

DOCUMENTS FOR REGISTRATION  
AS TRADING MEMBER IN  
FUTURES & OPTION SEGMENT OF  
MADRAS STOCK EXCHANGE LTD.

**(For Individuals & Corporates)**

## SUBMISSION OF DOCUMENTS TO MSE

- Application for Trading Membership in F&O Segment of MSE
- TM Undertaking
- CM-TM Undertaking (on receipt of SEBI registration certificate)
- Documents for Registration with SEBI including all annexures
- All annexures and supporting documents

## ON RECEIVING APPROVAL LETTER FROM MSE

- Deposit payable to MSE as detailed herein
  - RS. 10 LAKHS TOWARDS BASE MINIMUM CAPITAL (BMC) –  
OF WHICH, RS.5 LAKHS MAY BE IN CASH AND BALANCE  
RS.5 LAKHS IN THE FORM OF FIXED DEPOSITS
- BMC WILL NOT QUALIFY FOR INITIAL MARGIN
- CHEQUE DRAWN IN FAVOUR OF MADRAS STOCK EXCHANGE LTD.

**CHECK LIST OF DOCUMENTS FOR TRADING MEMBER APPLICATION IN  
F&O SEGMENT OF MADRAS STOCK EXCHANGE LTD.**

Sl. No.	Details	Yes / No
1	Application covering Letter	
2	Application in A4 sheet duly filled and signed	
3	Bio-data of Proprietor / all Directors	
4	Proposed Organisation Structure for F&O operations	
5	Networth Certificate (based on audited balance sheet and presented in the prescribed format given in Annexure C-1, along with the computation sheet) – Minimum Networth - Rs.30 lakhs	
6	Copy of latest audited Annual Accounts	
7	SEBI Registration Certificates of Stock Exchange Memberships, including MSE (All Segments All Exchanges) for Annexure C-2.	
8	Details of Proprietor / Directors in Annexure C-3 format (To be certified by CA in case of Corporate Members)	
9	Copy of PAN Card, Educational Qualification proof of Proprietor / All Directors - To be attached to Annexure C-3 format	
10	Details of atleast 2 Core Dealers in Annexure C-4 – Attach NCFM Certificates of the Users, along with educational qualification and age proof of Users	
11	Details of Infrastructure in Annexure C-5 - Attach Lease / Rental Agreement / Ownership Deed as proof of the premises occupied	
12	Shareholding Pattern in Annexure C-6 (Only in case of Corporate Members) duly certified by Chartered Accountant with applicable annexures	
13	Annexure C-7 Details of dominant group - to be certified by CA	
14	Annexure C-8 Undertaking from relative of persons of dominant promoters(if applicable)	
15	Annexure C-8 Undertaking from Corporates supporting dominant group (if applicable)	
16	Annexure C-9 Undertaking whether shares are listed on Stock Exchanges	
17	Confirmation on Appointment of Compliance Officer	
18	Non-defaulter Undertaking	
19	Copy of MOA & AOA (Only for Corporate Members)	
20	Part-I and Part-II of Undertaking from Applicant / CA	
21	Fit & Proper Person undertaking	
22	Association / Non-Association with other Stock Exchanges	
23	Association / Non-Association with other Intermediaries	
24	Undertaking for New Membership	
25	Fake & Forged shares undertaking	
26	Such documents as may be called for and required by Madras Stock Exchange from time to time.	

**Application for Membership of F&O Segment**

*(On the letterhead of the trading member)*  
Application Covering Letter

To  
Executive Director  
Madras Stock Exchange Ltd.  
Chennai.

Date :

Dear Sir,

Sub: Application for Membership of F&O Segment

I/ We wish to apply for the Trading membership of F&O segment of the Madras Stock Exchange Ltd. I/We hereby undertake to conform to and to abide by the Memorandum & Articles of Association and the Rules, Bye-Laws, Regulations, Business-Rules, Circular, Notifications and office orders, issued by the Exchange/Clearing Corporation from time to time. I/We shall be liable for all contracts and transactions in the exchange entered by us or by our authorized representatives and I/We shall comply with all requirements of the Exchange relating to settlement thereof. I/we also abide by all decisions of the Exchange/Clearing Corporation with respect to the operation of the Exchange/Clearing Corporation and would perform accordingly in meeting my/our financial, regulatory and operational responsibility as decided of the Exchange/Clearing Corporation from time to time.

Kindly admit us to the Futures & Options segment (as ticked above) of your Exchange.

Yours faithfully

<name of the Member with Seal and Signature>

**ANNEXURE – I (A)**  
**MADRAS STOCK EXCHANGE LTD. (MSE)**

**APPLICATION FORM FOR EXISTING TRADING MEMBERS FOR ACQUIRING THE**  
**TRADING MEMBERSHIP IN F&O SEGMENT**

- 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 TRADING MEMBER APPLICANT :  
TRADE NAME OF APPLICANT :
  
  - 2. Constitution :CORPORATE : Private Ltd. / Public Ltd.  
REGISTERED FIRM / INDIVIDUAL
  
  - 3. Segment on which the applicant is a member : CM / CM&WDM
  
  - 4. SEBI Registration No. : INB04
  
  - 5. 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 & all Directors in Annexure C - 3, along with their detailed biodata )*

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

1.

2.

3. \_\_\_\_\_

4. \_\_\_\_\_

- (B) Name of the stock exchange/s on which the director / dominant promoter/partner are members.

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

*(Please provide details in Annexure C - 2.)*

- 7. Registered Office :  
Address  
City

Pin \_\_\_\_\_  
Tel. \_\_\_\_\_ Mobile No. \_\_\_\_\_  
Tlx. \_\_\_\_\_  
Fax \_\_\_\_\_  
Email ID \_\_\_\_\_  
Contact Person's Name \_\_\_\_\_  
Designation \_\_\_\_\_

8. Address for communication : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
City \_\_\_\_\_  
Pin \_\_\_\_\_  
Tel. \_\_\_\_\_ Mobile No. \_\_\_\_\_  
Tlx. \_\_\_\_\_  
Fax \_\_\_\_\_  
Email ID \_\_\_\_\_  
Contact Person's Name \_\_\_\_\_  
Designation \_\_\_\_\_

9. Main Dealing Office Address For F&O Segment : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
City \_\_\_\_\_  
Pin \_\_\_\_\_  
Tel. \_\_\_\_\_ Mobile No. \_\_\_\_\_  
Tlx. \_\_\_\_\_  
Fax \_\_\_\_\_  
Email ID \_\_\_\_\_

Contact Person's Name \_\_\_\_\_  
Designation \_\_\_\_\_  
Usable carpet area of the office (in sq.ft) \_\_\_\_\_

10. Details of the Chief Dealer in the F&O Segment:

Name : \_\_\_\_\_  
Qualifications : \_\_\_\_\_  
(Also submit complete details of all dealers in Annexure C-4)

11. Networth in Rs. \_\_\_\_\_ Lakhs as on \_\_\_\_\_  
(The Networth certificate has to be submitted in the format prescribed in Annexure C-1)

12. Details of Proposed organisation structure for dealing in the F&O Segment.

We are aware that any misstatement or misrepresentation or suppression of facts in connection with this application for trading membership or breach of any undertaking or condition of admission to trading membership would entail rejection of this application and / or expulsion and forfeiture of trading / clearing membership if the Exchange / NSCCL.

I/We hereby state that the above mentioned data is true, correct and complete to the best of my/our knowledge and information.

for <Member Trade Name>

**Name of Signatory**  
**Designation**

Date :

Place :

**APPLICATION TO BE SIGNED BY :**

For Individuals - By the Individual himself/herself

For Registered Firms - By any two working partners of the firm.

For Corporates: - Managing Director/Whole Time Director and :

any other Whole Time director, or

any other directors authorised by the Board. (submit copy of the relevant Board resolution)

**ANNEXURE - I (B) (For Individuals)**  
**FORMAT OF CERTIFICATE TO BE FURNISHED BY APPLICANT ALONGWITH APPLICATION**

From :

To :  
The Executive Director,  
Madras Stock Exchange Ltd.  
**Chennai 600 001**

Dear Sir,

Referring to our application for admission to the F&O segment as a trading member, we state the following:

1. My networth as on .....2009, computed and certified on the prescribed format as indicated in Annexure C-1, is Rs. .... (Networth should be indicated as on March 31, of last financial year or later).
2. I am not engaged as principal or employee in any fund based activity or any business other than that of securities, except as a broker or agent not involving any personal financial liability or for providing merchant banking, underwriting or corporate or investment advisory services, as permitted by SEBI.
3. Details of membership(s) in any stock exchange in my name/firms in which I am a partner/ 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 Exchanges or any other regulatory authority except as detailed in Annexure C2.
4. I have the requisite direct experience in the securities industry as a broker, sub-broker, authorised assistant, badge holder or remisier, details of which are given in Annexure C3.
5. I have employed two Core Dealers, each having a minimum two years of direct experience in the securities industry as detailed in Annexure C4. I, the dealers and sales persons of the Futures & Options Segment have passed a Certification Programme approved by SEBI. (Proof enclosed)
6. We have adequate infrastructural facilities at MADRAS STOCK EXCHANGE LTD. for the purpose of clearing & settlement. Details of the same and details of Authorised persons at this centre are given in Annexure:C-5.
7. Myself/ any of the partners of the firm in which I am a partner / any of the promoters or dominant shareholders of the company in which I have a controlling interest do not singly or jointly have an equity holding of 10% or more and/or any share in my/their own name and/or jointly with any of my/their close relatives in any other trading member of NSE.

