

ANNEXURE – I**(A) Revised Base Net Worth Requirement & Method of Computation**

Clearing members of ARCL are required to maintain Net worth as prescribed by the ARCL at all points of time as per the continuing membership norms of ARCL. Revised Base Net worth 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	Base Net worth - Applicable from 23.02.2023 (Effective 31.03.2023 submissions)		Revised Base Net worth - 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 Net worth Certificate

(On letterhead of Chartered Accountant)

Certificate of Chartered Accountant w.r.t. Net worth

Net worth Certificate

We certify that:

- the Net worth of M/s. _____ as on _____ as per the statement of computation (below) is Rupees _____ only).

We further certify that:

- 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 net worth. (Exempted for banks and other entities as specified under SCRR)
- 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.
- the computation of net worth 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.

Place:

For (Name of Chartered Accounting Firm)

Date:

UDIN:

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

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:

For (Name of Chartered Accounting Firm)

Date:

UDIN:

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