

Equity Cash Market Segment

September 11, 2020

Circular No: MCCIL/ECM/1755/2020

Sub: Clearing and Settlement of Rights Entitlement Traded on Stock Exchanges

Pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 members may note the following for Clearing & Settlement of Rights Entitlement traded on Stock Exchanges:

1. All clearing members in the equity cash segment (ECM) shall be eligible for clearing and settlement of Rights Entitlement.
2. Applicable margin for rights entitlement shall be 100%.
3. Settlement guarantee shall be provided for trades and settlement shall be compulsorily done in dematerialized mode.
4. Trades executed shall be settled on T+2 basis.
5. Transactions executed in series 'RE' shall be settled under settlement type 'W'. Transactions shall be cleared and settled on a trade for trade basis and there shall be no netting of transactions.
6. Clearing members may use the existing facility to do early pay-in of securities / funds.
7. 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 September 14, 2020.

For clarifications, members may contact Customer Service on 022-61129010 or send an email to **clearing@mclear.in**

For and on behalf of

Metropolitan Clearing Corporation of India Limited

Shweta Bhatt
Manager

Metropolitan Clearing Corporation of India Limited

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