



बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

IRDA/BRK/MISC/CIR/241/10/2014

30th October 2014

Circular

To
The All Insurance Brokers

Sub: Calculation of Net Worth

As per Regulation 11 (1) of the IRDA (Insurance Brokers) Regulation 2013, the net worth of an insurance broker shall at no time during the licence period fall below 100% of the minimum capital or contribution prescribed under regulation 9.

As per Section 2 (57) of the Companies Act 2013 "Net Worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

The Net Worth of any Insurance Broker is to be calculated only by considering above method and not by any other methods. While producing the Net Worth certificate each component of the net worth to be mentioned separately.

All insurance Brokers are requested to take note for compliance.

(Randip Singh Jagpal)
Sr. Joint Director (HOD)