

## National Stock Exchange of India

### Circular

Department: Compliance	
Download Ref No: NSE/COMP/67399	Date: April 02, 2025
Circular Ref. No: 26/2025	

To All Members,

### **Sub: Submission of Half Yearly Networth Certificate as on March 31, 2025**

As per the continuing membership norms of the Exchange, all Members of the Exchange are required to maintain minimum Networth at all points of time and submit the Networth certificate on a half yearly basis to the Exchange. With regards to the same, members are hereby advised to submit the Half Yearly Networth Certificate as on March 31, 2025 on ENIT by May 31, 2025. Further, the members who have availed approval for offering margin trading facility have to submit the networth certificate in the format prescribed for them on or before April 30, 2025.

Members are advised to note that the link for submitting the Networth is made available on ENIT-NEW-COMPLIANCE. The user manual for submission of half yearly Networth is attached as Annexure I. For Networth requirements, method of computation and formats regarding Half Yearly Networth Submission, kindly refer to Annexure II.

All Members are required to strictly adhere to the timelines mentioned above and no additional time shall be provided for submission of the Networth certificate. In case of any shortfall in Networth as on March 31, 2025, Members should submit a revised Networth certificate as on a subsequent date meeting the minimum required Networth along with the original Networth certificate as on March 31, 2025, before the due date.

In case of non-submission of Networth certificate within the due date or in case of any shortfall, non-submission of a revised Networth certificate along with the original Networth certificate as on March 31, 2025, disciplinary actions shall be initiated by the Exchange as stipulated in circular Ref no. NSE/INSP/53530 dated September 2, 2022.

Members are advised to take note and comply.

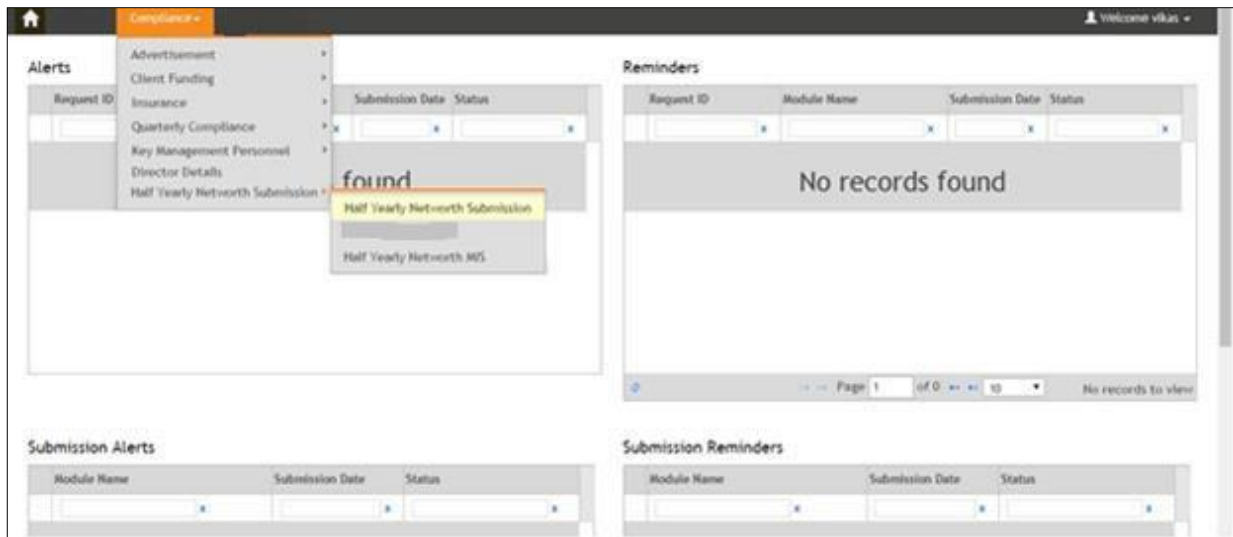
**For and on behalf of  
National Stock Exchange of India Limited**

**Swati Sopare  
Chief Manager**

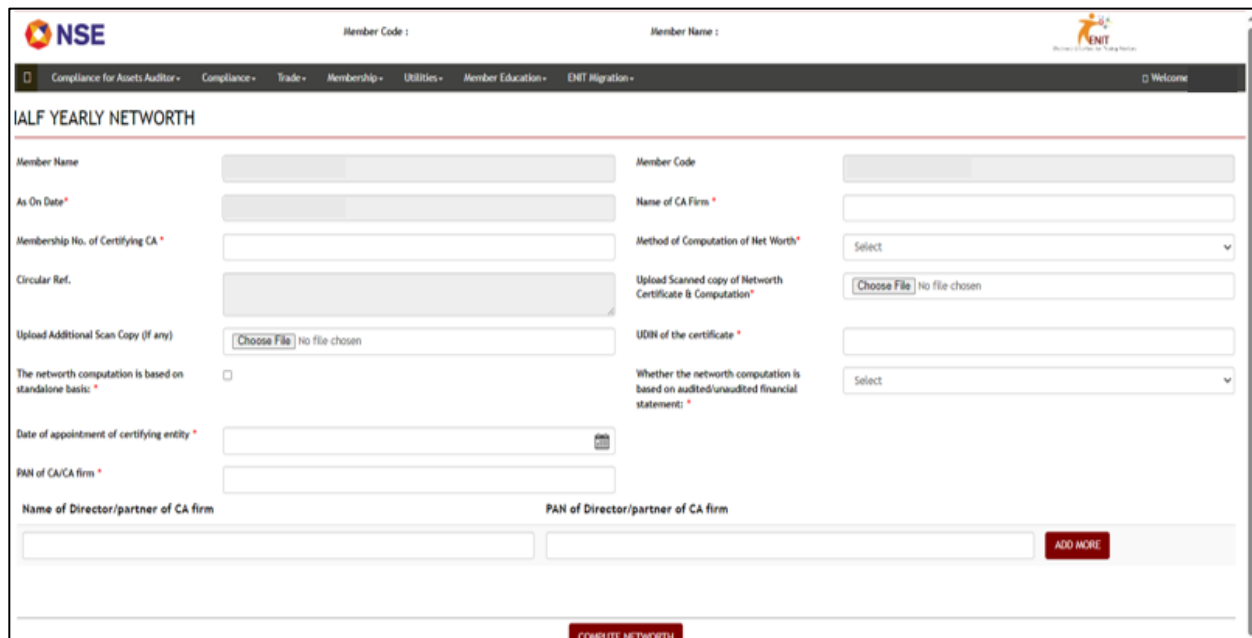
## ANNEXURE I - User Manual for Submission of Half-Yearly Networth