I hereby state that the information given above 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 Madras Stock Exchange Limited may take any action as it may deem fit, including termination of the trading membership.

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

Place :Chennai

Date :27<sup>th</sup> August 2009

For <Name of Member>

Signature

**ANNEXURE – I (B) (For Corporate Members)**  
**FORMAT OF CERTIFICATE TO BE FURNISHED BY APPLICANT**  
**ALONGWITH APPLICATION**

From:

The name and address of the proposed trading member

To :

The Executive Director,  
Madras Stock Exchange Ltd.  
**Chennai 600 001**

Dear Sir,

Referring to our application for admission to the F&O segment as a trading member, we state the following:

1. The net worth of the company, 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. Details of membership(s) in any stock exchange in the name of the company, its subsidiaries or any of the directors / dominant promoter group 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 Stock Exchanges or any other regulatory authority except as detailed in Annexure : C-2.
3. Details of one whole time director and another director having minimum two years of direct experience in any activity related to banking services, financial services or treasury are given in Annexure : C-3. (Such experience will include working as a dealer, in the back office or as a researcher with any individual or organisation operating in the securities market.)
4. The company has employed two Core Dealers, each having a minimum two years of direct experience in the securities industry as detailed in Annexure : C-4. The dealers and sales persons of the F&O Segment have passed a Certification Programme approved by SEBI. (Proof enclosed)
5. The share holding pattern of the company as on \_\_\_\_\_ is given in Annexure : C-6.
6. We have adequate infrastructural facilities at \_\_\_\_\_ for the purpose of clearing & settlement. Details of the same and details of Authorised persons at this centre are given in Annexure:C-5.
7. The list of persons forming part of dominant promoter group and their shareholding is given in Annexure : C-7. 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 group are enclosed on the prescribed format. Any change in the composition of the dominant promoter group would be effected only after taking prior approval of the MSE. *(Strike out if not applicable)*
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 securities in the share capital of the company.
  - any direct or indirect transfer of shares or securities in the share capital of any one or more companies or bodies corporate holding any part of the paid up capital of the company.*(Strike out whichever is not applicable and give complete details, wherever any change has taken / likely to be take place.)*
9. Any of the promoters or dominant shareholders of the company do not singly or jointly have 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 trading membership of the MSE.

10. In case, the company goes for a public issue, the Offer document / Prospectus shall be submitted to the Exchange for prior perusal, atleast 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 MSE may take any action as it may deem fit, including termination of the trading membership. We also agree to provide MSE with all such documents as may be called for and be required by MSE from time to time.

We hereby undertake to inform MSE 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 :

Managing Director/Whole Time Director and :

1 any other Whole Time director, or

2 any other directors authorised by the Board. (submit copy of the relevant Board resolution)

**Annexure : C-1  
(For Corporates & Individuals)**

**Certificate dated ..... submitted by ..... to MSE**

**CERTIFICATE**

This is to certify that the Net worth of M/s.<Name of Member> as on <date> as per the statement of computation of even date annexed to this report is Rupees \_\_\_\_\_ only).

We further certify that:

- M/s.<Name of Member> is not engaged in any fund-based activities or business other than that of securities. Existing fund based assets, if any have been divested from the books of account and have not been included for the purpose of calculation of networth.
- the computation of networth 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.
- the computation of networth is in accordance with relevant provisions of the Rules of Madras Stock Exchange Ltd. / Regulation 16C of the SEBI (Stock Brokers & Sub-Brokers) Regulations, 1992.

Place: CHENNAI

For (Name of Accounting Firm)

Date:

Name of Partner/Proprietor  
Chartered Accountant  
Membership Number

(Note: Methodology for calculating networth is given in Annexure C-1B. Trading Members may choose any one method, which should then be followed always.)

## ANNEXURE C-1A

### **Computation of Networth of Members of Futures Segment / Currency Derivatives Segment as part of Membership Requirements**

The method of computation of Networth as prescribed by SEBI as per Regulation 16C of the SEBI (Stock Brokers & Sub-Brokers) Regulations, 1992 / Regulation 16L of the SEBI (Stock Brokers & Sub-Brokers) (Amendment) Regulations, 2008. (*strike off whichever is not applicable*) is as follows:

Capital + Free Reserves

Less: Non-allowable assets viz.,

- (a) Fixed Assets
- (b) Pledged Securities
- (c) Member's card
- (d) Non-allowable securities (unlisted securities),
- (e) Bad deliveries
- (f) Doubtful Debts and Advances\*
- (g) Prepaid expenses, losses
- (h) Intangible Assets
- (i) 30% of Marketable securities

Notes :-

1. For computation of loans and advances as a component of current assets, all advances / loans other than those arising out of securities dealing have to be excluded. Only such loans and advances arising due to the securities dealings are to be included as current assets for the purpose of networth computation.
  2. Valuation of fixed assets for the consideration of networth would have to be certified by government approved valuers and the value would hold good for 3 years unless a fresh valuation is submitted. Only those items of land & building that are in the name of the trading member as well as in the possession of the trading member shall be included under the head (I) - Land & Building component of the Fixed Assets. Those properties that are leased out by the trading member or taken on lease shall not be included for computation of networth. Fixed Assets other than Land & Building shall not be included for the purpose of computation of networth.
  3. Valuation of unlisted investments would be at "fair value" of the said investment, i.e. the average of the "earning value" and the "break up 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. EV for an NBFC with capitalisation rate of 12%, is earning per share multiplied by 100/12)
4. Details of items comprising investments, current assets, current liabilities and long term liabilities should be given separately.
  5. 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, bad deliveries and also intangible assets.
  6. Debtors should be distinguished as debtors arising from securities operations and others.
  7. Value of membership card / Deposits with any other Stock Exchange is to be excluded for the purpose of computation of networth.
  8. Advance / Investment with or debts due from persons notified under Special Court (Trial of Offences Relating to Transactions in securities) Act, 1992 are to be excluded for the purpose of computation of networth.

**Annexure : C - 2**  
**Certificate dated ..... submitted by <Name of Member> to MSE**

**DETAILS OF STOCK EXCHANGE MEMBERSHIPS**

<u>S.N</u>	<u>Name</u>	<u>Relation@</u>	<u>Stock Exchange</u>	<u>Since</u>	<u>Membership No.</u>	<u>Mode of acquisition</u>	<u>Remarks #</u>
1.							
2.							

Date:  
Place: Chennai

for <Name of Member>

**Signature**

NOTES :

@ : Give details e.g. :  
SELF for membership in the name of applicant company, Firm.  
PARTNER, CHAIRMAN, WHOLE TIME DIRECTOR, DIRECTOR, HOLDING,  
SUBSIDIARY.

In case of Individuals, give details such as  
FIRM in which the applicant is a partner; Details of other partners in the said firm,  
COMPANY in which the applicant has controlling interest.

# : For each of these memberships, give details of disciplinary action, if any, taken by the Stock 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

**Annexure : C-3**  
**Certificate dated .....**  
**submitted by <Name of Member> (applicant) to MSE**

**DETAILS OF DIRECTORS/PROPRIETOR AS ON .....**

Sr No	Name	Fathers Name	Designat @	Date of Birth	Educatio	PAN Number	Residential Address & Telephone Nos.	Designated directors (Yes/No) #	Share holding *			Directorships/ controlling shareholding in other cos.
									No.	Am	% of total	
1												

**NOTES :**

@ Please clearly state whether the Director is a Managing Director or Wholetime Director or Executive Director or Non-Executive Director or Executive Chairman or Non-Executive Chairman

# **Identify atleast two designated directors** (A designated director/partner is one who is a graduate by qualification (or CA, ICWA or CS) and possesses atleast 2 years of experience pertaining to securities market. They, essentially, look after the stock market operations of a trading member entity. Every trading member corporate should have atleast 2 such directors and every firm should also have 2 partners who meet the aforesaid norms.)

