

Nepal Derivative Exchange Limited
Membership Documentation for Body Corporates

Checklist:

Sr.No	Annexure	Particular	Compliance (Yes/No)
1.	A1	Covering letter of the member enclosing list of documents/details/DD etc	
2.	-	Application form	
3.	A2	Board Resolution to take the Membership of the Exchange	
4.	A3	Certificate of Net Worth supporting with Balance Sheet and P&L account (Not more than 6 months old)	
5.	A4	Details of Directors	
6.	A5	No other membership Undertaking (To be submitted for each of the Designated Directors)	
7.	A6	Details of shareholding pattern	
8.	A7	Details of Dominant Promoter Group	
9.	A8	Details of foreign Holding	
10.	A9	Undertaking for foreign holding (if applicable)	
11.	-	Demand Draft/Pay order/at par cheque drawn in favour of “Nepal Derivative Exchange Limited ” payable at Tinkune towards membership fees and deposits	
12.	-	Proof of Bank account in the name of Body Corporate (Please enclose Bank Pass Book / Latest Bank Statement not older than 3 months)	
13.	-	Address Proof of the Company (Telephone Bill/ Electricity Bill/ copy of Form 18 filed with ROC)	
14.	-		

		Certified true copy of PAN Card of the Company	
15.	-	Certified true copy of PAN Card of all the Directors, Bio-data with complete details of Education & Experience and Residence proof of all Designated Directors	
16	-	Photographs of all the Designated Directors	

Sr.No	Annexure	Particular	Compliance
17.	-	Certified true copies of latest Annual Report	
18.	-	Certified true copy of certificate of incorporation / Registration documents/ Memorandum and Articles of Association or its equivalent.	
19.	A10	Declaration of Directors	
20.	A11	FMC Member Registration Form(MR Form)	
21.	A12	Business Undertaking	

Please feel free to write to us for queries, if any:

Membership Department
Nepal Derivative Exchange Ltd

Tinkune,Subidhanagar,Kathmandu,Nepal

Email: membership@ndex.com.np

Website: www.ndex.com.np

Annexure A1: Covering Letter

(On the letterhead of Applicant)

Date:

To
Membership Department
Nepal Derivative Exchange Ltd
Tinkune, Subidhanagar, Kathmandu, Nepal
Email: membership@ndex.com.np
Website: www.ndex.com.np

Dear Sir/Madam,

Subject: Application for Membership with Nepal Derivative Exchange Limited.

We are interested to become the Institutional Trading-Cum-Clearing Member of Nepal **Derivative Exchange Limited** and forward herewith application form along with documents for approval of membership with **Nepal Derivative Exchange Limited**.

We undertake to confirm to and to abide by the Rules, Bye-Laws, Business Rules, Regulations, Circulars, Notifications and office orders issued by the Exchange from time to time.

Thanking You.

Yours faithfully,

For (Name of applicant)

1. Authorized Signatory
(Designated Director)

2. Authorized Signatory
(Designated Director)

Company stamp

Annexure A2: Certified Copy of Resolution

(On letter-head of Applicant)

Certified Copy of the resolution passed by the Board of Directors at their meeting held on , 11/12

Membership of Nepal Derivative Exchange Limited

'Resolved that the consent of the Board be and is hereby granted to Company to obtain membership of Nepal Derivative Exchange Limited under the category of Institutional Trading-Cum-Clearing Member.

Resolved further that the Board hereby designates Mr. /Ms -----
____ and Mr./Ms ____ to be the authorized representatives of the company and they are hereby authorized to act as designated director / representatives on behalf of the company for all matters related to membership of Nepal Derivative Exchange Ltd

Resolved Further that Mr. /Ms ____ (name with designation) AND/OR Mr. /Ms (name with designation) of the company are also authorized to execute individually / jointly all documents / agreements on behalf of the company for acquiring the membership and operations of Nepal Derivative Exchange Limited and all the acts done or to be done by Mr./Ms AND/OR Mr./Ms of the company shall be binding on the company.'

For

Chairman / Director / Company Secretary

Place:

(On letter-head of Applicant)

Specimen Signatures

Name of Authorized Signatory	Specimen Signature

Annexure A3: Net worth Certificate

Certificate date: -----

Submitted by:-----

CERTIFICATE

(To be given by a practicing Chartered Accountant)

This is to certify that the Net worth of Mr. /Ms. __ as on _ as per the statement of computation of even date annexed to this report is Rupees ____ only).

