Checklist of NSE sub broker Application (Corporate)

SR NO	Requirement	To be submitted by	YES/NO
1.	Demand Draft for Rs.10,000 in favour of NETWORTH Stock Broking Limited for registration of sub-broker and 2247 in the name of Networth Stock Broking Limited	Sub broker	
2.	Application form for Registration with SEBI - 'Form B'	Main Broker (NSBL) and information to be fill by Sub broker	
3.	Model Stock Broker And Sub -Broker Agreement on the 100/- Rs Stamp paper on legal paper duly sign by the member	Sub broker	
4.	Annexure " A "	Sub broker	
5.	Proof of age (Either School leaving / Birth / SSC certificate/ PAN card) - To be above 21 years of age*	Sub broker	
6.	Qualifications - Minimum HSC Passed - Proof required (All Dir. / Partners)*	Sub broker	
7.	Proof of Address – (Ration Card, Driving Licence, Passport copy, Voter ID)	Sub broker	
8.	Proof of Identity – (PAN, Driving Licence, Passport copy, Voter ID)	Sub broker	
9.	Reference letter form Bank and Chartered Accountant / Lawyer / Notary (soft copy attached)	Sub broker	
10.	Undertaking from Sub-broker about dealing directly with investors on being registered as a sub-broker (soft copy attached)	Sub broker	
11.	Confirmation from sub-broker that he has not applied through any other TM of the Exchange (soft copy attached)	Sub broker	
12.	Duly signed copy of Board resolution for appointment / resignation of directors along with Form 32 *	Sub broker	
13.	SEBI Registration Certificate of Sub-broker if affiliated with TM of other Exchange*	Sub broker	
14.	If affiliated , NOC from such broker	Sub broker	
15.	Turnover Details certified by Exchange sub-broker applicant is a trading member of another Exchange*	Sub broker	
16.	Annexure 'O' - Certificate from sub broker relating to shareholding pattern and dominant group and crossholding#	Sub broker	
17.	Annexure 'L' – For Corporates - Shareholding pattern	Sub broker	
18.	Annexure 'L' – For Firms - Sharing pattern	Sub broker	
19.	Annexure 'M' - Details of dominant promoter group	Sub broker	
20.	Annexure 'N' - Undertaking from Spouse of DP	Sub broker	
21.	Registered Partneship Deed/MOA & AOA*	Sub broker	
22.	Board Resolution	Sub broker	

GUIDELINES FOR FILLING THE APPLICATION

1. Application should be in form 'B' duly signed by applicant / all partners/ duly authorised partners as per partnership deed or authorised directors.

2. Form B & C is contained in SEBI publication SEBI (Stock Brokers & Sub-brokers) Rules and Regulations 1992 & are available on Monday, Wednesday, Friday between 10.30 a.m. to 12.30 p.m. for Rs.10/- by hand delivery or Rs.19/- extra for Registered Postal charges. Payment shall be made in terms of Demand Draft only. The address is as follows :

   Securities and Exchange Board of India
   Earnest House, 15th Floor
   194 Nariman Point
   Mumbai 400 021

   All Stock Exchanges have been requested by SEBI to keep sufficient stocks of form 'B' & 'C' for use of their Sub-brokers.

3. Age should not be less than 21 years of individual / partners / directors.

4. Application has to be submitted through respective Stock Exchanges after due recommendation by the broker and the Exchange.

5. Minimum qualification of the applicant/partners/directors should be 10- 2.

6. Main broker's recommendation should be in form 'C' in favour of individual / partnership firm (not individual partners) /corporate body (not individual directors).

7. Two reference letters including one from the applicant's banker in favour of the applicant should invariably be attached.

8. Registration fee of Rs.1000/- be demand draft in favour of SEBI payable at Mumbai should be enclosed.

9. Declaration to the effect that the applicant/partners/its directors have not been convicted of any offence and presently they are not on trial for any offence involving fraud or dishonesty should be attached.

10. Copy of the partnership deed/Memorandum and Articles of Association stating relevant clause permitting the applicant to carry on the business of sub-broking should be attached.

11. Agreement should be between broker and applicant (Not with partners or individual directors of the company). The SEBI registration certificate entitles the Sub-broker to carry out his transactions only with the broker who has recommended his application for registration by signing Form 'C'. If sub-broker is desirous of carrying out business with more than one sub-broker he will have to seek separate registration in all cases after obtaining NOC from all the previous brokers & entering into a new agreement.