\$ All initials to be expanded

\* Not applicable to trading members who are individuals

Date:

Place: Chennai

for <Name of Member>

**Signature**  
**Designation**

**CERTIFICATE (only for Corporates)**

This is to certify that the details of directors 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.

Place:

Date:

For (Name of Accounting Firm)  
Name of Partner/Proprietor  
Chartered Accountant  
Membership Number

**Annexure : C-4**  
**Certificate dated ..... submitted by <Name of Member> to MSE**

**DETAILS OF CORE DEALERS**

<b>Sr. No.</b>	<b>Name</b>	<b>Age</b>	<b>Quali- fication</b>	<b>Designation Since</b>	<b>Experience &amp; years#</b>	<b>Organisation</b>	<b>Validity of NCFM certificate</b>
<b>1.</b>							

Date:

Place: Chennai

for <Name of Member>

**Signature**  
**Designation**

NOTES:

# Please indicate dealers of F&O Segment, and submit proof of their having passed a Certification Programme approved by SEBI.

# Give separate details of experience as broker, sub-broker, dealer, authorised assistant, badge holders, remisier, working in the back office or as a researcher with any individual or organisation operating in the securities market, etc. and **enclose certificates/attested copies thereof for proof of education ,age and experience.**

**Annexure : C-5**  
**Certificate dated .....**  
**submitted by <Name of Member> to MSE**  
**DETAILS OF INFRASTRUCTURE / OFFICE**

<b>MAIN DEALING OFFICE</b>	
ADDRESS	
CITY	
STATE:	
PIN	
TELEPHONE	
FAX	
TELEX	
Carpet area of office @ sq. feet	
Ownership / Leased /	
Others(specify) @ sq. feet	
Contact Person / Authorised Signatory and designation :	
<b>OTHER OFFICE(S)</b>	
ADDRESS	
CITY	
STATE:	
PIN	
TELEPHONE	
FAX	
TELEX	
Carpet area of office @ sq. feet	
Ownership / Leased /	
Others(specify) @ sq. feet	
Contact Person / Authorised Signatory and designation :	

**@ : Give documentary reference**

**for <member Name>**

**Seal and Signature**

**Annexure : C-6 (For Corporates)**

Certificate dated \_\_\_\_\_ submitted by \_\_\_\_\_ to MSE

**SHARE HOLDING PATTERN of \_\_\_\_\_ as on \_\_\_\_\_**

Sr. no.	Name #	Number of Shares held	Amt paidup	%age of total
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.

◇ HUF give names of Karta and co-parceners.

@ 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.

Place:

Date:

For (Name of Accounting Firm)

Name of Partner

Chartered Accountant

Membership Number

**CERTIFIED TRUE COPY OF CIRCULAR RESOLUTION PASSED IN BOARD  
MEETING DATED \_\_\_\_\_**

RESOLVED THAT: I/We (name of applicant company) is and hereby authorized for applying for membership on the Madras Stock Exchange Limited in the following segments *(tick whichever is applicable)*:

- Futures & Options Segment – Trading member

FURTHER resolved that (name with designation) and / or (name with designation) are authorized to execute individually/jointly *(strike whichever is not applicable)* the documents undertakings, agreements, necessary for acquiring membership on behalf of the company. Their specimen signatures are as follows:

Sr. No	Names of authorized signatories	Specimen Signatures

Certified to be true.

For (name of applicant company)

*(Names and signatures of authorized signatories of the applicant or designated directors or company secretary of the applicant company).*

**Place:**

**Date:**

**Letter for appointment of compliance officer**

To  
Membership Department  
Madras Stock Exchange Ltd.  
'Exchange Building'  
No.30 Second Line Beach  
**Chennai 600 001**

Date:

Dear Sir,

This is to inform you that we have appointed MR. .... as a Compliance Officer in terms of Regulation 18A of the SEBI (Stock-brokers and Sub-brokers) Regulations, 1992.

Additional information as required by you is provided as follows:

<b>Name of the compliance officer</b>	<b>Fathers Name</b>	<b>Residential address &amp; telephone nos</b>	<b>Qualification</b>	<b>Previous employment (name of organization)</b>

We undertake to intimate and update the Exchange as and when there is any change in the aforesaid information being submitted to the Exchange.

Yours faithfully,  
**For <Name of Member>**

Countersigned by me

**Seal & Signature**

**<Name & Signature>  
COMPLIANCE OFFICER**

### CHECK LIST FOR TM UNDERTAKING AND CM-TM AGREEMENT

Sl. No.	Details	Yes / No
1	Trading Member Undertaking on Rs.200 stamp paper	
2	Clearing Member-Trading Member Agreement on Rs.200 stamp paper	
3	<p>The Undertaking to be signed by the proper person(s) :-</p> <p>Where the trading member is an individual – by the individual himself.</p> <p>Where the trading member is a Partnership Firm – by all the partners of such a firm</p> <p>Where the trading member is a company – by the Chairman / MD or any other Director of the company in accordance with the resolution of the Board of Directors to that effect, with the Common Seal of the company affixed in the presence of one witness. (A certified copy of the Board Resolution to be submitted for our records).</p>	
4	The Stamp Paper must be in the name of the trading member executing the undertaking	
5	The validity of the Stamp Paper is 6 (six) months and must be executed within that period.	
6	<p>The Undertaking must be duly Notarized</p> <p>The Notary Seal has been affixed</p> <p>The Notarial Stamps have been affixed and stamped</p> <p>The Notary Stamp is stamped on all the pages</p> <p>The Notary's name and address along with his signature appears on the last page</p> <p>The Notary date &amp; execution date should be the same</p> <p>Any corrections made by pen have been initialed by both the Trading member and the Notary.</p>	
7	User ID Application duly filled and signed by the Member and the User	

**Trading Membership Undertaking - Futures & Options Segment**  
(On Rs. 200 Stamp Paper, Duly Notarised)

This undertaking is executed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 200\_

To :  
Madras Stock Exchange Ltd.,  
Regd. Office,  
Exchange Building  
No.30 Second Line Beach  
Chennai 600 001

hereinafter called "MSE" (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include their successors and assigns)

BY

<Member Name>, an individual / corporarte, having its registered office/office/residence at ..... and having SEBI Registration No. INF04 \_\_\_\_\_ hereinafter called the "The Undersigned" (which expression shall mean the Trading Member on the Futures & Options segment on the Madras Stock Exchange Ltd. and shall include his / her / their executors, administrators and legal heirs)

WHEREAS MSE has entered into an Agreement with National Stock Exchange of India Ltd (NSEIL) under proviso to Section 13 of Securities Contracts (Regulation) Act, 1956, which inter-alia facilitate Members of MSE to trade on NSE Platform, subject to the terms and conditions contained in the said Agreement and the provisions contained in Chapter 6A of the Bye-laws of MSE.

WHEREAS the Undersigned is a Trading Member (TM) in the Capital Market segment of MSE in accordance with the Rules, Bye-Laws, and Regulations of MSE in force and amended from time to time.

WHEREAS the MSE has agreed to admit me as a Trading Member in the Futures & Options segment of Madras Stock Exchange in accordance with the Bye-Laws, Rules and Regulations of MSE in force from time to time.

AND WHEREAS MSE has as a precondition to my admission as a Trading Member required me to furnish an undertaking in the manner and on the terms herein below:

NOW THEREFORE in consideration of MSE admitting the Undersigned as a Trading Member on the Futures & Options segment of Madras Stock Exchange, the Undersigned hereby undertakes and agrees that :-

