

National Stock Exchange of India

Circular

Department: Compliance	
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To All Members,

Sub: Review of Guidelines for Market Maker in SME Platform

This is with reference to the Exchange circular reference number NSE/MSD/64530 dated October 14, 2024, and circular reference number NSE/MSD/58186 dated August 31, 2023 regarding enhanced networth criteria for Market Makers on SME Emerge platform.

The net worth criteria applicable to Market Makers has been reviewed in consultation with ISF & Exchanges, and in accordance with the guidance received from SEBI, the revised net worth criteria applicable to Market Makers is provided below:

1. The number of SME Companies in which a Market Maker may participate in the SME platform of a Stock Exchange, shall be as per the following provisions:
 - a) A minimum networth of INR **3 crores** for member brokers to act as Market Maker for the first 5 companies.
 - b) For every incremental networth of INR 1 crore, market making in 5 additional SME Companies may be allowed.
 - c) Upon attaining a networth of INR 25 crores or more, the networth based restriction on market making of maximum number of SME Companies shall not apply.
 - d) A Market Maker shall not undertake market-making activity, per Exchange, of more than 15% of total SME Companies in which market making is in progress or 50 SME Companies, whichever is higher.

Based on the above the revised grid of minimum networth requirement is as follows:

Number of SME companies	Minimum Networth (in Crs.) for market making
0 to 5	3
6 to 10	4
11 to 15	5
16 to 20	6

National Stock Exchange of India

Number of SME companies	Minimum Networth (in Crs.) for market making
21 to 25	7
26 to 30	8
31 to 35	9
36 to 40	10
41 to 45	11
46 to 50	12
51 to 55	13
56 to 60	14
61 to 65	15
66 to 70	16
71 to 75	17
76 to 80	18
81 to 85	19
86 to 90	20
91 to 95	21
96 to 100	22
101 to 105	23
106 to 110	24
Unlimited	25 and above

- Compliance with the criteria at point 1 above shall be ensured at the time of appointment of Market Maker by the Book Running Lead Manager (BRLM) and SME Company.
- If a Market Maker fails to meet the networth criteria, the Market Maker shall not undertake market-making obligation for any new SME Company, until the Market Maker meets the requisite networth criteria again. However, the Market Maker may continue market-making obligations for existing SME companies.
- Upon ascertaining that the Market Maker has failed to meet the networth criteria, Stock Exchange shall intimate the same to the respective BRLMs and SME Companies, which may reconsider their market-making agreements with the said Market Maker.
- Further, as defined in the SEBI Master Circular SEBI/HO/MRD-PoD2/CIR/P/2024/00181 dated December 30,2024, there should NOT be more than five Market Makers for any SME company.

National Stock Exchange of India

The procedure for submitting the request for activation / deactivation of user id for market making is provided in Exchange consolidated circular reference number NSE/CMTR/73927 dated April 28, 2026.

The revised networth criteria mentioned above shall be applicable with immediate effect for any new registration of member as SME market maker. Members who are already registered as SME market makers can continue market making for existing scrips as per existing networth criteria till 6 months from the date of this circular. Six months after the date of this circular, i.e. November 21,2026, revised networth criteria shall be applicable to existing SME market makers as well.

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

**Abhijeet Sontakke
Vice President**