

**INVITATION FOR APPLICATIONS FOR TRADING CUM CLEARING MEMBERSHIP OF
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LTD**

National Commodity & Derivatives Exchange Limited (NCDEX) is promoted initially by ICICI Bank Limited, Life Insurance Corporation of India (LIC), National Bank for Agriculture and Rural Development (NABARD) and National Stock Exchange of India Limited (NSEIL). Punjab National Bank, CRISIL and Indian Farmers Fertilisers Co-operative Limited (IFFCO) have also joined in the shareholding of NCDEX. NCDEX has been set up to provide on line platform for trading facilities in commodities and their derivatives. It is an important step in upgrading trading facilities and bringing the Indian commodity markets in line with the international markets.

NCDEX invites applications for Trading cum Clearing Membership (TCMs) from persons who fulfill eligibility criteria contained herein for trading in commodities. The TCM membership shall entitle the Members to trade and clear, both for themselves and / or on behalf of their clients

The words “Member” and “Applicant” used hereinafter refer and apply to TCMs.

The Applicants who are admitted as Members shall adhere to the conditions, stipulations and guidelines communicated to them / notified from time to time by NCDEX and / or Forward Markets Commission (FMC) and / or any other Indian regulatory / statutory authorities.

1. CRITERIA FOR ADMISSION AS TRADING CUM CLEARING MEMBER ON NCDEX

A. ELIGIBILITY

- 1) The following persons are eligible to become TCMs subject to the provisions of Forward Contracts (Regulation) Act, 1952, the rules, circulars, notifications, guidelines, etc., prescribed thereunder and any other Indian law in force and the Byelaws, Rules and Regulations of NCDEX: -
 - (a) Individuals
 - (b) Sole proprietorships
 - (c) Partnership Firms
 - (d) Co-operative societies registered with the registrar of co-operative societies of respective states / Union Territories
 - (e) Companies, Corporations or institutions incorporated under Companies Act, 1956 or under any central or state legislation and are permitted under their Memorandum of Association or applicable constitution document for engaging in production / trading / consumption / broking in commodities / derivatives. The Applicants who are in the process of being incorporated under Companies Act, 1956 or enactment as mentioned above or in the process of amending their Memorandum of Association or their constitution document to include the activities mentioned above as permitted activities, may also apply. However, their membership will be effective only upon completion of the aforesaid process to the satisfaction of NCDEX.
 - (f) Such other persons / entities as may be permitted by the relevant authority of NCDEX.
- 2) No person shall be admitted as a Member if
 - (a) he is less than 21 years of age
 - (b) he is not a citizen of India
 - (c) he is not at least a graduate or having an equivalent qualification (relaxable at the discretion of NCDEX, in case of persons with adequate experience in commodities/financial markets)
 - (d) he has been adjudged bankrupt or a receiver order in bankruptcy has been made against him or he has been proved to be insolvent even though he has obtained his final discharge
 - (e) he has been convicted of an offence involving a fraud or dishonesty or any crime of similar nature
 - (f) he has been debarred from trading in commodities by statutory / regulatory authority
 - (g) he incurs such disqualification under the provisions of the Forward Contracts (Regulation) Act, 1952 or Rules made thereunder so as to disentitle such persons from seeking membership of commodity exchanges
 - (h) NCDEX determines that it is not in public or business interest to admit him as a member on NCDEX

provided that:

- 1) In case of individuals & sole proprietorships: The individual / sole proprietor shall fulfill all the criteria of eligibility as stated above.
- 2) In case of partnership firms: all the partners should fulfill all the criteria of eligibility as stated above except (c) provided that at least one of the partners fulfills eligibility criteria stipulated in (c) above.
- 3) In case of body corporates, companies and institutions, all the directors fulfill the eligibility criteria stated above except (b) & (c) provided one of the directors fulfill the criteria stipulated in (c) above.
- 4) In case of co-operative societies, all the members of the governing body should fulfill all the criteria of eligibility as stated above except (b) and (c) provided one of the members fulfill the criteria stipulated in (c) above
 - (i) it is a body corporate or a company or co-operative society which has committed any act which renders it liable to be wound up under the provisions of the law
 - (j) it is a body corporate or a company or a co-operative society in respect of which a provisional liquidator or receiver or official liquidator has been appointed by a competent court
 - (k) he or the partnership firm or body corporate or a company or a co-operative society as the case may be does not possess a minimum net worth as prescribed herein or from time to time.

B. SHAREHOLDING/SHARING PATTERN FOR UNLISTED COMPANIES AND PARTNERSHIP FIRMS

Where the Applicant is an unlisted company (other than subsidiary / joint venture of listed companies) or a partnership firm, the Applicant shall identify a Dominant Promoter Group at the time of making the application. The Dominant Promoter Group shall consist only of individuals, not more than four in number who collectively shall hold at least 51% of the paid up equity capital of the applicant company or the partnership firm directly or indirectly.

Any change in the shareholding of the company / partnership firm including that of the said Dominant Promoter Group or their shareholding interest shall be effected only with the prior written permission of NCDEX. For arriving at the shareholding of persons constituting the Dominant Promoter Group, the shareholding of his/their close relatives, viz. parents, spouse, children and

their descendants, brothers and sisters only may be counted provided these relatives give an irrevocable and unconditional support in writing in the prescribed format in respect of such shareholding.

Indirect shareholding shall be calculated proportionately by reckoning the direct shareholding of the Dominant Promoter Group along with the support of their specified relatives in the corporate shareholder of the TCM company, provided the specified relatives give their irrevocable and unconditional support to individuals in the Dominant Promoter Group in the format prescribed in Annexure C-6.

Any change in the Dominant Promoter Group would require the TCM to seek fresh approval of NCDEX for membership and to pay approval fee and/or additional deposits to NCDEX and also abide by such conditions as NCDEX may stipulate while granting such approval.

In case where none of the dominant promoters is on the Board of Directors of the company, then at least two directors, each of whom holding a minimum of 5% of the paid up equity capital of the company, should be on the Board of Directors.