We further certify 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.

Place:

Date:

For (Name of Accounting Firm)

Name Partner/Proprietor

Membership Number

Company Stamp

Detailed computation to be attached to this certificate.

Composition of Net worth of the Members

Composition of Net worth of the Members

The Members will have the option of computing their net worth as per any of the two methods given below. However, once a 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 the Exchange.

Method 1:

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

Paid Up Capital*	
Net Worth calculated as follow	
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.

Place: _____

Date: _____

For (Name of Accounting Firm)

Name Partner/Proprietor

Membership Number

Company Stamp

Method 2		
Sr no	By valuation of assets on the following basis	Amount
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) (Detailed list to be enclosed)	
E.	Margin of 50% on (D)	
F.	Net value of unlisted Investments (D) – (E)	
G.	Other Investments (at cost) with PPF and NSC at current value, Statutory deposits with Ace, 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 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)	

Place: _____

Date: _____

For (Name of Accounting Firm)

Name Partner/Proprietor

Membership Number

Company Stamp

Notes:

1. Valuation of fixed assets for the consideration of net worth would have to be certified by government approved values which should not be more than 2 years old. Only those items of land & building that are in the name of the member as well as in the possession of the member shall be included under the head (I) - Land & Building component of the Fixed Assets. Those properties that are 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 capitalized 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 capitalization 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, are to be excluded for the purpose of computation of net worth.

Annexure A5: No other membership undertaking

Format of Undertaking – Corporate Entity

(To be given by the Member on his letterhead and to be signed by the Designated Director and put the Company stamp of the company)

Date:

To
Membership Department
Nepal Derivative Exchange Ltd
Tinkune, Subidhanagar, Kathmandu, Nepal

Email: membership@ndex.com.np

Website: www.ndex.com.np

Dear Sir/Madam,

We have applied for the membership of the Nepal Derivative Exchange Limited (NDEX) in the name and style of “_”

I, -----(name of designated director), Nepali national, has been appointed as designated director in the above stated entity of the NDEX hereby confirms that I am not Proprietor / Karta / Designated Partner / Designated Director in any other entity having the membership of the NDEX.

Further I / We confirm that I / We satisfies the eligibility criteria in terms of provisions of the Rules, Bye-Laws, Business Rules and Circulars issued from time to time if any of the NDEX.

I / We declare that the information given above is true.

Yours faithfully,

For (Name of the Member)

Signature of the Designated Director
Name:

Place:

Annexure A6: Shareholding Pattern

(On letter-head of applicant)

Date: _____

To
Membership Department
Nepal Derivative Exchange Ltd
Tinkune, Subidhanagar, Kathmandu, Nepal
Email: membership@ndex.com.np
Website: www.ndex.com.np

Shareholding _____ Pattern _____ of
M/s _____
as on _____ Paid Up Capital Rs. _____

Equity/ Preference (Please indicate and use separate sheets for equity/ preference shares)

Sr. No.	Name of the shareholder	Number of shares held	Face value per share	Amt Paid up (Rs.)	% of total

1. _____
Signature of Designated Director

2. _____
Signature of Designated Director

Company Stamp

Please take signatures and stamp of Designated Director & Chartered Accountant on this page

Sr. No	Name of the shareholder	Number of shares held	Face value per share	Amt Paid up (Rs.)	% of total

NOTES:

1. In case of body corporate holding 20 % or more of the paid up capital in the member entity, the details of their shareholding shall also be furnished in the same format as given above

Date: _____

Place: _____

1. _____
Signature of Designated Director

2. _____
Signature of Designated Director

Company Stamp

Company Stamp

Please take signatures and stamp of Designated Director & Chartered Accountant on this page

CERTIFICATE

(To be given by a practicing Chartered Accountant)

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 Partner/Proprietor

Membership Number

Company stamp

Annexure A7: Dominant Promoter Group

(On letter-head of applicant)

Date: _____

To
Membership Department
Nepal Derivative Exchange Ltd
Tinkune, Subidhanagar, Kathmandu, Nepal
Email: membership@ndex.com.np
Website: www.ndex.com.np

Details of Dominant Promoter Group as on _____

Sr. No	Name of dominant shareholder	Name of person (s) supporting dominant shareholder	Relation \$	No of shares held	Total Amt paid up capital	% of Total		% of Total
						Self	Relative	
1.								
2.								