1. The Undersigned is aware that MSE has agreed to admit me as a Trading Member inter alia, on the condition and basis that no person other than myself has or would have any beneficial interest in my Trading Membership and therefore undertake not to give any beneficial interest in my Trading membership to any other person and undertake to hold the Trading Membership in my individual capacity and not as a representative or as a trustee or in any other fiduciary capacity for any other person;
2. the Undersigned shall comply with all such requirements, existing and future with regard to and in connection with our admission as a Trading Member;
3. the Undersigned shall adhere to the Bye-laws, Rules and Regulations framed by MSE for the respective segments/sub segments, from time to time;
4. the Undersigned shall abide by the Bye-laws, Rules and Regulations introduced/ modified from time to time with/without prior notice;
5. the Undersigned shall abide by and adopt the Bye Laws, Rules and Regulations pertaining to the clearing and settlement systems of MSE and any other agencies appointed by MSE for this purpose and any amendments made thereto from time to time;
6. MSE shall be entitled to amend its Bye-laws, Rules and Regulations unilaterally and the Undersigned shall be deemed to have consented to them, and accordingly be bound by the Bye-laws, Rules and Regulations prevailing from time to time and MSE shall be entitled to all powers vested in them under the Rules, Regulations and Bye-laws, by which the Undersigned unconditionally agreed to be bound;
7. the Undersigned shall abide by the code of conduct as laid down from time to time by MSE and also any Rules, Regulations, circulars, guidelines etc. framed by Securities and Exchange Board of India (SEBI) or other regulatory authorities from time to time;
8. the Undersigned shall maintain and preserve such information, records, books and documents pertaining to the working of the Undersigned as a Trading Member for such period as may be specified by MSE from time to time;
9. the Undersigned shall permit MSE or any other authority appointed by it for inspection, access to all records, books, information, documents as may be required therefor;
10. the Undersigned shall submit periodic reports, statements, certificates and such other documents as may be required by MSE, and shall comply with such audit requirements as may be framed specially by MSE from time to time;
11. the Undersigned shall follow and comply with such orders or instructions including any such order or instruction, whether being in the nature of a penalty or otherwise, as may be issued by MSE or any committee of MSE duly constituted for the purpose, in the event of the Undersigned committing any violation of any Rules, Bye laws, Regulation or practice or code of conduct prescribed by MSE in respect of the conduct of the business in MSE;
12. the Undersigned shall conduct business at the Madras Stock Exchange prudently and shall ensure that it will not be prejudicial or detrimental to public interest in general, and to MSE in particular;

14. the Undersigned shall pay the costs and expenses including fees prescribed by MSE from time to time, arising from or incidental to the Undersigned operating on the National Stock Exchange's trading systems; and to establish other systems in accordance with the specifications prescribed by MSE from time to time;
15. the Undersigned shall use the Madras Stock Exchange infrastructure facilities and equipment only for the purpose for which they are permitted to be used.
16. the Undersigned shall furnish security deposits, pledge securities, hypothecate movables, create lien on bank accounts or furnish such other security as may be required by MSE from time to time and to do all acts, deeds and things to enable MSE to exercise all or part of the above mentioned securities to secure recovery of default in payment and other incidental charges relating to default and other dues of the MSE and National Securities Clearing Corporation (NSCCL), if any;
17. the Undersigned shall bring in additional deposits and funds as and when required to maintain the level of capital adequacy norms as decided from time to time to operate on the Madras Stock Exchange;
18. the undersigned shall be a active participant on the Futures & Options segment of the Madras Stock Exchange on being admitted as a Trading Member.
19. the Undersigned is aware that the Undersigned would be/is admitted as a Trading Member on the Futures & Options segment on paying the prescribed membership fee and security deposit and that the Undersigned do unequivocally undertake that it shall not be entitled to make any claim for refund of the security deposit, except when it surrenders its trading membership to MSE, that too for the amount lying after appropriation of amounts due from it towards its liabilities or obligation towards Madras Stock Exchange/NSCCL;
20. without prejudice to the foregoing, MSE shall be entitled to forfeit any property, funds, amounts, deposits or other sums due to the Undersigned or to the credit of the Undersigned in such events or contingencies as may be stipulated in the Rules, Regulations and Bye-laws of MSE in force from time to time;
21. MSE shall not be held responsible or liable for any failure of computer systems, telecommunication network and other equipment installed at the offices of the Undersigned and MSE shall also not be held responsible for any misuse, mishandling, damage, loss, defect etc. and MSE has the right to inspect and supervise all computer systems, software programs, tele-communications equipment, VSAT etc, which are provided by MSE at the office of the Undersigned and the Undersigned shall not make any alterations, modifications and changes without prior written consent of MSE;
22. the Undersigned shall not engage as principal or employee in any fund based business or any business other than that of securities except as a broker or agent not involving any personal financial liability;
23. the Undersigned shall not disclose, reveal, publish and advertise any material information relating to operations, membership, software, hardware, etc. of MSE without prior written consent of MSE except and to the extent as may be required in the normal course of its business;
24. the Undersigned shall execute, sign, subscribe to such other documents, papers, agreement, covenants, bonds, and/or undertakings as may be prescribed or required by MSE from time to time.

25. the Undersigned undertakes to make such contributions to Investor's Protection Fund pertaining to the Futures & Options segment as and when required by the MSE and also comply with all requirements of the MSE in respect thereof;
26. the Undersigned undertakes to subscribe to the mandatory insurance cover as required by the MSE for the Trading Members in the Futures & Options segment and to pay the requisite insurance premium and also to comply with all requirements of the MSE in respect thereof;
27. the Undersigned shall arrange to get itself registered with the relevant Central Excise Authority(ies) for the purpose of service tax, if any;
28. the Undersigned agrees and undertakes that the fees, security deposits, other monies and any additional deposits paid, whether in the form of cash, bank guarantee, securities or otherwise, with MSE, by the Undersigned from time to time, shall be subject to a first and paramount lien for any sum due to MSE and all other claims against the Undersigned for due fulfillment of engagements, obligations and liabilities of the Undersigned arising out of or incidental to any dealings made subject to the Byelaws, Rules and Regulations of MSE. MSE shall be entitled to adjust or appropriate such fees, deposits and other monies for such dues and claims, to the exclusion of the other claims against the Undersigned, without any reference to the Undersigned;
29. the Undersigned shall ensure that the data communication link between the MSE's equipment and Trading Member's Trader Workstation shall be used on point-to-point basis only. The Member shall further ensure the above link will not be connected to any other telecommunication network;
30. the Undersigned shall indemnify MSE / NSEIL against any loss or damage including liabilities arising out of failure to comply with the Clauses above and further agrees to indemnify and keep indemnified MSE against any losses/damages in relation to or arising out of or connected with transaction/dealings with its clients/other counterparties pursuant to trading on the NSE platform.
31. The party of the first part clearly understands that the agreement entered into between the party of the second part and NSE is for a period ending on 26<sup>th</sup> April 2014 and is liable for review thereafter.

The Undersigned do hereby confirm that the information provided in its application form for the Trading Membership of MSE is true and correct to the best of the knowledge and belief of the Undersigned and that the above undertakings will be binding on our successors and permitted assigns of the Undersigned.

Signed and delivered )  
 by the withinnamed )  
 in the presence of ..... )

WITNESSES

Signature

(1) Name :  
 ADDRESS

Signature

(2) NAME :  
 ADDRESS

Before Me

Annexure 3 :

(On Rs.200/- Stamp Paper)

**Clearing Member – Trading Member Agreement**

This agreement is made on this ..... day of .....2009, between MADRAS STOCK EXCHANGE LTD., a company/partnership firm/individual having its registered office at No.30, Second Line Beach, Chennai 600 001 and having SEBI Registration No. INF231351034 (hereinafter called the Clearing Member) which expression shall unless repugnant to the context or meaning thereof include its successors, legal representatives and permitted assigns) and ....., a individual / corporarte, having its registered office/office/residence at ..... and having SEBI Registration No. INF04 \_\_\_\_\_ (hereinafter called the Trading Member) which expression shall unless repugnant to the context or meaning thereof include its successors, legal representatives and permitted assigns).

Whereas

1. .... has been admitted as Trading Member of Futures & Options Segment of Madras Stock Exchange Limited [hereinafter referred to as “MSE”] and is required to clear and settle the deals executed by it /him, either by itself / himself, by becoming Clearing Member of the Madras Stock Exchange Limited [hereinafter referred as “MSE”] or have an arrangement with other Clearing Member through whom the deals could be cleared and settled, in accordance with the Rules, Bye Laws and Regulations of MSE (Futures & Options Segment).
2. Madras Stock Exchange Ltd. has been admitted as Clearing Member of the NSCCL and is authorised to carry on the activities of clearing and settlement of deals/trades (hereinafter referred to as deals) on behalf of Trading members of MSE who have executed deals/trades on the Futures & Options Segment of MSE.
3. The Trading Member desires to clear and settle the deals executed by it /him on the Trading System of MSE through the Clearing Member and accordingly approached the Clearing Member to undertake clearing & settlement of deals and to discharge its duties & obligations towards NSCCL on it / his behalf and the Clearing Member has also agreed to do the same on the terms and conditions contained herein.
4. Now, therefore, this agreement witnesseth as follows:
  1. In consideration of Trading Member agreeing to pay certain fees and charges mentioned herein and abide by the terms and conditions contained in this agreement, Rules, Bye Laws and Regulations of NSCCL and MSE, the Clearing Member undertakes upon itself /himself, to the total exclusion of the Trading Member, the obligation of clearing and settlement of the deals of the Trading Member executed/done on the Futures & Options Segment of the MSE and to do all the acts, deeds and activities incidental to the clearing and settlement of the deals.