The partnership firms shall also identify a Dominant Partner Group consisting of not more than four individuals who collectively shall always have more than 51% share in the profits & losses of the firm. The firm shall also comply with the above requirements for change in the Dominant Partner Group.

C. ADDITIONAL EDUCATIONAL REQUIREMENTS FOR TRADING CUM CLEARING

NCDEX may require the Applicants or one of their employees / directors / partners / member of governing body to pass a certification programme, as stipulated by NCDEX and in the event of failure of the Applicant to comply with this requirement, NCDEX may take action as deemed appropriate including suspension of trading / clearing rights. NCDEX reserves the right to expand / modify the scope of its educational and certification requirements.

D. FINANCIAL SOUNDNESS

An Applicant must possess a minimum net worth as prescribed by NCDEX which may be increased or decreased by NCDEX at its absolute discretion at any time including after granting membership to the Applicant. The net worth for this purpose should be calculated as per the method stipulated in Annexure C-1A

Preference however will be given to individuals/firms/corporates / co-operative societies with:

(i) individuals/partners/directors/ members of governing body having professional qualifications like CA, CS, CWA, CFA, MBA (Finance), Food / Dairy technology, Agricultural science, Mining Engineering, Metallurgy etc or any other equivalent qualification from any reputed institution or direct experience in commodity trading as brokers/sub-brokers

(ii) Well established dealing offices with a well dispersed client network, principal dealing office for commodities in the place from which it is applying for membership or is operating in the said place as a broker, sub-broker, authorised assistant or authorised clerk or authorised representative or remisier or apprentice to a member of a recognised stock / commodity exchange, dealer, jobber, market maker or in any other manner in dealings in equities / commodities or clearing and settlement thereof

(iii) Higher net worth.

E. FEE / DEPOSIT STRUCTURE AND NET WORTH REQUIRMENT

Applicants accepted for admission will be required to pay the following fee / deposits and also maintain net worth as given below:

(Rupees. in Lakhs)

Sr. No.	Particulars	NCDEX: TCM
1	Interest Free Cash Security Deposit	15.00
2	Collateral Security Deposit	15.00
3	Admission Fee	5.00
4	Annual Membership Fees	0.50
5	Advance Minimum Transaction Charges	0.50
6	Net worth Requirement	50.00
7	Formula / Methodology applicable for calculation of net worth	As given in the Annexure C- 1A

In case of members who are members of any other commodity exchange(s), they should satisfy the requirement of combined minimum net worth requirements of all such exchanges including NCDEX.

Deposit for setting up VSAT terminals and operating cost for the VSAT / lease line network will be levied separately as per the policy prevailing from time to time. NCDEX, however, would retain its right to amend / revise / include any charges from time to time.

An applicant must pay the membership and other fees, deposits etc, as applicable at the time of admission. The security deposits will be included while determining the net worth of the TCM and would, subject to Bye Laws, Rules and Regulations of NCDEX, be refunded to the TCM upon surrender of membership provided that a minimum period of 3 years have elapsed from the date of becoming a member.

2. MISCELLANEOUS

A. INFRASTRUCTURE

NCDEX may specify such standards for investor service and infrastructure with regard to any category of Members, as it may deem necessary, from time to time. This may include infrastructure like office premises, trading terminals, VSAT, and / or other communication equipment etc.

B. ADMISSION PROCEDURE

The admission procedure shall consist of appraisal of valid applications and other documents annexed thereto and interview by a membership committee constituted by NCDEX for this purpose. Based on the performance of the applicant in the interview and fulfillment of other eligibility criteria, the membership committee shall recommend the selection of TCMs on NCDEX. The final acceptance / rejection of any membership / recommendation for membership by the membership committee shall be at the absolute discretion of the Managing Director of NCDEX and the decision of the Managing Director shall be final and binding. No correspondence shall be entertained in respect of any such decision.

C. SUBMISSION OF APPLICATION FORM

Eligible applicants are required to submit their applications for TCM of NCDEX in the format prescribed in the Annexures hereto, complete in all respects, along with all relevant documents and accompanied by non refundable amount of Rs. 2000/- (Rupees Two Thousand only) by demand draft / pay order drawn in favour of "National Commodity & Derivatives Exchange Limited", payable at Mumbai. Incomplete applications and multiple applications are liable to be rejected. The application along with relevant documents and the demand draft / pay order must be submitted at the following office of NCDEX.

Address
National Commodity & Derivatives Exchange Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Tel. No. 22 - 56406789 Fax. No.22 - 56406899 www.ncdex.com

Notwithstanding anything contained herein, NCDEX shall have absolute discretion and right to relax, vary, change, add to and delete any or all of the eligibility criteria for Application / Membership for any person or partners or directors or any member of governing body. Further, the admission of the applicant as a member would be at the sole discretion of NCDEX.

CHECKLIST

Along with the completed application form (Annexure A1), kindly attach the following documents,

Annexures

- Certificate (Annexure – B1)
- Certificate of net worth (Annexure – C1)
- Details of stock / commodity exchange membership other than NCDEX (Annexure – C2)
- Details of directors, partners, proprietor, individual, Governing body members (Annexure – C3)
- Shareholding / sharing pattern (Annexure – C4) – only for corporates, institutions & partnership firms
- Details of dominant promoter / partner group (Annexure – C5)
- Undertaking from relative of persons constituting dominant promoter / partner group (Annexure – C6) – only for unlisted corporates & partner firms.
- Details of the stock exchange in which applicant company is listed (Annexure – C7) – only for listed corporates
- One set of summary sheets

Other documents

- Attested copies of Memorandum of Articles & Certificate for Commencement of Business for corporates / institutions and partnership deed for partnership firms
- Attested copy of registration certificate for registration with registrar of co-operatives and byelaws for co-operative societies
- Attested copy of the board resolution authorizing the application for membership – for corporates & institutions
- Attested copy of the resolution by Governing / Managing body of co-operative society authorizing the application for membership
- Attested copies of proof of age, education and experience of individuals, proprietors, directors, governing body members, partners etc.
- Reference letters from banks
- Details of pending court cases, disciplinary action taken by any stock / commodity exchange / regulatory authorities, bankruptcy proceedings etc (if any)
- Copies of the Balance Sheet for last three financial years or since the time the applicant entity was constituted.
- Copies of the latest returns of Income Tax and Wealth tax along with proof of filing the same.
- Details of the proprietor / director / dealer who will appear for the interview
- Photographs of the signatories to be pasted on the application form
- Demand draft / Pay order payable at Mumbai for Rs. 2000/-
- Any other documents. Please specify_____

NCDEX reserves the right to call on any / all applicants to submit any further documents, any time during the membership registration process or thereafter. The Applicant / Member is required to submit the documents as required by NCDEX.

