

## ANNEXURE – II

### **Action for Non Compliance with Networth Requirements for all members**

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

- Rs. 200/- for every day of delay from December 01, 2018 to December 31, 2018.
- Rs. 500/- for every day of delay from January 01, 2018 to January 31, 2018.
- Non-submission beyond January 31, 2018 will result in disablement of trading facility across all segments after giving 2 weeks' notice.

(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, 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.

**Additional Action for Non Compliance with Network Requirements for members who have availed approval for offering margin trading facility**

In addition to the above mentioned actions, members who have availed approval for offering margin trading facility would attract the following actions:

Non submission of Network Certificate and Computation would attract the following:

- Rs. 100/- for every day of delay from November 01, 2018 to November 30, 2018.
- Rs. 200/- for every day of delay from December 01, 2018 to December 31, 2018.
- Rs. 300/- for every day of delay from January 01, 2018 to January 31, 2018.
- Non-submission beyond January 31, 2018, the matter will be placed before the relevant Committee
- Shortfall in the minimum network requirement of Rs. 3 crores will lead to revocation of the approval provided for offering margin trading facility.