

CIRCULAR

Circular Reference Number	ARCL/Compliance/2024-25/76
Circular Date	04-Oct-2024
Department	Compliance

To
All Members / Participants,

Sub: Submission of Half Yearly Net Worth Certificate as of September 30, 2024

In terms of the Byelaws, Rules and Regulations of AMC Repo Clearing Limited (hereinafter referred to as "Clearing Corporation") and SEBI Circular nos. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, and SEBI/HO/MIRSD/ MIRSD2/CIR/P/2016/138 dated December 20, 2016 Members are required to maintain minimum Net worth at all point of time as part of the continuing membership norms of the Clearing Corporation.

Further, Members are also required to adhere to and comply with the SEBI gazette notification No. SEBI/LADNRO/GN/2022/73 dated February 23, 2022.

In pursuance of the same, Members are required to submit the soft copy of the Half Yearly Net worth certificate along with the Computation of Net worth as of September 30, 2024 as mentioned in Annexure I and the Participants are required to submit the Half Yearly Net worth certificate along with the Computation of Net worth (Asset Under Management in case of Mutual Funds) as of September 30, 2024, to the Clearing Corporation on or before November 30, 2024, on the email id compliance@arclindia.com.

Members and Participants are requested to take note of the above and comply.

Enclosed: For Revised Net worth requirements & formats regarding Half-Yearly Network Submission, kindly refer Annexure I.

For and on behalf of

AMC Repo Clearing Limited

Authorized Signatory
Sheela Burte

Telephone Number	Email-Id
022- 69068017	compliance@arclindia.com

ANNEXURE – I**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	Revised Base Net worth - Applicable from 23.02.2024 (Effective 31.03.2024 submissions)	
	Corporate / LLP	Firm / Individual
SCM	5 Crore	5 Crore
CM	15 Crore	15 Crore

SCM = Registered Self Clearing Membership.
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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.

Formats of Net worth Certificate**(Networth Certificate for Corporates and Firms)**

(On letterhead of Chartered Accountant / Company Secretary)

Member Name: _____

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

1. Base Network is Rs. _____/- (as mentioned in SEBI gazette notification No. SEBI/LAD-NRO/GN/2022/73 dated February 23, 2022)

2. Variable Network is Rs. _____/-

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 as per SEBI Gazette Notification No. SEBI/LAD-NRO/GN/2022/73 dated February 23, 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 / Company Secretaries
(Affix stamp of CA firm)

Formats of Net worth Certificate**(Networth Certificate for Banks)**

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

CERTIFICATE

Member Name: _____

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

1. Base Network is Rs. _____/- (as mentioned in SEBI gazette notification No. SEBI/LAD-NRO/GN/2022/73 dated February 23, 2022)

2. Variable Network is Rs. _____/-

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 Network 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 Network is in accordance with method of computation prescribed by Schedule VI of SEBI (Stockbrokers) (Amendment) Regulations, 2022.
- The computation of Variable Network 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 Network requirement or as amended from time to time*.
- We hereby confirm that we are not the related party to the aforesaid entity

Place:

For (Name of Certifying Firm)

Date:

UDIN:

Name of Partner/Proprietor
Chartered Accountant / Company Secretary

Membership Number
(Affix stamp of CA firm)

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

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.No.	Particular	Amount in Rs.
A	Capital + Free Reserves	
B	Less Non-allowable assets viz.	
	Fixed Assets	
	Pledged Securities	
	Member's card	
	Non-allowable securities (unlisted securities)	
	Bad deliveries	
	Doubtful Debts and Advances*	
	Prepaid expenses, losses	
	Intangible Assets	
	30% of Marketable securities	
C	Net worth	

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

Place:
Date:
UDIN:

For (Name of Certifying Firm)

Name of Partner/Proprietor
Chartered Accountant / Company Secretary

Membership Number
(Affix stamp of CA firm)