

### Penalties and Disciplinary Action(s)

(a) Penalties /disciplinary action(s)/charges for delay or non-submission of periodic submissions

Sr.No.	Details of Violation	Penalty/disciplinary actions	Penalty/disciplinary action in case of Repeat violation /contravention
1	Failure to furnish “Annual Returns” within the due date	<p>Levy of Monetary penalty of:</p> <ol style="list-style-type: none"> <li>1) INR 5,000 per day for the first 15 days after due date</li> <li>2) INR 10,000 per day for the next 15 days</li> </ol> <p>In case of non-submission within 30 days from the due date of submission, Trading Member shall be debarred from taking new clients till the date of submission.</p> <p>If Trading Member fails to submit within 60 days from the due date of submission, trading rights shall be withdrawn in all segments immediately till the date of submission.</p>	<p>In case of a repeat instance by the Trading Member, the monetary penalty shall be levied along with an escalation of 50%.</p> <p>In case of non-submission within 30 days from the due date of submission, TM shall be debarred from taking new clients till the date of submission.</p> <p>If Trading Member fails to submit within 60 days from the due date of submission, trading rights shall be withdrawn in all segments immediately till the date of submission.</p>
2	Non-Submission of Stock-broker mandatory indemnity/insurance policy	Monetary penalty of INR 1,000 per day after due date till the date of submission.	In case of a repeat instance by the Trading Member, the monetary penalty shall be levied along with an escalation of 50%.
3	Failing to report Daily MTR file successfully to Exchange	Levy of monetary penalty of INR 5000/- for one instance in a month.	<p>The following actions shall be taken in case of repeated non- compliance:</p> <ol style="list-style-type: none"> <li>1) Levy of Monetary penalty of INR 10,000 per day for two to three instances in a month</li> <li>2) Non-reporting for more than three instances in a month - Withdrawal of Margin</li> </ol>

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			<p>Trading Facility for a period of 3 months.</p> <p>Non-reporting for 6 or more instances in last consecutive 3 months - the Margin trading facility of the Trading Member shall be withdrawn and member shall also be debarred from taking new clients for three months.</p>
4	Non-Submission of half yearly / yearly Artificial Intelligence & Machine Learning (AIML) details	Levy of Monetary penalty of INR 10,000 for each quarter.	<p>The following actions shall be taken in case of repeated non- compliance:</p> <ol style="list-style-type: none"> <li>1) Levy of Monetary penalty with an escalation of 50%.</li> <li>2) If Trading Member fails to submit AIML in consecutive two quarters, TM shall, in addition to the monetary penalty, be debarred from taking new clients for 1 month.</li> <li>3) In case of non-submission in 3 or more consecutive quarters, the trading rights shall be withdrawn in all segments for one day.</li> </ol>

(b) Penalties /disciplinary action(s) for non-adherence to membership requirements

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1	Change in Control	Monetary penalty of INR 2,00,000/-and withdrawal of trading facility of the Trading	In case of a repeat instance by the Member, the monetary penalty shall be levied along with escalation of 50%. Further

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		Member till approval of the Exchange.	trading facility of the Trading Member shall also be withdrawn till approval of the Exchange.
2	Change in shareholding (with no change in control) without Exchange approval	Levy of Monetary penalty of INR 10,000 per day per instance.	<p>In case of a repeat instance by the Trading Member, the monetary penalty shall be levied along with escalation of 50%.</p> <p>In case of post facto approval on more than 3 occasions in last 12 months or more than 5 occasions in last 36 months, the trading rights in all segments to be withdrawn for one day or till the approval of the Exchange, whichever is later.</p>
3	Change in designated directors without Exchange approval	<p><b>A. <u>Post facto intimation</u> -</b> INR 20,000 per day from the date of appointment, till the date of intimation to the Exchange.</p> <p><b>B. <u>In case of changes beyond the control of the Trading Member:</u></b></p> <p>B.1. In case of any changes in Designated Directors due to death/resignation etc., Trading Member's are required to intimate Exchange within 10 working days of such change.</p> <p>B.2. <u>If not intimated within 10 working days:</u> Monetary penalty of INR 5,000 per day till the date of intimation to the Exchange.</p> <p>B.3. Trading Member to appoint the requisite number of DDs within three months of the resignation/death etc. of the outgoing DD and confirm the same to the Exchange. In case of failure to appoint the DD within three months, Trading Member shall be levied a</p>	<p>The following actions shall be taken in case of repeated non-compliance in addition to the action prescribed for the first instance:</p> <ol style="list-style-type: none"> <li>1) Levy of applicable monetary penalties along with an escalation of 50%.</li> <li>2) In case of post facto approval on more than 3 occasions in last 12 months, Trading Member shall be debarred from taking new clients.</li> <li>3) In case of more than 5 occasions in last 12 months, the trading rights shall be withdrawn for one day or till the approval of the Exchange is granted, whichever is later.</li> </ol>

