

ANNEXURE I

(A) Networth Requirement & Method of Computation

Clearing members of the NCL are required to maintain Net worth as prescribed by the NCL at all points of time as per the continuing membership norms of the NCL. As per SEBI (Stock Broker)Regulations 2026, Net worth requirement for members shall be Base Net worth or Variable Net worth, whichever is higher. Members are further advised to refer to NCL Circular ref no. NCL/CMPL/55460 dated February 01, 2023 and NCL/CMPL/72712 dated February 09, 2026 for clarification on ascertaining Net worth as per SEBI Gazette Notification No. SEBI/LADNRO/GN/2022/73 dated February 23, 2022.

Base Net worth for various classes of members as per SEBI Gazette Notification No. SEBI/LADNRO/GN/2022/73 dated February 23, 2022, is as under:

Type of Member	Base Network (in Rs.)
Self-Clearing Member	5 crore*
Clearing Member	15 crore*
Professional Clearing Member	50 crore

* In Currency Derivative Segment, Self-Clearing Member and Clearing Member shall have minimum network of Rs. 5 crore and Rs. 10 crore, respectively.

Networth requirement for members shall be Base Network or Variable Network, whichever is higher.

SCM = Registered Self Clearing Membership.
CM = Registered Clearing Membership.
PCM = Registered Professional Clearing Membership.

Method of computation applicable is as per Chapter X of SEBI (Stock Brokers) Regulations, 2026.

(B) Formats of Networth Certificate

Format: C-1 (Networth Certificate for Corporates, Firms & Individuals)

CERTIFICATE

To:

The Concerned Stock Exchanges / Clearing Corporations

Subject: Networth Certificate for [Name of Trading Member (TM)/Clearing Member (CM)/Professional Clearing Member (PCM)] bearing PAN: [-TM/CM/PCM PAN]

This is to certify that, in accordance with the SEBI (Stock Brokers) Regulations, 2026 and based on the guidelines, circulars, and communications issued by the relevant Market Infrastructure Institutions (MIIs) from time to time, we have verified the networth of the aforementioned TM/CM/PCM as on _____ (dd/mm/yyyy).

A. Variable Networth Requirement of the TM/CM/PCM:- ₹____/-

In case of NIL/Not Applicable variable network, kindly provide reason.

B. Computed Networth of the TM/CM/PCM:-

As per the computation statement annexed and dated the same as this certificate, the computed net worth of the TM/CM/PCM - is ₹____/- (Rupees _____ only)

C. Certification:

We hereby confirm and certify that:

1. The computation of networth is based on our review of the books of accounts, records, and relevant documents, and is true and correct to the best of our knowledge and based on information provided to our satisfaction.
2. We are not a related party to the TM/CM/PCM.
3. A list of all partners of our CA/CS firm (where applicable), along with their respective PANs as on the date of signing, is attached as an annexure.
4. The computation is based on the TM/CM/PCM standalone financials and is derived from audited / unaudited (strike out whichever is not applicable) financial statements.

5. I/we confirm that I/we do not have any conflict of interest as per the relevant code of ethics or equivalent of the professional bodies (ICAI/ICSI) of which the certifying person is a member.
6. As per SEBI Circular ref. no. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/61 dated May 02, 2025, the networth of the Separate Business Unit carrying out securities market related activities in GIFT-IFSC is segregated from the networth of the Trading Member/Clearing Member.

