

**NSE Clearing Limited**

(Formerly known as National Securities Clearing Corporation Limited)

**DEPARTMENT : CAPITAL MARKET SEGMENT**

Download Ref No: NCL/CMPT/ 44415

Date: May 19, 2020

Circular Ref. No: 0175/2020

All Members/Custodians/PCMs,

**Sub. : Clearing & Settlement, Risk Management of Rights Entitlement Traded on Stock Exchanges**

This is a partial modification of our circular in Capital Market Segment with download reference no. NSE/CMPT/43578 dated February 18, 2020 and further to our consolidated circular NSE/CMPT/43078 dated January 01, 2020. In pursuance of Regulations of NSE Clearing Ltd. for the Capital Market Segment, Clearing & Settlement, Risk Management of deals in respect of rights entitlement shall be as under:

- All clearing members in CM segment shall be eligible for clearing and settlement of rights entitlement
- Applicable margin for right entitlement shall be 100%
- Settlement guarantee shall be provided for trades and settlement shall be compulsorily done in dematerialised mode
- Trades executed shall be settled on T+2 basis
- Transactions executed in series 'BE' shall be settled under settlement type 'W' and transactions executed in series 'BL' shall be settled under settlement type 'N'. Transactions shall be cleared and settled on a trade for trade basis and there shall be no netting of transactions
- Clearing members may use the existing facility to do early pay-in of securities / funds
- Any shortages in rights entitlement shall be directly closed-out at the highest price of rights entitlement prevailing across the Exchanges from the day of trading till the T+1 day or 20% above the settlement price of rights entitlement on the T+1 day, whichever is higher

This circular shall be effective from May 20, 2020.

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

Onkar Phadnavis  
Associate Vice President

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