

**METROPOLITAN CLEARING CORPORATION OF INDIA LIMITED**

**NOTICE**

23/09/2022

To

All Clearing Members

Pursuant to SEBI letter dated September 23, 2022 Notice is hereby given that recognition to Metropolitan Clearing Corporation of India Limited (MCCIL) granted by Securities and Exchange Board of India (SEBI) to MCCIL as a Clearing Corporation shall expire on 02<sup>nd</sup> October 2022.

For **Metropolitan Clearing Corporation of India Limited**



**A. Sebastin**  
Interim CEO



भारतीय प्रतिभूति  
और विनिमय बोर्ड  
Securities and Exchange  
Board of India

MANAGER  
MARKET REGULATION DEPARTMENT

SEBI/HO/MRD/MRD-RAC-2/P/OW/2022/0000049736/1  
September 23, 2022

**Shri A Sebastian**  
**Interim CEO & Chief Operating Officer**  
**Metropolitan Clearing Corporation of India Ltd (MCCIL)**  
**Building A, Unit 205 B, 2<sup>nd</sup> Floor, Agastya Corporate Park**  
**Sunder Baug Lane, Kamani Junction**  
**L.B.S Road, Kurla West**  
**Mumbai- 400070**

Dear Sir,

**Sub: Surrender of recognition by MCCIL as Clearing Corporation**

1. As you are aware, SEBI vide letter dated September 29, 2021 granted renewal of recognition to MCCIL for one year, commencing from October 03, 2021-October 2, 2022, subject to certain conditions. It was also mentioned in the said letter that no further renewal of recognition shall be granted till such time MCCIL satisfies those conditions.
2. You have vide letters dated September 21 & 22, 2022, enclosed the resolution passed by the Governing board of MCCIL dated September 21, 2022 which inter-alia approved as follows:
  - a. In principle approval of merger of MCCIL with MSEI
  - b. To surrender the license/recognition granted by SEBI vide letter dated September 29, 2021.
3. Accordingly, you have informed that MCCIL has withdrawn its application for renewal of recognition submitted by it on June 24, 2022.
4. As the renewal of recognition of MCCIL granted by SEBI vide letter dated September 29, 2021 is to expire on October 02, 2022 (Sunday), MCCIL is advised as under:
  - i. MCCIL shall inform all market participants in advance that the recognition of MCCIL as Clearing Corporation shall expire on October 02, 2022.

सबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बान्द्रा-कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.

दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर.एस.), 2644 9000 / 4045 9000 फ़ैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

MP



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- ii. Any open positions at the MCCIL shall have to be transferred to the new Clearing Corporation by September 30, 2022. Any open positions that could not be transferred shall be closed out at the daily settlement price of the day and in terms of the provisions of the Rules, Byelaws and Regulations of MCCIL.
- iii. The Clearing members who are clearing through MCCIL may choose any new Clearing Corporation on or before September 30, 2022. Alternatively, such members may close-out their open positions. If there are any outstanding positions as on September 30, 2022 due to members failing to move to any other Clearing Corporation, such positions shall be closed out by MCCIL at the daily settlement price of the day and in terms of the provisions of the Rules, Byelaws and Regulations of MCCIL.
- iv. MCCIL shall ensure compliance with regard to the following:
  - a) Payment of the dues outstanding, if any, to SEBI.
  - b) The outstanding fees of clearing members of MCCIL in terms of SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 till the date of expiry.
  - c) Dues of the clearing members to SEBI shall be recovered by MCCIL out of the clearing member deposits / capital /share of sale proceeds /winding up proceeds / dividend payable etc. available with MCCIL. MCCIL will be liable to make good any shortfall in collection of dues of the clearing members to SEBI.
- v. MCCIL shall return all refundable collateral and membership deposits of Clearing Members and the unutilized Core SGF contributions of Clearing Members and Stock Exchanges to respective Clearing Member/Stock Exchange.
- vi. MCCIL shall set aside sufficient funds in order to provide for settlement of any claims, pertaining to pending arbitration cases, arbitration awards, not implemented, if any, liabilities/claims of contingent nature, if any, and unresolved investors complaints/grievances lying with MCCIL.
- vii. Since MCCIL continue to be a corporate entity under the Companies Act, 2013 even after October 2, 2022, it shall not use the expression 'clearing corporation' or any variant in its name or in its subsidiaries name so as to avoid any representation of present or past affiliation with the clearing corporation.

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5. Accordingly, MCCIL is advised to comply with the above directions and submit the compliance report as on September 30, 2022.
6. Notwithstanding the above, MCCIL shall continue to be liable for any violation of SEBI Act,1992, SCRA Act, 1956, Rules, Regulations, Circulars and guidelines issued thereunder.
7. Post-merger, MSEI shall be liable for any violation of SEBI Act,1992, SCRA Act, 1956, Rules, Regulations, Circulars and guidelines issued thereunder, committed by MCCIL.

Yours Faithfully

  
**Neetu Pangtey**