### ➤ Half Yearly networth submission

1. Login with correct member credentials to member portal - <https://enit.nseindia.com/MemberPortal/>
2. Click on 'Compliance'.
3. Go to 'Half Yearly Networth Submission' module.
4. Select 'Half Yearly Networth Submission' and click on it.



On clicking, below page will open:



**NSE** Member Code : Member Name :

Compliance for Assets Auditor • Compliance • Trade • Membership • Utilities • Member Education • ENIT Migration • Welcome

### HALF YEARLY NETWORTH

Member Name:  Member Code:

As On Date\*:  Name of CA Firm\*:

Membership No. of Certifying CA\*:  Method of Computation of Net Worth\*:

Circular Ref.:  Upload Scanned copy of Networth Certificate & Computation\*:  no file chosen

Upload Additional Scan Copy (if any):  no file chosen

UDIN of the certificate\*:

The networth computation is based on standalone basis\*:

Whether the networth computation is based on audited/unaudited financial statement\*:

Date of appointment of certifying entity\*:

PAN of CA/CA firm\*:

Name of Director/partner of CA firm:  PAN of Director/partner of CA firm:

Here, 'Member Name, Member Code & As on Date' fields are auto populated and disabled fields. Name of CA Firm, Membership No. of Certifying CA, UDIN of the certificate, PAN of CA/CA Firm, Name of Director/partner of CA Firm, PAN of Director/partner of CA firm are editable blank fields.

'Method of Computation of Net Worth' is a dropdown option. The general options available are:

- Schedule VI of SEBI (Stock Brokers) Regulations, 1992
- RBI Method

The method types get allocated to each member depending on the respective constitution of the member etc.

If the Member is assigned for Schedule VI of SEBI (Stock Brokers) Regulations, 1992, then no other method types will be displayed to the member. When the Member is any Bank, then both Schedule VI of SEBI (Stock Brokers) Regulations, 1992 & RBI method will be displayed to them.

A check box is available to select that the networth computation is based on standalone basis.

'Whether the networth computation is based on audited/unaudited financial statement' is a dropdown option. The options available are:

- Unaudited Financial Statement
- Audited Financial Statement

Update the date in the field "Date of appointment of certifying entity".

Uploading of multiple networth certificate scanned copies can be done through the option – Upload Additional Scan Copy (if any)

'Upload Scanned copy of Networth Certificate & Computation' is a browse field. It accepts below document types:

- .pdf
- .jpeg
- .jpg
- .doc
- .docx
- .zip
- .tif
- .7z
- .rar

‘Compute Network’ is a button, helps the Member to generate the form such that Member can enter the amount to submit his network to the exchange.

➤ **Error when mandatory fields are kept blank:**

When the mandatory fields are kept blank & Member clicks on ‘Compute Network’ button, the mandatory fields will get highlighted with red error alert icon, showing the errors for each mandatory field.

When Member enters valid details & uploads a correct file & clicks on ‘Compute Network’ button, the form gets generated depending on the method selected for computing the network.

Note:  
1. Attachments only in .pdf/.jpeg/.jpg/.doc/.docx/.zip/.tiff/.tif/.rar are permitted.

Schedule VI of SEBI (Stock Brokers) Regulations, 1992 latest Circular No. 10 (Ref. NSE/COMP/51578 dated March 09, 2022)

Particulars	Amount(Rs. in absolute figure)	Particulars	Amount(Rs. in absolute figure)
Capital + Free Reserves		Non-allowable assets viz.	
Capital*	<input type="text" value="100"/>	Fixed Assets*	<input type="text" value="1000"/>
Free Reserves*	<input type="text" value="100"/>	Pledged Securities*	<input type="text" value="1000"/>
		Member's Card*	<input type="text" value="1000"/>
		Non-allowable securities (unlisted securities)*	<input type="text" value="1000"/>
		Bad deliveries*	<input type="text" value="1000"/>
		Any Debts and Advances (except trade debtors of less than 3 months)*	<input type="text" value="1000"/>
		Prepaid expenses, losses*	<input type="text" value="1000"/>
		Intangible Assets*	<input type="text" value="1000"/>
		Marketable securities*	<input type="text" value="1000"/>
		Deductible Value of Marketable Securities	<input type="text" value="1000"/>
Capital + Free Reserves (A)	<input type="text" value="200.00"/>	<small>Kindly fill the amount after considering appropriate haircut on all kinds of Marketable Securities as per Exchange circular NSE/COMP/47555 dated March 08, 2021</small>	
		Total (Non-allowable assets viz) (B)	<input type="text" value="9000.00"/>

