# NSE Clearing Limited

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| **Download Ref No:** NCL/CMPT/76188 | **Date:** September 04, 2026 |
| **Circular Ref. No: 0322** | |

All Custodians / Members,

**Sub: - Close-out procedure for shortages in overnight ETFs and liquid ETFs**

This is further to circular NCL/CMPT/76060 dated August 31, 2026 – 'Extension of timeline for implementation of provisions of SEBI Circular dated June 15, 2026 on norms for base price, price bands, call auction in pre-open session and close-out procedure for Exchange Traded Funds (ETFs)' and in partial modification of NCL/CMPT/73996 dated April 30, 2026 - Consolidated Circular - Capital Market Segment of NCL, Part B, Item 9 – Closing Out.

<u>The close-out procedure for overnight ETFs and liquid ETFs will be as under:</u>

- Any shortages in the normal market in case of overnight ETFs and liquid ETFs that cannot be bought in the auction market or where the auction seller fails to deliver in part or full on auction pay-in day, shall be closed at the highest price prevailing across the Exchanges from the day on which the trade was originally executed till the day of auction or 5% over the settlement price on the auction day whichever is higher.
- Where auction pay-out cannot be done on or before Record Date/ Book closure – 1 business day, shortages shall be directly closed out at the highest price prevailing across the Exchanges from the day of trading till the day of auction or 5% above the settlement price on the auction day, whichever is higher.

The above provisions shall be effective from trade date September 07, 2026 (T day), i.e. shortages of settlement number 2026169.

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

Supriya Salian
Associate Vice President

| Telephone No | Email id |
|---|---|
| 18002660050 (IVR Option 2) | securities_ops@nsccl.co.in |