

CIRCULAR

SEBI/HO/MRD/MRD-PoD-2/P/CIR/2025/120

August 26, 2025

To,

All Recognised Stock Exchanges

All Stock Brokers through Recognised Stock Exchanges

Dear Sir/ Madam,

Sub: Relaxation in timeline to submit net worth certificate by Stock Brokers to offer margin trading facility to their clients

1. Para 4.5.3 of Chapter 1 of the Master Circular for Stock Exchanges and Clearing Corporations (SECC) dated December 30, 2024, states that in order to be eligible to offer the margin trading facility to their clients, the Stock Brokers shall submit to the stock exchange(s) a half-yearly certificate, as on 31st March and 30th September of each year, from an auditor confirming the net worth. Such a certificate shall be submitted not later than 30th April and 31st October of every year.
2. Based on representations received from market participants and with a view to promote ease of doing business, it has been decided to harmonize the timelines for the Stock Brokers to submit the net worth certificate under the aforesaid Master Circular with the timelines for declaration of the financial results as per Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.
3. Accordingly, in order to be eligible to offer the margin trading facility to their clients, the Stock Brokers shall submit the certificate as stated in para 1 above within 45 days from the half year ended on September 30 and within 60 days from the half year ended on 31st March.

4. In view of the above, para 4.5.3 of Chapter 1 of the Master Circular for Stock Exchanges and Clearing Corporations (SECC) dated December 30, 2024, shall be modified as follows:

“The broker shall submit to the stock exchange a half-yearly certificate, as on 31st March and 30th September of each year, from an auditor confirming the net worth. Such a certificate shall be submitted not later than 31st May and 15th November every year.”

5. The provisions of this circular shall come into effect immediately.
6. The Stock Exchanges are advised to:
 - 6.1. Make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision, as may be necessary/applicable.
 - 6.2. Bring the provisions of this circular to the notice of their members and to disseminate the same on their website.
7. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 51 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
8. This circular is available on SEBI website at www.sebi.gov.in at “Legal → Circulars”.

Yours faithfully,

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