ANNEXURE-A1

NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED (NCDEX)

APPLICATION FORM FOR TRADING CUM CLEARING MEMBERSHIP OF NCDEX

- i) Please read the accompanying notes carefully before filling up the form.
- ii) Please attach all relevant documents along with this application.
- iii) Please use additional sheets to furnish information, wherever necessary.

1. NAME OF APPLICANT:

2. Constitution:

- INDIVIDUAL
- SOLE PROPRIETORSHIP
- PARTNERSHIP FIRM

- CORPORATE - Pvt. Ltd.
- CORPORATE - Public Ltd – Listed
- CORPORATE - Public Ltd – Unlisted

- CO-OPERATIVE SOCIETY
- OTHERS – PLEASE SPECIFY

3. Date of Birth/Incorporation/Registration/Proposed

4. Details of the Chief Executive/Managing Partner/Proprietor:

Name : _____

Address : _____

City _____

Pin _____

Tel. _____ Mobile No. _____

Tlx. _____

Fax _____

Email ID _____

Contact Person's Name _____

Designation _____

(Please give details of the Chief Executive/Proprietor/Partners/Chairman of the governing body and all Directors/partners/members of governing body in Annexure C – 3, along with their detailed biodata)

5. (A) Name of the stock / commodity exchange(s) on which the applicant is a member.

- 1. _____
- 2. _____
- 3. _____
- 4. _____

(B) Name of the stock / commodity exchange/s on which any director/dominant promoter/partner is a member.

- 1. _____
- 2. _____
- 3. _____
- 4. _____

(Please provide details in Annexure C – 2. Preferably, submit conduct certificates from the respective stock / commodity exchanges for the applicant / partners / director / dominant promoter(s) /group company /associate company)

6. Registered Office : _____
 Address _____

 City _____
 Pin _____
 Tel. _____
 Tlx. _____
 Fax _____
 Email ID _____
 Contact Person's Name _____ Mobile No. _____
 Designation _____

7. Address for : _____
 Communication _____

 City _____
 Pin _____
 Tel. _____
 Tlx. _____
 Fax _____
 Email ID _____
 Contact Person's Name _____ Mobile No. _____
 Designation _____

8. Net worth of the Applicant in Rs. _____ Lakhs as on _____.
 (The Net worth certificate has to be submitted in the format prescribed in Annexure C-1)

9. Are the promoters / Major Shareholders :

- a) Commodity Brokers
- b) Stock Brokers
- c) Commodity & Stock Brokers
- d) Manufacturers
- e) Agriculturists
- f) Others (Please give full details)

10. Are you an Income Tax assessee? YES / NO
 If Yes, Please attach a copy of the latest IT Return with proof of filing.

11. Are you a Wealth Tax assessee? YES / NO
 If Yes, Please attach a copy of the latest Wealth Tax Return with proof of filing

12. Name and address of the bankers and the facilities availed from such banks. (Please enclose reference letters from each bank)

13. Whether any court case/s are pending against:
 A) the applicant/partners/promoters/directors/staff YES / NO
 B) the applicant, Directors/Promoters and staff who have been a promoter / principal / partner / director of any organisation in the past that has had any court case pending. YES / NO

14. Whether any of the applicant/partners /promoters /directors / employees involved in any financial irregularities? YES / NO

15. Has any disciplinary action been taken by any stock / commodity exchange against the applicant or any of the partners/promoters / directors / shareholders / employees of the applicant? If so, please give details in a separate sheet?
 YES / NO

16. Please give full details of the applicant/partner / promoters/ shareholders / directors / any of the core staff who will be dealing in the Commodities Segment:

- (a) has/have ever been adjudged bankrupt or have a receiver order been made against them or have been proved to be insolvent at any time? YES/ NO
- (b) has/have ever compounded with its creditors for less than full discharge of debts? YES / NO
- (c) has/have ever been involved in litigations, suits or proceedings or have been involved in any financial liability of contingent or unascertained nature? YES / NO
- (d) has/have ever been at any time convicted of an offence involving fraud or dishonesty or financial irregularities? YES / NO
- (e) has/have ever been denied / rejected for membership of any stock / commodity exchange or commercial organisation? YES / NO
- (f) has/have ever been suspended / expelled / declared a defaulter on any stock / commodity exchange or he has been debarred from trading in commodities by any Regulatory Authorities like RBI, SEBI, FMC, Registrar of co-operative societies etc.? YES / NO
- (g) has/have committed any act, which renders it liable to be wound-up? YES / NO
- (h) has/have had a provisional liquidator or receiver or official liquidator appointed to it by a competent court? YES / NO

(If answers to question nos 13 - 16 are yes, please give complete details separately.)

17. Name of the Proprietor/Partner/Director/Dealer who will appear for the interview
_____ (fill-up the enclosed format)

Any misstatement or misrepresentation or suppression of facts in connection with this application for trading cum clearing membership or breach of any undertaking or condition of admission to trading cum clearing membership entails rejection of application or expulsion of trading cum clearing membership.

I/We hereby state that the above-mentioned particulars and annexures hereto are true, correct and complete to the best of my/our knowledge and information. I / We also state that no relevant material fact has been suppressed.