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		<p>monetary penalty of INR 10,000/- per day and debarred from taking new clients till the date of appointment.</p> <p>B.4. In case of failure to appoint the DD within 4 months in non-compliance to the Exchange directive, trading rights shall be withdrawn till the appointment/intimation of the DD to the Exchange.</p>	
4	Change in non-designated directors without Exchange approval	<p><u>In case of any planned changes</u> INR 10,000 per day per director for any post-facto changes.</p> <p><u>In case of changes beyond the control of the Trading Member:</u> In case of any changes in NDD due to death/resignation etc., Trading Member's are required to intimate Exchange within 10 working days of such change.</p> <p><u>If not intimated within 10 working days:</u></p> <p>Monetary penalty of INR 5,000 per day till the date of intimation to the Exchange.</p> <p>In case of post facto appointment of NDD-INR 10,000/- per day per Director.</p>	<p>In case of a repeat instance by the Trading Member, the applicable monetary penalties shall be levied along with escalation of 50%.</p> <p>In case of post facto approval on more than 3 occasions in last 12 months, Trading Member shall be debarred from taking new clients.</p> <p>In case of more than 5 occasions in last 12 months, the trading rights to be withdrawn for one day or till the approval of the Exchange is granted, whichever is later.</p>
5	Transfer of membership /business/ Merger without prior approval of the Exchange (with no change in control)	Monetary penalty of INR 1,00,000/- for each instance.	<p>In case of a repeat instance by the Trading Member, the monetary penalty shall be levied along with escalation of 50%.</p> <p>Additionally, the trading rights shall be withdrawn for one day or till the approval from Exchange is granted, whichever is later.</p>
6	Non-appointment/intimation of	<b>Post facto intimation</b> - INR 20,000 per day from the date of	The following actions shall be taken in case of repeated non-compliance in addition to the

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	Compliance officer	appointment, till the date of intimation to the Exchange.	action prescribed for the first instance:
		<p><b>In circumstances beyond the control of the Trading Member such as resignation /death</b></p> <p>In case of any changes in Compliance Officer due to death/resignation etc., Trading Member's are required to intimate Exchange within 10 working days of such change.</p> <p><u>If not intimated within 10 working days:</u> Monetary penalty of INR 5,000 per day till the date of intimation to the Exchange.</p> <p>Trading Member to appoint the compliance officer within three months of the resignation/death of the compliance officer and confirm the same to the Exchange. In case of failure to appoint the Compliance officer within three months, a monetary penalty of INR 10,000/- per day shall be levied and Trading Member shall and debarred from taking new clients till the date of appointment.</p> <p>In case of failure to appoint the Compliance Officer within 4 months in non-compliance to the Exchange directive, trading rights shall be withdrawn till the appointment/intimation of the Compliance Officer to the Exchange.</p> <p><b>If appointment of new compliance officer is observed during inspection</b></p>	1) Levy of applicable monetary penalties along with an escalation of 50%.