12. A copy of resolution appointing new directors should be attached.

13. An undertaking should be submitted that applicant will deal directly with investors and not through any other sub-broker on being registered with SEBI

ANNEXURE A

1. The sub-broker of a trading member of the Exchange shall comply with all the requirements under SEBI (stock brokers and sub-brokers) Regulation, 1992 and the requirements of the Exchange as may be laid down from time to time. The sub-broker shall also be bound by and amenable to the Rules, Byelaws and Regulations of the Exchange. The trading member with whom the sub-broker has entered into a trading member - sub-broker relationship shall be responsible for ensuring such compliance by its sub-broker. The trading member shall submit an undertaking to this effect to the Exchange. The trading member shall be responsible to the Exchange for all acts and omissions of its sub-broker. The sub-broker shall also comply with all terms and conditions of the agreement entered into by him with the trading member.

2. It shall be the responsibility of the trading member concerned to ensure the settlement of all deals entered into by trading member even though the orders in respect of the deals may have originated from its sub-broker. The trading member shall submit an undertaking to this effect to the Exchange.

3. The sub-brokers are required to adhere to NSE's "know your clients" requirements in toto.

4. The trading member shall issue contract notes for all trades in respect of its sub-broker in the name of the sub-broker and the sub-broker shall in turn issue purchase / sale notes to his clients as per the format prescribed by the Exchange. The sub-broker shall split the contract client wise and scrip wise and issue promptly the purchase / sale note accordingly.

5. The purchase / sale note shall include the trading member's name, address, identity no., contract No., date of the contract note and other details contained in the format prescribed by the Exchange. The purchase / sale note issued by the sub-broker shall bear a unique purchase / sale note no. & date, place of issue which shall be the place of business of the sub-broker, and shall be stamped by the sub-broker as required under the relevant central / state stamp legislations.

6. The purchase / sale note issued by the sub-broker shall be subject to the Byelaws, Rules and Regulations of the Exchange and shall be subject to the exclusive jurisdiction of the appropriate courts in Mumbai and any claims, difference or dispute arising between the sub-brokers and the client in respect of the purchase / sale note, if not administratively resolved by the trading member and / or the Exchange, shall be referred to arbitration as provided in the Byelaws, Rules and Regulations of the Exchange and the trading member shall always be a party to the arbitration proceedings and shall be responsible for complying with the arbitration award. The requirements and proceedings under the Byelaws and Regulations of the Exchange pertaining to the arbitration between trading member - constituent shall apply. In the event of a dispute between the sub-broker and the trading

member the relevant Byelaws & Regulations of the Exchange as applicable to disputes between the constituents & trading member shall be applicable.

7. The affiliated trading members shall maintain separate records including accounts in respect of the dealings in securities entered into on behalf of the sub-brokers. The sub-brokers if they hold or receive money on account of a client shall forthwith pay such money to current or deposit account at *a* bank to be kept in the name of sub-broker in the title of which the word "client account" shall appear.

8. The trading member shall ensure that its sub-broker does not advertise / represent himself as sub-broker of the Exchange. He may represent himself only as a sub-broker of the respective trading member.

9. The trading member shall ensure that the total brokerage (including the share of brokerage of the trading member and the sub-broker), payable by the client of its sub-broker does not exceed the maximum brokerage, which currently *is* 2.5% of the contract price exclusive of statutory levies. This maximum brokerage is inclusive of the sub-brokers brokerage which shall not exceed 1.5% of the contract price. The purchase / sale note shall specify the break-up of the brokerage payable to the trading member and to the sub-broker.

10. A sub-broker should affiliate with only one trading member of the NSEIL. However, he may affiliate with the registered broker of another recognised Stock Exchange. In such an event the sub-broker will have to obtain a separate registration in each case.

11. It will be mandatory for the sub-broker to disclose the name(s) of all other sub-brokers / brokers with whom he is having direct or indirect interest.

12. It shall be the responsibility of the broker to report any default or delay in carrying out obligations by any of the sub-brokers affiliated to him, to all other stock brokers with whom the said sub-broker is affiliated.

13. An Authorised Person appointed by a trading member under the Regulations of the Exchange may also register as a sub-broker with SEBI subject to the other terms and conditions given herein. However, an authorised person of a particular trading member cannot become a sub-broker of any other trading member of the Exchange.