Signed :	Signed :
Name :	Name :
Designation :	Designation :
Date :	Date :
Place :	Place :

Affix Passport size photograph of the Signatory

Affix Passport size photograph of the Signatory

APPLICATION TO BE SIGNED BY:

- For individuals - By the Individual himself/herself
- For partnership firms - By any two working partners of the firm
- For Co-operative Societies - By two persons duly authorized by resolution in accordance with Bye Laws of the society (submit copy of the relevant resolutions, duly signed)
- For Corporates / Institution: - Managing Director/Whole Time Director/any other person authorised by the Board. (submit certified true copy of the relevant Board resolution)

ANNEXURE-B1 (For Corporates / Institutions)

**FORMAT OF CERTIFICATE TO BE FURNISHED BY APPLICANT
ALONGWITH APPLICATION**

From: The name and address of the Applicant

To:

The Managing Director,
National Commodity & Derivatives Exchange Limited
Exchange Plaza
C 1, Block G
Bandra East
Mumbai 400 051

Dear Sir,

1. The net worth of the M/S _____, the applicant, as on _____, computed and certified in the prescribed format as indicated in Annexure : C-1, is Rs. _____ lakhs (net worth should be indicated as on 31st March of last financial year or later).
2. We understand that our investments in any subsidiary / joint ventures shall be excluded while calculating our net worth and in case the same falls below the minimum net worth stipulated by NCDEX before or after granting of membership, NCDEX is free to take any action it deems fit, including termination of our membership
3. Details of membership(s) in any commodity exchange in the name of the company, its subsidiaries or any of the directors / dominant promoter groups therein, are given in Annexure: C-2. It is further certified that none of these memberships has ever been suspended / expelled / penalised / declared defaulter or any other disciplinary action initiated there against by the concerned commodity exchanges or any other regulatory authority except as detailed in Annexures C-2 & C-3
4. The dealers employed by the company shall clear the Certification Programme as specified by the Exchange.
5. Attested copies of Certificate of Incorporation, Certificate for Commencement of Business (if applicable), and Memorandum and Articles of Association of the company are enclosed. Copies of the audited Balance Sheets for last three financial years are also enclosed.
6. The share holding pattern of the company as on _____ is given in Annexure : C-4.
7. The list of persons forming part of dominant promoter group and their shareholding (in case of unlisted companies only) is given in Annexure: C-5. Besides, written unqualified and irrevocable support of their ____ (give number) close relatives for including their shareholding as on _____ (date given in (5) above) for the purpose of determining the dominant promoter group are enclosed in the prescribed format. Any change in the composition of the dominant promoter group would be effected only after taking prior approval of NCDEX.
8. After _____ (date given in (5) above), there has been no change in the Board of Directors of the undersigned, nor is it likely to be effected due to any direct or indirect transfer of shares or other equity instruments in the share capital of the company or any direct or indirect transfer of shares or other equity instruments in the share capital of any one or more companies or bodies corporate holding any part of the paid up capital of the company.
(If any change has taken/likely to take place, please give complete details)
We undertake to keep NCDEX informed of any changes in the board of directors
9. Any of the promoters or dominant shareholders of the Applicant company do not singly or jointly have / nor shall have at any time, an equity holding of 10% or more and/or any share in his/their own name and/or jointly with any of his/their close relatives in any other membership of NCDEX.
10. In case the company is currently an unlisted company and goes for a public issue, the Offer document / Prospectus shall be submitted to NCDEX for prior perusal, at least 21 days before opening of subscription list.

We hereby state that the information given above is true, correct and complete to the best of our knowledge and information. We also state that no relevant material fact has been suppressed. We agree that in the event of any of the above statements

being found false, incorrect or incomplete, we recognise that NCDEX may take any action as it may deem fit, including termination of the trading membership. We also agree to provide NCDEX with all such documents as may be called for and be required by NCDEX from time to time.

We hereby undertake to inform NCDEX about any change in the above-mentioned facts within 15 days of the change taking place / coming to our knowledge, whichever is earlier.

Place:

Date:

** Signature(s)

** To be signed by any person authorised by the Board. (submit certified true copy of the relevant Board resolution)

ANNEXURE: B-1 (For Partnership Firms)

**FORMAT OF CERTIFICATE TO BE FURNISHED BY PARTNERSHIP FIRM
ALONGWITH APPLICATION**

From: The Name and address of the Applicant

To:

The Managing Director,
National Commodity & Derivatives Exchange Limited
Exchange Plaza
C 1, Block G
Bandra East
Mumbai 400 051

Dear Sir,

1. The net worth of our firm and combined net worth of its partners as on _____, computed and certified in the format as prescribed in Annexure: C-1, is Rs. _____ and Rs. _____ respectively (net worth should be indicated as on 31 March, of the previous financial year or later). Each partner contributes at least 5% of the minimum required net worth of the firm.
2. Details of membership(s) in any other stock / commodity exchange in the name of the firm and/or in the name of any partner/the company (including its subsidiaries) in which any of the partners is a promoter or director are given in Annexures C-2 & C-3. It is further certified that none of these memberships has ever been suspended/expelled/penalised/declared defaulter or any other disciplinary action initiated there-against by the concerned stock / commodity exchange(s) or any other regulatory authority except as detailed in Annexures C-2 & C-3.
3. Attested copies of Partnership Deed are enclosed.
4. The dealers employed by the firm shall clear the Certification Programme as specified by the Exchange.
5. Sharing pattern of profits and losses of the partners / persons in the firm is given in Annexure:C-4 and the dominant partners (not more than four individuals) having more than 51% of the sharing pattern in aggregate have been identified therein.
6. Any of the partners in the firm do not singly or jointly with other partner(s) have an equity holding of 10% or more and/or is a part of the dominant promoter group in any other membership in NCDEX.

We hereby state that the information given above as well as in the annexures is true, correct and complete to the best of our knowledge and information. We also state that no relevant material fact has been suppressed. We agree that in the event of any of the above statements being found false, incorrect or incomplete, we recognize that NCDEX may take any action as it may deem fit, including termination of the membership.

