

<b>Department: Inspection</b>	<b>Segment: All</b>
<b>Circular No: MSE/INSP/11018/2021</b>	<b>Date : October 20, 2021</b>

**Subject: Submission of data towards monitoring of client funds under Enhanced Supervision guidelines**

To All Trading Members,

This has reference to SEBI circulars SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, MSE circulars MSE/INSP/5382/2017 dated July 27, 2017 & MSE/INSP/9042/2020 dated May 27, 2020 on Enhanced Supervision of Stock Brokers.

All trading members are required to submit the data towards monitoring of client's funds as on last trading day of week on or before the next three trading days. As per the guidelines issued by Exchange, members are submitting details of Fixed Deposit Receipts (FDR) not placed with clearing corporations/clearing members as a part of client bank account balances. In this regard, it has come to the notice of the Exchange that certain members are submitting details of such FDRs which are lien marked for availing overdrafts and are not unencumbered. Further Exchange has also noticed that certain members are reporting Liquid Mutual Funds, Gilt Funds and Government Securities created from the client funds and lying with the Clearing Corporation and Clearing member towards availability of client funds payable.

In view of the same, Members are hereby directed that any FDRs created out of the client funds received by the members should be only for the purpose of placing with clearing corporation/clearing members. Further Members are also directed not to invest client funds received by the members in the client bank accounts in any Liquid Mutual Funds, Gilt Funds, Government Securities or any other liquid funds. In view of the above and recent changes in the regulatory guidelines, data points numbered as 1,2,3,4,5,6,7,9,10 & 11 required to be submitted towards the weekly monitoring of client funds (Enhanced Supervision of Stock Brokers), as provided in MSE circulars MSE/INSP/5382/2017 dated July 27, 2017 & MSE/INSP/9042/2020 dated May 27, 2020, shall change. The updated guidelines for each of the data-points is provided as **Annexure-A** for reference.

The above changes shall be applicable with effect from the submissions for the week ended January 07, 2022. All Members are advised to take note of the above and comply.

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

**Mahendra Choudhari  
AVP – Inspection and Membership Department**

**Enclosed: Annexure A**

In case of any query kindly contact Inspection Department on 6112 9000 or mail on [compliancemsx@msei.in](mailto:compliancemsx@msei.in)

**Metropolitan Stock Exchange of India Limited**

Sr. No	Particulars	Remarks
1	Total of day end balance in all Client Bank Accounts (In Rs.)	<ul style="list-style-type: none"> <li>• Provide total EOD fund balance available in all Client Bank Accounts (as per Bank Statement) including the Settlement Accounts across all Exchanges.</li> <li>• Balances in OD/LAS (Loan against shares) accounts shall not be considered.</li> </ul> <p>Any FDR that has been created out of the client funds received by member and lying with member shall not be considered towards availability of client funds payable.</p>
2	Collateral deposited with clearing corporations in form of Cash and Cash Equivalents (In Rs.)	<p>Aggregate value of collateral deposited with all clearing corporations in form of Cash &amp; Cash Equivalents as mentioned below (Cash, FD, BG).</p> <ul style="list-style-type: none"> <li>• Cash, FDRs &amp; BG deposited with Clearing Corporation</li> <li>• In case of BG, only funded portion of the BG shall be considered. Value of any immovable assets pledged for getting the BG should not be considered as funded portion.</li> <li>• Early pay in of funds to CC to be considered, if it is debited from settlement bank account and same is not included in any of collateral report of clearing corporations.</li> </ul> <p>For MSE Clearing deposits (i.e. MCCIL Clearing balances), the amount can be taken from the following files (after deducting non-funded portion of BG) downloaded to the member :-</p> <p>For Equity Segment MCCIL-EQ_CD_&lt;CM Code&gt;&lt;YYYYMMDD&gt;.CSV</p> <p>For Derivative Segment MCCIL_CD_&lt;CMID&gt;_&lt;YYYYMMDD&gt;.CSV</p> <p>For deposits in other clearing corporations, Members need to refer to the daily reports downloaded by the respective Clearing corporation.</p>
3	Collateral deposited with clearing member in form of Cash and Cash Equivalents (In Rs.)	<p>Aggregate value of collateral deposited with all clearing member in form of Cash &amp; Cash Equivalents as mentioned below (Cash, FD, BG).</p> <ul style="list-style-type: none"> <li>• Cash, FDRs &amp; BGs deposited with Clearing Member</li> <li>• In case of BG, only funded portion of the BG shall be considered. Value of any immovable assets pledged for getting the BG should not be considered as funded portion.</li> </ul>
4	Total Credit Balance of all clients ( In Rs.)	<p>Aggregate value of Credit Balances of all clients as obtained from trial balance across stock exchanges (after adjusting for open bills of clients, uncleared cheques deposited by clients and uncleared cheques issued to clients and the margin obligations if posted in the client ledger if any).</p> <p>Open bills also contain 'value of credit entry posted in client ledger in lieu of successful EPI of securities to CC. Debit balance of client in MTF segment will not be adjusted against the credit balance of same client in non-MTF segment.</p>
5	Total debit balance of	Aggregate value of debit Balances of all clients as obtained from trial balance



