# ANNEXURE TO FORM ‘A’

## Part I - General

* 1. Name of the applicant stock exchange.
  2. Address.
  3. Date of establishment.
  4. Is your exchange a joint stock company (state whether public or private) registered under the Indian Companies Act or an association for profit or otherwise? If it is organized on some other basis, please provide details thereof.
  5. Please provide details of your capital structure and attach three copies of the audited balance sheets and profit and loss account of the Exchange for the preceding three years.

## Part II - Membership

* 1. State the number of members at the time of application. Please specify the number of inactive members.
  2. State whether there is any provision, resolution or convention for limiting the number of members and whether in pursuance thereof you have fixed a ceiling on the number of members that you would take.
  3. Do you insist on any minimum qualifications and experience before enrolling new members? If yes, please provide details.
  4. State the different classes of members, if any, the number thereof and the privileges enjoyed by each class. What is the procedure followed by your exchange for the admission of different classes of new members?
  5. What are the rates of your annual subscription in respect of the different classes of members?
  6. Do you collect any security deposit from your members? If yes, please provide details and state the manner in which such deposits are utilized and the rate of interest allowed, if any.
  7. Do you collect any admission or entrance fees from your members or from partners of firms who are members? If yes, how much?
  8. Do you insist on your members and partners of firms who are members divesting themselves of other activities either as principal or as employee?
  9. Do your rules permit firms to become members? If yes, is it incumbent on members to seek the approval of the governing body before admitting new partners? State the conditions, if any, laid down in your rules for the admission of such partners.
  10. In the event your rules do not permit firms from being enrolled as members, do you permit individual members to form a partnership? State the procedure followed for the recognition of such partnership.
  11. Do you permit members to work in partnership with non-members? If yes, how far such non-members subject to the control of the stock exchange?

## Part III - Governing Body

* 1. What is the present strength of your governing body? Please provide details of the constitution, powers of management, election and tenure of office of members of the governing body, and the manner in which its business is transacted.
  2. Are any trade or commercial interest represented on your governing body? If yes, please provide details of interests represented.
  3. Do you associate shareholders of investors associations with the management of your exchange? If yes, please state the manner in which it is done.
  4. Are there any Government representatives on your governing body? If yes, furnish their names.
  5. Do your rules provide for the direct election by members of any other bodies or committees, apart from the governing body? If yes, please provide details of their constitution, tenure, powers and functions.
  6. Do you have any provision for the appointment of standing or *ad hoc* sub- committees of the governing body? If yes, furnish details of the method of their appointment, terms of office, powers and functions.
  7. Give the designations, powers and duties of principal office-bearers of your exchange. Are any of these office-bearers in the pay of the stock exchange? If yes, please provide details as to the mode of their appointment, tenure of office and remuneration.

## Part IV - Trading

* 1. Do you have a trading ring? If not, how do you carry on the business? Please provide details.
  2. State the different kinds of contracts in use on your exchange *e.g.,* spot, ready and forward. State the period of delivery and payment in each case.
  3. Please provide details of business hours for each type of contract.
  4. Please provide details of the scale of brokerage and other charges, if any, prescribed by your exchange.
  5. Do you prescribe standard forms of contract for the use of your members? Attach three copies of each such contract form.
  6. Do you classify your members into brokers and jobbers? If yes, specify the bye-law under which this is done.
  7. Do you have a system of registration of remisiers and/or authorized clerks? If yes, please provide details as to their qualifications, obligations and rights, etc.
  8. Do you have any regulations regarding dealings by members on their own account whether in the nature of *Taravani* (day-to-day) or otherwise?
  9. Do you have any provisions for regulating the volume of business done by any individual member other than through a system of margins? If yes, please provide details.
  10. What provisions have you made for periodical settlement of contracts and differences thereunder, the delivery of, and payment for securities and the passing of delivery orders?
  11. Do you have a clearing house for the settlement of contracts? If yes, please provide details of its organization and management.
  12. If you have clearing house, what returns do the members of your exchange submit regarding the transactions cleared through such clearing house? Does the exchange ask for any regular returns in respect of transactions settled outside the clearing house? Submit three copies of forms used in this connection.
  13. How do you fix, alter or postpone the dates of settlement?
  14. How do you determine and declare making-up prices?
  15. Do you have any arrangements for making or recording of bargains?
  16. Have you any arrangements for recording and publishing market rates including opening, closing, highest and lowest rates?
  17. What provisions have you made for regulating—(*a*) the entering into contracts, their performance and rescission, including contracts: (*i*) between members, (*ii*) between a member and his constituent, and (*iii*) between a member and a non-member; (*b*) the consequences of breach, default or insolvency on the part of members whether acting as buyers, sellers or intermediaries; and (*c*) *‘havalas’* and other matters relating to conduct of business of members in the exchange?
  18. Do you prescribe margin requirements? If yes, please provide details.
  19. Do you prescribe maximum and minimum prices for securities? If yes, how and under what conditions.
  20. Do you provide any safeguards for the prevention of ‘bullsqueezes’ and; ‘bear- raids’ and for meeting emergencies in trade? Please provide details.
  21. What are the measures adopted by you to regulate or prohibit advertising or issue of circulars by your members?
  22. What are the disciplinary powers with the governing body to enforce due compliance by members of the rules and bye-laws of the exchange and generally to ensure proper standard of business conduct?
  23. Do you require members to supply such information or explanation and to produce such books relating to their business as your governing body may require?
  24. Do you publish any statistics in regard to business done on the exchange including the transactions settled through the clearing house, if maintained? In particular, have you evolved any machinery for computing the volume of transactions in the different kinds of contracts permitted on your exchange? Please provide details.
  25. Do you have any bye-laws contravention of which makes a contract void?

## Part V – Miscellaneous

* 1. Do you have any machinery for arbitration of disputes between members and/or between members and their constituents? Please provide details.
  2. What are the conditions subject to which securities are listed for dealings on your exchange?
  3. What are your requirements for admitting securities to forward-trading?
  4. Do you have the right to prohibit, withdraw or suspend dealings in a listed security? If yes, under what circumstances is this right exercised?
  5. What provisions have you made for the levy and recovery of fees, fines and penalties?