## 2. Rights of the Clearing Member

- (1) The Clearing Member shall be entitled to demand/receive from the Trading Member such deposits in such form as it/ he may specify from time to time.
- (2) Without prejudice to the generality of the above, the Trading Member shall place with the Clearing Member an amount of Rs.10,00,000/- as deposit which shall be maintained at any point of time. Subject to the provisions of Bye Laws, Rules and Regulations of NSCCL/MSE, in case of any shortfall in such deposit, the Clearing Member can initiate any action necessary to protect its /his interests in this regard against the Trading Member which may include restriction on further trading and close-out of open positions.
- (3) The Clearing Member shall be entitled to receive such fees, charges, brokerage or commission in respect of various services which it /he renders or agrees to render to the Trading Member from the Trading Member at such intervals as may be mutually agreed upon .
- (4) The Clearing Member shall specify, subject to the requirements prescribed by NSCCL from time to time, the exposure limits upto which open positions can be taken by the Trading Member. Such limits may be increased or reduced by the Clearing Member from time to time. The Clearing Member has the authority to initiate any action necessary to protect its /his interests in this regard which may, inter alia, include restriction on further trading and close-out of open positions of the Trading Member or withdrawal/disablement of trading facility of the Trading Member by making necessary requests to MSE/NSCCL for initiating such action.
- (5) Clearing Member shall be entitled to collect from Trading Member margin(s) of such amounts of such kinds, as he may deem necessary, which at any point of time shall not be less than the amount stipulated by NSCCL from time to time. The Clearing Member shall have authority to collect such additional margin(s) as the Clearing Member may deem necessary or as per the requirement of NSCCL.
- (6) The Clearing Member shall be entitled to receive from the Trading Member such amounts as may be required to be paid towards daily mark to market settlement, final settlement or such other settlement as per the requirement of NSCCL at such intervals as may be mutually agreed upon by them.
- (7) The Clearing Member shall be entitled to receive from the Trading Member a statement containing (i) the details in respect of margin amount, due and paid by the Trading Member to the Clearing Member on his own account, which the Clearing Member had paid to the Clearing Corporation for the purpose of meeting margin requirements and (ii) a list of client codes, names of the clients, client-wise margin amount, collected by the Trading Member from his clients and paid to the Clearing Member, which the Clearing Member had paid to the Clearing Corporation for the purpose of meeting margin requirements. Such statements to be furnished by the Trading Member to the Clearing Member periodically as may be specified by the Clearing Corporation providing the amounts paid by the Trading Member on it /his own account and on behalf of it / his clients shall be conclusive and binding on itself / himself, his Clearing Member and all his clients unless the contrary is proved to the satisfaction of the Clearing Corporation.

(8) The Clearing Member shall have authority to close out/liquidate the open positions of the Trading Member in accordance with the NSCCL Regulations, in the case of non-payment of dues by the Trading Member towards margins, daily mark to market settlement, final settlement or such other settlement, fees, brokerage, commission and/or charges, by making necessary requests to MSE/NSCCL for initiating such action. In such case, any loss arising due to the closing out of open positions will be recovered from the Trading Member.

(9) Without prejudice to clause 8 above, in the event of non-payment of dues by the Trading Member towards margins, daily mark to market settlement, final settlement or such other settlement, fees, charges, brokerage and/or commission, the Clearing Member will have the authority to withdraw or disable the trading facility of the Trading Member by intimation to the NSCCL/MSE.

(10) The Clearing Member shall have the right to require the Trading Member to undertake registration of all his constituents and to comply with the requirements of 'Constituent Registration Form' and 'Risk Disclosure Document'. For this purpose, the Clearing Member shall be entitled to collect such information from the Trading Member about the Trading Member constituents as the Clearing Member may require including the information pertaining to constituents' positions.

(11) The Clearing Member shall have the right to require the Trading Member to allot each constituent a distinct constituent code.

(12) The Clearing Member shall have the right to inspect the books of accounts, records, documents and computerised data of the Trading Member for which Clearing Member shall have free access to the premises occupied by Trading Member or by any other person on his behalf.

### 3.Obligations of the Clearing Member

(1) The Clearing Member shall ensure that the Trading Member collects the margins from it / his constituents on such basis as may be prescribed by NSCCL / MSE from to time.

(2) The money deposited by each Trading Member shall be kept in a separate account by the Clearing Member, distinct from his own account and shall provide the details to MSE / NSCCL.

(3) The Clearing Member shall inform the Trading Member about the exposure limits (including any increase or reduction in such limits) upto which open positions can be taken by the Trading Member.

(4) The Clearing Member shall be liable to pay to the Trading Member such amounts towards daily mark to market settlement, final settlement and such other settlement as per the requirements of NSCCL.

(5) The Clearing Member shall be required to refund any excess margin money to the Trading Member as per mutual agreement.

(6) The Clearing Member shall settle the accounts on a periodical basis as may be mutually agreed between the Clearing Member and the Trading Member which should be in accordance with the Byelaws, Rules & Regulations of NSCCL and MSE.

(7) In the event of default by Clearing Member being declared a defaulter by NSCCL, the money of the clearing member's constituents, trading members own account and trading members' constituents shall remain safe and shall not be utilised to meet the Clearing Members liabilities. In such cases, the positions of the constituents and the trading members except the Trading Member because of whom the Clearing Member has defaulted shall be transferable to some other Clearing Member.

(8) In the event of failure by the Clearing Member in the payment of any dues to the Clearing Corporation as well as Trading Member, the Trading Member shall, with the prior approval of the Clearing Corporation, have the right to transfer his own open positions as well as the open positions of his constituents immediately to another Clearing Member. The Clearing Member shall be obliged to pay to the Trading Member for any costs incurred for transfer of the open positions.

(9) The Clearing Member shall inform NSCCL/MSE in case the Trading Member has defaulted in his payments.

(10) In case the Clearing Member is declared a defaulter by NSCCL and the Trading Member transfers his open positions to some other Clearing Member, the Clearing Member shall be obliged to pay for any costs incurred for transfer of the open positions.

(11) If due to the default of the Clearing Member, the open position of the Trading Member is closed-out and any loss is incurred due to such close-out, the Clearing Member shall reimburse such loss to the Trading Member except to the Trading Member because of whom the Clearing Member has defaulted.

(12) The Clearing Member shall treat the information pertaining to the Trading Member and of the constituents of such Trading Member as confidential. The Clearing Member shall not disclose the same to other Trading Members or any other person except to the governmental, statutory, regulatory or legal authorities on a request made by these authorities in writing.

(13) The Clearing Member shall give a reasonable notice to the Trading Member before undertaking any inspection of books of accounts, records, documents of the Trading Member.

(14) The Clearing Member shall be required to provide reports/statements of mark to market settlement, final settlement or such other settlement, margin amounts and open positions to the Trading Member.

#### 4. Rights of the Trading Member

- (1) The Trading Member shall be entitled to have all the deals, entered into by him on the Futures & Options Segment of MSE/ NSE, cleared and settled through the Clearing Member.
- (2) The Trading Member shall be entitled to receive intimation from the Clearing Member about the exposure limits (including any increase or reduction in such limits) upto which open positions can be taken by the Trading Member.
- (3) The Trading Member shall be entitled to receive reports/statements of mark to market settlement, final settlement or such other settlement, margin amounts and open positions from the Clearing Member.
- (4) The Trading Member shall be entitled to receive from the Clearing Member such amounts towards daily mark to market settlement, final settlement and such other settlement as may required to be paid by the Clearing Member as per the requirement of NSCCL.
- (5) In the event of the Clearing Member being declared a defaulter by NSCCL, the Trading Member, except the Trading Member because of whom the Clearing Member has defaulted, shall be entitled to transfer its / his open positions to some other Clearing Member and recover any costs incurred for such transfers from the Clearing Member.
- (6) In the event of failure by the Clearing Member in the payment of any dues to the Clearing Corporation as well as Trading Member, the Trading Member shall, with the prior approval of the Clearing Corporation, have the right to transfer his own open positions as well as the open positions of his constituents immediately to another Clearing Member. The Trading Member shall also have the right to recover from Clearing Member any costs incurred for transfer of the open positions.
- (7) In case the open position of the Trading Member is closed-out due to the default of the Clearing Member, the Trading Member, except the Trading Member because of whom the Clearing Member has defaulted, shall be entitled to recover such loss from the Clearing Member.
- (8) The Trading Member shall be entitled to receive intimation from the Clearing Member before the Clearing Member undertakes inspecting books of accounts, records, documents of the Trading Member.