1. Authorized Signatory
(Designated Director)

2. Authorized Signatory
(Designated Director)

Company Stamp

Sr.No	Name of dominant shareholder	Name of person supporting dominant shareholder	Relation \$	No of shares held	Total Amt paid up capital	% of Total		% of Total
						Self	Relative	
3.								
4.								

Notes:

1. 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 and sisters only may also be counted provided these relatives have given an irrevocable, unconditional support in writing in the prescribed format to the Exchange.

\$ Please specify relation of person supporting dominant shareholder

Date: _____

Place: _____

1. Authorized Signatory
(Designated Director)

2. Authorized Signatory
(Designated Director)

Company Stamp

**Undertaking from relative of persons constituting Dominant Promoter Group
(If applicable)**

I, Mr. /Ms. /Mrs.----- , son/daughter/wife of Mr.----- , resident of _ 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.

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

This support is irrevocable and I also undertake to give prior information to Nepal Derivative Exchange Limited before selling or otherwise transferring any part or whole of my above mentioned shareholding.

Signature

(Name of the Relative of Persons constituting DPG)

Date:

WITNESSED BY:

(1) Name:

(2) Name:

Address:

Address:

Signature:

Signature:

Place

Place:

Date:

Date

Note: For arriving at the sharing of persons constituting the Dominant promoter group, the sharing 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

**Undertaking from Body corporate supporting Dominant Promoter Group
(if applicable)**

We, M/s. Limited, incorporated as a Company under the Companies Act, 2063 and having its registered office at _____ do state as under:

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

Signature

Name of the Director:

Date:

WITNESSED BY:

(1) Name:

(2) Name:

Address:

Address:

Signature:

Signature:

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

Annexure A8: Details of foreign holding

**Details of foreign holding
(On letter head of the member)**

Date: _____

To
Membership Department
Nepal Derivative Exchange Ltd
Tinkune, Subidhanagar, Kathmandu, Nepal
Email: membership@ndex.com.np
Website: www.ndex.com.np

Dear Sir/Madam,

Subject: Details of foreign holding

Name of Applicant					
Sr.No	Name of Foreign Holder	Nature/Type of foreign holde	No of shares hel	Amt paid up in Rs	% of holding
1.					
2.					
3.					

In case your company is a subsidiary company, then the foreign holdings of your (ultimate) parent/holding company is also to be furnished
* Please specify whether the holder is 1) Foreign Company 2) Foreign Individual 3) Non-Resident Nepali (NRN) Overseas Corporate Body (OCB) 5) Foreign Direct Investment(FDI) 6) Person of Nepali Origin (PNO) 7) Non Resident Limited Liability Partnership.

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

Thanking you,

For (Trade Name)

Authorized Signatory

(Name of Designated Director)
Company Stamp

Authorized Signatory

(Name of Designated Director)
Company Stamp

Annexure A9: Undertaking for foreign holding

Format of Foreign Holding Undertaking
(on the Letterhead of the Member)

Date:

To
Membership Department
Nepal Derivative Exchange Ltd
Tinkune, Subidhanagr, Kathmandu, Nepal
Email: membership@ndex.com.np
Website: www.ndex.com.np

Dear Sir/Madam,

"We hereby confirm and undertake all the necessary approvals for allotment of shares to foreign shareholders have been obtained from the appropriate/relevant authorities including that of Foreign Direct Investment (FDI) to deal in commodities futures contracts by us".

I/We declare that the information given above is true.

Yours faithfully,

For (Name of the Member)

1. Authorized Signatory

(Designated Director)

Name:

Company Stamp

Annexure A10: Declaration by Directors

(On the Letter Head of the member)

Date:

To
Membership Department
Nepal Derivative Exchange Ltd
Tinkune, Subidhanagar, Kathmandu, Nepal
Email: membership@ndex.com.np
Website: www.ndex.com.np

Dear Sir/Madam,

I/We hereby confirm/undertake that _ ____ (Trade Name of the Member) and ____ (Name of Designated Director), _ (Name of the Designated Director) and constituents of dominant promoter group;

- a. Are not debarred/suspended/declared defaulters by SEBON are recognized Stock Exchange/Any recognized Commodity Exchange or recognized Stock Exchange/ Commodity Exchange or any other statutory body..
- b. Are not connected with any of the defaulting/ suspended member of any Stock Exchange/Commodity Exchange.
- c. There are no complaints/disciplinary action against us at SEBON any recognized Stock Exchange/ any recognized Commodity Exchange.
- d. Have no investigation/ enquiry by SEBON any recognized Commodity Exchange is pending against us or undertaken against us.