14. Where an authorised person obtains registration and affiliation as a sub- broker to a particular trading member of the Exchange, such authorised person / sub-broker shall not deal with any other registered and affiliated sub-broker of the same trading member. In such cases, all the other affiliated sub-brokers of the trading member shall deal directly with the trading member concerned or with other "non-sub-broker - authorised person" of the affiliated trading member.

15. It shall be the primary responsibility of the affiliated stock broker / trading member to inspect the sub-brokers so registered and recognised, and to ensure that the sub-brokers function and conduct themselves in accordance with the scheme, Rules, Byelaws, regulations etc. of the Exchange / NSCCL and the SEBI Regulations etc.

16. The registered sub-brokers shall not be extended / eligible to any of the rights and / or privileges that are extended to the trading members by the Exchange, except as provided under the scheme.

ANNEXURE C
FORM - B

SECURITIES AND EXCHANGE BOARD OF INDIA
(Stock Brokers and Sub-Brokers)Regulations 1992
(Regulation II)

APPLICATION FOR REGISTRATION AS A SUB-BROKER
WITH SECURITIES AND EXCHANGE BOARD OF INDIA

1	Name of applicant **Sub-Broker** :	
2	Trade Name of **Sub-broker**, Firm,Corporate Body :	
3	Form of organisation Sole Proprietor, Partnership, Corporate Body. Please give names of proprietor, all partners directors etc. :	Corporate **1)** **2)** **3)** **4)**
4	Educational qualifications of proprietor, partners, directors : **Name** **Status** **1)** **2)** **3)** **4)**	**Qualifications**
5	Name of the member-broker & Stock Exchange to which applicant is affiliated :	Networth stock Broking Ltd
6	Date of acquiring **sub-broker**ship :	N.A
7	Infrastructure arrangements - indicate fax, telex, phones, number of offices and residential numbers. Also indicate the number of employees. : Office Address : Phone No. : Telex No. : Fax No. : Residential Phone Nos. of : Proprietor, Partners, Directors etc.	Registered Office Address Correspondence address

8	Number of branch offices and their location with phone, telex and fax numbers. :	Branch details

We certify that the information given in this application form is true to the best of our knowledge and belief.
Signature of all the Directors with the stamp of company
Date .....
P.T.O.

Recommendation letter from the Stock Broker to whom I/We am/are affiliated and two references, including one from the Banker as required are enclosed.

Recommendation of Stock Exchange

This is to certify that ..... is a **sub-broker** affiliated to ..... member broker of this exchange.

The application is recommended/not recommended for **registration** by the Board.

AUTHORISED SIGNATORY Signature
Stock Exchange

ANNEXURE 'O'

(on the letter head of the sub-broker)

ANNEXURE-'O'

FORMAT OF CERTIFICATE TO BE FURNISHED BY APPLICANT FOR REGISTRATION AS SUB-BROKER

From:
The name and address of the sub-broker

To:
The Managing Director,
National Stock Exchange of India Ltd.
Exchange Plaza
Bandra Kurla Complex,
Bandra East
Mumbai 400051

Dear Sir,

1) The share holding pattern/sharing pattern of the company/Firm as on _____ is given in Annexure: L1. There has been no change in the shareholding/sharing pattern of the Company/Firm after this date. (for Firms and Corporates).

The applicant, or any of the shareholders of the company do not directly or indirectly, singly or jointly, have an equity holding of 10% or more and /or any share in his/her name and/or jointly with any of his/their close relatives in any other trading membership of NSE or any sub broker of a member of NSE or vice-versa. (for Corporates)

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 NSE may take any action as it may deem fit, including recommending to SEBI for cancellation of our registration as sub-broker. We also agree to provide NSE with all such documents as may be called for and be required from time to time by NSE or the member with whom we are affiliated as a sub-broker.

Place:
Date :
**** Signature(s)**

**** TO BE SIGNED BY :**
Managing Director/ Whole Time Director and :
à any other Whole Time director, or
à any other directors authorised by the Board. (submit copy of the relevant Board resolution)

On the letterhead of Sub broker

ANNEXURE: L (FOR CORPORATES)

Certificate dated_____
submitted by _____ to NSEIL

SHARE HOLDING PATTERN of M/s.___*(name of sub-broker)*____ as on _____

Sr. no.	**Name $**	**Number of Shares held**	**Paid up value per share Rs.**	**Amt paid-up Rs.**	**% age of total**
1.					
2.					
3.					
4.					
5.					
Others					
TOTAL					100%

$ All initials to be expanded

NOTES:

1. In case of bodies corporate holding 2% or more of the paid up capital in the trading member entity, the details of their shareholding shall also be furnished in the same format as given above
2. HUF give names of Karta and co-parceners.
3. Persons holding 2% or more of the paid up capital should be shown separately and not clubbed in Others.