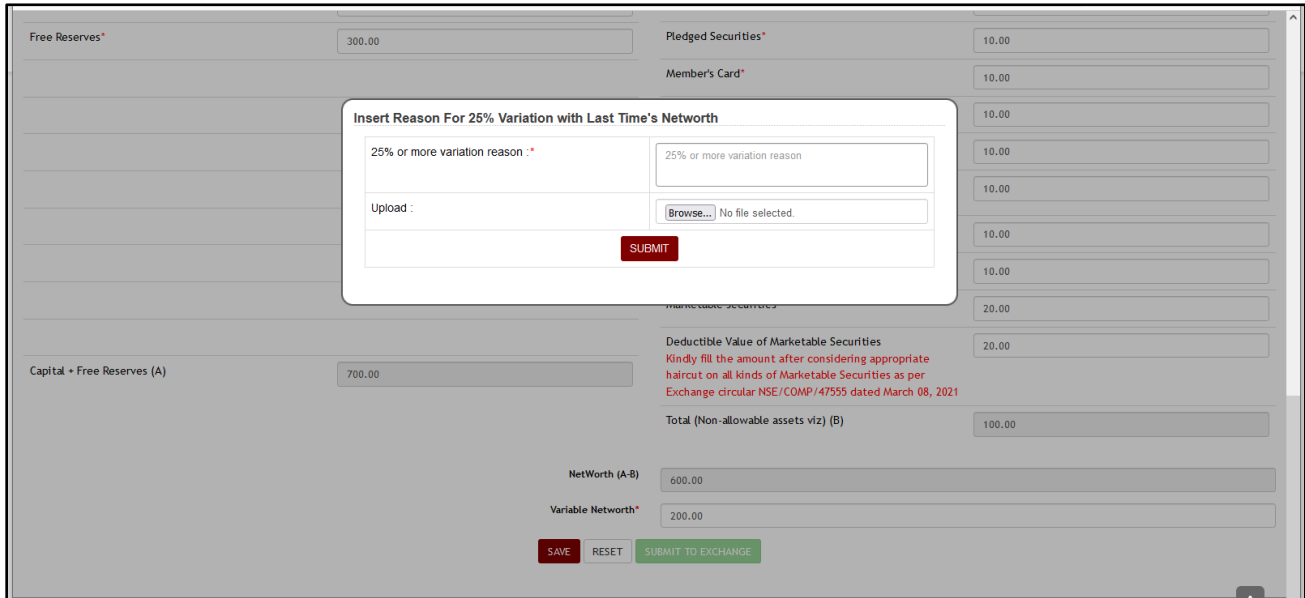
The part at left side is considered as ‘A’ & part at right hand side is considered as ‘B’. The Network is calculated as **[A-B]**

Variable network needs to be updated under the Variable Network field which is a mandatory field

‘Reset’ button allows Member to reset all the entered values back to 0.00

➤ **Shortfall in network and 25% variation in network**

- In case member has 25% variation, member will be directed to submit reason and upload if required.



Free Reserves\* 300.00

Pledged Securities\* 10.00

Member's Card\* 10.00

10.00

10.00

10.00

10.00

10.00

10.00

10.00

20.00

20.00

Deductible Value of Marketable Securities  
Kindly fill the amount after considering appropriate haircut on all kinds of Marketable Securities as per Exchange circular NSE/COMP/47555 dated March 08, 2021

Total (Non-allowable assets viz) (B) 100.00

NetWorth (A-B) 600.00

Variable Network\* 200.00

SAVE RESET SUBMIT TO EXCHANGE

**Insert Reason For 25% Variation with Last Time's Network**

25% or more variation reason :\*

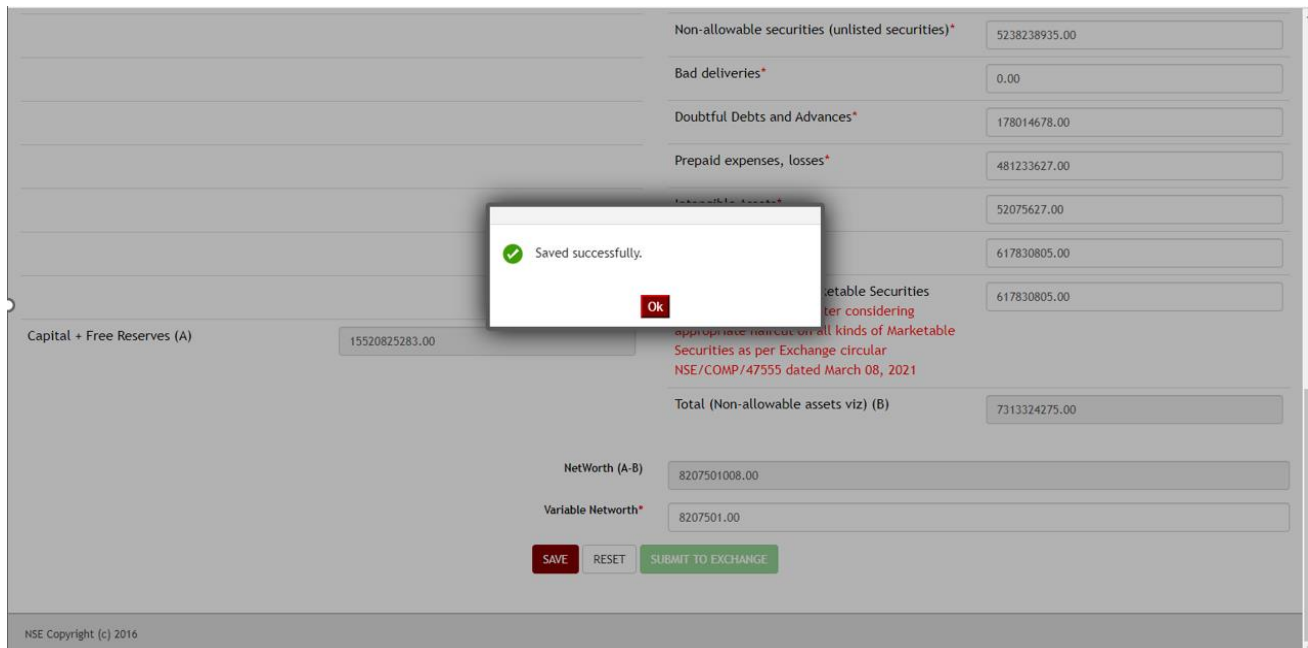
25% or more variation reason

Upload :

Browse... No file selected.

