भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

Nodal Co-ordination Cell
Informal Guidance

Issue No: I/18462/2026
August 10, 2026

Relitrade Stock Broking Private Limited
Relitrade House, 2nd Floor, O Block,
Mondeal Retail Park, Nr. Rajpath Club,
S G Highway, Ahmedabad,
Gujarat, India, 380059

Sir,

Kind attention: Shri Krupa Thakkar, Company Secretary, Relitrade Stock Broking Private Limited

Sub: Request for Informal Guidance by way of an Interpretive Letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2025 in relation to the provisions of the Securities and Exchange Board of India (Stock Brokers) Regulations, 2026 regarding the addition of business into the NBFC sector within the existing cooperate entity.

1. This is with reference to your letter dated April 20, 2026 ("**application**") seeking guidance by way of an interpretive letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2025 ("**Informal Guidance Scheme**") in respect of addition of business into the Non-Banking Financial Company ("**NBFC**") sector within the existing cooperate entity.

2. In your application under reference, you have, *inter alia*, represented as under:

   2.1 Relitrade Stock Broking Private Limited ("**the Applicant**") is a premier financial service provider and a SEBI-registered stock broker and depository participant. The applicant's Memorandum of Association (MoA) expressly authorizes it to provide financial assistance, lending and factoring services, as well as to finance industrial enterprises. The applicant intends to commence activities as a NBFC under the regulatory purview of RBI and seeks to house its existing stock broking business and the proposed NBFC operations within the same corporate entity.

   2.2 The application is necessitated by Regulation 12 of the Securities and Exchange Board of India (Stock Brokers) Regulations, 2026 ("**Stock Brokers Regulations**") which permits a stock broker to carry out activities under the framework of another financial sector regulator (such as the RBI) in a "manner specified by the Board". While the Regulation enables such multi-disciplinary operations, the specific procedural "manner" remains undefined.

3. In view of the same, you have sought guidance in the form of an interpretive letter under the Informal Guidance Scheme on the following queries:

    3.1. Whether a singular corporate entity can simultaneously hold SEBI stock broker registration and RBI NBFC registration under the 2026 regulatory framework.

    3.2. The prescribed internal controls and accounting standards required to ensure absolute segregation of client funds and securities, preventing cross-collateralization between the broking and NBFC divisions.

    3.3. The methodology for computing net worth under Regulation 47 of the Stock Brokers Regulations, specifically whether the company must satisfy the higher of the SEBI or RBI capital requirements on an aggregate basis.

    3.4. Confirmation that the addition of NBFC activities constitutes a "material change" under Regulation 10(h) of the Stock Brokers Regulations, requiring formal notification through the Exchanges.

4. We have considered the submissions made by you in your application. Without necessarily agreeing with your analysis, our response on the queries raised in your letter, are as under:

    4.1. Regulation 12(1) of the Stock Brokers Regulations states that "*a stock broker may carry out an activity under the regulatory framework of the other financial sector regulator or any other specified authority in the manner as may be specified by the Board*".

    4.2. As on the date of the response, only the activities pertaining to Negotiated Dealing System-Order Matching (NDS-OM) platform for trading in Government Securities, which fall under the regulatory framework of RBI and the activities pertaining to undertaking of securities market related activities in Gujarat International Finance Tech-City – International Financial Services Centre, which falls under the regulatory framework of IFSCA, are permitted.

    4.3. The aforementioned activities were permitted by virtue of SEBI Circular dated February 11, 2025 and May 02, 2025, issued in exercise of power under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 30 of the Securities and Exchange Board of India (Stock Brokers) Regulations 1992, which has now been subsumed into the Stock Brokers Regulations by virtue of 'Repeal and Saving' clause.

    4.4. In this regard, it may be noted that, with respect to carrying out activities as NBFC by a stock broker, SEBI has not issued any framework/circular in terms of Regulation 12(1) of the Stock Brokers Regulations. Hence, a stock broker may not undertake such activities under the current regulatory framework.

    4.5. Further, it may also be noted that in terms of Rule 8(1)(f) & 8(3)(f) of Securities Contracts (Regulation) Rules, 1957, a stock broker is not authorised to engage "*in any business other than that of securities except as a broker or agent not involving any personal financial liability*".

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5. This letter has been issued with the approval of the competent authority and the guidance is based on the representation made in your application. Different facts or conditions would require a different result. This letter expresses the relevant Department's position on enforcement action only. It does not express the decision of the Board on the questions presented and does not preclude you from taking any other opinion, as deemed appropriate.

6. You may also note that the above position is expressed only with respect to the guidance sought in your letter under reference in respect of the provisions as referred above and does not affect the applicability of any other law or requirement of any other SEBI Regulation, Guidelines and Circulars administered by SEBI or the laws administered by any other authority.

Yours faithfully,

Anamika Shripat