**Annexure 1**

**Format: C-1 (Networth Certificate for Corporates, Firms & Individuals)**

*(To be provided on the Letterhead of the certifying Chartered Accountant/Company Secretary)*

**CERTIFICATE**

Member Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Member Applicable Networth ***(Higher of ‘Base Networth’ or ‘Variable Networth'):* \_\_\_\_\_\_\_\_\_**

1. Base Networth is (in Rs.)

|  |  |
| --- | --- |
| NSE |  |
| BSE |  |
| NCDEX |  |
| MCX |  |
| MSE |  |

2. Variable Networth is Rs. \_\_\_\_\_\_\_\_\_\_\_\_/-\*

\*(Reason in case Variable Networth is “Nil / Not Applicable”): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

This is to certify that the Networth of M/s./Mr./Ms. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Name of Member) as on \_\_\_\_\_\_\_\_\_\_ as per the statement of computation of even date annexed to this report is Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ only.

We further certify that:

* M/s./Mr./Ms.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Name of Trading Member) is not engaged in any fund-based activities or business other than that of securities or commodity derivatives. 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 method of computation prescribed by Schedule VI of SEBI (Stock Brokers) (Amendment) Regulations, 2022.
* The computation of Variable Networth is in accordance with the method of computation prescribed by SEBI as per Gazette Notification No. SEBI/LAD-NRO/GN/2022/73 dated February 23, 2022 on revised Networth requirement or as amended from time to time\*.
* We hereby confirm that we are not the related party to the aforesaid entity.
* The computation of Networth is based on company’s standalone financial statements and based on audited /unaudited financial statements.

Place: For (Name of Certifying Firm)

Date: PAN no. of CA/CS Firm

UDIN:

Name of Partner/Proprietor

Chartered Accountants / Company Secretaries

PAN no. of Partner/Proprietor

Membership Number

*Name and PAN of all Directors/Partners of certifying Chartered Accountant/Company Secretary firm:*

|  |  |  |
| --- | --- | --- |
| *Sr no.* | *Name of Director/Partner* | *PAN of Director/Partner* |
|  |  |  |
|  |  |  |

\*Shall be read with amendments, circular, notification issued in this regard till date

# Format C-1

# Method of computation of Networth as per Schedule VI of SEBI (Stock Brokers) (Amendment) Regulations, 2022

The method of computation of Networth of M/s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (name of the entity) as per Schedule VI of SEBI (Stock Brokers) Amendment) Regulations, 2022 is as follows:

|  |  |  |
| --- | --- | --- |
| **Sr. No.** | **Particulars** | **Amount in Rs.** |
|  | Capital |  |
|  | Free Reserves |  |
|  | **Less: Non-allowable assets viz.,** |  |
|  | 1. Fixed Assets |  |
|  | 1. Pledged Securities |  |
|  | 1. Member’s card |  |
|  | 1. Non-allowable securities (unlisted securities) |  |
|  | 1. Bad deliveries |  |
|  | 1. Any Debts and Advances (except trade debtors of less than 3 months) |  |
|  | 1. Prepaid expenses, losses |  |
|  | 1. Intangible Assets |  |
|  | 1. 30% of Marketable securities |  |
|  | **Total Amount (A + B - C)** |  |

Place: For (Name of Certifying Firm)

Date: PAN no. of CA/CS Firm

UDIN:

Name of Partner/Proprietor

Chartered Accountants / Company Secretaries

PAN no. of Partner/Proprietor

Membership Number

**Annexure 2**

**CA Certification**

*(To be provided on the Letterhead of the certifying Chartered Accountant)*

I/We hereby state that the details of Directors, Shareholding pattern, Dominant Promoter group pattern and details of relative/ corporate support, Details of associates, Financial ratios, Financial Indicators of our member \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Name of member) are true, correct and complete based on my/ our scrutiny of the books of accounts, records and documents to the best of my/our knowledge and as per information provided to my/our satisfaction.

We hereby confirm that we are not the related party to the aforesaid entity.

For (Name of Accounting Firm)

Name of Partner/Proprietor

Chartered Accountant

CA Stamp & Membership Number

UDIN

On Letter Head of Applicant

**“FIT AND PROPER PERSON” UNDERTAKING**

To, Date: \_\_\_\_\_\_\_\_\_\_\_\_

<Exchange Name>.

<Address>

We hereby declare and undertake that:

1. The applicant/member and following persons as referred in substituted Schedule II of SEBI (Intermediaries) (Third Amendment) Regulations, 2021 are fit and proper person as per requirement laid in in aforesaid schedule:
2. the Applicant;
3. the Principal Officer, the Directors or Managing Partners, the Compliance Officer and the Key Management Persons (KMPs) of the Applicant by whatever name called; and
4. the Promoters or persons holding controlling interest or persons exercising control over the applicant, directly or indirectly:

(Provided that in case of an unlisted applicant or intermediary, any person holding twenty percent or more voting rights, irrespective of whether they hold controlling interest or exercise control, shall be required to fulfill the ‘fit and proper person’ criteria.)

***Explanation***– For the purpose of this sub-clause, the expressions “controlling interest” and “control” in case of an applicant or intermediary, shall be construed with reference to the respective regulations applicable to the applicant or intermediary.

1. The Applicant and persons referred in point 1 above bear integrity, honesty, ethical behaviour, reputation, fairness and character of the person;
2. The Applicant and persons referred in point 1 above are not incurring following disqualifications mentioned in Clause 3(b) of Schedule II of SEBI (Intermediaries) (Third Amendment) Regulations, 2021:
3. criminal complaint or information under section 154 of the Code of Criminal Procedure, 1973 (2 of 1974) has been filed against such person by the Board and which is pending;
4. charge sheet has been filed against such person by any enforcement agency in matters concerning economic offences and is pending;
5. an order of restraint, prohibition or debarment has been passed against such person by the Board or any other regulatory authority or enforcement agency in any matter concerning securities laws or financial markets and such order is in force;
6. recovery proceedings have been initiated by the Board against such person and are pending;
7. an order of conviction has been passed against such person by a court for any offence involving moral turpitude;
8. any winding up proceedings have been initiated or an order for winding up has been passed against such person;
9. such person has been declared insolvent and not discharged;
10. such person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force;
11. such person has been categorized as a wilful defaulter;
12. such person has been declared a fugitive economic offender;
13. The Applicant or any other person mentioned in point 1 above have not been declared as not ‘fit and proper person’ by an order of the SEBI.
14. No notice to show cause has been issued for proceedings under SEBI (Intermediaries) (Third Amendment) Regulations, 2021 or under section 11(4) or section 11B of the SEBI Act during last one year against the Applicant or any other persons referred in point 1 above.

We hereby undertake that the above declaration is true and correct and any change in the above shall be immediately intimated to National Commodity and Derivatives Exchange Limited and / or National Commodity Clearing Limited

.

**Signature**:

Date: **Name**:

Place: