

VSE STOCK SERVICES LIMITED

Wholly Owned Subsidiary of erstwhile Vadodara Stock Exchange Limited
[Member : BSE, NSE, MSEI, DP-CDSL (DPID-13016700)]



Registered Office : 3rd Floor, Fortune Tower, Sayajigunj, Vadodara - 390 005.
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UID No. : 100009571 CIN : U67120GJ2002PLC040360, For DP : vsecdsl@yahoo.co.in

C I R C U L A R

Date: December 2, 2019

To
All Associates / Clients

SUB: Collection and reporting of margins by Trading Member (TM) /Clearing Member (CM) in Cash Segment 01.01.2020 onwards

Dear Sir / Madam

VSE Stock Services Limited brings to your notice regarding Collection and reporting of margins by Trading Member (TM) /Clearing Member (CM) in Cash Segment. In this regard SEBI has issued a circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/137 dated 19.11.2019, which is attached for your ready reference. This change will be effective from 01.01.2020, which may please be noted.

Kindly note the following highlights of attached circular for capital segments.

1.1 Collection of margins from the clients by TM/CM in cash segment:

- 1.1.1 The 'margins' for this purpose shall mean VaR margin, extreme loss margin (ELM), mark to market margin (MTM), delivery margin, special / additional margin or any other margin as prescribed by the Exchange to be collected by TM/CM from their clients.
- 1.1.2 Henceforth, like in derivatives segment, the TMs/CMs in cash segment are also required to mandatorily collect upfront VaR margins and ELM from their clients. The TMs/CMs will have time till 'T+2' working days to collect margins (except VaR margins and ELM) from their clients. (The clients must ensure that the VaR margins and ELM are paid in advance of trade and other margins are paid as soon as margin calls are made by the Stock Exchanges/TMs/CMs. The period of T+2 days has been allowed to TMs/CMs to collect margin from clients taking into account the practical difficulties often faced by them only for the purpose of levy of penalty and it should not be construed that clients have been allowed 2 days to pay margin due from them.)
- 1.1.3 As prescribed in clause 7 of SEBI circular MRD/DoP/SE/Cir-07/2005 dated February 23, 2005, the TM/CM shall be exempted from collecting upfront margins from the institutional investors carrying out business transactions and in cases where early pay-in of securities is made by the clients.
- 1.1.4 If the TM/CM had collected adequate initial margins from the client to cover the potential losses over time till pay-in, he need not collect MTM from the client.
- 1.1.5 As like in derivatives segments, the TMs/CMs shall report to the Stock Exchange on T+5 day the actual short-collection/ non-collection of all margins from clients.

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- 1.2 Penalty structure for short-collection/non-collection of margins and false/incorrect reporting of margin collection from the clients by TMs/CMs:
 - 1.2.1 For short-collection / non-collection of client margins, the Stock Exchanges shall take the disciplinary action as per the framework specified in SEBI Circular CIR/DNPD/7/2011 dated August 10, 2011.
 - 1.2.2 For false/incorrect reporting of margin collection from the clients by TMs/CMs, the Stock Exchanges shall take disciplinary action as per the framework specified in SEBI circular CIR/HO/MIRSD/DOP/CIR/P/2019/88 dated August 01, 2019.
2. The provisions of paragraph 1.1 of this circular shall come into force with effect from January 01, 2020 and provisions of paragraph 1.2 of this circular shall come into force with effect from April 01, 2020.
3. With effect from 16.12.2019 we will upload client wise limit based on margin available (ledger balance + holding in DP POA account only + CUSA Holding sell only), which can be modified from mini admin available with our associate. After 01.01.2020 limits will be modified by head office only.
4. We request you to check credit retention report on daily basis throughout the quarter as per attached screen short and settle accounts of your clients. If associate will not give payout request within 80 days then VSSL will give funds payout to client between 81 to 90 days without intimation to the associate.
5. As informed earlier in our notice dated 20.11.2019 we again request you to open demat account of your client(s) whose demat accounts are closed. If we found any demat account closed which is mapped to active trading account; we will freeze trading account and further trading will not be allowed to such clients.

Please treat the matter as most urgent and serious.

For VSE Stock Services Limited

Authorised Signatory



Select Parameter

26.Common Parameter List

Report Format: Grid

To Date: 29/11/2019

Master Branch: 000001,000001

Main Branch: []

Area Branch: []

Relation Manager: []

Introducer: []

Group: []

Client Code: []

Region Branch: []

Sub Branch: []

Relationship Officer: []

Dealer: []

Family: []

Remeshire: []

STATE: []

Grp1

PENDING RETENTION

Report Type: Pending Retention Client

Pending Retention: 80

Days I: ALL

Type: >=

Operator: Total Releaseable

Filter Option: All

Nach Flag: []

Option: []

Option: []

Amount: []

Other Filter: []

With Inactive Cl: []

0

All

Generate

Policy Detail

Policy : Credit retention

Policy : Credit retention

Public administrator

Group List

1. None

2. None

Selection List

125_Percent_of_Derivatives_Segment_Margir

ACCOUNTCODE_MAIL

ACE

ACE_ASS

ACE_FD

ACE_FUTURECR

ACE_FUTURECR1

ACE_FUTURECR2

ACE_FUTUREDR1

ACE_MARGIN

Client Code

Client Name

LASTRETENTIONDATE

DAYDIFF

Funds to be Released

Securities to be Released

Up Dw

Order By

1. None

2. None

Filter

1. Top : []

2. None

Help

Grid Version Work on IE 9 or Above