

ANNEXURE – II

Action for Non Compliance with Networth Requirements

(1) Non submission of Networth Certificate and Computation would attract the following:

- Rs. 100/- for every day of delay from December 01, 2017 to December 31, 2017.
- Rs. 200/- for every day of delay from January 01, 2018 to January 31, 2018.
- Rs. 300/- per day of delay from February 01, 2018 to February 28, 2018 and thereafter the matter shall be placed before relevant authority for appropriate decision/actions.

(2) Shortfall in networth would result in blockage of Deposits / Penalty as under:

I. For members of Capital market and Clearing Members of F&O, Currency Derivatives and Debt Segments

Category	Deposit to be blocked
Networth shortfall less than or equal to 10% of the prescribed minimum	10% of Total Deposits (cash and collateral)
Networth shortfall less than or equal to 20% of the prescribed minimum.	25% of Total Deposits (cash and collateral)
Networth shortfall less than or equal to 50% of the prescribed minimum.	50% of Total Deposits (cash and collateral)
Networth shortfall greater than 50%	90% of Total Deposits (cash and collateral)

II. For Trading Members in F&O, Currency Derivatives and Debt segments, who are not Clearing Members –

Category	Penalty to be levied
Networth shortfall less than or equal to 10% of the prescribed minimum	Rs. 10,000/-
Networth shortfall less than or equal to 20% of the prescribed minimum	Rs. 15,000/-
Networth shortfall less than or equal to 50% of the prescribed minimum	Rs. 20,000/-
Networth shortfall greater than 50%	Rs. 30,000/-

It may be further noted that, the following cases shall be treated as Networth below the minimum where the shortfall is greater than 50% and appropriate actions as mentioned above will be initiated accordingly -

1. Non submission of Networth certificate
2. Calculation of Networth by method other than the applicable