We hereby undertake to inform NCDEX of the change in the above-mentioned facts within 15 days of the change taking place/coming to our knowledge, whichever is earlier.

Place:

Date:

Signature:

** **TO BE SIGNED BY:** Any two working partners of the firm

ANNEXURE - B-1 (For Individuals / Sole Proprietorship)

**FORMAT OF CERTIFICATE TO BE FURNISHED BY APPLICANT
ALONGWITH APPLICATION**

From : The name and address of the Applicant

To :

The Managing Director,
National Commodity & Derivatives Exchange Limited
Exchange Plaza
C 1, Block G
Bandra East
Mumbai 400 051

Dear Sir,

1. My net worth as on _____, computed and certified on the prescribed format as indicated in Annexure C-1, is Rs._____. (Net worth should be indicated as on March 31, of the last financial year or later).
2. Upon grant of membership, I shall trade / clear trades on NCDEX trading platform under the name and style of M/s _____, of which I am sole proprietor. All trades and transactions done under the above name, shall be binding on me and shall be deemed to be done / undertaken by me in my individual capacity for all purposes. All rights and liabilities in the above name shall be deemed to be my rights and liabilities.
3. Details of membership(s) in any stock / commodity exchange in my name/firms in which I am a partner/ AOP / the company (including its subsidiaries) in which I am a promoter or director are given in Annexure C-2. It is further certified that none of these memberships have even been suspended/ expelled/ penalised/ declared defaulter or any other disciplinary action initiated thereagainst by the concerned stock / commodity exchanges or any other regulatory authority except as detailed in Annexures C-2 & C-3.
4. The dealers employed by me shall clear the Certification Programme as specified by the Exchange.
5. No partnership firm in which I am a partner has applied / shall apply for membership of NCDEX. No corporate wherein I am part of the Dominant Promoter Group (DPG) has applied / shall apply for membership of NCDEX.

I hereby state that the information given above as well as in the annexures is true, correct and complete to the best of my knowledge and information. I also state that no relevant material fact has been suppressed. I agree that in the event of any of the above statements being found false, incorrect or incomplete, I recognise that NCDEX may take any action as it may deem fit, including termination of the trading membership.

I hereby undertake to inform NCDEX of any change in the above mentioned facts within 15 days of the change taking place/ coming to my knowledge, whichever is earlier.

Place :

Date :

Signature

ANNEXURES TO THE CERTIFICATE TO BE FURNISHED ALONG WITH THE APPLICATION

C-1 : Certificate of Net worth, along with computation.

C-2 : Details of Stock / Commodities Exchange Memberships, other than NCDEX

C-3 : Details of Directors/ Partners/ Proprietor

C-4 : Share holding pattern of company/Sharing Pattern of the Partnership Firm

C-5 : Details of Dominant Promoter Group. (For Unlisted Companies)

C-6 : Undertaking from relative(s) of persons constituting the dominant promoter group (For Unlisted Companies)

C-7 : Details of the Stock Exchanges in which applicant company is listed

The applicant shall submit the Certificate of Net worth computed in accordance with the guideline given in the enclosed Annexure C-1A. The Annexures C-1, C-4 and C-5 are to be certified by the Statutory Auditors.

Annexure : C-1
Certificate dated _____ submitted by _____ to NCDEX
(For Corporates, Institutions, Co-operative Societies, Individuals & Sole Proprietorships)

CERTIFICATE

This is to certify that the Net worth of _M/s./Mr./Ms. _____ as on _____ as per the statement of computation of even date annexed to this certificate is Rupees _____ only.

It is further certified that the computation of Net worth based on my / our scrutiny of the books of accounts, records and documents is true and correct to the best of my / our knowledge and as per information provided to my / our satisfaction.

Date:
Place:

For (Name of Accounting Firm)

Name of Partner
Chartered Accountant
Membership Number

Annexure : C-1
Certificate dated _____ submitted by _____ to NCDEX
(For Partnership Firms)

CERTIFICATE

This is to certify that the Net worth of M/s. _____ as on _____ as per the statement of computation of even date annexed to this certificate is Rupees _____ only. Combined net worth of all partners is Rs. _____ (Rupees _____ only.)

It is further certified that the computation of net worth based on my / our scrutiny of the books of accounts, records and documents is true and correct to the best of my / our knowledge and as per information provided to my / our satisfaction.

Date:
Place:

For (Name of Accounting Firm)

Name of Partner
Chartered Accountant
Membership Number

Annexure C – 1A.

Computation of Net worth of Trading Cum Clearing Members as part of Membership Requirements

The TCM members are required to provide the Net worth Certificate as per the format provided in Annexure C - 1

The TCM members have the option of calculating their net worth as per any of the two methods given below. However, once a TCM member chooses one of the two given methods, he will have to continue to compute his net worth using the same method unless a change of method is specifically approved by NCDEX.

Method 1:

The net worth should be computed either as per the format given below;

Paid up Capital *	
Net worth calculated as follows:	
Paid up Capital	
Add: Reserve & Surplus (excluding revaluation reserves)	
Less: Accumulated losses if any -	
Less: Miscellaneous Expenditure -	
Total Net worth	

* Give details of capital issued after the date specified above.

