



# Central Depository Services (India) Limited

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## COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/A,I&C/DP/POLCY/2023/749

December 26, 2023

### SUBMISSION OF NET WORTH CERTIFICATE & AUDITED FINANCIAL STATEMENTS

The Stockbroker DPs are required to comply with the below mentioned net worth requirement specified in the SEBI notification dated 23<sup>rd</sup> February 2022, (Copy enclosed):

“Provided that the stockbroker shall have a net worth of rupees three crores {within one year of the date of notification of the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2022}, which shall be increased to rupees five crores {within two years of the date of notification of the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2022}.”

“Provided further that a self-clearing member fulfilling the net worth requirements as provided under the Securities and Exchange Board of India (Stockbrokers) Regulations, 1992 shall also be eligible to register as a depository participant.”

DPs having net worth below ₹5 crore as on 31st March 2023 are required to increase their net worth and submit the net worth certificate indicating net worth above ₹5 crore along with the audited financial statements (AFS) as on any date after 31<sup>st</sup> March 2023, to CDSL on or before 23rd February 2024.

The stockbroker DPs who are self-clearing member may submit the net worth certificate fulfilling the net worth requirements of ₹5 crore as provided under the Securities and Exchange Board of India (Stockbrokers) Regulations, 1992 along with AFS.

DPs who are having their net worth below ₹5 crore are requested to submit the Scanned / digitally signed copies of Net worth certificate and AFS as mentioned above through email on [NWAFS@cdslindia.com](mailto:NWAFS@cdslindia.com)

Queries, if any, regarding this communiqué may be addressed to CDSL-Audit on (022) 2305 8520 / 2305 8519 / 2305 8679 / 2305 8678 / 2305 8515.

sd/-

**Ajit Prabhu**  
**Sr. Manager – Audit, Inspection & Compliance**



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### Annexure

#### Certificate from Statutory Auditors

This is to certify that the net worth of (DP Name) as on (Date/Month/Year) as per the statement of computation of even date annexed to this report is Rupees \_\_\_\_\_ only.

It is further certified that the computation of net worth based on my / our scrutiny of the audited 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.

Place: \_\_\_\_\_

Date: \_\_\_\_\_

for **(Name of Auditor's Firm)**

**Name of Partner**

**Chartered Accountant**

**Membership Number**

*Note: This certificate shall be given on the letterhead of the Statutory Auditors or Practicing Chartered Accountant.*



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### FORMAT OF COMPUTATION OF NET WORTH

Sr. No		Particulars	Current Year (Rs.)	Previous Year (Rs.)
1.		Paid-up Capital + Free Reserves – Share Application Money (Total Reserves less Revaluation Reserves and Specified Reserves)		
	<b>Less:</b>			
	A	Accumulated Losses		
	B	Receivable (more than 6 months old)		
	C	Receivable from Group Companies		
	D	Intangible Assets		
	E	Preliminary and Pre-operative expenses not written off		
	F	Loan in excess of value of Pledged Securities		
	G	Loan in excess of value of Pledged Assets		
	H	Investment in Group Companies		
	I	Loans and advances to group Companies		
	J	Statutory Contingent Liabilities		
2.		Sub-Total (A+B+C+D+E+F+G+H+I+J+K)		
		<b>Available Net Worth (1-2)</b>		

#### Notes:

1. Details of item mentioned under Sr. No. C, F, G, H, I and J shall be provided as annexure to the certificate.
2. In case of statutory contingent liabilities, only 50% of the liabilities shall be deducted.
3. Security-wise details of all investments (quoted as well as unquoted securities) shall be provided as annexure to the certificate.
4. DPs who are self-clearing member shall submit the net worth certificate fulfilling the net worth requirements as provided under the Securities and Exchange Board of India (Stockbrokers) Regulations, 1992 along with AFS.