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**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**

Circular to all members of the Exchange

Circular No. : NCDEX/COMPLIANCE-032/2023

Date : March 28, 2023

Subject : Reporting of Running Account Settlement details

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This has reference to SEBI Circular No. SEBI/HO/MIRSD/DOP/P/CIR/2022/101 dated July 27, 2022 & Exchange Circular NCDEX/COMPLIANCE-051/2022 dated July 28, 2022 regarding “Settlement of Running Account of Clients’ Funds lying with Trading Member (TM)”. As per said circular, members are required to carry out the settlement of running account of clients’ funds on the first Friday of the Month/Quarter as per the preference opted by the client and if first Friday is a trading holiday, then such settlement shall happen on the previous trading day.

In this regard, Members are requested to note that first Friday of the Quarter April – June, 2023 (i.e. April 7, 2023) being a trading holiday, the settlement of running account of client’s funds in accordance with aforesaid circulars shall be carried out by members on the previous trading day i.e. **April 6, 2023** (Thursday).

Further, Members’ attention is drawn to Exchange Circulars NCDEX/COMPLIANCE-076/2022 dated December 29, 2022 on reporting running account settlement details wherein members have been advised to report the summary of settlement of client’s funds and UCC wise settlement details to the Exchange within the prescribed timelines as specified below:

Sr. No.	Reporting Requirement	Timelines
1	Submission of summary of settlement of clients’ funds	Within 2 Trading Day post settlement date
2	Submission of UCC wise settlement details	Within 10 trading days post settlement date

Based on the data submitted by the members in the aforesaid submissions for the last quarter January – March 2023, it has been observed by the Exchange that the values of certain data points such as value of funds retained, value of funds settled etc. were incorrectly reported by certain members. In view of the same, clarifications/guidelines on data points being reported under aforesaid submissions are provided to members in the enclosed **Annexure 1**. Members are requested to ensure the same while making these submissions to the Exchange.

Henceforth, the members are required to submit the aforesaid details through NCFE portal of the Exchange in below mentioned module: **Compliance → Quarterly Settlement**

All members are advised to take note of the same and comply.

For and on behalf of  
**National Commodity & Derivatives Exchange Limited**

Pranesh Shetty  
Vice President – Audit & Inspection

For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 26 62339
2. Customer Service Group by e-mail to : [askus@ncdex.com](mailto:askus@ncdex.com)

## Annexure 1 – Clarification on few data points in Settlement of Clients’ Funds Submission Reporting Requirement

### Summary of settlement of clients’ funds

Sr. No	Particulars	Description
1	Settlement Date	Format: DD-MM-YYYY
2	No. of Client Settled	Count of clients settled either by way of retention of funds against obligation and/or actual transfer of funds to client. Count shall not include debit / nil balance clients.
3	Value of Funds Retained (Amt. in Rs.)	Amount should only include client funds that have been retained by the Member as on settlement date and should exclude debit / nil balance clients’ fund balances.
4	Value of Funds Settled (Amt. in Rs.)	Amount should only include value of funds transferred to clients after retention of funds, if any for settlement.
5	Bank account No.	TM Bank Account Number from where funds as reported in point number 4 mentioned above have been transferred to the clients for settlement needs to be mentioned and such account numbers should be from the list of Bank accounts as submitted under Enhanced Supervision by the Member to the Exchange.
6	No. of Clients	Number of clients to whom funds have been transferred for settlement purpose.
7	Value of Transfer (Amt. in Rs.)	Amount should only include client funds that have been transferred for settlement to the said client through the stated TM Bank account number. Total Amount transferred to a client from all bank accounts should be equal to the amount reported in the point number 4 mentioned above.

### UCC wise Settlement Details submission

While submitting UCC wise settlement details, members are advised to note following points

- A. Clients where funds have neither been retained nor transferred for settlement shall be excluded.
- B. Clients where funds have been retained but no funds have been transferred for settlement, Bank account details of TM/client (viz; TM Bank Account No., IFSC details, Client Bank Account Number & Client Bank Account IFSC) shall be mentioned as NA. Further, aggregate value of such funds should match with the amount reported for “value of funds retained” in the point 3 mentioned above of Summary of Settlement of clients’ funds submission.
- C. Clients where funds have been transferred, Bank account details of TM and client needs to be mentioned and cannot be mentioned as “NA”. Further, aggregate value of such funds of all clients should match with the amount reported for “value of funds settled” in the point 4 mentioned above of **Summary of Settlement of clients’ funds** submission.