#### 5. Obligations of the Trading Member

- (1) The Trading Member shall pay to the Clearing Member such deposits in such form as the Clearing Member may specify from time to time.
- (2) Without prejudice to the generality of the above, the Trading Member shall place with the Clearing Member an amount of Rs.10,00,000/- as deposit which shall be maintained at any point of time. Subject to the provisions of Bye Laws, Rules and Regulations of the NSCCL/MSE, the Clearing Member can initiate any action necessary to protect it / his interest in this regard against

the Trading Member which may include restriction on further trading and close-out of open positions.

(3) The Trading Member shall pay to the Clearing Member such fees, charges, brokerage or commission in respect of various services which he renders or agrees to render to the trading member at such intervals as may be mutually agreed upon by them.

(4) The Trading Member shall pay to the Clearing Member margins of such amounts as may be prescribed by NSCCL from time to time including additional margins, if any, or such higher amount of margins as may be mutually agreed with the Clearing Member. The margins shall be deposited by the Trading Member within such time and in such form as may be specified by the Clearing Member.

(5) The Trading Member shall collect the margins from his constituents on a gross basis.

(6) The Trading Member shall be liable to pay to the Clearing Member such amounts towards daily mark to market settlement, final settlement and such other settlement as per the requirement of NSCCL at such intervals as may be mutually agreed upon by them.

(7) The Trading Member shall submit to the Clearing Member a statement containing (i) the details in respect of margin amount, due and paid by the Trading Member to the Clearing Member on his own account, which the Clearing Member had paid to the Clearing Corporation for the purpose of meeting margin requirements and (ii) a list of client codes, names of the clients, client-wise margin amount, collected by the Trading Member from his clients and paid to the Clearing Member, which the Clearing Member had paid to the Clearing Corporation for the purpose of meeting margin requirements. Such statements to be furnished by the Trading Member to the Clearing Member periodically as may be specified by the Clearing Corporation providing the amounts paid by the trading member on his own account and on behalf of his clients shall be conclusive and binding on himself, his Clearing Member and all his clients unless the contrary is proved to the satisfaction of the Clearing Corporation.

(8) The accounts shall be settled on a periodical basis as may be mutually agreed between the Clearing Member and the Trading Member which should be in accordance with the Byelaws, Rules & Regulations of NSCCL / MSE.

(9) The Trading Member shall be obliged to reimburse any loss caused due to the closing out / liquidation of his open positions by the Clearing Member, in the case of non-payment of dues by the Trading Member towards margins, daily mark to market settlement, final settlement or such other settlement, fees, charges, brokerage, commission, penalties and expenses.

(10) The Trading Member shall do all such acts, deeds and activities which are necessary for the purpose of complying with the Rules, Bye Laws & Regulations of NSCCL by the Clearing Member / MSE

(11) The Trading Member shall issue a Constituent Registration Form and a Risk Disclosure Document before accepting or placing orders on behalf of the Constituents and provide such details to the Clearing Member.

(12) The Trading Member shall allot each constituent a distinct constituent code.

(13) The Trading Member shall provide such information about his constituents as the Clearing Member may require including the information pertaining to constituents' positions.

(14) The Trading Member shall maintain separate bank accounts to distinguish the (i) moneys received from or on account of and moneys paid to or on account of each of his constituents; and (ii) the moneys received and paid on member's own account and provide such details to the Clearing Member. The moneys belonging to one constituent shall not be utilised for meeting the obligations of the Trading Member or some other constituent.

(15) The Trading Member shall keep such books of accounts as will be necessary to distinguish the (i) moneys received from or on account of and moneys paid to or on account of each of his constituents; and (ii) the moneys received and paid on member's own account and provide such details to the Clearing Member.

(16) The Trading Member hereby agrees and undertakes to do all things, which may be necessary in order to transfer his constituents positions to the clearing member or another Trading Member in the event of his default. The Trading Member shall be obliged to pay for any costs incurred for transfer of open positions. In such case, the constituent money shall remain safe and shall not be utilized to meet the Trading Member's liabilities. In the event of default due to failure of a specific constituent to fulfill his obligation, the money of other constituents shall remain safe and can not be utilized to meet the obligation of the defaulting constituent.

(17) If due to the default of the Trading Member, the open position of the Trading Member is closed-out and any loss is incurred due to such close-out, the Trading Member shall reimburse such loss to the Clearing Member.

(18) The Trading Member shall allow the Clearing Member to have free access to the premises occupied by him or by any other person on his behalf and also extend reasonable facilities for examining any books, records, documents and computerised data in his possession.

## 6. Termination of the Agreement

The agreement entered into between the Clearing Member and the Constituent shall stand terminated by mutual consent of the parties by giving at least one month written notice. Such cancellation or termination shall not have any effect on transaction executed before the date of termination and the parties shall enjoy the same rights and shall have same obligations in respect of such transactions.

## 7. Notice

Any communication between the Clearing Member and Trading Member shall be made in any one or more of the following ways:

- (a) delivering it by post
- (b) sending it by registered post
- (c) sending it under certificate of posting
- (d) sending it by express delivery post / courier services.
- (e) sending it by telegram
- (f) affixing it on the door at the last known business or residential address
- (g) advertising it at least once in any prominent daily newspaper
- (h) sending a message through the Trading System
- (i) an electronic mail or fax

#### 8. Force Majeure

No liability shall result to either party for delay in performance or non-performance of the obligations under the agreement caused or contributed to by any event of force majeure. For purposes of this Clause, "Force Majeure" means and includes wars, insurrections, revolution, fires, floods, epidemic, quarantine restrictions, declared general strikes in relevant industries, act of God, act of governmental, statutory, regulatory or legal authority and such other acts or events beyond the control of the non-performing party.

#### 9. No assignment

Neither party shall be entitled to assign or otherwise transfer this agreement or any benefits, rights, obligations or interests herein whether in whole or in part to any other agency without the prior written consent of the other.

#### 10. Supersession

This agreement shall supersede all previous communications between the Clearing Member and Trading Member with respect to clearing and settlement of deals, both oral or written, and the provisions herein contained shall not be omitted, added to, modified or amended in any manner except in writing and signed by both the parties hereof.

#### 11. Non-waiver

No forbearance, delay or indulgence by either party in enforcing the provisions of this Agreement shall prejudice or restrict the rights of that party nor shall any waiver of its rights operate as a waiver of any subsequent breach and no rights, powers, remedies herein conferred upon or reserved for either party is exclusive of any other right, power or remedy available to that party and each right, power or remedy shall be cumulative.

#### 12. Arbitration

(1) All disputes, differences or questions arising out of or in relation to the agreement including the interpretation of the terms contained herein or in the Rules, Bye Laws and Regulations of NSCCL/MSE or in regard to the obligations, failure or breach thereof by any of the parties and/or of any matter whatsoever arising out of the Agreement, shall in the first instance be resolved mutually by the parties.

(2) If the parties fail to resolve the same mutually, then the same shall be referred to the arbitration in accordance with the Rules, Bye Laws and Regulations of NSCCL/MSE.

### 13. Jurisdiction

This agreement shall be subject to the exclusive jurisdiction of the courts in Chennai.

IN WITNESS THEREOF, the parties to agreement have caused these presents to be executed as of the day and year first above written.

Signed for and on behalf of  
CLEARING MEMBER :  
By :  
Signature :  
Title :  
Witness :

Signed for an on behalf of  
TRADING MEMBER :  
By :  
Signature :  
Title :  
Witness :

**Annexure 5:**

(On the Letterhead of the Trading Member)

**APPLICATION FOR APPROVAL AS USER IN FUTURES & OPTIONS**

To  
Membership Department  
Madras Stock Exchange Limited  
Exchange Bldg., 30 Second Line Beach  
Chennai 600 001

Dear Sir,

I/We, ..... (Name of Trading Member) do hereby communicate to you that Mr..... (Name of User) has been appointed by us as an Authorised Person at our trading office situated at ..... where we have the VSAT / Leased Line connectivity. We further desire that Mr..... be granted permission to act as our Approved USER at the above said office for our trading terminals in the Capital Market / Futures & Options / Wholesale Debt Market Segment. The details of the office where the terminal is located and other relevant details are furnished below.

