

NATIONAL STOCK EXCHANGE OF INDIA LIMITED**DEPARTMENT : MEMBER SERVICE**

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To All Members,

Disclosure Document related to NSE Security Futures

National Stock Exchange of India Limited ("NSE") has built a robust derivatives market comprising derivative contract based upon popular benchmark Nifty 50 Index and other derivative products.

NSE launched its NSE Single Stock Futures and NSE Narrow-Based Security Index Futures (collectively, "NSE Security Futures"), the cash-settled futures contracts based on (a) certain individual securities and (b) narrow-based security indices traded on NSE and cleared by the National Securities Clearing Corporation Ltd. ("NSCCL"). These are available to trade by for the investors under 'private placement' mechanism prevalent in the U.S.

NSE Security Futures are based on underlying securities issued by corporate entities organized under the laws of the Republic of India, which are authorized under the Securities and Exchange Board of India Act, 1956, as amended, to offer such securities for trading.

Pursuant to SEC Order of 2009 dated June 30, 2009, issued by the U.S. Securities and Exchange Commission ("SEC") and the U.S. Commodity Futures Trading Commission ("CFTC"), foreign exchanges such as NSE, are authorized to offer foreign listed security futures products — whether on single securities or narrow-based indices of securities — to qualified institutional buyers ("QIBs") and are also Eligible Contract Participants ("ECPs"), as defined under the U.S. Securities Laws; provided that

- (1) any offer or sale is effected through a broker or dealer registered under Section 15(b) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), and
- (2) the offer and sale is made in compliance with Section 4(a)(2) of the U.S. Securities Act of 1933, as amended.

A detailed Disclosure Document with product description and risks related to NSE Security Futures is annexed as Annexure 1 to all the eligible participants and brokers.

For any further clarifications, you may contact @ dl-bd-fig-eq@nse.co.in or +91-22-26598184/8431.

For and on behalf of
National Stock Exchange of India Limited

Khushal Shah
Associate Vice President