

DEPARTMENT: CAPITAL MARKET

Download Ref No: NCL/CMPT/66212

Date: Jan 20, 2025

Circular Ref. No: 0027/2025

All Members/ PCMs,

Sub: Direct Payout of Securities to Client Demat Account

This has reference to NSE circular NSE/ISC/66165, BSE circular 20250116-37 dated 16 Jan 2025 and NCL circular NCL/CMPT/63669 dated Aug 30, 2024

Aforesaid NCL circular NCL/CMPT/63669 dated Aug 30, 2024 in point 11 (i) of Annexure 1 (Standard operating guidelines - Payout of securities directly to client demat accounts) states

“i. In case, there is no verified primary demat account available in exchange UCC, the payout will be released to the clearing member pool account in phase 1.

(a) If at the end of phase 1 primary demat account is not specified for any UCC (except proprietary UCC) such UCC shall be removed from ‘Permitted to trade category’ by Exchanges. On updation and verification of demat account of such UCC’s by trading members, exchange shall restore ‘Permitted to trade’ status of the UCC.”

With regards to direct pay-out, it may be noted that a client dealing exclusively in index derivatives and providing his margin through cash only may not need to have a demat account in the equity derivative segment. In this regard, the Trading Member has to ensure that the client dealing in index derivatives does not deal in any other product which requires physical delivery and that the client pays his margin only in the form of cash. This would be a part of an arrangement between Trading Member and the client where a client is desirous of dealing exclusively in index derivatives and undertakes to pay his margin only in the form of cash.

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

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