SUBMIT

**Save** button helps Member to save the entered values. But it does not submit the form to the exchange. Hence member must click the **Submit to Exchange** button in order to make the submission.



Non-allowable securities (unlisted securities)\* 5238238935.00

Bad deliveries\* 0.00

Doubtful Debts and Advances\* 178014678.00

Prepaid expenses, losses\* 481233627.00

52075627.00

617830805.00

617830805.00

Capital + Free Reserves (A) 15520825283.00

Total (Non-allowable assets viz) (B) 7313324275.00

NetWorth (A-B) 8207501008.00

Variable Network\* 8207501.00

SAVE RESET SUBMIT TO EXCHANGE

**Saved successfully.**

OK

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When user saves the details then only ‘Submit to Exchange’ button will get enabled:

	Non-allowable securities (unlisted securities)*	5238238935.00
	Bad deliveries*	0.00
	Doubtful Debts and Advances*	178014678.00
	Prepaid expenses, losses*	481233627.00
	Intangible Assets*	52075627.00
	Marketable securities*	617830805.00
	Deductible Value of Marketable Securities <i>Kindly fill the amount after considering appropriate haircut on all kinds of Marketable Securities as per Exchange circular NSE/COMP/47555 dated March 08, 2021</i>	617830805.00
Capital + Free Reserves (A)		15520825283.00
	Total (Non-allowable assets viz) (B)	7313324275.00
	NetWorth (A-B)	8207501008.00
	Variable Network*	8207501.00

When Member clicks on ‘Submit to Exchange’ button, ‘Submit to Exchange’ pop up will appear as below:

Capital*	5000000.00	Fixed Assets*	500000.00
Free Reserves*	25000000.00	Pledged Securities*	500000.00
		Marketable Securities*	10000.00
			200000.00
			50000.00
			40000.00
			15000.00
			50000.00
			5.00
			150000.00
Capital + Free Reserves (A)			1921000.00

**SUBMIT TO EXCHANGE**

*Note: Please check the half yearly network submission details before submitting. Once the data is submitted member cannot add/modify/delete the details. So please confirm before submitting the details to the exchange.*

To,  
National Stock Exchange of India Ltd.

This is with reference to your circular no. [redacted] regarding submission of half yearly network certificate as a part of continuing membership norms. Please find attached herewith a scanned copy of the Half Yearly Network and the computation thereof.

We/I confirm that the scanned copy of the Half Yearly Network and the computation attached herewith are duly certified by the Chartered Accountant/ Company Secretary. We/I undertake that the details provided to the exchange are as per the certificate obtained by us and is true and correct.

The original copy of network certificate and its computation is available with us, which would be made available to the exchange as and when required.

Yours faithfully,  
for

NetWorth (A-B)	73479000.00
Variable Network*	73400000.00

‘Submit to Exchange’ pop up is having below mandatory fields:

1. I agree
2. Name of the person whose signature is affixed
3. Designation of the person whose signature is affixed

4. Mobile / phone no.
5. Email id for further communication
6. Click on 'Validate Data'
7. Click on 'Submit'

<input checked="" type="radio"/> I Agree.	
Name of the person whose signature is affixed:	<input type="text"/>
Designation of the person whose signature is affixed:	<input type="text"/>
Mobile / phone no.:	<input type="text"/>
Email id for further communication	<input type="text"/>
<input type="button" value="Validate Data"/>	
<input type="button" value="SUBMIT"/> <input type="button" value="CANCEL"/>	

If Member enters invalid details, then one by one, error alerts will be displayed for each field.


'Name of the person whose signature is affixed & Designation of the person whose signature is affixed' fields should accept maximum 50 characters.

'**Mobile / phone no**' field should accept maximum 10 digits.

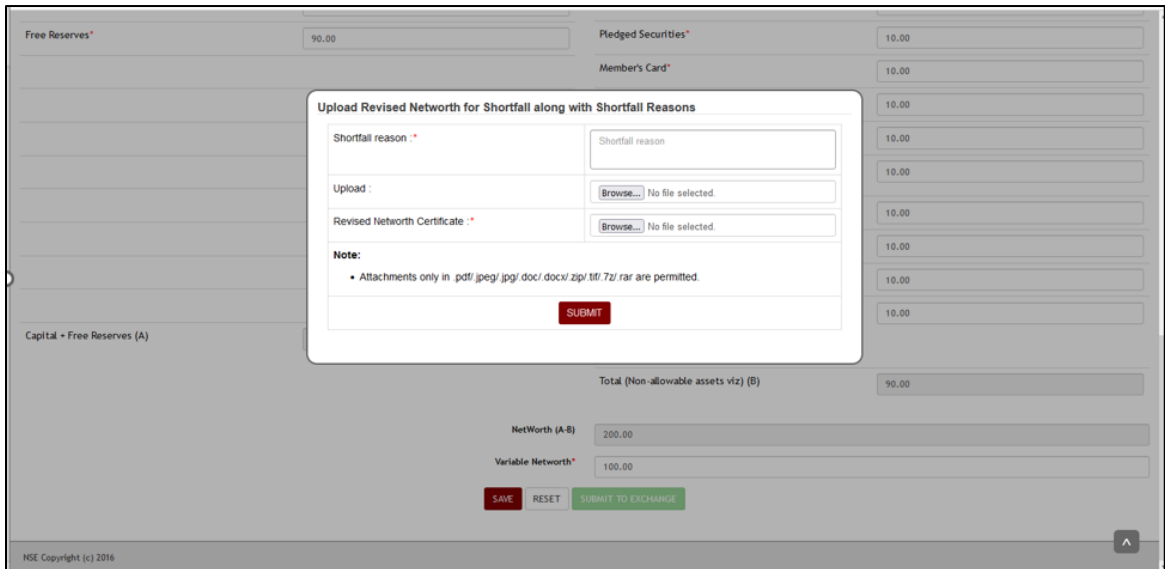
'**Email id for further communication**' field should accept maximum 50 characters. On this email id, Member will receive all the updates or the request is accepted / rejected.

