSE INB 010808153/INF 011133230, MSEI INE 260808130/INB 260808135/INF 260808135, AMFI ARN 0164, PMS INP000000258 and Research Analyst INH000000586. NSDL/CDSL: IN-DP-NSDL-23-97. Compliance Officer Details: Mr. Manoj Agarwal. Call: 022 - 4285 8484, or Email: ks.compliance@kotak.com. In case you require any clarification or have any concern, kindly write to us at below email ids: • Level 1: For Trading related queries, contact our customer service at 'service.securities@kotak.com' and for demat account related queries contact us at ks.demat@kotak.com or call us on: 30305757 (by using your city STD code as a prefix) or Toll free numbers 18002099191 / 1800222299 and 18002099292

- Level 2: If you do not receive a satisfactory response at Level 1 within 3 working days, you may write to us at ks.escalation@kotak.com or call us on 022-42858445 and if you feel you are still unheard, write to our customer service HOD at ks.servicehead@kotak.com or call us on 022-42858208.
- Level 3: If you still have not received a satisfactory response at Level 2 within 3 working days, you may contact our Compliance Officer (Name: Manoj Agarwal) at ks.compliance@kotak.com or call on 91-(022) 4285 8484.
- Level 4: If you have not received a satisfactory response at Level 3 within 7 working days, you may also approach CEO (Mr. Kamlesh Rao) at ceo.ks@kotak.com or call on 91-(022) 4285 8301. Investments in securities are subject to market risk; please read the SEBI prescribed Combined Risk Disclosure Document prior to investing. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Thank you