For: [Name of the CA/CS Firm / Individual]

PAN of CA/CS Firm / Individual: [PAN]

Name of Signatory: [Name]

Designation: [Proprietor / Partner]

PAN of Signatory: [PAN]

Membership No of CA/CS:

Firm Registration number (wherever applicable):

Date:

UDIN:

Name and PAN of all Directors/Partners of certifying Chartered Accountant/Company Secretary firm

Sr no	Name of Director/Partner	PAN of Director/Partner

Format: C-1 (Networth Certificate for Banks)

CERTIFICATE

To:

The Concerned Stock Exchanges / Clearing Corporations

Subject: Networth Certificate for [Name of Trading Member (TM)/Clearing Member (CM)/Professional Clearing Member(PCM)] bearing PAN: [-TM/CM/PCM PAN]

This is to certify that, in accordance with the RBI guidelines and circulars and communications issued by the relevant Market Infrastructure Institutions (MIIs) from time to time, we have verified the networth of the aforementioned TM/CM/PCM as on _____(dd/mm/yyyy).

A. Variable Networth Requirement of the TM/CM/PCM:- ₹____/-

In case of NIL/Not Applicable variable networth, kindly provide reason.

B. Computed Networth of the TM/CM/PCM:-

As per the computation statement annexed and dated the same as this certificate, the computed Networth of the TM/CM/PCM – is ₹_____-/- (Rupees _____only)

C. Certification:

We hereby confirm and certify that:

1. The computation of networth is based on our review of the books of accounts, records, and relevant documents, and is true and correct to the best of our knowledge and based on information provided to our satisfaction.
2. We are not a related party to the TM/CM/PCM.
3. A list of all partners of our CA/CS firm (where applicable), along with their respective PANs as on the date of signing, is attached as an annexure.
4. The computation is based on the TM/CM/PCM standalone financials and is derived from audited / unaudited (strike out whichever is not applicable) financial statements.
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6. As per SEBI Circular ref. no. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/61 dated May 02, 2025, the networth of the Separate Business Unit carrying out securities market related activities in GIFT-IFSC is segregated from the networth of the Trading Member/Clearing Member/Professional Clearing Member(PCM).

For: [Name of the CA/CS Firm / Individual]
PAN of CA/CS Firm / Individual: [PAN]

Name of Signatory: [Name]
Designation: [Proprietor / Partner]
PAN of Signatory: [PAN]
Membership No of CA/CS:
Firm Registration number (wherever applicable):

Date:
UDIN:

Name and PAN of all Directors/Partners of certifying Chartered Accountant/Company Secretary firm

Sr no	Name of Director/Partner	PAN of Director/Partner

Annexure - Computation statement of Networth certificate

Name of TM/CM/PCM -

PAN of TM/CM/PCM -

Sr. No.	Particulars	Amount in Rs.
A.	Paid up capital	
B.	Fully compulsorily and mandatorily convertible debentures / bonds / warrants which are convertible within a period of 5 years from the date of issue	
C.	Free reserves	
D.	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) Any Debts and Advances (except trade debtors of less than 3 months)	
	(g) Prepaid expenses, losses	
	(h) Intangible Assets	
	(i) 30% of Marketable securities	
E.	Networth (A + B + C - D)	

For: [Name of the CA/CS Firm / Individual]

PAN of CA/CS Firm / Individual: [PAN]

Name of Signatory: [Name]

Designation: [Proprietor / Partner]

PAN of Signatory: [PAN]

Membership No. of CA/CS:

Firm Registration number (wherever applicable):

Date:

UDIN:

CLARIFICATION ON NETWORTH COMPUTATION

A) Share Capital (Paid up capital + Fully, compulsorily & mandatorily convertible debentures/ Bonds/ warrants) + Free Reserves

Sr. No.	Components of Networth	Remarks
1	Paid up capital and Fully, compulsorily & mandatorily convertible debentures/ Bonds/ warrants	This element shall include:- • Paid-up equity share capital of the member. • Paid-up Preference share capital of the member. • Fully, compulsorily & mandatorily convertible debentures/ Bonds/ warrants which are convertible within a period of 5 years from the date of issue • Share application money Loans from partners / directors / promoters will not be considered as share capital
2	Free Reserves	As per Sec. 2(43) of the Companies Act, 2013, free reserves mean such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend: Provided that— (i) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or (ii) any change in carrying amount of an asset or of a liability recognised in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves. Free Reserves shall include Profit & Loss, General Reserve, Securities Premium, Preference Share Redemption Reserve, Capital Redemption Reserve etc. balance of which represents surplus arising out of sale proceeds of assets but will not include reserves created by revaluation of assets. Free Reserves should not include reserves such as Revaluation Reserve, Capital Reserve, Amalgamation Reserve, Debenture Redemption Reserve and other like reserves.

