



## Metropolitan Stock Exchange of India Limited

Department: Investigation

Segment: All

Circular No: MSE/ID/6548/2018

Date : July 11, 2018

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### Withholding of sale proceeds of securities in which unsolicited messages being circulated - Update

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To All Members,

This is in continuation with the Exchange circular no. MSE/ID/6333/2018 dated May 18, 2018 and Exchange circular no. MSE/ID/6538/2018 dated July 09, 2018 inter alia informing members that withholding of sale proceeds may be in form of cash or cash equivalents or in form of securities forming part of NSE 500 or S&P BSE 500 to ensure compliance.

In this regard, operational modalities for maintaining / monitoring of securities by the members are given as under:

1. Securities forming part of NSE 500 or S&P BSE 500 with a hair-cut of 30% or applicable Var whichever is higher shall only be considered as collateral in lieu of funds required to be withheld.
2. Members shall promptly replace the securities in case of any change in the composition of NSE 500 or S&P BSE 500.
3. Members shall ensure that any fall in value of securities shall have to be compensated by bringing in additional eligible securities from time to time and shall maintain audit trail of such changes.
4. Compliance officer of the Members on a monthly basis shall submit at [investigation@msei.in](mailto:investigation@msei.in) the following:
  - a) Details of securities held with its market valuation and any change in it confirming the compliance w.r.t. withholding of sale proceeds.
  - b) Confirmation that securities kept as collateral in lieu of withholding sale proceeds of securities in which unsolicited messages being circulated and these securities are not used for any other purpose other than for the purpose for which same is withheld.

Trading members/ market participants are advised to take note of the above and ensure compliance with aforementioned requirements, as may be applicable.

In case of any clarification, members may contact on 022 6112 9000

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

Prachi Lendhe  
Assitant Vice President