NSE Clearing Limited

Circular

Department: CAPITAL MARKET SEGMENT	
Download Ref No: NCL/CMPT/77316	Date: Nov 5,2026
Circular Ref. No: 0392/2026	

All Members/Custodians/PCMs,

Sub: Guidelines on Interoperability among Clearing Corporations for Tender Offer (OTB).

This is further to circular NCL/CMPT/77168 dated Oct 30,2026 on 'Introduction of Interoperability among Clearing Corporations for Tender Offer (OTB)' wherein it was mentioned that Tender Offer/Offer to Buy (OTB) will be brought under interoperability framework on or after November 27th, 2026.

Clearing members and Custodians are requested to note the revised guidelines for risk management, clearing and settlement and information dissemination under interoperability framework.

1. Risk Management:

- Bidders shall provide irreversible early pay-in of securities through the early pay-in mechanism provided by the depositories for the settlement type and settlement number as specified in settlement calendar provided by NCL and in accordance with the requirements issued by the Depositories and SEBI from time to time.
- It is mandatory for the Clearing members to provide early pay-in of securities (except for Custodian participant bids) before placing of bids on stock exchange platform.
- It is mandatory for the Custodian to provide early pay-in of securities for Custodian participant bids before confirming to NCL.
- A facility shall be provided to the Custodians to confirm/ reject the CP bid. The Custodians shall confirm or reject a bid within the close of Confirmation window as set up by NCL.

  Note: NCL shall align confirmation time window with the bidding hours as specified by the Stock Exchanges during the tender offer period except on the last day of tender offer. NCL shall extend the confirmation window by 30 minutes (i.e. 04:00 p.m.) beyond the bidding hours on the last bidding day of a tender offer.
- All unconfirmed CP bids at the end of confirmation window on the last bidding day of a tender offer shall be deemed to be rejected.
- Sufficiency of early pay-in of securities shall be re-checked in case of bid modification/ confirmation.

- NCL shall validate beneficiary ID, TM Code and quantity entered in the bid by Trading member (TM) on the Stock Exchange with early-pay-in of securities received from the depositories.
- Clearing members shall incorporate "TM code" with the existing fields in the early-pay-in instructions executed for Tender Offer with the Depositories. Clearing members are advised to refer to the relevant Circular(s) issued by the Depositories in this regard.

2. Clearing and Settlement:

Clearing and settlement of deals shall be specified by the relevant authority from time to time. Currently all settlements for Tender Offer are in accordance with SEBI circulars. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, and circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021.

2.1. Designated Clearing Corporation

Clearing members and Custodians in capital market segment of NCL may continue to maintain the designated clearing corporation for Tender Offer and may change the designated Clearing corporation for Tender Offer as per process set out by the Clearing Corporations.

2.2. Settlement Type and Series

NCL shall issue settlement calendar for each tender offer mentioning the settlement type, settlement number, trade start date, trade end date, obligation date, and settlement date. In case of delay in receipt of bid details with allocation status from the Stock Exchange(s) or delay in funds pay-in by buying Clearing member beyond specified timelines, NCL may issue a Circular to notify revised settlement schedule to the market.

2.3. Obligation of Clearing members and Custodians

NCL shall compute obligations at trading member/CP level across Stock Exchange(s) and grossed up at Clearing member/Custodian level. The obligation shall be computed considering the allotment of bids provided by the Stock Exchange(s).

2.4. Confirmation of custodial participant trades

Clearing members and Custodians shall refer to the existing "NMASS" interface for information such as online bids inquiry and confirmation/ rejection of CP bids.

2.5. Funds Settlement

- NCL shall process funds pay-in obligation through the existing settlement account of the buying Clearing member. Buying Clearing member shall ensure availability of funds obligation in its fund settlement account within the timelines specified in settlement calendar, failing which the securities pay-out to such Clearing member shall be withheld. Also, NCL shall initiate funds pay-out only after receiving funds from the buying Clearing member.

- NCL shall release funds pay-out to the eligible client's bank account as provided by the depositories. NCL shall release other funds pay-out to the respective Clearing member's existing settlement account.

Note: The bidders are requested to update their bank account details with the depositories in advance to get funds pay-out.

- NCL shall credit the amount in Clearing member's settlement account, if any of the client's payout instruction gets rejected.

- The funds pay-out of bids confirmed by Custodians will be credited to the settlement bank account of Custodians.

2.6. Securities Settlement

- The Depositories shall provide securities submitted towards EPI mechanism as securities pay-in to NCL.

- NCL shall release the securities payout to the buying Clearing member's securities pool account upon the Clearing member fulfilling funds obligation.

Note: NCL shall provide a facility to the buying Clearing member to request direct credit of to the specified demat account. Refer circular CMPT73996 part C Point no.8 Direct Payout to Investors Account

- NCL shall release the residual EPI quantity (i.e. over and above the allocated quantity) to the respective bidders demat account. However, if such release is rejected by the Depositories, NCL shall credited the securities into pool account of the Clearing member for further transfer to respective bidder.

2.7. Securities Transaction Tax

- Securities Transaction tax (STT) shall be applicable on transactions executed on exchange, as specified in circulars issued by Exchanges from time to time.
- Members shall be required to pay the STT, along with the pay-in obligation.
- The STT amount shall be collected as per the timelines stipulated for the funds pay-in. A separate transaction shall be created, and the monies shall be collected from the settlement account of members through their clearing banks as per the process currently followed in respect of settlement obligations.

2.8. Stamp Duty

- Stamp duty shall be collected on accepted quantity as informed by the Exchanges to the Clearing Corporation from the offeror (seller). Stamp duty shall be determined on the obligation date mentioned in the settlement calendar issued from time to time by way of circular. Existing methodology of Stamp duty calculation is mentioned in part F of consolidated circular NCL/CMPT/73996.
- In case of change in methodology the same shall be specified by way of circular.
- All the accepted orders shall be identified based on the client/proprietary details provided by the members at the time of order entry on the Exchange system. Members may note that the value of taxable securities transaction and the applicable State/Union Territory (UT) shall be determined with respect to the client/proprietary details of the accepted orders.
- Therefore, NCL shall only reckon the client/proprietary details entered by the member while placing the order. It is therefore imperative that members exercise extreme caution and diligence while entering the client/proprietary details at the time of entering an order. If the State/UT of the client is not available, then the state of member through whom transaction was executed will be considered.
- Members shall be required to pay the stamp duty, as part of and along with the pay-in obligation. The stamp duty amount shall be collected as per the timelines stipulated by the NCL from time to time. A separate transaction shall be created, and the monies shall be collected from the settlement account of members through their clearing banks as per the process currently followed in respect of settlement obligations.

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2.9. **Reports**

The list of files which will be applicable for Clearing members and Custodians are provided in annexure I.

For and on behalf of
NSE Clearing Limited

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