National Stock Exchange of India

Circular

Department: Compliance	
Download Ref No: NSE/COMP/75164	Date: July 13, 2026
Circular Ref. No: 66/2026	

To All Members,

Sub: Penalty for failure to maintain minimum prescribed Networth

This is in continuation of Exchange Circular No. NSE/INSP/73792 dated April 17, 2026, issued with respect to uniformed disciplinary actions across the Exchanges.

Regulation 10 (g) of Chapter II of the Securities and Exchange Board of India (Stock Brokers) Regulations, 2026 (SB Regulations), governing the "Registration of Stock Brokers", stipulates that the certificate of registration granted under Regulation 7 is subject to the condition that the Stock Broker maintains the minimum networth specified under Chapter X of the said Regulations. Accordingly, all Trading Members are required to maintain the minimum prescribed networth at all times in compliance with the SB Regulations and such other requirements as may be specified by the Exchange from time to time.

Trading members are required to submit Networth to the Exchange on half yearly basis (as on March 31st and September 30th) and an audited Networth annually as on March 31st. It is observed that in case of shortfall in Networth as on March 31st/September 30th, trading members also submits a revised Networth Certificate as of a later date, meeting the minimum networth requirements while reporting of shortfall of Networth.

In furtherance of the objective of ensuring compliance with requirement of meeting minimum Networth by trading members at all times, Exchanges jointly decided to introduce a penalty in cases of shortfall of networth reported during the periodical submissions to the Exchange. The penalty structure as stated in Table 1 below shall be applicable for reporting of networth shortfall by trading members during periodic submission:

Table 1 –

Details of Contravention	Action in case of first instance	Action in case of repeat instance
Networth Shortfall reported by trading members during periodic submission	Monetary Penalty of 2% of the amount of shortfall from the required Networth (subject to minimum Rs. 10,000) or Rs 2,00,000 whichever is lower	2nd Time & Onwards* - 50% Escalation

*consecutive periodic reporting of networth

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The above penalty provisions shall come into force with immediate effect and shall apply on all cases under process / all non-compliances identified or determined after the date of the circular.

In addition to above, as stated in Annexure 1.1 of Exchange Circular No. NSE/INSP/73792 dated April 17, 2026, action mentioned in Table 2 below shall also be applicable for shortfall of Networth identified by Exchange during member inspection.

Table 2 –

Contravention Category	**Details of Contravention**	**Action in case of first instance**	**Action in case of repeat instance**
Violations with financial implications	Networth Shortfall / Incorrect reporting of networth to the Exchange resulting to shortfall (below the minimum prescribed networth)	Monetary Penalty of 5% of the amount of shortfall from the required Networth and Administrative action to be initiated for recoupment of Networth shortfall as prescribed	2nd Time & Onwards - 50% Escalation + Administrative action to be initiated for recoupment of Networth shortfall as prescribed

Members are advised to take note of the same and ensure adherence to the compliance requirements.

For any support, please reach out to the helpdesk on 1800 266 0050 (Select IVR option 3) or email at memcompliance_support@nse.co.in

For and on behalf of
National Stock Exchange of India Limited

Swati Sopare
Chief Manager