1. SEBI Registration No. : INB
2. Our Registered Office address as on date :
3. Status and Address of the office where terminal is located :
4. Name of and designation of the person in-charge of the above office :

**DETAILS OF THE PROPOSED USER**

5. Name of the person for whom this application for allotment of User is made (*expand all initials*) :
6. Date of birth :
7. Father's name :
8. Permanent Address :

9. Present Address

10. Qualification

11. Type of User : Trader  Inquiry  Privilege   
(applicable for WDM segment only)

Registration No. of the  
NCFM test (copy enclosed) :

DD	MM	YYYY
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12. Validity Date of NCFM

12A Name of the proposed user with corporate manager role:  
Name of proposed user with dealer role :

13. Relationship of the proposed USER with the Trading  
Member / Regd. sub-broker (i.e. an employee, agent on  
commission basis, trainee, others (pls. specify) and \_\_\_\_\_

Period from which the relation commenced : \_\_\_\_\_

**If the said Approved User is a registered sub-broker / representative of sub-broker  
(applicable for Capital Market Segment only)**

14. Name of Registered Sub-broker :

15. Nature of representation with sub-broker (if the proposed  
is not the sub-broker) :

16. SEBI Registration No. of the sub-broker :

17. Name and designation of contact person in office  
of the sub-broker :

18. Mode of connectivity for trading from the said premises : VSAT ID \_\_\_\_\_  
(from where the proposed User would operate) Leased Line ID \_\_\_\_\_

19. No. of existing terminals at the above VSAT / LL Id: Capital Market \_\_\_\_\_  
F&O \_\_\_\_\_

20. We hereby confirm that the following have already been installed by us for the new  
Trader Workstation for which this facility is being sought.

Sr.No.	Particulars	Yes / No
1.*	PC with following configuration	

A	Pentium 166 Mhz MMX or above	
B	32 MB RAM	
C	512 KB cache memory	
D	Min. 2.1 GB Hard Disk Drive	
E	525 KB conventional memory	
F	32 Bit LAN Card	
G	Operating System (Windows NT 4 Workstation)	
H	Eicon card drivers for client machine for Windows NT	
2	Client Machine connected to the Server on LAN	

\* Note: As per NSE Circular No: NSE/SYST/00526 dated May 19, 1998

I/We hereby agree and bind myself/ourselves to be responsible for all acts, quotations made and transactions done, trades made, or effected by Mr..... as our Approved User on the Trading System on the Capital Market / Wholesale Debt Market / Futures & Options Segment of the National Stock Exchange. I/We shall ensure that he/she will not execute any order on his/her own account or on account of anyone without such order having my/our prior approval in writing. We shall ensure that the proposed Approved User Mr..... will not function / place orders / deal on the trading system in any manner that would represent that the trades have been placed as a sub-broker unless he is a SEBI registered sub-broker. In case of Mr. .... ceasing to be associated with us as ....., we shall communicate to you and seek the disablement of the User ID so allotted against this application. We are also aware that the NCFM certificate has a validity of \_\_\_\_\_ years and accordingly the User IDs so allotted would be withdrawn by the Exchange on the expiry of such period unless the said certification is revalidated. I / We certify that we have not applied for any other User ID in the name of Mr..... on the same segment for which this ID's now being applied for. The User ID so allotted would be utilized by Mr..... only to access the NEAT trading system.

**Date:** \_\_\_\_\_

**Place: Stamp & Signature of the authorised representative of the Trading Member**

I hereby declare that I am aware about the Rules, Regulations and Bye-laws and Circulars issued thereunder by the Exchange. I agree to become a User of M/s ..... (name of Trading Member). I would intimate the Exchange on ceasing to be an employee / User of M/s ..... (name of the trading member). I hereby agree to abide by the Rules, Regulations and Bye-laws and Circulars issued by the Exchange that may be in force from time to time and understand that appropriate action may be initiated by the Exchange in case of violation of the Rules, Regulations and Bye-laws and Circulars issued by the Exchange. I certify that I have not applied for any other User ID on the same segment for which this ID's now being applied for. I will not allow anybody else to access / use the NEAT Trading System using the User ID so allotted to me.

Date:

\_\_\_\_\_  
Name and signature of User

**"FORM AA"**

*SECURITIES AND EXCHANGE BOARD OF INDIA  
(STOCK BROKERS AND SUB-BROKERS) REGULATIONS, 1992  
(REGULATION 16A)*

*APPLICATION FORM FOR REGISTRATION AS TRADING AND/OR  
CLEARING MEMBER WITH SECURITIES AND EXCHANGE BOARD OF  
INDIA*

1. *Name of the Derivatives Exchange/Segment/Clearing Corporation/Clearing House of which the applicant is the member. Please furnish the tenure of membership.*

**MADRAS STOCK EXCHANGE LTD.**

2. *Name of the Member with Code No.*

3. *Whether the applicant is to act as Trading member and/or Clearing member and/or Self Clearing Member*

**TRADING MEMBER**

4. *If the applicant is to act as Trading member, the applicant to furnish the name and details of the Clearing member, through whom, he intend to clear and settle his trade*

**CLEARING MEMBER – MADRAS STOCK EXCHANGE LTD.**

5. *Address of the Member*

6. *Trade Name of Member*

7. *Form of Organisation: Sole proprietorship/Partnership/Corporate body/Financial institution (Please give names of proprietor/partners/directors).*

8. *Please furnish a copy of Memorandum and Articles of Association or the Partnership Deed, as the case may be.*

9. *Educational Qualifications of proprietor/partners/directors, etc.*

10. *Whether the applicant or its sales personnel or approved user has passed any certification programme? If so, please specify the detail.*

11. *The experience of the applicant or their two directors or partners in derivatives trading or securities market, if so, please give details*

***APPLICANT IS A MEMBER OF MADRAS STOCK EXCHANGE LTD. FROM***

12. *Date of admission to membership to the derivatives exchange or derivatives segment/Clearing Corporation/Clearing House.*

13. *Whether member of more than one exchange or derivatives segment or clearing corporation or clearing house of any segment? If so, please give name(s) of the Clearing Corporation/clearing house, or any stock exchange(s) with code number(s)?*

14. *Networth of the applicant. Please furnish details along with necessary documents in support thereof.*  
***Rs. ....(AS ON )***

15. *Whether the applicant or its director or partners, any time convicted of any economic offence? If so, please furnish the details?*

***NO***

16. *Whether the applicant or its directors or partners, declared insolvent/bankrupt or declared defaulter by any exchange? If so, please furnish details?*

***NO***

17. *Whether the applicant or its directors or partners anytime subjected to any proceedings or penalty by the Board under SEBI Act or any of the regulations framed under the SEBI Act? If so, please furnish the details.*

***NO***

18. *Indicate fax, telex and phone number(s). PH:*  
*FAX :*

19. *Whether the application is accompanied by a requisite fee as per Schedule IV of the Regulations as applicable to the applicant.*

*I declare that the information given in this form is true and in the event of any information furnished is false, misleading or suppression of facts, my certificate of registration is liable to be cancelled by SEBI without assigning any reasons whatsoever.*

*Dated:*

*Signature with seal :*

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*Recommendation of the derivatives exchange/derivatives segment, clearing corporation/House*

*This is to certify that ..... is a member of this Derivatives Exchange/Derivatives Segment or Clearing Corporation or Clearing House and is recommended for registration with the Securities and Exchange Board of India.*

*Signature :*

*Name :*

*Designation :*

***Undertaking for Non-introduction of fake/forged shares***

**UNDERTAKING**

*( To be given on the letterhead of the company)*

We, \_\_\_\_\_ hereby declare that we have not, at any point, introduced any fake / forged/ stolen shares in the market.

*(To be Stamped & Signed by authorised signatories)*

*Date:*

**UNDERTAKING**

*( To be given on the letterhead of the company)*

We / I, ....., Proprietor / Director of M/s....., hereby declare that we have neither been declared defaulters by any Exchange in India/ by SEBI, nor are we related or associated with any other entity/person who have been declared defaulters by any Stock Exchange in India/SEBI.

We/ I, ..... further declare that none of the shareholders and directors of our company have been declared as defaulters by any Stock Exchange in India/SEBI or are related or associated with any other entity/person who have been declared defaulters by any Stock Exchange in India/SEBI.

I / We further declare that no enquiry/investigation has been initiated/pending against M/s..... or any of the shareholders/directors by any Stock Exchange/SEBI.

