

**MADRAS STOCK EXCHANGE LTD**

**TERMS AND CONDITIONS FOR ADMISSION OF**

**TRADING MEMBERS**

The Madras Stock Exchange (MSE) is one of the oldest and permanently recognized stock exchanges in India. The Exchange provides a unique business opportunity for the market participants in the securities market at a very low cost of investment – both for ownership and operating costs.

The Madras Stock Exchange has entered into an Agreement with the National Stock Exchange Ltd (NSE) duly approved by SEBI. Under this Strategic Partnership between MSE & NSE, the members of MSE would be permitted to trade on NSE subject to the terms and conditions prescribed in this regard. The members trading on NSE would issue contract notes of their own in the prescribed form, as a member of MSE. The arrangement also provides for trading of MSE listed shares at NSE, subject to the compliance of eligibility criteria.

Membership of the Madras Stock Exchange is open for persons/entities eligible to be admitted as Trading Members, subject to compliance of eligibility criteria as per the regulatory norms of SEBI and the Rules, Bye-laws and Regulations of the Exchange. The admission of Trading Members shall be subject to the following terms and conditions:

**Eligibility criteria:**

1. Individuals / Corporates are eligible to apply for Trading Membership.
2. Age - Not less than 21 years
3. Qualification - Minimum pass in Plus 2 exam. Graduation preferred.
4. Experience:
  - a) Not less than two years experience as a sub-broker, authorised assistant, remisier, investment consultant, merchant banker or in similar activities relating to capital market.
  - b) In the case of Corporates, atleast two designated directors should have minimum 2 years experience in stock broking activity. The designated directors should not be whole-time directors of any other corporate body or in whole-time employment elsewhere.

The Exchange may at its sole discretion, relax the requirement of para 4 in the case of professionally qualified applicants, such as CA/CS/ICWA/MBAs.

5. Net worth requirements - The applicant should have minimum net worth as under:
  - a. Cash segment                      Rs 15 lakhs
  - b. Cash & F& O Segment        Rs.30 lakhs
6. The applicant should not be connected with any of the defaulting brokers of any Exchange
7. No Complaints / arbitration / disciplinary proceedings are pending in any stock exchange against the applicant, if the applicant has already been admitted as a trading member in any other stock exchange(s).
8. No investigation / enquiry by any Exchange is pending against the applicant.
9. The applicant should qualify to be considered as a 'fit and proper person' as specified in Schedule II of Regulation 7 of SEBI (Intermediaries) Regulations, 2008.

#### **Payment of Fees and Deposits:**

The applicants are required to make payments of fees and deposits as under:

1. Admission fee of Rs. 1,00,000/- plus service tax as applicable. Admission fee is payable alongwith the application and is non-refundable. If for any reasons the applicant is not admitted to trading membership, the admission fee will be refunded, after deducting a sum of Rs.5,000 + service tax towards processing fee.
2. Trading Members are required to maintain Base Minimum Capital for each segment of trade as under:

Cash Segment            - Rs. 4 lakhs.  
Derivative Segment - Rs. 10 lakhs.

In addition Members may be required to maintain Additional Deposits for meeting the Liquid Assets requirements, as may be prescribed from time to time, to comply with the Comprehensive Risk Management Framework stipulated by SEBI.

The liquid assets maintained as above will be apportioned towards Base Minimum Capital/Additional Deposits/ Margin deposits / Settlement Guarantee Fund etc. in the prescribed manner.

No interest shall be paid on the cash deposits.

3. Annual Membership subscription of Rs. 4500/- plus service tax.
4. All payments due to the Exchange should be made by Demand Draft / Pay Order - drawn in favour of Madras Stock Exchange Ltd., and payable at Chennai. Outstation cheques will not be accepted.

**General:**

- 1. The Trading Member has only trading rights and no ownership rights of MSE.**
2. The Trading Members shall abide by Rules, Bye-laws, Regulations, Circulars, and other instructions, framed / issued by the Exchange and any amendments made thereto from time to time.
3. The Deposits of Trading Members would be refunded, without interest, only on surrender of the membership in accordance with the Rules & Byelaws of the Exchange and after obtaining NOC from SEBI.
4. The Exchange reserves the right to accept / reject all or any of the applications without assigning any reasons. The decision of MSE will be final and binding in all respects with regard to admission of trading members.
5. Applicant admitted to Trading Membership of the Exchange should obtain SEBI Registration for the respective segment(s) of trade, by complying with the procedures and submission of necessary documents prescribed in this regard.
6. The facility for trading on NSE shall be subject to the provisions contained in Chapter 6A of the Byelaws of MSE, which deals with transactions done on NSE under the arrangement; and also subject to the terms and conditions of the Agreement entered into between NSE & MSE or any amendments made therein from time to time.

7. Admission of Trading Membership involves the following process:
- a. Receipt and scrutiny of the application.
  - b. Interactive session of the applicant with Membership Selection Committee.
  - c. Approval by Membership Selection Committee / Board.
  - d. Offer letter of provisional membership is sent to the applicant.
  - e. Payment of the Deposits by the applicant.
  - f. Submission of documents for SEBI registration by applicant.
  - g. Receipt of SEBI Registration certificate(s).
  - h. Submission of Trading Enablement Application by TM.
  - i. Trading Enablement by the Exchange.
8. The specimen of the application form including the terms and conditions can be obtained from the office of the Exchange or can be downloaded from its website: [www.madrasstockexchange.in](http://www.madrasstockexchange.in).
9. Applications complete in all respect, alongwith the Admission Fee, should be submitted to:

The Executive Director,  
Madras Stock Exchange Limited,  
No. 30, Second Line Beach,  
Chennai - 600 001

For any further information/clarification, please contact the following officials of the Exchange:

Mr. M.V. Swaminath / Mr. C.Gurunathan  
Telephone Nos: 2521 8000, 2521 8200  
Mobile : 98419 77419, 99400 13220  
Email: [membership@mseindia.in](mailto:membership@mseindia.in)  
[www.madrasstockexchange.in](http://www.madrasstockexchange.in)