



CIRCULAR

CIR/MRD/DRMNP/8/2015

May 14, 2015

To

Recognized Stock Exchanges,
Recognized Clearing Corporations and
Depositories

Dear Sir/Madam,

Sub: Revision of Activity Schedule of Auction Session

1. As per extant practice in Equity Cash segment (prescribed vide SEBI Circular [CIR/MRD/DP/39/2010](#) dated December 28, 2010 (hereinafter referred to as "the said Circular")) in case of default by the selling broker in a normal settlement, the security delivered short is bought in the auction session (conducted on T+2 day) and is delivered to the buying broker on T+3 day.
2. Based upon suggestions of Clearing Corporations and Stock Exchanges and **in order to facilitate the reduction of time involved in delivering the shares to the buying broker, in case of default by selling broker, it has been decided to provide flexibility to Clearing Corporations to decide the time for conducting the settlement of Auction session on or before T+3 day.**
3. Thus the activity schedule for conducting the settlement of auction session and close-out as prescribed by the said circular stands revised as given below:

Auction Settlement for T day trade:

Auction session	By T+2
Pay-in/pay-out of auction and close-out	By T+3

Other provisions of the said circular would remain unchanged.

4. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
5. The Stock Exchanges/Clearing Corporations are advised to:
 - i. put in place the adequate systems and issue the necessary guidelines for implementing the above decision.
 - ii. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above
 - iii. bring the provisions of this circular to the notice of the members and also disseminate the same on their website.
 - iv. intimate SEBI the status of implementation of the provisions of this circular.



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

6. This circular is being issued in exercise of powers conferred under Section 11(1) of Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market.
7. This circular is available on SEBI website at www.sebi.gov.in under the category "Circulars".

Yours faithfully,

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