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	all clients ( In Rs.)	across stock exchanges (after adjusting for open bills of clients, uncleared cheques deposited by clients and uncleared cheques issued to clients and the margin obligations if posted in the client ledger). Open bills also contain 'value of credit entry posted in client ledger in lieu of successful EPI of securities to CC'
6	Value of own securities deposited as collateral with Clearing corporation ( In Rs.)	Value of own collaterals i.e. securities/commodities/cash equivalents other than FDRs/BGs which have been deposited with the clearing corporations across all Exchanges. (Haircut to be applied as stipulated by the respective clearing corporation) The securities/commodities/cash equivalents other than FDRs/BGs shall be valued (after haircut) at closing rate of the last trading day of the week.
7	Value of Own Securities Deposited as Collateral with Clearing Member ( In Rs.)	<ul style="list-style-type: none"> <li>Value of own collaterals i.e. securities/commodities/cash equivalents other than FDRs/BGs which have been deposited with the clearing member across Exchanges.</li> <li>Valuation of securities/commodities/cash equivalents other than FDRs/BGs to be taken after applying haircut stipulated by the clearing member at closing rate of last trading day of the week</li> </ul>
8	Value of Non funded portion of the Bank Guarantee ( In Rs.)	Provide value of non-funded part of the BG across all Clearing corporations
9	Proprietary Margin Obligation	<p>Provide value of proprietary margin obligations across Clearing Corporations. It shall be the sum of Margin obligations in Cash and Derivative segments for proprietary trading positions as on the reporting day.</p> <p>The figures for PRO margin obligation in MSE can be obtained from the following files:- For CM Segment – MCCIL-EQ MG&lt;DDMMYYY&gt;&lt;CM CODE&gt;.CSV For FO Segment - Total margin (SPAN margin + Extreme Loss margin+ Delivery margin+ Margin on consolidated crystallized obligation) For CD Segment - <i>mccil_margin_&lt;cm id&gt;_&lt;yyyymmdd&gt;.csv</i> <i>mccil_margin_&lt;tm id&gt;_&lt;yyyymmdd&gt;.csv</i></p> <p>For PRO margin obligation in other Exchanges/CC, refer daily reports downloaded from the respective Clearing Corporation.</p>
10	Margin utilized for positions of Credit Balance Clients (MC)	<p>Margin utilized (Minimum of Credit Balance of clients &amp; Margin Obligation of such clients after deducting the value of securities/commodities repledged with CC/CM after appropriate haircut for the purpose of margin) for positions of credit balance clients across all Clearing Corporation.</p> <p>The figures for client margin obligation in MSE can be obtained from the following files:- For CM Segment - MCCIL-EQ MG&lt;DDMMYYY&gt;&lt;CM CODE&gt;.CSV For FO Segment - Total margin (SPAN margin + Extreme Loss margin+ Delivery margin+ Margin on consolidated crystallized obligation) For CD Segment- (Span + Premium + Exposure) <i>mccil_margin_&lt;cm id&gt;_&lt;yyyymmdd&gt;.csv</i> <i>mccil_margin_&lt;tm id&gt;_&lt;yyyymmdd&gt;.csv</i></p>



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		For margin obligation in other Exchanges/CC, refer daily reports downloaded from the respective Clearing Corporation.
11	Free/unblocked Collateral deposited with Clearing Corporation	<p>Value of unutilized collateral lying with the clearing corporations across Stock Exchanges.</p> <p>For MSE /MSE Clearing (i.e. MCCIL) balances, the amount can be obtained from the following files downloaded to the member :- For Equity Segment MCCIL-EQ_CD_&lt;CM Code&gt;&lt;YYYYMMDD&gt;.CSV For F&amp;O, CD Segment MCCIL_CD_&lt;CMID&gt;_&lt;YYYYMMDD&gt;.CSV</p> <p>Further Early pay in of funds to CC to be considered, if it is debited from settlement bank account and same is not included in any of collateral report of clearing corporations.</p>
12	Free/unblocked Collateral deposited with Clearing Member ( In Rs.)	Value of unutilized collateral lying with your clearing Members across Stock Exchanges.