Or

Method 2:

By valuation of their assets on the following basis :

- A. Listed (Quoted) investments in the name of the applicant (at market value)
(Detailed list to be enclosed)
- B. Margin of 30% on market value of listed (quoted) Investments
- C. Net value of listed Investments (A) – (B)
- D. Investments in unlisted (unquoted) companies (as per Note No. 2)
- E. Margin of 50% on (D)
- F. Net value of unlisted Investments (D) – (E)
- G. Other Investments (at cost) like PPF, NSC at current value, Statutory deposits with NCDEX, Deposits with registered NBFCs, Bank FDs
- H. Total Net Investments (C) + (F) + (G)
- I. Market Value of Land & Building component of the Fixed Assets (Full details of such assets like survey number, location, address, extent of land & building to be furnished)
- J. Margin on I at 50%
- K. Net value of such fixed assets (I – J).
- L. Debtors not exceeding 3 months + Cash & Bank balance
- M. Current Liabilities
- N. Long term liabilities
- O. Net worth (H + K + L) – (M + N)

Notes: -

1. Valuation of fixed assets for the consideration of net worth would have to be certified by government approved valuers which should not be more than 2 years old. Only those items of land & building that are in the name of the TCM member as well as in the possession of the TCM member shall be included under the head (I) - Land & Building component of the Fixed Assets. Those properties that are leased out by the TCM member or taken on lease shall not be included for computation of net worth. Fixed Assets other than Land & Building shall not be included for the purpose of computation of net worth.
2. Valuation of unlisted investments would be at “fair value” of the said investment, i.e. the average of the “break up value” and the “earning value”. For this purpose: -
 - a) The “break up value” means the equity capital and reserves as reduced by intangible assets and revaluation reserves, divided by the number of equity shares of the investee company.
 - b) The “earning value” means the value of an equity share computed by taking the average of profits after tax as reduced by the preference dividend and adjusted for extra-ordinary and non-recurring items, for the immediately preceding three years and further divided by the number of equity shares of the investee company and capitalised at the following rate: -
 - In case of predominantly manufacturing company, eight percent;
 - In case of predominantly trading company, ten percent; and
 - In case of any other company, including an NBFC, twelve percent;
 - If, an investee company is a loss making company, the earning value will be taken at zero.
(For e.g. earning value for an NBFC with capitalisation rate of 12%, is earning per share multiplied by 100/12)
3. Details of items comprising investments, current assets, current liabilities and long term liabilities should be given separately.
4. Current assets should exclude loans to related entities, bad and doubtful debts and debts outstanding for more than 3 months, advance against capital assets, pledged securities / assets, prepaid expenses and also intangible assets.
5. Debtors should be distinguished as debtors arising from commodity operations and others.
6. Value of membership card / Deposits with any other Stock / Commodity Exchange are to be excluded for the purpose of computation of net worth.
7. Advance / Investment with or debts due from persons / entities notified under Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992 are to be excluded for the purpose of computation of net worth.

Annexure : C-2

Certificate dated _____

submitted by _____ to NCDEX

DETAILS OF STOCK / COMMODITY EXCHANGE MEMBERSHIPS

<u>S.N</u>	<u>Name</u>	<u>Stock _____ /</u> <u>Commodity</u> <u>Exchange</u>	<u>Since</u>	<u>Membership No.</u>	<u>Mode _____ of</u> <u>acquisition</u>
------------	-------------	---	--------------	-----------------------	--

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Date:

Place:

Signature(s)

Annexure : C-3
Certificate dated _____
submitted by _____ to NCDEX

DETAILS OF DIRECTORS/PARTNER/PROPRIETOR/SOCIETY MEMBER

<u>S.N</u>	<u>Name</u> <u>Age</u> <u>Education #</u>	<u>Designation,</u> <u>since @</u>	<u>Experience</u> <u>No. of years</u> <u>#</u>	<u>Share holding</u> <u>No. Amt</u> % age of total	<u>Directorships / controlling</u> <u>share holding in other cos /</u> <u>entities</u>
------------	---	---------------------------------------	--	---	--

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Date:
Place:

Signature(s)

NOTES :

@ : Enclose the conduct Certificate / Status report from the stock exchange for the companies.

: For each of these memberships, give details of disciplinary action, if any, taken by the Stock / Commodity Exchange or any other regulatory authority in respect of these memberships with dates in the following format:

- Expulsion
- Suspension
- Default
- Any other disciplinary action or enquiry against the member

CERTIFICATE (for corporates / Institutions only)

This is to certify that the Shareholding in _____ as given above, based on my/ our scrutiny of the books of accounts, records and documents is true and corrects to the best of my/our knowledge and as per information provided to my/our satisfaction.

Date:
Place:

For (Name of Accounting Firm)

Name of Partner
Chartered Accountant
Membership Number

Annexure : C-4 (For Corporates / Institutions)
Certificate dated _____
submitted by _____ to NCDEX

SHARE HOLDING PATTERN of _____ as on _____

<u>Sr. no.</u>	<u>Name #</u>	<u>Number of Shares held</u>	<u>Amt paid up</u>	<u>%age of total</u>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
Others @				
TOTAL		-----	-----	-----
		=====	=====	=====
				100 %

NOTES :

In case of

- ◇ body corporate, give similar details thereof separately.
- ◇ partnership firm, give names of all partners and the sharing pattern.

@ Persons holding 2% or more of the paid up capital should be shown separately and not clubbed in Others.

Date :

Place :

Signature(s)

CERTIFICATE

This is to certify that the Shareholding in _____ as given above, based on my/ our scrutiny of the books of accounts, records and documents is true and correct to the best of my/our knowledge and as per information provided to my/our satisfaction.

Date:

Place:

For (Name of Accounting Firm)

Name of Partner
Chartered Accountant
Membership Number

Annexure : C-4 (For Partnership Firms)
Certificate dated _____
submitted by _____ to NCDEX

SHARING PATTERN of _____ as on _____

<u>Sr. no.</u>	<u>Partner</u>	<u>Capital in the Firm</u>	<u>Share in Profits</u>	<u>Share in Losses</u>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
TOTAL		----- =====	----- 100 % =====	----- 100 % =====

Date:

Place:

Signature(s)

Note: Please identify the dominant partners from among the partners given above.
 If any partner(s) is a company, please furnish the shareholding of that company.

CERTIFICATE

This is to certify that the Capital and Sharing Pattern of _____ as given above, based on my/ our scrutiny of the books of accounts, records and documents is true and correct to the best of my/our knowledge and as per information provided to my/our satisfaction.