When Member clicks on Submit, a reference number will get generated.

**Confirmation**

 The reference no. 2069/HALF\_NET/0924/17683 has been Submitted successfully to NSEIL & NCL for HYE 31-Mar-2025.

- In case member has reported shortfall, member will be directed to submit reason for shortfall and upload revised network certificate.

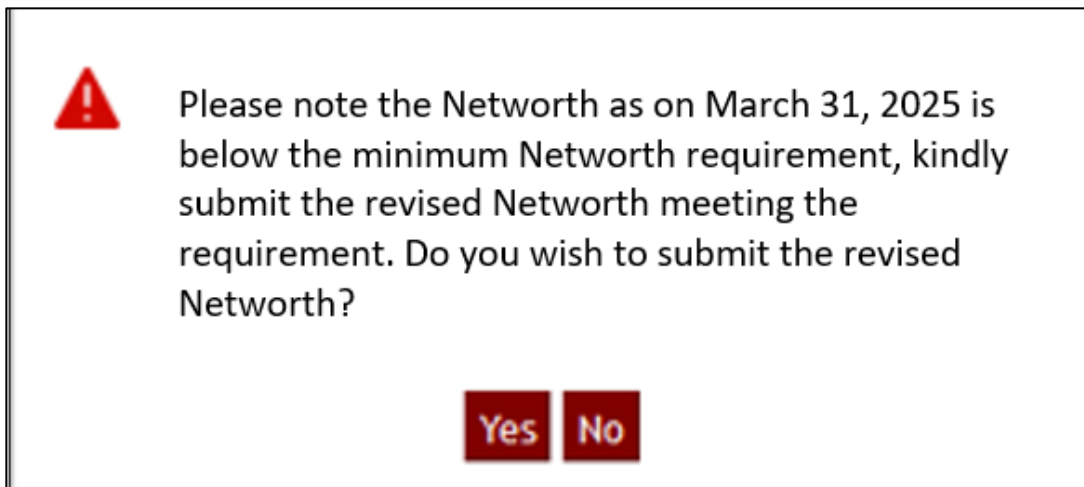


The screenshot displays a web interface with a modal window titled "Upload Revised Network for Shortfall along with Shortfall Reasons". The modal contains the following fields and elements:

- Shortfall reason :** A text input field.
- Upload :** A file selection area with a "Browse..." button and the text "No file selected."
- Revised Network Certificate :** A file selection area with a "Browse..." button and the text "No file selected."
- Note:** A list of permitted file formats: ".pdf/.jpeg/.jpg/.doc/.docx/.zip/.tif/.7z/.rar".
- SUBMIT** button.

The background interface shows various financial metrics such as "Free Reserves\*", "Pledged Securities\*", "Member's Card", "Capital + Free Reserves (A)", "Total (Non-allowable assets viz) (B)", "NetWorth (A-B)", and "Variable Network\*", each with a corresponding input field and value.

- In case member reports shortfall and has 25% variation as compared to last submission, message shall be displayed as *“Please note the Network as on March 31, 2025 is below the minimum Network requirement, kindly submit the revised Network meeting the requirement. Do you wish to submit the revised Network”*




The dialog box features a red warning triangle icon on the left. The text reads: "Please note the Network as on March 31, 2025 is below the minimum Network requirement, kindly submit the revised Network meeting the requirement. Do you wish to submit the revised Network?". At the bottom, there are two buttons: "Yes" and "No".

If you click 'Yes', you will be directed to submit revised Network submission (as on a later date) along with reason for shortfall and 25% variation.



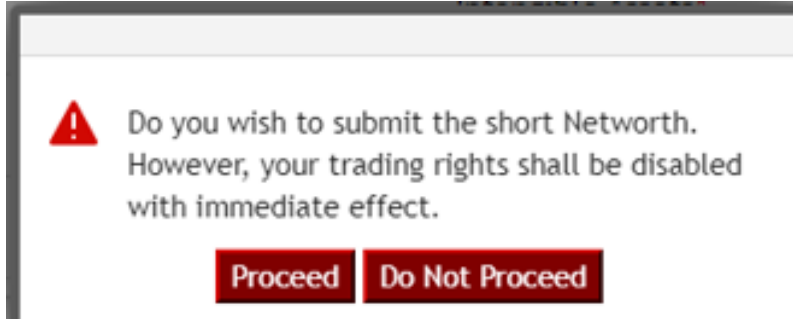
**NOTE: PLEASE NOTE IN CASE YOU DO NOT SUBMIT THE REVISED NETWORTH ON THE SAME DAY AS ON THE DATE OF ORIGINAL NETWORTH (WITH SHORTFALL), YOUR TRADING RIGHTS SHALL BE WITHDRAWN IMMEDIATELY.**

Upload Revised Networth for Shortfall along with Shortfall and 25% Variation Reasons	
Shortfall reason :*	<input type="text" value="Shortfall reason"/>
Upload :	<input type="button" value="Choose File"/> No file chosen
25% or more variation reason :*	<input type="text" value="25% or more variation reason"/>
Upload :	<input type="button" value="Choose File"/> No file chosen
Revised Networth Certificate :*	<input type="button" value="Choose File"/> No file chosen
<b>Note:</b> <ul style="list-style-type: none"><li>• Attachments only in .pdf/.jpeg/.jpg/.doc/.docx/.zip/.tif/.7z/.rar are permitted.</li></ul>	
<input type="button" value="SUBMIT"/>	



**You have saved the request , but not submitted to Exchange. Request you to please click on SAVE and then click on SUBMIT TO EXCHANGE.**

If you click 'No', following message shall be displayed "Do you wish to submit the short Network. However, your trading rights shall be disabled with immediate effect"



If you click on Proceed, you will be required to give reason for shortfall in network and 25% variation in the network and proceed to complete the submission.

