



NOTICE

Notice No.	20260713-28
Notice Date	13 Jul 2026
Category	Compliance
Segment	General
Department	DOSS
Subject	Penalty for failure to maintain minimum prescribed Network
Attachments	No Attachment

All Trading Members

This is in continuation of Exchange Notice No. 20260417-45 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 network specified under Chapter X of the said Regulations. Accordingly, all Trading Members are required to maintain the minimum prescribed net worth 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 Network Certificate to the Exchange on half yearly basis (as on March 31st and September 30th) and an audited Network annually as on March 31st. It is observed that in case of shortfall in Network as on March 31st/September 30th, Trading Members also submit a revised Network certificate as of a later date, meeting the minimum network requirements while reporting of shortfall of Network.

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

Table 1 -

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

*consecutive periodic reporting of network.

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 Notice.

In addition to above, as stated in Annexure 1.1 of Exchange Notice No. 20260417-45 dated April 17, 2026, action mentioned in Table 2 below shall also be applicable for shortfall of Network 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	Net worth 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.

In case of any queries/clarifications, you may reach us on the following contact details:

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