Date:

Place:

For (Name of Accounting Firm)

Name of Partner
 Chartered Accountant
 Membership Number

Annexure : C-5
Certificate dated _____
submitted by _____ to NCDEX

DETAILS OF DOMINANT PROMOTER GROUP as on _____

<u>Sr. No.</u>	<u>Name</u>	<u>No. of Shares @</u>		<u>Total Amt paid up@</u>		<u>%age of Total@</u>		<u>Total</u>
		Self	Relatives	Self	Relatives	Self	Relatives	
1.								
2.								
3.								
4.								

TOTAL								
=====								

Date:
Place:

Signature(s)

CERTIFICATE

This is to certify that the Shareholding _____ as given above, based on my/ our scrutiny of the books of accounts, records and documents is true and correct to the best of my/our knowledge and as per information provided to my/our satisfaction.

Date:
Place:

For (Name of Accounting Firm)

Name of Partner
Chartered Accountant
Membership Number

@ : For arriving at the shareholding of persons constituting the Dominant promoter group, the shareholding of close relatives, namely parents, spouse, children and their descendants, brothers, sisters and associates only may also be counted provided these relatives give an irrevocable, unconditional support in writing on the prescribed format (Annexure C-6).

Annexure : C-6

(Each relative to use separate copies of this annexure)

Certificate dated _____ submitted by _____ to NCDEX

**UNDERTAKING FROM RELATIVE OF PERSONS CONSTITUTING
DOMINANT PROMOTER / PARTNER GROUP**

I, Mr./Ms./Mrs. _____, son/daughter/wife of Mr./Ms. _____, resident of _____ declare that:

I am the absolute owner of _____ (no.) of shares of Rs. ____ each, Rs. _____ per share paid up, which constitutes _____ % of the total paid up capital of the company _____ private limited/ limited _____ as on this date.

Or

I am a partner in the partnership firm _____ for sharing profit and loss to the extent of _____% as on this date.

(Please strike off whichever is not applicable)

I state that I shall irrevocably and unconditionally support in respect of my shareholding / sharing pattern, Mr./Ms. _____, a shareholder / partner in the above mentioned company / partnership firm. I further state that I have no objection to my above-mentioned shareholding / sharing pattern being clubbed with the shareholding / sharing pattern of Mr./Ms. _____, who is my _____ (give relationship with the latter) for the purpose of determining the dominant promoter / partner group of the said company / partnership firm.

This support is irrevocable and I also undertake to give prior information to the National Commodity & Derivatives Exchange Limited before selling or otherwise transferring any part or whole of my above mentioned shareholding / sharing pattern.

WITNESS BY:

Signature :
Name :
Address :
Date :

SIGNATURE

Name :
Place :
Date :

CERTIFICATE

This is to certify that the Shareholding / sharing pattern in _____ as given above, based on my/ our scrutiny of the books of accounts, records and documents is true and correct to the best of my/our knowledge and as per information provided to my/our satisfaction..

Date:
Place:

For (Name of Accounting Firm)

Name of Partner
Chartered Accountant
Membership Number

Note : For arriving at the shareholding of persons constituting the Dominant group, the shareholding of close relatives, namely parents, spouse, children and their descendants, brothers and sisters only may be counted provided these relatives give an irrevocable, unconditional support in writing on the prescribed format (Annexure C-6). Please refer to part B of chapter 1 of the invitation for application document.

Annexure : C-6

Certificate dated _____

submitted by _____ to NCDEX

**UNDERTAKING FROM CORPORATES SUPPORTING
DOMINANT PROMOTER GROUP**

We, M/s. _____ Limited, incorporated as a Company under the Companies Act, 1956 and having its registered office at : _____ do state as under:

1. As per the existing norms of National Commodities & Derivatives Exchange (NCDEX), the shareholding of Mr./Ms. _____* in our company in direct proportion to our shareholding in the TCM Member Company, may be reckoned for the purpose of arriving at the dominant group in M/s. _____ (TCM Company).
2. We are _____% shareholder of the TCM Company and Mr./Ms. _____, dominant promoters of the Trading Member Company along with his/her specified relatives i.e., _____ are having _____% shareholding in our company.
3. Mr./Ms. _____* have requested NCDEX to consider their shareholding in our company in the permissible proportion to arrive at the dominant shareholders in the TCM Company and also requested us to give an irrevocable undertaking extending unconditional support to Mr./Ms. _____ (Name of the Dominant promoters of the TCM Company) to enable NCDEX to consider the aforesaid as dominant group.
4. We hereby extend our unconditional and irrevocable support in support of Mr./Ms. _____ (Name of the Dominant promoters of the TCM Company) for the purpose of the determining the dominant group in the said TCM Company.
5. We also undertake to give prior information to NCDEX before effecting any change in the shareholding of Mr./Ms. _____.*

WITNESS BY :

For _____

Signature :
Name :
Address :
Date :

Director
Place:
Date:

* Name of the Dominant Promoters of the TCM Company along with their specified relatives having shareholding in the corporate giving the undertaking.

CERTIFICATE

This is to certify that the shareholding of M/s. _____ is/are as mentioned below, based on our scrutiny of the books of accounts, records and documents. We further certify that the information given above is true and correct to the best of our knowledge and as per information provided to our satisfaction.

Sl. No.	Name of the Share holder	No. of Shares	Paid up Share Capital	% Shareholding

Date:

Place:

For (Name of Accounting Firm)

Name of Partner
Chartered Accountant
Membership Number

Note: The above certificate and Board resolution should be given along with the undertaking as given by corporates supporting the dominant promoter group

BOARD RESOLUTION

Certified true copy of the Resolution passed at the meeting of the Board of Directors of _____ (Name of the Company) held on _____ (Date) at _____ (Venue).