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		<b>and the details are not reported to Exchange:</b> INR 1 lakh in addition to penalty of INR 20,000/- per day from the date of appointment.	
7	Non updation of KMP Details	Monetary penalty of INR 10,000/- per KMP.	In case of a repeat instance by the Trading Member, the monetary penalty shall be levied along with escalation of 50%.  In case of more than 3 occasions, the trading rights shall be withdrawn for one day.
8	Change in Trading Member category	Monetary penalty equivalent to 10% of the difference in BMC on account of change in member category.  Trading Member to be given 5 working days to recoup the BMC failing which Trading Member shall be debarred from taking new clients till BMC is recouped.  In case Trading Member fails to recoup the BMC within 15 days, the trading rights shall be withdrawn till BMC is recouped.	The following actions shall be taken in case of repeated non-compliance in addition to the action prescribed for the first instance:  In case of a repeat instance by the Trading Member, the monetary penalty shall be levied along with escalation of 50%.
9	Change in status & constitution without prior approval of the Exchange	Monetary penalty of INR 20,000/- per day from the date of change till the date of approval.	In case of a repeat instance by the Trading Member, the monetary penalty shall be levied along with escalation of 50%.  Additionally, the trading rights shall be withdrawn for one day or till the approval from Exchange is granted, whichever is later.
10	Issue of Advertisement without Exchange approval	Levy of monetary penalty of Rs 1 lakh per instance.  In case Trading Member issues advertisement despite Exchange rejection, Trading Member shall be, in addition to the monetary penalty, be	In case of a repeat instance by the Trading Member, the monetary penalty shall be levied along with escalation of 50%.  Additionally,  1. In case Trading Member issues advertisement

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		debarred from taking new clients for one month or till such time the advertisement is taken down, whichever is later.	<p>without Exchange approval on 3 occasions, Trading Member shall be debarred from taking new clients for one month.</p> <p>2. In case Trading Member issues advertisement without Exchange approval on 5 occasions, the trading rights shall be withdrawn for one working day or till the approval is sought, whichever is later. On two occasions, In case Trading Member issues advertisement despite Exchange rejection, Trading Member shall be, in addition to the monetary penalty, trading rights shall be withdrawn for one day or till such time the advertisement is taken down, whichever is later.</p>
11	Trade through other Trading Member	Monetary penalty of INR 30,000/- per Trading Member where account is opened and direction to seek approval of the Exchange Advice Letter to be issued in case the Trading Member trades through brokers of other Exchanges without intimation to Exchange.	<p>In case of a repeat instance by the Trading Member, the monetary penalty shall be levied along with escalation of 50%.</p> <p>In case of more than two occasions, Trading Member shall be debarred from taking new clients till proof of closure of account is submitted.</p> <p>In case a Trading Member trades with another broker despite Exchange rejection, immediate withdrawal of trading rights for one day or till proof of closure of account is submitted whichever is later.</p>
12	Providing Margin Trading facility to clients without	Monetary penalty of INR 2 lakhs.	In case of a repeat instance by the Trading Member, the monetary

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	obtaining prior permission of the Exchange		penalty shall be levied along with escalation of 50%.  Additionally, the trading rights shall be withdrawn for one day.
13	Non-conduct of AP Inspections	Monetary penalty of INR 2 lakhs for each year.  The relevant authority on a case-to- case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.	In case of a repeat instance by the Trading Member, the monetary penalty shall be levied along with escalation of 50%.  The relevant authority on a case-to- case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.
14	Delay in reporting of AP inspection to the Exchange	Monetary penalty of INR 10,000/- Per day after the due date.  The relevant authority on a case-to- case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.	In case of a repeat instance by the Trading Member, the monetary penalty shall be levied along with escalation of 50%.  The relevant authority on a case-to- case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.
15	Incorrect submission of information to the Exchange about the AP inspection	Monetary penalty of INR 25,000/- per day after the due date. Additional disciplinary action shall be taken in case of submission of materially incorrect information.	In case of a repeat instance by the Trading Member, the monetary penalty shall be levied along with escalation of 50%.  Additional disciplinary action shall be taken in case of repeat instance of submission of materially incorrect information.
16	Non reporting/partial reporting of UCC details mapped to the APs	Monetary penalty of INR 2 lakhs.  The relevant authority on a case-to- case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.	In case of a repeat instance by the Trading Member, the monetary penalty shall be levied along with escalation of 50%.  The relevant authority on a case-to- case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.