*(To be Stamped & Signed by authorised signatories)*

*Date:*

***Undertaking for Fit and Proper person***

**UNDERTAKING**

*(To be given on the letterhead of the company)*

I / We, M/s \_\_\_\_\_ (name of the applicant) hereby declare that I/we am/are 'fit and proper person' as per SEBI (Criteria for Fit and Person) Regulations, 2004 and SEBI (Stock Brokers & Sub-brokers) Regulations, 1992. We confirm the following in this regard:

(a) the applicant or the intermediary, as the case may be or its whole time director or managing partner has not been convicted by a Court for any offence involving moral turpitude, economic offence, securities laws or fraud;

(b) no order for winding up has been passed against the applicant or the intermediary;

(c) the applicant or the intermediary, or its whole time director, or managing partner has not been declared insolvent and has been discharged;

(d) no order, other than an order of suspension of certificate of registration as an intermediary, restraining, prohibiting or debaring the applicant or the intermediary, or its whole time director or managing partner from dealing in securities in the capital market or from accessing the capital market has been passed by the Board or any other regulatory authority wherein a period of three years from the date of the expiry of the period specified in the order has not elapsed;

(e) no order canceling the certificate of registration of the applicant or the intermediary has been passed by the Board on the ground of its indulging in insider trading, fraudulent and unfair trade practices or market manipulation wherein a period of three years from the date of the order has not elapsed;

(f) no order withdrawing or refusing to grant any license / approval to the applicant or the intermediary, or its whole time director or managing partner which has a bearing on the capital market, has been passed by the Board or any other regulatory authority wherein a period of three years from the date of the order has not elapsed;

(g) the applicant or the intermediary, is financially sound;

(h) there is no other reason, recorded in writing by the Board, which in the opinion of the Board, renders such applicant or the intermediary, or its whole time director or managing partner unfit to operate in the capital market.

For \_\_\_\_\_ (Name of Applicant Member)

For \_\_\_\_\_ (Name of Applicant Member)

Name of the Designated Director

Name of the Designated Director

**Note:**

- 1. Undertaking to be stamped & signed by the proprietor or two designated directors/partners as applicable.*
- 2. In case the applicant wishes to furnish any details pertaining to the above mentioned confirmations, the same can be provided as annexure (duly stamped and signed by the authorised signatories) to the undertaking.*

Date:

Place:

To,  
Madras Stock Exchange Ltd.  
No.30 Second Line Beach  
Chennai 600001

Date:

Dear Sir,

Sub: Application for New membership.

I / We / M/s \_\_\_\_\_, hereby confirm that the following:-

- a) No disciplinary action was taken against the company/Director(s) / Proprietor of company / firm by SEBI.
- b) No disciplinary action was taken against the Director(s) / Proprietor by any other authority.
- c) No disciplinary action was initiated against Director(s) / company / Proprietor by SEBI.
- d) No disciplinary action was initiated against the company / Director(s) / Proprietor by any other authority.
- e) None of the Director(s) / the Proprietor of the company was/were debarred and/or no action was initiated against them by the SEBI from associating from the capital market and the firm undertakes that it will not appoint any such person/s, in future as Director(s)/ Authorised Signatory of the company.
- f) Necessary infrastructure like adequate office space, equipments and man power to effectively discharge his activities is available with us.
- g) As long as the company is engaged in stock broking as a member of any recognized Stock Exchange in India, it will engage itself in only such business as a member of a recognized Stock Exchange is permitted to engage in under the securities and contracts (Regulation) Rules, 1957, and the Rules, Bye-laws & regulations of the Stock Exchange.

Further, we are aware and acknowledge that if we engage in any other business the Exchange will be entitled to take disciplinary action (including fine, suspension &/or expulsion) against us.

For M/s .....

(Signed by the designated director / proprietor).....

*Undertaking confirming the eligibility requirements of designated directors/Proprietor*

**PART A TO WHOMSOEVER IT MAY CONCERN**

*(To be certified by a practicing chartered accountant/ practicing company secretary)*

This is with reference to the application of M/s \_\_\_\_\_ (*applicant company*) for seeking provisional membership of the Exchange and subsequent application for registration of application with SEBI in Capital Market/ F&O segment.

Based on the information, explanation and documents given to us, we state that the designated directors Mr./Ms. \_\_\_\_\_ and Mr./Ms. \_\_\_\_\_ (*names of designated directors*) or Mr..... Proprietor, meet the eligibility requirements as prescribed in Securities Contracts (Regulation) Rules, 1957 (Rule 8(4A) and other relevant provisions) and SEBI (Stock Brokers & Sub-brokers) Regulations, 1992.

This confirmation has been issued on the request of the applicant company / firm for submitting to the MSE / SEBI.

For M/s  
Chartered Accountant

Stamp and Signature  
Membership No.

Place :

Date :

**PART B TO WHOMSOEVER IT MAY CONCERN**

*(To be stamped and signed by authorised signatories/company secretary of applicant corporate)*

We, M/s \_\_\_\_\_ hereby confirm that our designated directors / Proprietor Mr./Ms. \_\_\_\_\_ and Mr./Ms. \_\_\_\_\_ meet the eligibility requirements as prescribed in Securities Contracts (Regulation) Rules, 1957 (Rule 8(4A) and other relevant provisions) and SEBI (Stock Brokers & Sub-brokers) Regulations, 1992.

We undertake to ensure that the above individuals or whosoever is identified by the corporate as designated directors, in future, till the time corporate is registered as a member or the Exchange will continue to meet the eligibility requirements as per Securities Contracts (Regulation) Rules, 1957 and SEBI (Stock Brokers & Sub-brokers) Regulations, 1992.

For M/s  
*(name of applicant company)*

Stamp and Signature

Place :

Date :

(on the letterhead of the applicant)

**DECLARATION REGARDING ASSOCIATION / NON-ASSOCIATION WITH OTHER  
RECOGNIZED STOCK EXCHANGES / COMMODITY EXCHANGES**

I / We / M/s (*Name of applicant*), hereby declare the following:

(a) Are you a member of any other recognized Stock Exchange(s) or Commodity Exchange(s)?

YES

NO

(b) In case yes, kindly provide the following details:

<b>Sr. No</b>	<b>Name of Exchange</b>	<b>Trading segment</b>	<b>Authority granting registration</b>	<b>Registration number</b>	<b>Registration date</b>

For M/s  
(*name of company*)

Stamp and Signature

Place :

Date :

**DECLARATION**

I / We, ..... hereby declare that SEBI has not initiated any enquiry / adjudication / prosecution or any other action including consent proceedings, administrative warning, caution or advisory letter, etc. against us or any of our associate company or any of its directors.

Place:

Signature of the Authorised  
Signatory and seal of the company

Date

**DOCUMENTS FOR F&O SEBI REGISTRATION TO BE SUBMITTED IN THE FOLLOWING ORDER**

<b>SR. NO.</b>	<b>PARTICULARS</b>
1	Covering letter of the member enclosing list of documents/details etc along with the checklist mentioned below
2	FORM - AA (separate forms need to be filled for trading membership and clearing/self clearing membership). ( ).
3	Networth Certificate alongwith computation certified by auditors. (to be as L. C. Gupta Committee)
4	Details of Directors in C-3 format
5	Experience certificate of ALL directors as mentioned in C-3.
6	Proof of educational qualification of designated directors as mentioned in C-3
7	Details of shareholding in C-6 format
8	2 NCFM / equivalent test Certificates (Passed and valid) - (certified true copies) with validity of atleast next 6 months
9	Clearing Member confirmation
10	Non-defaulter undertaking (dated and signed)
11	Copy of MOA in case of corporate member
12	In case of existing member, Proof and Confirmation whether fees are paid (as on end of the month): 1. under revised Schedule III/Schedule III A (if opted) for cash segment 2. under revised Schedule IV for derivatives segment. The same is not required in case of new member.
13	Undertaking confirming the eligibility requirements of designated directors (dated and signed)
14	Fit and Proper Person undertaking & other requirements undertaking
15	Fake and Forged shares undertaking
16	Undertaking reg. Association / Non-association with other Exchanges
	<b>Points to be verified specifically</b>
A	Form AA – to be given on plain paper
b	Form - AA - Clause (1) Name of the Stock Exchange to be mentioned as MSE for trading membership and for Clearing Member /Self Clearing Member name to be mentioned as NSCCL

c	Form AA - Clause (2) Name of the trading member with SEBI registration no. for CM segment, for new members no code no. is to be mentioned
d	Form - AA Clause (3) to mention name of "TM / TM + CM / TM + SCM / CM / SCM"
e	Form AA - Clause (4) to mention name of the clearing member. For SCM / CM - " applied for CM/ SCM"
f	Form - AA Clause (7) Names of all the directors / partners should be mentioned and the same should be as given in C3 Or reference may be given to C3
h	Form AA - Clause (10) names of dealers who have cleared NCFM Derivatives to be give and their certificates to be enclosed along with the copies of certificate duly certified.
i	Form AA - Clause (11) names of designated directors to be given with their experience
j	Form - AA Clause (12) Date of admission mentioned (date of approval as mentioned in offer letter)
k	Form AA - Clause (19) to mention "Yes" or give details of DD
l	NCFM dealer certificates enclosed should be valid and details like name registration number, score, validity should be clear
m	Form AA should be dated and signed by authorized directors/partners with seal of company and initialed on all pages
n	'Recommendation of the Exchange' should be immediately after the declaration of the trading member and not on a separate page.