Resolved that the company do extend its unconditional and irrevocable support in favour of Mr./Ms. _____, for the purpose of determining the dominant group in M/s. _____ (Trading Cum Clearing Member) and accordingly, execute necessary documents including an irrevocable undertaking to give effect to the same and submit it to National Commodity & Derivatives Exchange Limited. Resolved further that Mr./Ms. _____, Director(s) of the company be and is / are hereby authorised to execute necessary documents including undertakings as prescribed by NCDEX form time to time.
Certified to be true

For _____ (Name of the Company)

_____ (Signature)

Annexure : C-7
Certificate dated _____
submitted by _____ to NCDEX

To be submitted by listed public company

<u>Sr. No.</u>	Name of the Stock Exchange(s) on which company is listed	Listed since (date)
-----------------------	---	----------------------------

1.

2.

3.

4.

Date:

Place:

Signature(s)

SUMMARY SHEET

(Five sets of Summary Sheet should be submitted with the application form)

1. Name of the Applicant :
Constitution :
2. Date of Birth/Incorporation/Registration :
3. Chief Executive/Chairman/Managing Partner/Proprietor :
 - a) Name :
 - b) Qualification :
 - c) Experience - Nature :
No. of years :
 - d) Other directorships /
controlling interests:

4. Managing Director

- a) Name :
- b) Qualification :
- c) Experience - Nature :
No. of years :
- d) Other directorships /
controlling interests:

Other Directors/Partners

(Please give following details for all other directors/partners)

- a) Name :
- b) Qualification :
- c) Experience - Nature :
No. of years :
- d) Other directorships /
controlling interests:

- a) Name :
- b) Qualification :
- c) Experience - Nature :
No. of years :
- d) Other directorships /
controlling interests:

5. Are you, any partner/directors/dominant promoter(s)/associate company, member(s) of any other stock / commodity exchange? If so, name of the exchange along with dates when they were acquired and total turnover figures for last 3 financial years (in Rs. Crores).

6. Net worth as indicated in the application form (Rs. Lakh) :

Computed as on:

7. Level of Income (expressed in terms of percentage and amount in Rs. Lakh) of applicants from activities such as :

- | | Income | Percentage of Total |
|---|--------|---------------------|
| a) Stock / Commodity Broking | | |
| b) Merchant Banking
& related activities | | |
| c) Fund based activities
(such as Leasing /
Hire Purchase / Lending. etc) | | |
| d) Others (Please specify) | | |

----- ~ ----- ~ ----- ~ ----- ~ ----- ~ -----

NOTES FOR APPLICANTS

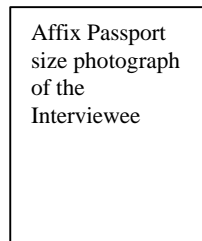
An applicant for membership is required to note the following and furnish all the documents.

1. Applications should be complete in all respects.
2. Applications may be retyped on A4 size paper provided all the contents remain intact. Applications are also available at www.ncdex.com
3. The Net worth should be computed as of March 31, of the immediate preceding financial year or later and presented in the prescribed format given in Annexure C-1A, along with the computation sheet. For partnership firms net worth of each partner should also be submitted. The Net worth certificate should preferably be submitted on the basis of audited financial statements.
4. Details should be given of each item considered in the computation. Thus, details of investments, current assets, current liabilities, fixed assets including land and building, Debtors outstanding for more than 3 months etc. should be specifically stated. Even if the amount of any item involved in the computation is nil, it should be stated in the computation.
5. Summary Sheets : Applicants should submit 1 copy of the summary sheets. The summary sheet should contain a summary of information given in the application form and annexures in the prescribed format.
 - The names, educational qualifications and experience of the Proprietor/Partners/ Persons and Directors whose bio-data are submitted should be briefly summarised in the summary sheets.
 - Information on the Proprietor/Partners/Chairman/Managing Director and Chief Executive should be stated along with information on the other directors and dealers whose bio-data have been submitted.
 - Number of years experience in activities relating to banking services, financial services, stock/commodity broking or treasury should be stated.
 - If necessary, the summary sheet may be retyped on A4 size paper to accommodate the required details.
 - Summary sheets are to be signed by the same persons signing the application forms.
6. Duly completed application should be submitted along with the following
 - Account Payee Bank Draft / Pay order for Rs. 2000/- payable at Mumbai. (in favour of National Commodity & Derivatives Exchange Limited)
 - Certificate of Incorporation, Memorandum & Articles of Association or Partnership Deed
 - Net worth Certificate in the format provided in Annexure C-1.
 - Current Shareholding/Sharing Pattern in the format provided in Annexure C-4.
 - Copies of the Balance Sheet for last three financial years since the time entity is constituted.
 - Copies of the latest returns of Income Tax and Wealth tax along with proof of filing the same.
7. List of investments valued at market price as on March 31, of the immediate preceding financial year.
8. Proof of age and educational qualification, should be duly attested by gazetted officer / Chartered accountant to be attached
9. Attested copies of Certificate of Incorporation, Certificate for Commencement of Business (if applicable), Memorandum of Association and Articles of Association or Partnership Deed. In the MOA, Commodity broking / trading / hedging / financing / processing / financial services should be one of the objects of the company.
10. Such other documents as may be called for and be required by the NCDEX from time to time.
11. Such other documents that the applicant believes are relevant to the application may also be submitted.
12. Attention of applicants is particularly drawn to the following provisions:
 - Any canvassing by an applicant shall debar his application from being considered for membership of NCDEX.
 - The number of members to be admitted shall be at the sole discretion of NCDEX.

NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Identity Card for Interview

Name of the Applicant :
Constitution :
Name of the Interviewee :
Age :
Status/Designation :



(Signature of the Examinee)

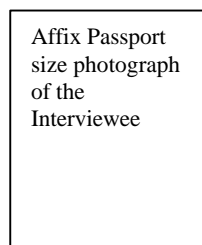
(Signature & Seal of the Applicant)

Note: This Identity Card should be brought by the examinee for the Interview.

NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Identity Card for Interview

Name of the Applicant :
Constitution :
Name of the Interviewee :
Age :
Status/Designation :



(Signature of the Examinee)

(Signature & Seal of the Applicant)

Note: This Identity Card should be brought by the examinee for the Interview.