Date:
Place: Authorised Signatory/Director (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: For (Name of Accounting Firm)
Date: Name of Partner

Chartered Accountant
Membership Number

On the letterhead of Sub broker

ANNEXURE: M (for corporates)

Certificate dated_____
submitted by _____ to NSEIL

DETAILS OF DOMINANT PROMOTER(S) as on _____

Sr. No.	**Name**	**No.of Shares @**		**Total Amt paidup@**		**%age of Total@**	
		Self	Spouse	Self	Spouse	Self	Spouse
1							
2							
3							
4							
	TOTAL						

@ : For arriving at the shareholding of persons constituting the dominant promoter(s), the shareholding of the spouse may be counted provided he/she gives an irrevocable, unconditional support in writing on the prescribed format (Annexure N).

Date:
Place:

Authorised Signatory/Director (s)

CERTIFICATE

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

Place:
Date:

For (Name of Accounting Firm)

Name of Partner
Chartered Accountant
Membership Number

On the letterhead of Sub broker

IF APPLICABLE **ANNEXURE: N**

Certificate dated_____
submitted by_____to NSEIL

UNDERTAKING FROM SPOUSE OF DOMINANT PROMOTER

I, Mr./Ms./Mrs. _____, son/wife of Mr. _____, resident of _____ 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 _____ as on this date.

I state that I shall irrevocably and unconditionally support in respect of my shareholding, Mr/Mrs. _____, 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 husband / wife 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 the National Stock Exchange of India Limited and the member with whom the said company is affiliated as a sub-broker before selling or otherwise transferring any part or whole of my above mentioned shareholding.

WITNESS BY:
Signature :
Name :
Address :
Date :

SIGNATURE
Name :
Place :
Date :

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

(To be on letterhead of Sub broker)

To,
The Manager,
Securities and Exchange Board of India
Mittal Court,
Nariman Point,
Mumbai 400021.

DECLARATION OF NON - CONVICTION

We, Directors of M/S_____, declares that there is no conviction is pending against us. We also declare that presently we have not under trail for any offence.

_____
Signature of all the Directors and Stamp of Director

(To be on letterhead of Sub broker)

To,
The Manager,
Securities and Exchange Board of India
Mittal Court,
Nariman Point,
Mumbai 400021.

Undertaking

We, **Directors of M/S** _____undertake that we will deal directly with investors on being registered as a Sub-broker with **M/s Networth Stock Broking Limited**

_____
Signature of all the Directors and Stamp of Director

(To be on letterhead of Sub broker)

To,
National Stock Exchange of India Ltd.s
The Membership department
Exchange Plaza, Bandra – Kurla Complex,
Bandra (E) .
Mumbai – 400 051.

CONFIRMATION LETTER

Respected Madam/ Sir,

We are applying for Sub-broker Membership Application under **M/s**. **Networth Stock Broking Limited,** member of the **N**ational Stock Exchange. I hereby confirm that, we have not submitted application for registration of Sub-broker through any other Trading Member and do hereby promise that before applying through any other broker we shall take prior approval from your good Exchange and from **M/s**. **Networth Stock Broking Limited**

Thanking you,

Yours sincerely,

_____
Signature of all the Directors and Stamp of Director

Format for reference letter from CA / Lawyer / notary

(on the letter head of CA / Lawyer / notary)

To whom so ever it may concern

_____ (Name of Sub Broker) S/o _____ is known to me he is residing at _____ for the last ___ years.

He has informed me that he want to register himself as a sub broker with SEBI for Capital Market segment through M/s Networth Stock Broking Ltd. In my opinion _____ (Name of Sub Broker) is honest rational and sincere person with sound financial background.

Further to the best of my knowledge and behalf he / she is person who can be entrusted with work which require to complete integrity and sincerity

This letter is issued at the request of _____ (Name of Sub Broker)

Stamp and signature of the C. A. / Lawyer / Notary

Format of reference letter from Banker

(on the letter head of Banker)

To whom so ever it may concern

This is to certify that _____ (Name of Sub Broker) S/o _____ is maintained a saving account No _____
With us since _____ period

As per our record the address of _____ (Name of Sub Broker) is _____ (add of Sub Broker)

The account of Mr. _____(Name of Sub Broker) is satisfactory.

Stamp and signature of the bank