

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Limited)

DEPARTMENT : CAPITAL MARKET SEGMENT

Download Ref No: NCL/CMPT/ 43199

Date : January 13, 2020

Circular Ref. No: 0027/2020

All Members/Custodians/PCMs,

Sub. : Clearing & Settlement of Rights Entitlement Traded on Stock Exchanges

This is further to our consolidated circular in Capital Market with download reference no. NSE/CMPT/43078 dated January 01, 2020. In pursuance of Regulations of NSE Clearing for the Capital Market Segment, Clearing and Settlement of deals in respect of rights entitlement shall be as under:

1. Basis for Clearing and Settlement:

Rights Entitlement (RE) deals shall be settled on a trade for trade basis between the parties to the transaction through the Clearing Corporation. Transactions shall be settled on a gross basis and settlement obligations shall arise out of every deal. Transactions will be settled in physical form. There shall be settlement guarantee.

2. Clearing Days and Scheduled Time:

Settlement of rights entitlement shall be on T+2 day. Delivering members/custodians shall deliver all documents (**as per Annexure I**) to the NSE Clearing Ltd at Mumbai during its regular business hours from 9.30 am to 10.30 am on the settlement day. Receiving members will be allotted specific time slots on settlement day to collect the documents from NSE Clearing Ltd at Mumbai.

Funds pay-in and pay-out shall be through banks designated as Clearing Banks by the Clearing Corporation in accordance with Item 3 and Item 5 mentioned in circular no. NSE/CMPT/43078 dated January 01, 2020.

3. Norms for Delivery

The norms for physical delivery shall be in accordance with the SEBI circular SEBI/HO/MRD/DP/CIR/P/117 dated October 25, 2019 and Chapter 7 of the Capital Market Regulations of NSE Clearing Ltd.

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4. Closing Out

When the Clearing Corporation is satisfied that securities or funds have not been delivered in such manner and within such time as specified, obligation in such security shall be deemed to be short.

Shortages in RE shall be directly closed-out on the settlement at the highest price prevailing across the Exchanges from the day of trading till the T+1 day or 20% above the settlement price on the T+1 day, whichever is higher, or as declared from time to time.

**For and on behalf of
NSE Clearing Limited**

**Onkar Phadnavis
Associate Vice President**

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