

NOTICES

Notice No.	20220629-14	Notice Date	29 Jun 2022
Category	Others	Segment	General
Subject	Investor Awareness on Rights Entitlement		
Attachments	Annexure.zip		
Content			

This is in reference to SEBI Circular Ref No. SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 on “Streamlining the Process of Rights Issue”.

Numerous complaints have been received related to extinguishment of Right Entitlements (REs) due to lack of awareness among the investors regarding difference between Right Equity Shares and Right Entitlements and lack of knowledge about the requirement of application to be made by the buyer after purchasing RE's .

In order to increase awareness about the RE's, the Exchange has prepared FAQs and a presentation which would be helpful for investors to understand the concepts related to Rights Entitlements (“REs”) in dematerialized form as notified in the above-mentioned SEBI circular. The FAQs and the Presentation are enclosed herewith as Annexure A and Annexure B respectively. The FAQs and the Presentation provide an easy understanding of the process and trading of REs on stock exchange platform and related terms/concepts.

In this regard, trading members, particularly those providing online trading platform to investors/clients through internet-based trading / mobile applications are advised to bring to notice the information of FAQs and presentation to the clients by way of e-mail/ letters.

Investors shall also be made aware by way of a pop-up in their trading applications / website that buying of Rights entitlements shall not automatically result in credit of the Rights Equity shares in the investor demat account and the investors will have to apply for the Right Equity Shares in order to receive the same.

Trading Members are advised to take note of the above and comply accordingly.

Abhijit Pai	Shilpa Mhapsekar
Deputy General Manager	Manager
Membership Compliance & Investor Services	Investor Services