

Annex II

Short Sale – Illustration

Scrip: 8.07% 2027, 21 and 22 January are trading holidays. It is assumed that the position is held for the maximum 5 days.

Date	Transaction	Value (Rs. crore)	Settlement date	Short Position (as reflected in SSS A/c)	Impact on Investment account	SGL Flow	Remarks
16 Jan 2017	Short Sale	50	17 Jan 2017	(-) 50	--	--	Assumed a short position, which needs to be covered by an outright purchase on or before 20 Jan 2017. The delivery obligation could be met by borrowing under reverse repo either on 16 Jan 2017 (T+1) or 17 Jan 2017 (T+0) or buying outright on 16 Jan 2017 (T+1)
	At day end			(-) 50	Nil	Nil	
17 Jan 2017	Reverse Repo No.1 (1st leg – buy)	50	17 Jan 2017		(+) 50	(+) 50	Acquired stock of the security under a one day reverse repo to meet the delivery commitment under the short sale
	Delivery into Short sale (settlement)	50			(-) 50	(-) 50	Delivery into (Settlement of) short sale
	At day end			(-) 50	Nil	Nil	
18 Jan 2017	Reverse Repo No.2 (1st leg – buy)	50	18 Jan 2017		(+) 50	(+) 50	Acquired stock of the security under a one day reverse repo to meet the delivery commitment of the second leg of reverse repo no.1 done on 17 Jan 2017
	Delivery into Reverse Repo No.1 (2nd leg – Sell)	50			(-) 50	(-) 50	Bank meets the delivery commitment under the second leg of the Reverse Repo No.1
	At day end			(-) 50	Nil	Nil	
19 Jan 2017	Reverse Repo No.3 (1st leg – buy)	50	19 Jan 2017		(+) 50	(+) 50	Acquired stock of the security under a one day reverse repo to meet the delivery commitment

							of the second leg of reverse repo no.2 done on 18 Jan 2017
	Delivery into Reverse Repo No.2 (2nd leg – Sell)	50			(-) 50	(-) 50	Bank meets the delivery commitment under the second leg of the Reverse Repo No.2
	At day end			(-) 50	Nil	Nil	
20 Jan 2017	Reverse Repo No.4 (1st leg – buy)	50	20 Jan 2017		(+) 50	(+) 50	Acquired stock of the security under three day reverse repo to meet the delivery commitment under the reverse repo 3 done on 18 Jan 2017
	Delivery into Reverse Repo No.3 (2nd leg – Sell)	50			(-) 50	(-) 50	Bank meets the sale commitment under the second leg of the Reverse Repo No.3
	Outright purchase	50	23 Jan 2017	(+) 50	--	--	Acquired stock of the security through an outright purchase to square the short position assumed on 16 Jan 2017 and to meet the delivery commitment of Reverse Repo no.4
	At day end			Nil	Nil	Nil	
23 Jan 2017	Settlement of outright purchase	50			(+) 50	(+) 50	
	Delivery into Reverse Repo No.4 (2nd leg – Sell)	50			(-) 50	(-) 50	Bank receives the stock purchased outright on 20 Jan 2017 and uses it to settle the sale leg of the Reverse Repo No.4
	At day end		0	0	0	0	