

# National Stock Exchange of India Limited

## Circular

Department: MEMBER SERVICE DEPARTMENT	
Download Ref No: NSE/MSD/58186	Date: August 31, 2023
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All Members,

Enhanced net worth criteria for Market Makers on SME Emerge platform

SEBI vide circular reference CIR/MRD/DP/ 14 /2010 dated April 26,2010 and Exchange vide circular reference NSE/SME/MEM/21427 dated August 06,2012 had provided guidelines for market makers on Small and Medium Enterprise (SME) exchange/separate platform of existing exchange having nation-wide terminal.

Currently, the member who wishes to become a market maker, is required to have minimum INR 1 crore net worth irrespective of number of companies undertaken for market making. Going forward, in addition to the guidelines provided in the aforesaid circulars, the market maker who wants to facilitate market making for multiple companies is required to have enhanced net worth based as per following table :

Number of SME companies	Minimum Net-worth (in Crs.) for market making
0 to 5	1
6 to 10	1.5
11 to 15	2
16 to 20	2.5
21 to 25	3
26 to 30	3.5
31 to 35	4

Important points to be noted:

- At the time of listing, if any market maker thus appointed by the company doesn't fulfil the criteria, then Exchange shall not enable such non-compliant market maker for the said company and it will be sole responsibility of the company/lead manager to re-appoint another market maker.
- All members who are acting in the capacity of market maker for SME companies are required to be compliant with net worth requirement based on number of companies undertaken for market making as per the above table during their market making period.
- Further, as defined in the SEBI circular CIR/MRD/DP/14 /2010 dated April 26,2010, there should NOT be more than five Market Makers for any SME company.

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- In case of any non-compliance, the market maker may have to face regulatory action for the same.
- The procedure for submitting the request for activation / deactivation of user id for market making is provided in Exchange circular reference number [NSE/MSD/43522](#) dated February 13, 2020.

For and on behalf of  
National Stock Exchange of India Limited

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