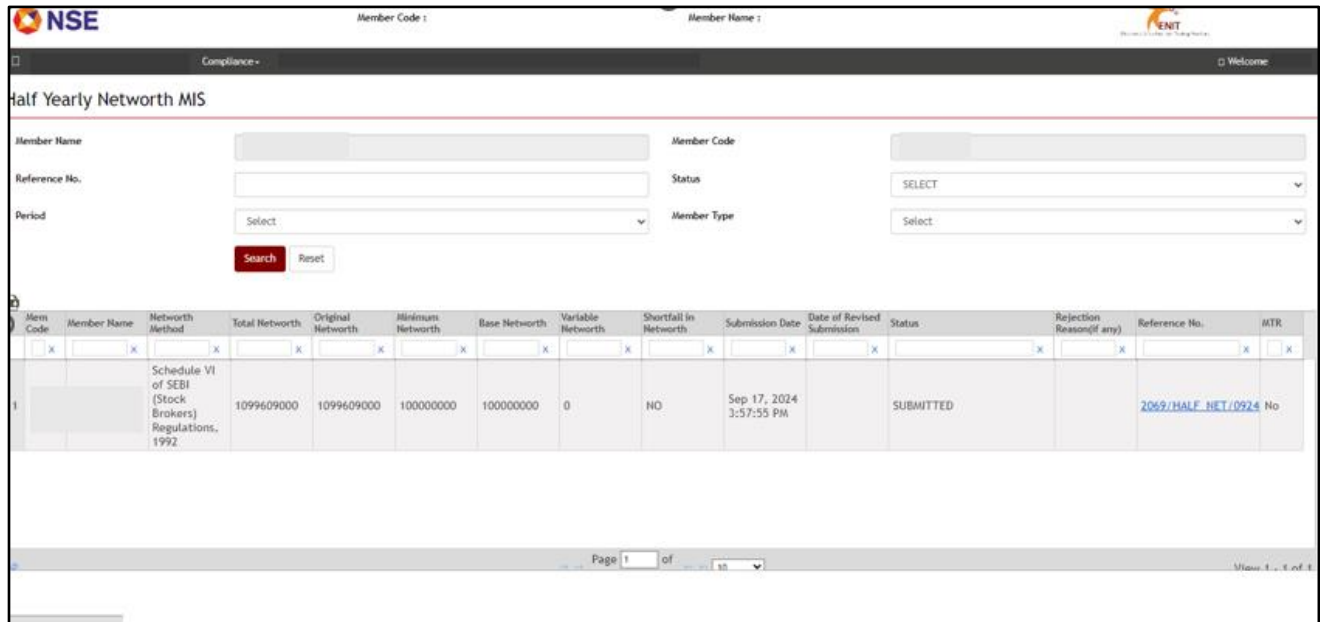
**Upload Revised Network for Shortfall along with Shortfall and 25% Variation Reasons**

Shortfall reason : *	<input type="text" value="Shortfall reason"/>
Upload :	<input type="button" value="Choose File"/> No file chosen
25% or more variation reason : *	<input type="text" value="25% or more variation reason"/>
Upload :	<input type="button" value="Choose File"/> No file chosen
Revised Network Certificate : *	<input type="button" value="Choose File"/> No file chosen
<b>Note:</b> <ul style="list-style-type: none"><li>• Attachments only in .pdf/.jpeg/.jpg/.doc/.docx/.zip/.tif/.7z/.rar are permitted.</li></ul>	
<input type="button" value="SUBMIT"/>	

In case you click on 'Do not Proceed', **no submission will be recorded by Exchange.**

➤ **Half Yearly Network MIS**

When the Member submits the half yearly network, the same will get reflected in the ‘Half Yearly MIS’ module viewable from member’s end.



Mem Code	Member Name	Network Method	Total Network	Original Network	Minimum Network	Base Network	Variable Network	Shortfall in Network	Submission Date	Date of Revised Submission	Status	Rejection Reason(if any)	Reference No.	MTR
1	[Redacted]	Schedule VI of SEBI (Stock Brokers) Regulations, 1992	1099609000	1099609000	100000000	100000000	0	NO	Sep 17, 2024 3:57:55 PM		SUBMITTED		2062/HALE.NET/0924	No

Member must be able to filter the MIS using ‘Reference no. & Status’ fields.

‘**Status**’ Field consists of following options:

- Submitted
- Shortfall
- Revised
- Approved
- Rejected

1. **Submitted:** When the member submits the network for the first time without a shortfall, then the status will be displayed as ‘Submitted. Even if there exists a 25% or more variation, still the status will be displayed as ‘New’.
2. **Shortfall:** When member proceeds the submission by uploading the Network with shortfall and fails to submit the revised Network meeting the requirement.
3. **Revised:** When the member submits the revised network, then the status will be displayed as ‘Revised’

4. **Approved:** When Exchange approves the submitted details, the status will get changed to 'Approved'. When the request is approved by the Exchange, member will receive the approved status with the reference no in the email-id provided by him to the exchange.
  
5. **Rejected:** When the Exchange rejects the submission, the status for such request will be shown as 'Rejected'. When Exchange rejects the request, member will receive the rejected status with the rejected reason in the email-id provided by him to the exchange and system will allow member to re-submit the Networth. Member shall resolve discrepancy and submit networth with 2 working days.

## **ANNEXURE – II**

### **(A) Base Networth Requirement & Method of Computation**

Trading members of the Exchange are required to maintain Networth as prescribed by the Exchange at all points of time as per the continuing membership norms of the Exchange. As per SEBI Gazette Notification No. SEBI/LAD-NRO/GN/2022/73 dated February 23, 2022, Base Networth for all trading members registered in Capital market, Futures & Options, Currency Derivatives, Commodity Derivative and Debt segments is Rs 1,00,00,000/-.

