



ANNEXURE – I

(A) Revised Base Networth Requirement & Method of Computation

Clearing members of ARCL are required to maintain Networth as prescribed by the ARCL at all points of time as per the continuing membership norms of ARCL. Revised Base Networth for various classes of members as per SEBI Gazette Notification No. SEBI/LAD-NRO/GN/2022/73 dated February 23, 2022, is as under:

Type of Membership	Revised Base Networth - Applicable from 23.02.2023 (Effective 31.03.2023 submissions)		Revised Base Networth - Applicable from 23.02.2024 (Effective 31.03.2024 submissions)	
	Corporate/LLP	Firm / Individual	Corporate/LLP	Firm / Individual
SCM	3 Crore	3 Crore	5 Crore	5 Crore
CM	10 Crores	10 Crores	15 Crore	15 Crore

SCM = Registered Self Clearing Membership.

CM = Registered Clearing Membership.

Method of computation applicable is as prescribed by Schedule VI of Securities and Exchange Board of India (Stock Brokers) (Amendment) Regulations, 2022.

(B) Formats of Networth Certificate

(On letterhead of Chartered Accountant)

Certificate of Chartered Accountant w.r.t. Networth

Networth Certificate

We certify that:

- the Net worth of M/s. _____ as on _____ as per the statement of computation (below) is Rupees _____ only).
- M/s. _____ is not engaged in any fund-based activities or business other than that permitted under Securities and Contracts (Regulation) Rules, 1957 and the Rules, Bye-laws & regulations of the Clearing Corporation. 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. (Exempted for banks and other entities as specified under SCRR)
- 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 the method of computation prescribed by SEBI under SEBI (Stock Brokers) Regulations, 1992 and Schedule VI of SEBI (Stock Brokers) (Amendment) Regulations, 2022.
- We hereby confirm that we are not the related party to the aforesaid entity.

Computation of Networth as prescribed by Dr. L.C. Gupta Committee

(Note: If the applicant is regulated by sectoral regulator other than SEBI, the networth may be computed in the manner as specified by such sectoral regulator.)

Sr	Particular	Amount in Rs.
A	Capital + Frees Reserves	
B	Less Non-allowable assets viz.	
	(a) Fixed Assets	
	(b) Pledged Securities	
	(c) Member's card	
	(d) Non-allowable securities (unlisted securities)	
	(e) Bad deliveries	
	(f) Doubtful Debts and Advances*	
	(g) Prepaid expenses, losses	
	(h) Intangible Assets	
	(i) 30% of Marketable securities	
C	Net worth	

*Explanation: Includes debts/advances overdue for more than three months or given to associates

Place:
Accounting Firm)
Date:

For (Name of Chartered

**Name of Partner/Proprietor with
Membership Number
Chartered Accountant
(Affix stamp of CA firm)**