

ANNEXURE – I

Action for Non Compliance with Networth Requirements

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, calculation of Networth by method other than the applicable method, 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.