



Metropolitan Stock Exchange of India Limited

Department: Membership

Segment: All

Circular No: MSE/MEM/5487/2017

Date : September 4, 2017

Subject: Submission of Annual Returns for the Financial Year 2016-17

To All Members,

In terms of the provisions of Rules, Bye-Laws and Regulations of the Metropolitan Stock Exchange of India limited (Exchange), all registered Members on the Exchange are advised to submit the Annual Returns for the financial year ended March 31, 2017, comprising of the following:

- a) Audited Financial Statements and Auditors Report for FY 2016-2017
- b) Audited Networth Certificate & Computation of Networth as on March 31, 2017
- c) Financial Details
- d) Undertaking regarding changes/no changes in details mentioned in (e) to (i)
- e) Details of Directors/ Partners/ Proprietor
- f) Shareholding Pattern/ Partnership Pattern
- g) Details of Dominant Promoter Group/ Dominant Group of Partnership Firms
- h) Contact Details
- i) Details regarding Membership of other Stock Exchanges

In case there are no changes in the documents mentioned in (e) to (i) above in comparison to the details submitted for FY 2015-16, members need not submit the same again this year. However in such cases, Members are required to submit an undertaking in the format specified in (d) stating that there are no changes, (such as change in directors, shareholding etc.), from the filings of the previous year.

It may also be noted that the requirements of shareholding pattern and details of dominant promoter group are not applicable to Individuals who have taken membership in their proprietary name.

As per SEBI circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated Sep 26, 2016, "The due date for submission of the aforesaid financial statements to Stock Exchanges shall be the same as prescribed under Companies Act, 2013 for submission to Registrar of Companies."

Accordingly, Members are required to submit their Annual Return with all the requisite documents at any of the Regional Offices of the Exchange on or before **October 31, 2017**.

Further, non-submission of any of the documents forming part of the Annual Return / submission of documents otherwise than in the prescribed formats would be construed as non-submission of Annual Returns. Actions in case of non-submission / delayed submission / incomplete / incorrect submission of documents is given in **Annexure 1**.

The formats for various documents to be submitted are available on the Exchange website under membership section and may be suitably used by the members.

<http://www.msei.in/members/membership/current-membership/annual-returns.aspx>

Members following accounting year other than that ending on March 31, 2017 are advised to submit the Annual Returns within a period of 6 months from the end of such accounting year. Such members are required to inform the Exchange about the accounting year followed by them on or before September 30, 2017.

For any clarifications, members may please contact Membership Department on 022- 61129000 and / or send an email at annualreturns@msei.in

**For and on behalf of
Metropolitan Stock Exchange of India Limited**

Sripriya Senthilkumar
Head - Membership

Action for Non-Compliance with Annual Submission / Net worth Requirements

I) Penalties for Delayed Submissions / Non-Submission / Incomplete Submissions:

Period	Penalty
During 1 st month after due date till the date of submission	@ ₹ 100/- per day
During 2 nd month after due date till the date of submission	@ ₹ 200/- per day
During 3 rd month after due date till the date of submission	@ ₹ 300/- per day

In the case of non-submission / delayed submission / incomplete submission of any of the Annual Returns / Submissions (i.e. Networth Certificate, Computation of Networth, Auditor's Report, Audited Annual Accounts as on March 31, 2017, etc.) details for more than three months from the due date, the matter will be referred to the relevant authority for further decision / action in the matter.

II) Action on Shortfall in Net worth

All members of the Exchange are required to maintain minimum net worth at all points of time as specified by the Exchange. Details of Net worth requirements for different categories of members are as under:

Segment	Membership Type	Net worth (Amount ₹ in Lacs)
Capital Market	SCM	30
Futures & Options	TM / SCM / TCM / PCM	30 / 100 / 300 / 300
Currency Derivatives	TM / SCM / TCM / PCM	100 / 500 / 1000 / 1000
Debt Market	TM / SCM / TCM / PCM	50 / 100 / 300 / 300

In case the net worth submitted by the member is below the specified minimum net worth requirement; the Exchange would initiate appropriate disciplinary action including the following penalties:

Sr. No	Percentage of Shortfall in Net worth of the minimum Specified.	TM- Penalty (Amount)	SCM / TCM & PCM - Deposits to be blocked (Cash & Collateral)
1.	Less than or equal to 10%	₹ 10,000/-	10%
2.	Less than or equal to 20%	₹ 15,000/-	25%
3.	Less than or equal to 50%	₹ 20,000/-	50%
4.	More than 50%	₹ 30,000/-	90%

In case of members who have not submitted the Net worth Certificate or who have submitted net worth certificate which is not as per the format prescribed by the Exchange, the same shall be treated as shortfall in net worth of more than 50% and an action shall be initiated.

Members having negative net worth shall be suspended from trading till such time the members meet the minimum net worth as applicable.