

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, 2019 to December 31, 2019.
- Rs. 500/- for every day of delay from January 01, 2020 to January 31, 2020.
- Non-submission beyond January 31, 2020 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 Clearing Members of Capital Market, F&O, Currency Derivatives, Commodity 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 Capital Market, F&O, Currency Derivatives, Commodity 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.

In addition to the above mentioned disciplinary actions, any member reporting shortfall in networth as on September 30, 2019 and failing to submit the revised networth certificate meeting the minimum networth requirement by next submission cycle (i.e. networth as on March 31, 2020), the trading rights of the member will be withdrawn. For the existing members who have reported shortfall in the last networth submitted to the Exchange, in case they report shortfall in networth as on September 30, 2019, their trading rights will be withdrawn.

Additional Action for Non Compliance with Networth 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 Networth Certificate and Computation would attract the following:

- Rs. 200/- for every day of delay from November 01, 2019 to November 30, 2019.
- Rs. 500/- for every day of delay from December 01, 2019 to December 31, 2019.
- Non-submission beyond December 31, 2019 will result in withdrawal of Margin Trading Facility after giving 2 weeks' notice.

Also, shortfall in the minimum networth requirement of Rs. 3 crores will lead to revocation of the approval provided for offering margin trading facility.