In case of any action/complaints/investigation/enquiry by any Statutory Agency/Regulatory Agency/Stock Exchange/Commodity Exchange in future, I/We undertake to intimate the Exchange immediately.

I/We declare that the information given above is true.

Yours faithfully

For (Name of the Member)

1. Authorized Signatory

(Designated Director)

Place:-

2. Authorized Signatory

(Designated Director)

Company Stamp

(On the letter head of Member)

Form (MR)

**GOVERNMENT OF NEPAL
FORWARD MARKETS COMMISSION
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(DEPARTMENT OF CONSUMER AFFAIRS)
Format of the Return to be sent by the Members of the Recognized/Registered
Association for registration with FMC**

Name of the Commodity Exchange: Nepal Derivative Exchange Limited

S.No	Description	Detail
1.	Name of member	
2.	Trade name	
3.	Code given by the Exchange	
4.	PAN	
5.	Complete Registered address of member Name of Contact person Telephone no of Contact person Fax No of Contact Person Mobile no of the contact person Telex of contact person Email of contact person	
6.	Complete correspondence address of member Name of contact person Telephone no of contact person Fax no of contact person Mobile no of contact person Telex of contact person Email of contact person	
7.	Type of Membership A) Trading Member B) Clearing Member C) Trading cum Clearing Member	
8.	If the Member is only trading member, give Name and UMC of Clearing Member	
9.	Date of admission to Membership in Exchange	

10.	Form of the Member: Sole Proprietorship/Partnership/ Corporate body	
11.	Interested Commodities for trading	
12.	If Corporate Body then furnish following:- 1. Place of Incorporation 2. Date of Incorporation 3. ROC Registration number	
13.	Name and other details of Proprietor/ Partners/ Directors	
14.	Name and complete contact details of Chief Compliance Officer	
15.	Whether any director or its partners at any time convicted of any offence. If so, furnish the details if any disciplinary and criminal history Or Whether the director or partners declared insolvent/commodity/stock market. If yes, furnish details.	
16.	Net worth (in lacs) of the Member. Please furnish annually updated details and necessary documents in support there of	
17.	Whether Voice Recorder are installed for trade order recording (Yes/No	
18.	Share Holding Details	
19.	a. Are Member's subsidiaries registered as trading/ clearing member of securities market? – Yes / No b. If "Yes", then provide the details of subsidiary, its registration numbers, address etc	
20.	Whether the applicant or its sales personnel or approved user has passed any certification programme? If so, please specify details	
21.	The experience of the applicant or their two directors or partners in commodity trading or security market. If so, please give details	
22.	Whether the applicant or its directors or partners at any time subjected to any proceedings or penalty by the Board under SEBON Act or any of the regulations framed under the SEBON Act? If so, please furnish the details	

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

Signature _____

Name of the Member

Place: _____

Date: _____

Confirmation / Recommendation of the Exchange

This is to certify that is a member of Nepal Derivative Exchange Limited, the above information is verified and is recommended for registration with the Forward Markets Commission.

Place:

Signature of Authorized Person/ Officer:

Dated:

Name:

Designation:

Company Stamp of the Exchange

Annexure A12: Business Undertaking

(On the letter head of the Member)

Business Undertaking Form – Body Corporate

To
Membership Department
Nepal Derivative Exchange Ltd
Tinkune, Subidhanagar, Kathmandu, Nepal
Email: membership@ndex.com.np
Website: www.ndex.com.np

Dear Sir/Madam,

We, _ & (Name of the Designated Directors), Directors of (Name of the Member) hereby confirm/undertake on behalf of the company as under:

We confirm/undertake that neither we do/nor we intend to carry any business in share/stocks/securities in future under the name of ____ (Name of the Member)

We also confirm/undertake that we only intend to carry a business related to commodities and commodity related derivatives/futures trading only.

Thanking you,

Yours truly,

Signature of Member along with its Company stamp

Name of Designated Director

Attested by Exchange along with its Company stamp