B) Non-Allowable Assets

Sr. No.	Components of Networkth	Remarks														
3	Fixed Assets	This shall include: - • Net book value of all the Tangible Assets as per Balance Sheet / Trial Balance. • Advances given for acquisition of fixed assets • Capital work in progress. Assets under lease or taken on rent need not be deducted from the Networkth														
4	Pledged Securities	Total value of own securities (as recorded in the books of accounts) pledged with the Banks / NBFC or any Financial Institution for raising funds. Own shares pledged to clearing corporations/clearing members are not required to be deducted from Networkth. Illustration: <table><tr><th>Particulars</th><th>Amount</th></tr><tr><td>Total Value of own securities as per books of accounts (all Marketable)</td><td>Rs. 1000/-</td></tr><tr><td>Total Value of own securities pledged (Included above)</td><td>Rs. 700/-</td></tr><tr><td colspan="2">Amount to be deducted from Networkth</td></tr><tr><td>Value of pledged securities (100% of Rs. 700/-) (To be deducted under this point)</td><td>Rs. 700/-</td></tr><tr><td>30 % of the balance marketable shares (see point 9) (30% of (Rs. 1000-Rs. 700))</td><td>Rs. 90/-</td></tr><tr><td>TOTAL AMOUNT TO BE DEDUCTED</td><td>Rs. 790/-</td></tr></table>	Particulars	Amount	Total Value of own securities as per books of accounts (all Marketable)	Rs. 1000/-	Total Value of own securities pledged (Included above)	Rs. 700/-	Amount to be deducted from Networkth		Value of pledged securities (100% of Rs. 700/-) (To be deducted under this point)	Rs. 700/-	30 % of the balance marketable shares (see point 9) (30% of (Rs. 1000-Rs. 700))	Rs. 90/-	TOTAL AMOUNT TO BE DEDUCTED	Rs. 790/-
Particulars	Amount															
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30 % of the balance marketable shares (see point 9) (30% of (Rs. 1000-Rs. 700))	Rs. 90/-															
TOTAL AMOUNT TO BE DEDUCTED	Rs. 790/-															

