

PENALTIES/CHARGES/DISCIPLINARY ACTION(S) FOR VIOLATIONS OBSERVED DURING INSPECTIONS

S No.	Violations	Penalties/Charges/Disciplinary Actions
1.	Providing Margin Trading facility to clients without obtaining prior permission of the Exchange	Fine of Rs. 1 lakh
2.	Not meeting the minimum Net-worth criteria of Rs. 3 crores	Withdrawal of Margin Trading Facility
3.	Providing margin trading facility using funds from other than approved sources	Rs. 1,00,000/- or 1% of the amount involved, whichever is higher where the irregularity exceeds 20% of the latest net-worth. Rs. 10,000 /- for all other cases.
4.	Non-adherence to Leverage and Exposure Limits	Rs. 1,00,000/- or 1% of the amount involved, whichever is higher where the irregularity exceeds 20% of the latest net-worth. Rs. 10,000 /- for all other cases.
5.	Violations pertaining to KYC/Rights and Obligations etc.	Rs. 15,000/- per client
6.	Margin trading facility in other than permitted scrips	Fine of Rs. 50,000/- per scrip
7.	Non-maintenance of separate client-wise ledgers for funds and securities of clients availing margin trading facility.	Fine of Rs. 25,000/-
8.	Non- maintenance of separate record of details of the funds used and sources of funds for the purpose of margin trading.	Fine of Rs. 15,000/-
9.	Incorrect/Non reporting of MTF trades to Exchange	Rs. 1000/- per instance

Annexure-II

PENALTIES/CHARGES/ DISCIPLINARY ACTION(S) WITH RESPECT TO MARGIN TRADING SUBMISSIONS

Sr. No.	Violations	Penalties/Charges/Disciplinary Actions
1.	Non/Delayed submission of Half-yearly net-worth certificate pertaining to Margin Trading Facility in prescribed format	Charges of Rs. 200 per day for first month after due date Charges of Rs. 500 per day for second month after due date till the date of submission or Withdrawal of Margin Trading Facility Non-submission within 2 months from the due date- Withdrawal of Margin Trading Facility after giving 2 weeks' notice
2.	Failing to report Daily MTR file successfully to Exchange	For one such instance in a month- Rs. 1000 For two to five such instances in a month- Rs. 2000 per day for the no. of the instances For more than five instances in a month- Withdrawal of Margin Trading Facility