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



**(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**

Member Name: \_\_\_\_\_

Member Applicable Networth\* (*Higher of 'Base Networth' or 'Variable Networth'*):

1. Base Networth is (in Rs.)

NSE	
BSE	
NCDEX	
MCX	
MSE	

2. Variable Networth is Rs. \_\_\_\_\_/-

\*(Reason in case Variable Networth is "Nil / Not Applicable"): \_\_\_\_\_  
\_\_\_\_\_

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 or commodity derivatives. 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 method of computation prescribed by Schedule VI of SEBI (Stock Brokers) (Amendment) Regulations, 2022.
- The computation of Variable Networth is in accordance with the method of computation prescribed by SEBI as per SEBI Gazette Notification No. SEBI/LAD-NRO/GN/2022/73 dated February 23, 2022 on revised Networth requirement or as amended from time to time\*.
- We hereby confirm that we are not the related party to the aforesaid entity.



- The computation of Networth is based on company's standalone financial statements and based on audited /unaudited financial statements.

**Place:**

**Date:**

**UDIN:**

**For (Name of Certifying Firm)**

**PAN no. of CA/CS Firm**

**Name of Partner/Proprietor**

**Chartered Accountants / Company Secretaries**

**PAN no. of Partner/Proprietor**

**Membership Number**

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

<b>Sr no</b>	<b>Name of Director/Partner</b>	<b>PAN of Director/Partner</b>

\*Shall be read with amendments, circular, notification issued in this regard till date.



**Format: C-1 (Networth Certificate for Banks)**

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

**CERTIFICATE**

Member Name: \_\_\_\_\_

Member Applicable Networth\* (**Higher of 'Base Networth' or 'Variable Networth'**):

1. Base Networth is (in Rs.)

NSE	
BSE	
NCDEX	
MCX	
MSE	

2. Variable Networth is Rs. \_\_\_\_\_/-

\*(Reason in case Variable Networth is "Nil / Not Applicable"): \_\_\_\_\_  
\_\_\_\_\_

This is to certify that the Networth 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) (Amendment) Regulations, 2022.
- The computation of Variable Networth is in accordance with the method of computation prescribed by SEBI as per SEBI Gazette Notification No. SEBI/LAD-NRO/GN/2022/73 dated February 23, 2022 on revised Networth requirement or as amended from time to time\*.
- We hereby confirm that we are not the related party to the aforesaid entity.
- The computation of Networth is based on company's standalone financial statements and based on audited /unaudited financial statements.





**Place:**  
**Date:**  
**UDIN:**

**For (Name of Certifying Firm)**  
**PAN no. of CA/CS Firm**

**Name of Partner/Proprietor**  
**Chartered Accountants / Company Secretaries**  
**PAN no. of Partner/Proprietor**  
**Membership Number**

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

<b>Sr no</b>	<b>Name of Director/Partner</b>	<b>PAN of Director/Partner</b>

\*Shall be read with amendments, circular, notification issued in this regard till date.



**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**

Member Name: \_\_\_\_\_

Member Applicable Networth\* (*Higher of 'Base Networth' or 'Variable Networth'*):

1. Base Networth is (in Rs.)

NSE	
BSE	
NCDEX	
MCX	
MSE	

2. Variable Networth is Rs. \_\_\_\_\_/-

\*(Reason in case Variable Networth is "Nil / Not Applicable"): \_\_\_\_\_  
\_\_\_\_\_

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 or commodity derivatives. 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 method of computation prescribed by Schedule VI of SEBI (Stock Brokers) (Amendment) Regulations, 2022.
- The computation of Variable Networth is in accordance with the method of computation prescribed by SEBI as per SEBI Gazette Notification No. SEBI/LAD-NRO/GN/2022/73 dated February 23, 2022 on revised Networth requirement or as amended from time to time\*.



- We hereby confirm that we are not the related party to the aforesaid entity.
- The computation of Networth is based on company's standalone financial statements and based on audited /unaudited financial statements.

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:**

**PAN no. of CA/CS Firm**

**UDIN:**

**Name of Partner/Proprietor**

**Chartered Accountants / Company Secretaries**

**PAN no. of Partner/Proprietor**

**Membership Number**

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

<b>Sr no</b>	<b>Name of Director/Partner</b>	<b>PAN of Director/Partner</b>

\*Shall be read with amendments, circular, notification issued in this regard till date.

**Format C-1**

**Method of computation of Networth as per Schedule VI of SEBI (Stock Brokers) (Amendment) Regulations, 2022**

The method of computation of Networth as prescribed by Schedule VI of SEBI (Stock Brokers) (Amendment) Regulations, 2022 is as follows:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount in Rs.</b>
A.	Capital	
B.	Free Reserves	
C.	<b>Less: Non-allowable assets viz.,</b>	
	(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	
D.	<b>Total Amount (A + B - C)</b>	

**Place:**

**For (Name of Certifying Firm)**

**PAN no. of CA/CS Firm**

**Date:**

**UDIN:**

**Name of Partner/Proprietor**

**Chartered Accountants / Company Secretaries**

**PAN no. of Partner/Proprietor**

**Membership Number**

**CLARIFICATION ON NETWORTH COMPUTATION**

**A) Share Capital + Free Reserves**

S.No.	Components of Networth	Remarks
1	<b>Share Capital</b>	<p>This element shall include:-</p> <ul style="list-style-type: none"> <li>• Paid-up equity share capital of the member.</li> <li>• Paid-up Preference share capital of the member.</li> <li>• Fully, compulsorily &amp; mandatorily convertible debentures/ Bonds/ warrants which are convertible within a period of 5 years from the date of issue</li> <li>• Share application money</li> </ul> <p>Loans from partners / directors / promoters will not be considered as share capital</p>
2	<b>Free Reserves</b>	<p>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:</p> <p>Provided that—</p> <p>(i) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or</p> <p>(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.</p> <p>Free Reserves shall include Profit &amp; 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.</p> <p>Free Reserves should not include reserves such as Revaluation Reserve, Capital Reserve, Amalgamation Reserve, Debenture Redemption Reserve and other like reserves.</p>