5	Non-allowable securities	This shall include: - • Value of all unlisted securities as recorded in the balance sheet including available under ‘non-current investments’. • Investments done in unlisted securities of associate / subsidiary / group companies. Liquid & Debt Mutual Funds, G-Sec, non-government debt securities, corporate bonds shall not form part of Non-allowable securities and the same shall be covered under 30% of marketable securities (See point no..9).
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6	Any Debts and advances	This shall include: - • Any debts and advances (except trade debtors of less than 3 months) • Wherever, a provision is created for Doubtful / Bad Debts, net amount i.e. after reducing provision made for Doubtful / Bad Debts shall be considered. • Any amount given in the nature of Loans, advances, inter corporate deposits given to associates including subsidiaries / group companies of the member. • Loans given to Directors/Partners or any related party of the Member or its Directors or its partners or to the entities in which such director /partners or their relatives have control, irrespective of time period, shall also be deducted. • ‘Associate’ shall have the meaning as per the SEBI (Intermediaries) Regulations, 2008 <i>“associate” means and includes any person controlled, directly or indirectly, by the intermediary, any person who controls, directly or indirectly, the intermediary, or any entity or person under common control with such intermediary, or where such intermediary is a natural person any relative as defined under the Companies Act, 1956 (1 of 1956) of such intermediary or where such intermediary is a body corporate its group companies or companies under the same management.</i> <i>The expression 'control' shall have the same meaning as defined under clause (c) of Regulation 2 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.</i> <i>The term related party shall have the same meaning as given in clause 76 & 77 of Section 2 of Companies Act 2013 to be read with Rule 4 of the Companies (Specification and definition details) Rules, 2014.</i>
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7	Prepaid Expenses, losses	This shall include: • Prepaid expenses and losses as per Balance Sheet / Trial Balance. • Preliminary / Deferred revenue / Pre-operative expenses / Deferred Tax Asset/ MAT credit not written-off as per Balance Sheet • GST credit not required to be deducted
8	Intangible Assets	Net book value of intangible assets such as goodwill, patents, copyrights, trademarks, computer software, investment in artwork and other antique items etc. as per Balance Sheet / Trial Balance
9	30% of Marketable Securities	This shall include: • Listed securities held either as investment or Stock-in-Trade / Inventories shall be referred as marketable securities. • Value of these Securities to be considered for calculating this element shall be the value as recorded in the books of accounts, on the date of the computation of the Networth. It is observed that Clearing Corporations applies different hair cut for less riskier securities (Liquid and Debt Mutual Funds, G-Sec, non-government debt securities, corporate bonds, T-bills & Sovereign Gold bonds) for the purpose of collecting collaterals from members. NCL vide its circular no. NCL/CMPT/48346 dated May 21, 2021 stipulated different hair cut on different type of approved securities. Based on this, instead of deducting 30% value, such approved securities (Liquid and Debt Mutual Funds, G-Sec, non-government debt securities, corporate bonds, T-bills & Sovereign Gold bonds) can be aligned with the percentage hair cut applied by the clearing corporation on such collaterals. In case Liquid and Debt Mutual Funds, G-secs, T-bills, Sovereign Gold bonds, non-government debt securities, corporate bonds does not form part of aforementioned Exchange circular, Members are advised to refer SEBI circular dated Feb 21, 2019 for the haircut.

Illustration:

Particulars		Amount (Rs.)
Listed Shares	A	Rs. 200
G-Sec (having 10% haircut)	B	Rs. 100
TOTAL MARKETABLE SECURITIES	A+B	Rs. 300
Deduction from Networth		Rs. 70
30% of Listed Shares – (30% of Rs. 200)		
- Rs. 60/-		
10% of G Sec – 10% of Rs. 100 - Rs. 10		

In process, for those securities / other type of mutual funds wherever hair cut applied by Clearing Corporation is higher than 30%, maximum ceiling percentage of 30% shall be applicable.

Further, whenever member is dealing with more than one Exchanges / Clearing Corporations then for the purpose of haircut, maximum applicable haircut / VAR by any of the Clearing Corporations with shall be taken for valuation of such securities (Liquid and Debt Mutual Funds, G-Sec, non-government debt securities, corporate bonds, T-bills & Sovereign Gold bonds).

Undertaking to NSE Clearing Limited
(On the letterhead of the applicant member)

To,
NSE Clearing Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051.

Dear Madam/Sir,

We, M/s (Member name:) (PAN:.....) hereby submit scanned copy of half yearly network certificate as on _____ and computation thereof:

Further, we confirm that :

- The scanned copy of the half yearly network certificate and computation attached herewith are duly certified by the (Chartered Accountant/Company Secretary). **Fill in the blanks (whichever applicable).**
- We undertake the details provided to the NCL as per the certificate obtained by us and is true and correct.
- The original copy of the network certificate and its computation is available with us and would be made available to NCL , as and when required.
- The network computation is based on (Audited/Unaudited financial statement). **Fill in the blanks (whichever applicable).**

Stamp:

Date:

Place:

Sign: _____

Name of the Person whose signature is affixed : _____

Designation of the Person whose signature is affixed : _____

Mobile / phone No. : _____

Email id for further communication _____

Note: Should be signed by the designated directors/ designated partners/proprietor/ authorized signatories