# Flashcards

## l9

**Q1. Within how many days must bad deliveries be reported to the clearing house?**

A1. Two days.

**Q2. How long does the delivering member have to rectify bad deliveries?**

A2. Two days.

**Q3. What happens to unrectified bad deliveries?**

A3. They are assigned to auction on the next day.

**Q4. How long does a Clearing Member (CM) have to withdraw a company objection if it's invalid or documents are incomplete?**

A4. 7 days.

**Q5. If a CM can't rectify defective documents within 21 days, what happens?**

A5. NSCCL conducts a buying-in auction.

**Q6. What happens to company objections not bought-in?**

A6. They are deemed closed out on the auction day at the closing price plus 20%.

**Q7. In the Limited Physical Market, what constitutes a bad delivery?**

A7. Shares in street name, market delivery, shares not in the name of individuals/HUF, shares with a last transfer date on or after the security's introduction to the LP market, deliveries exceeding 500 shares.

**Q8. What is the penalty for shortages in the Limited Physical Market?**

A8. Compulsorily closed out at 20% over the actual traded price.

**Q9. What is the penalty for non-rectification/replacement of bad deliveries in the Limited Physical Market?**

A9. Closed out at 10% over the actual trade price.

**Q10. Within how many months must the buyer send securities for transfer and dematerialization in the Limited Physical Market?**

A10. 3 months.

**Q11. How many clearing banks has NSCCL empaneled?**

A11. 13.

**Q12. What is the purpose of clearing accounts?**

A12. Exclusively for clearing and settlement operations.

**Q13. How are members informed of their funds obligations?**

A13. Through Obligations reports, daily funds statements, and bank summary statements.

**Q14. When are members with a funds pay-in obligation required to have clear funds in their primary clearing account?**

A14. On or before 10:30 a.m. on the settlement day.

**Q15. When is the payout of funds credited to members' primary clearing accounts?**

A15. On or after 1:30 p.m. on the settlement day.

**Q16. What happens if a member fails to fulfill their funds obligations?**

A16. Trading and clearing facilities are withdrawn; securities payout is withheld.

**Q17. What is the net cumulative fund shortage threshold triggering sanctions?**

A17. Rs. 5 lakhs at the end of pay-in, or Rs. 2 lakhs for six or more occasions in the last three months.

**Q18. What is a valuation debit?**

A18. An amount debited equivalent to securities not delivered, valued at a valuation price.

**Q19. How are valuation prices for securities not delivered calculated?**

A19. The closing price on the immediate trading day preceding the pay-in day.

**Q20. How are valuation prices for bad deliveries calculated?**

A20. The closing price of such securities on the trading day preceding the settlement day, unless otherwise prescribed.