**B) Non-Allowable Assets**

S. No.	Components of Networth	Remarks														
3	<b>Fixed Assets</b>	<p>This shall include: -</p> <ul style="list-style-type: none"> <li>• Net book value of all the Tangible Assets as per Balance Sheet / Trial Balance.</li> <li>• Advances given for acquisition of fixed assets</li> <li>• Capital work in progress.</li> </ul> <p>Assets under lease or taken on rent need not be deducted from the Networth</p>														
4	<b>Pledged Securities</b>	<p>Total value of own securities (as recorded in the books of accounts) pledged with the Banks / NBFC or any Financial Institution for raising funds.</p> <p>Own shares pledged to clearing corporations/clearing members are not required to be deducted from Networth.</p> <p>Illustration:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <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" style="text-align: center;"><b>Amount to be deducted from Networth</b></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><b>TOTAL AMOUNT TO BE DEDUCTED</b></td> <td><b>Rs. 790/-</b></td> </tr> </tbody> </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/-	<b>Amount to be deducted from Networth</b>		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/-	<b>TOTAL AMOUNT TO BE DEDUCTED</b>	<b>Rs. 790/-</b>
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5	<b>Non-allowable securities</b>	<p>This shall include: -</p> <ul style="list-style-type: none"><li>• Value of all unlisted securities as recorded in the balance sheet including available under ‘non-current investments’.</li><li>• Investments done in unlisted securities of associate / subsidiary / group companies.</li></ul> <p>Liquid &amp; 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).</p>
6	<b>Any Debts and advances</b>	<p>This shall include: -</p> <ul style="list-style-type: none"><li>• Any debts and advances (except trade debtors of less than 3 months)</li></ul>

		<ul style="list-style-type: none"> <li>• Wherever, a provision is created for Doubtful / Bad Debts, net amount i.e. after reducing provision made for Doubtful / Bad Debts shall be considered.</li> <li>• Any amount given in the nature of Loans, advances, inter corporate deposits given to associates including subsidiaries / group companies of the member.</li> <li>• 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.</li> <li>• ‘Associate’ shall have the meaning as per the SEBI (Intermediaries) Regulations, 2008</li> </ul> <p><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></p> <p><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></p> <p><i>The term related party shall have the same meaning as given in clause 76 &amp; 77 of Section 2 of Companies Act 2013 to be read with Rule 4 of the Companies (Specification and definition details) Rules, 2014.</i></p>
7	<b>Prepaid Expenses, losses</b>	<p>This shall include:</p> <ul style="list-style-type: none"> <li>• Prepaid expenses and losses as per Balance Sheet / Trial Balance.</li> <li>• Preliminary / Deferred revenue / Pre-operative expenses / Deferred Tax Asset/ MAT credit not written-off as per Balance Sheet</li> <li>• GST credit not required to be deducted</li> </ul>



8	<b>Intangible Assets</b>	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	<b>30% of Marketable Securities</b>	<p>This shall include:</p> <table border="1" data-bbox="613 420 1425 793"> <thead> <tr> <th data-bbox="613 420 1172 495"><b>Particulars</b></th> <th data-bbox="1172 420 1260 495"></th> <th data-bbox="1260 420 1425 495"><b>Amount (Rs.)</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="613 495 1172 533">Listed Shares</td> <td data-bbox="1172 495 1260 533"><b>A</b></td> <td data-bbox="1260 495 1425 533"><b>Rs. 200</b></td> </tr> <tr> <td data-bbox="613 533 1172 571">G-Sec (having 10% haircut)</td> <td data-bbox="1172 533 1260 571"><b>B</b></td> <td data-bbox="1260 533 1425 571"><b>Rs. 100</b></td> </tr> <tr> <td data-bbox="613 571 1172 646"><b>TOTAL MARKETABLE SECURITIES</b></td> <td data-bbox="1172 571 1260 646"><b>A+B</b></td> <td data-bbox="1260 571 1425 646"><b>Rs. 300</b></td> </tr> <tr> <td data-bbox="613 646 1172 793"><b>Deduction from Networth</b> 30% of Listed Shares – (30% of Rs. 200) - Rs. 60/- 10% of G Sec – 10% of Rs. 100 - Rs. 10</td> <td data-bbox="1172 646 1260 793"></td> <td data-bbox="1260 646 1425 793"><b>Rs. 70</b></td> </tr> </tbody> </table> <ul data-bbox="587 802 1487 982" style="list-style-type: none"> <li>• Listed securities held either as investment or Stock-in-Trade / Inventories shall be referred as marketable securities.</li> <li>• 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.</li> </ul> <p data-bbox="535 1024 1494 1386">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 &amp; 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 &amp; Sovereign Gold bonds) can be aligned with the percentage hair cut applied by the clearing corporation on such collaterals.</p> <p data-bbox="535 1428 1494 1570">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.</p> <p data-bbox="522 1646 691 1680"><b>Illustration:</b></p> <p data-bbox="522 1684 1515 1793">In this 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.</p> <p data-bbox="522 1831 1487 1896">Further, whenever member is dealing with more than one Exchanges / Clearing Corporations then for the purpose of haircut, maximum applicable</p>	<b>Particulars</b>		<b>Amount (Rs.)</b>	Listed Shares	<b>A</b>	<b>Rs. 200</b>	G-Sec (having 10% haircut)	<b>B</b>	<b>Rs. 100</b>	<b>TOTAL MARKETABLE SECURITIES</b>	<b>A+B</b>	<b>Rs. 300</b>	<b>Deduction from Networth</b> 30% of Listed Shares – (30% of Rs. 200) - Rs. 60/- 10% of G Sec – 10% of Rs. 100 - Rs. 10		<b>Rs. 70</b>
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