



Circular No: IEX/BD/226/2016

Date: 12th September 2016

Intimation of Changes of Member's details

In terms of provisions of the Rules, Bye-Laws and Business Rules of the Exchange, the Members of the Exchange are notified as under:

It is required to intimate to the Exchange in case of any Changes in the information furnished to IEX. Such changes can be in the information furnished in membership related documents or client related documents i.e. change of name, change in constitution (Individual/Corporate/Partnership), change in authorised signatory, change in shareholding pattern, change in director/partner, change in address, change in grid connection, change of telephone number or FAX number, change in E-Mail id etc. Member is requested to intimate such information through a mail or letter.

Further, all members are required to maintain the Net Worth as prescribed by the Exchange during the entire period of his membership of the Exchange. In order to ensure above compliance, Professional, Proprietary & Trader Member (Only Category IV interstate trading licensee) are required to submit their Net worth Certificate on financial year basis (format enclosed). Net worth certificate as on last day of financial year should be submitted in original latest by 30th September of next financial year. For Illustration purpose, Net worth certificate as on 31st March 2016 should be submitted latest by 30th September 2016.

Members are requested to take a note of it.

This supersedes our earlier circular No. IEX/BD/39/2010 dated 10th November, 2010.

Rohit Bajaj
Vice President (BD)

Kindly contact Divya Chawla- 011-43004028 or send email at membership@iexindia.com for any clarification.

Networth Certificate Format

Certificate dated submitted by to Indian Energy Exchange.

CERTIFICATE

This is to certify that the Net worth of M/s. /Mr. /Ms. as on is Rupees Only.

It is further certified 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:

For (Name of Accounting Firm)

Date:

Name of Partner

Chartered Accountant
Membership Number

(Rubber stamp)

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 follows:	
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:

For (Name of Accounting Firm)

Date:

Chartered Accountants
Membership Number
(Rubberstamp)

OR

Method 2:

By valuation of assets on the following basis:

- 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)
- 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 MCX, 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 survey number, 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. O. Networth (H + K + L) – (M + N)

Place:

For (Name of Accounting Firm)

Date:

Name Of Partner
Chartered Accountant
Membership Number
(Rubberstamp)

Notes:

1. Valuation of fixed assets for the consideration of net worth would have to be certified by government approved valuers 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 leased out by the member or 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 extraordinary 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. earning value for an NBFC with capitalisation 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, 1992 are to be excluded for the purpose of computation of net worth.