

ANNEXURE – I

(A) Network Requirement & Method of Computation

Trading members / Clearing members of the Exchange/NCL are required to maintain network as prescribed by the Exchange at all points of time as per the continuing membership norms of the Exchange. Currently applicable network for various classes of members is as under:

Segment	Type of Membership	Corporate/LLP	Firm / Individual
Capital Market	TM	0.75 Crore	0.75 Crore
	TM (Alpha)	0.50 Crore	0.50 Crore
	TM & SCM	1 Crore	1 Crore
	TM & CM	3 Crore	3 Crore
	PCM	3 Crore	NA
Debt Segment	TM	0.50 Crore	0.50 Crore
	TM & SCM	1 Crore	1 Crore
	TM & CM	3 Crores	3 Crores
	PCM	3 Crores	NA
Futures & Options	TM	1 Crore	0.75 Crore
	TM (Alpha)	0.50 Crore	0.50 Crore
	TM & SCM	1 Crore	1 Crore
	TM & CM	3 Crores	3 Crores
	PCM	3 Crores	NA
Currency Derivatives	TM	1 Crore	1 Crore
	TM & SCM	5 Crores	5 Crores
	TM & CM	10 Crores	10 Crores
	PCM	10 Crores	NA
Commodity Derivatives	TM	0.50 Crore	0.50 Crore
	TM & SCM	1 Crore	1 Crore
	TM & CM	3 Crores	3 Crores
	PCM	5 Crores	NA
TM = Registered Trading Membership.			
TM & SCM = Registered Trading and Self Clearing Membership.			
TM & CM = Registered Trading and Clearing Membership.			

PCM = Registered Professional Clearing Membership.

Method of computation applicable is Dr. L. C. Gupta as prescribed by Schedule VI of Securities and Exchange Board of India (Stock Brokers) (Second Amendment) Regulations, 2013.

(B) Formats of Networth Certificate

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

(To be provided on the Letterhead of the certifying Chartered Accountant/ Company Secretary)

CERTIFICATE

This is to certify that the Networth of M/s./Mr./Ms. _____ (Name of Member) as on _____ as per the statement of computation of even date annexed to this report is Rs. _____ only).

We further certify that:

- M/s./Mr./Ms. _____ (Name of Trading Member) is not engaged in any fund-based activities or business other than that of securities. 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.
- 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 net worth is in accordance with the method of computation prescribed by Schedule VI of SEBI (Stock Brokers) (Second Amendment) Regulations, 2013 /the method of computation prescribed by Dr. L C Gupta Committee Report.

Place:

For (Name of Certifying Firm)

Date:

UDIN:

Name of Partner/Proprietor

Chartered Accountants / Company Secretaries

Membership Number

Format : C-1 (Networth Certificate for Professional Clearing Members)

(To be provided on the Letterhead of the certifying Chartered Accountant/ Company Secretary)

CERTIFICATE

This is to certify that the Networth of M/s._____ **(Name of Member)** as on _____ as per the statement of computation of even date annexed to this report is Rs. _____ only).

We further certify that:

- 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 method of computation prescribed by Schedule VI of SEBI (Stock Brokers) (Second Amendment) Regulations, 2013 / the method of computation prescribed by Dr. L C Gupta Committee Report (*strike off whichever is not applicable*).

Place:

For (Name of Certifying Firm)

Date:

UDIN:

Name of Partner/Proprietor

Chartered Accountant / Company Secretary

Membership Number

Format : C-1 (Networth Certificate for Banks)

(To be provided on the Letterhead of the certifying Chartered Accountant/ Company Secretary)

CERTIFICATE

This is to certify that the Net worth of M/s. _____ (Name of the Member) as on _____ as per RBI guidelines is Rs. _____ only.

We further certify that:

- 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 method of computation prescribed by Schedule VI of SEBI (Stock Brokers) (Second Amendment) Regulations, 2013 / the method of computation prescribed by Dr. L C Gupta Committee Report / RBI guidelines (*strike off whichever is not applicable*).

Place:

For (Name of Certifying Firm)

Date:

UDIN:

Name of Partner/Proprietor

Chartered Accountant / Company Secretary

Membership Number

Format: C-1 (Networth Certificate for members who have availed approval for offering margin trading facility)

(To be provided on the Letterhead of the certifying Chartered Accountant/ Company Secretary)

CERTIFICATE

This is to certify that the Networth of M/s. _____ (Name of Trading Member) as on _____ as per the statement of computation of even date annexed to this report is Rupees _____ only).

We further certify that:

- M/s. _____ (Name of Trading Member) is not engaged in any fund-based activities or business other than that of securities. 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.
- 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 Dr. L C Gupta Committee Report .

We further certify that the member has complied with all the regulatory requirements related to Margin Trading including those listed in NSE Circular ref. no. NSE/COMP/35125 dated June 15, 2017, NSE Circular ref. no. NSE/COMP/35260 dated June 30, 2017, NSE Circular ref. no. NSE/COMP/35521 dated August 03, 2017 and NSE Circular ref. no. NSE/COMP/36350 dated November 22, 2017.

Place:

For (Name of Certifying Firm)

Date:

UDIN:

Name of Partner/Proprietor

Chartered Accountant

Membership Number

Format C-1

Method of computation of Networth as per Schedule VI of SEBI (Stock Brokers) (Second Amendment) Regulations, 2013 / Dr. L.C. Gupta Committee Report

The method of computation of Networth as prescribed by Schedule VI of SEBI (Stock Brokers) (Second Amendment) Regulations, 2013 is as follows:

Capital + Free Reserves

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

*Explanation:

Includes debts/advances overdue for more than three months or given to associates.