

RBI/2009-10/144  
IDMD.PDRD.No. 1097/ 03.64.00/2009-10

September 2, 2009

All Stand-alone Primary Dealers

Dear Sir,

**Stand-alone Primary Dealers – Enhancement of Minimum Net Owned Funds**

A reference is invited to our Master Circular [RBI/2009-10/56 IDMD.PDRS. 01 /03.64.00/2009-10](#) dated July 1, 2009 on Operational Guidelines to the Primary Dealers (PDs) prescribing, *inter alia*, the minimum Net Owned Funds (NOF) of Rs.50 crore for non-bank stand-alone PD and Rs.100 crore in case the PD intends to diversify into other permissible activities.

2. On a review, it has been decided to increase the minimum NOF for stand-alone PDs from Rs. 50 crore to Rs. 150 crore. The revised NOF requirement for the stand-alone PDs, which intend to undertake other permissible activities, is enhanced to Rs.250 crore from the existing level of Rs. 100 crore. NOF shall be computed in terms of the explanatory note to section 45-IA of chapter III-B of the Reserve Bank of India Act, 1934.

3. The enhanced level of NOF requirement for PDs shall be effective from April 1, 2010.

Yours faithfully

(R.N. Kar)  
General Manager