

Net worth Requirements / Action for Non-Compliance with Annual Submission

I. Net worth Requirements

Trading members of the Exchange are required to maintain Network as prescribed by the Exchange at all points of time. Network for various classes of members as per SEBI Gazette Notification No. SEBI/LAD-NRO/GN/2022/73 dated February 23, 2022, is as under:

Segment	Membership Type	Base Network Applicable (Rs. in Crores)
Capital Market	TM	1.00
Futures & Options	TM	1.00
Currency Derivatives	TM	1.00
Debt Market	TM	1.00
➤ Network requirement for members shall be Base Network or Variable Network, whichever is higher. ➤ Please note that reason should be provided in case where the Variable Network is submitted as “Nil”. ➤ Please refer Exchange Circular Ref. No. MSE/MEM/12988/2023 dated February 3, 2023 for clarification on ascertaining Variable Network as per SEBI gazette notification. ➤ All Activated Members of the Exchange as on March 31, 2025 in any one or multiple segments of the Exchange are required to submit the Network Certificate, Computation of Network, Director’s Report, Financial Strength details, Auditor’s Report & Audited Annual Accounts as on March 31, 2025. • A Member is treated as activated even though he has not traded for a single day during the financial year 2024-25 and its trading terminals are activated as on March 31, 2025.		

Metropolitan Stock Exchange of India Limited

Action for Non-Compliance with Annual Submission

a) Penalties for Delayed Submissions / Non-Submission / Incomplete Submissions:

Period	Penalty (INR)
During 1 st month after due date till the date of submission	@ 200/- per day
During 2 nd month after due date till the date of submission	@ 500/- per day

In the case of non-submission / delayed submission / incomplete submission of Net worth details for more than 2 months, a notice of 2 week shall be given to the Member, and subsequent to which the Member shall be disabled in **all segments** by the Exchange.

b) Action for Shortfall in Net worth

In case the net worth submitted by the member is below the specified minimum net worth requirement; the Exchange would initiate appropriate disciplinary action including the following penalties:

Sr. No	Percentage of Shortfall in Net worth of the minimum Specified.	Penalty for TM's (Amount)
1.	Less than or equal to 10%	INR 10,000/-
2.	Less than or equal to 20%	INR 15,000/-
3.	Less than or equal to 50%	INR 20,000/-
4.	More than 50%	INR 30,000/-

Additional non-monetary actions:

- Members having negative net worth shall be suspended from trading till such time the members meet the minimum net worth as applicable.
- In case of trading members who have submitted a shortfall in net worth, such members are required to submit a revised Network certificate after increasing the Network within 2 months from the due date of submission of half yearly Network certificate (***i.e. by December 31, 2025***). In case of non-submission of fresh certificate with adequate Network within the timelines, an additional 2 weeks' notice shall be given to the Member, subsequent to which the member shall be disabled in the applicable segments of the Exchange.
- Incorrect / incomplete documents submitted by the members will be treated as non-submission and will be treated as non-compliance. Relevant documents should be submitted on or before the due date i.e October 31, 2025

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