

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions

Annexure 1.1 - Actions for non-compliances observed for during Member Inspections

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
1	Violations with financial implications	Non availability of client funds / Use of client funds for PROP / Debit balance client obligation	<p><u>1. When recouped subsequently-</u></p> <p>a) For 2 days in a calendar month- 0.07% per day of the shortfall amount.</p> <p>b) For more than 2 days in a calendar month- 0.10% per day of the shortfall amount.</p> <p><u>2. If not recouped subsequently-</u></p> <p>a) After 30 days of continuous shortfall- Matter to be referred to relevant authority for disciplinary action including no new client and disablement of trading terminal until the shortfall is recouped.</p> <p>++ Administrative actions shall be made applicable as per Circular NSE/INSP/57097 dated June 13, 2023 for cases where highest violation value is more than Rs.25 Lakhs in Calendar Month as per the Action letter / Order issued to the member.</p>	-	Material
2	Violations with financial implications	Misuse of client securities / Commodities	2% of amount of misuse, subject to maximum penalty of Rs. 1 Lakh	2nd Time & Onwards - 3% of amount of misuse, subject to maximum penalty of Rs. 2 Lakhs	Material
3	Violations with financial implications	Net worth Shortfall / Incorrect reporting of net worth to the Exchange resulting to shortfall (below the minimum prescribed net worth)	Monetary Penalty of 5% of the amount of shortfall from the required net worth and Administrative action to be initiated for recoupment of Net worth shortfall as specified by Exchange vide Circular no NSE/INSP/63598 dated August 27, 2024	2nd Time & Onwards - 50% Escalation + Administrative action to be initiated for recoupment of Net worth shortfall as specified by Exchange vide Circular no NSE/INSP/63598 dated August 27, 2024	Material
4	Violations with financial implications	Offering fixed/assured/periodic returns to clients / mobilizing deposits from investors	Disciplinary action such as no new clients, suspension / disablement of trading terminals / Expulsion etc. as deemed fit by the relevant authority	-	Material
5	Violations with financial implications	<p>Submission of complete information for inspection (excluding data residing with respective Exchange unless sought for cross verification)</p> <p>a) Non co-operation in providing data/records/documents to inspecting officials for inspection resulting in non-completion of inspection.</p> <p>b) Delay in submission of documents/data/records sought for inspection</p> <p>c) Material wrong/incorrect submission of data towards Inspection</p>	<p>a) Non co-operation in providing data/records/documents to inspecting officials for inspection resulting in non-completion of inspection. <u>For Non-QSB Members-</u> Up to 7 days - Rs.1,000/- per day, Post 7 days - Rs. 5,000/- per day subject to maximum penalty of Rs. 1 lakh, thereafter matter maybe referred to member committee.</p> <p><u>For QSB Member-</u> Up to 7 days - Rs.2,000/- per day, Post 7 days - Rs. 10,000/- per day subject to maximum penalty of Rs. 2 lakh, thereafter matter maybe referred to member committee.</p> <p>b) Delay in submission of documents/data/records sought for inspection Rs. 1,000 per day starting from final due date for submission of data / records /documents sought for inspection, subject to maximum penalty of Rs. 1 lakh.</p> <p>c) Material wrong/incorrect submission of data towards Inspection For procedurally incorrect submission - warning For materially incorrect submission - Rs. 1 lakh.</p>	-	Material

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions**Annexure 1.1 - Actions for non-compliances observed for during Member Inspections**

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
6	Violations with financial implications	Non-adherence to the directions of the relevant authority of the Exchange/ directions under the disciplinary action framework.	Rs.1000/- per day from the due date, subject to maximum penalty of Rs.1 Lakh. (when the maximum penalty is levied then, Disciplinary action such as no new clients, suspension / disablement of trading terminals / Expulsion etc. as deemed fit by the relevant authority)	-	Material
7	Violations with financial implications	Evasion of margin	Margin evasion up to Rs 1 Lakh - The amount of evasion. Margin evasion exceeding Rs 1 Lakh - Rs. 1 lakh or 0.3% of the value of trades, whichever is higher + Disciplinary action under the relevant rules of the Exchange	2nd Time & Onwards - Disciplinary action under the relevant rules of the Exchange	Material
8	Settlement of Client Funds	Non-settlement of client accounts	For Amount not settled- 0.5% of the amount not settled, maximum up to Rs. 10 Lakhs	2nd Time & Onwards - 50% Escalation	Material
9	Settlement of Client Funds	Misrepresentation of client ledger balances resulting in misuse/ non-settlement of client funds	Disciplinary action such as no new clients, suspension / disablement of trading terminals / Expulsion etc. as deemed fit by the relevant authority	-	Material
10	Settlement of Client Funds	Quarterly/ Monthly Statement of accounts for funds not sent / Not sent at the time of settlement of accounts, non-issue of transaction statement displaying all receipt and payment of funds / inward and outward movement of securities while settling the account along with statement explaining retention of funds or securities, if any/ Client preference for monthly / quarterly settlement not obtained	Up to 10 Instances - a) Up to 2 instances - Advise b) Up to 5 instances - Rs. 20,000/- c) Up to 10 instance - Rs. 60,000/- Above 10 Instances- a) Up to 2% of number of sample instances - Advise b) Up to 5% of number of sample instances - Rs. 20,000/- c) Up to 10% of number of sample instances - Rs. 60,000/- d) Above 10% of number of sample instances - Rs. 1,00,000/-	2nd Time - 50% Escalation 3rd Time & Onwards - 100% Escalation	Material
11	Settlement of Client Funds	Payment to clients not attempted through electronic mode e.g. NEFT / RTGS while settling client accounts	Advise	2nd time – Warning 3rd Time & Onwards - Rs. 10,000/-	Financial Disincentive
12	Settlement of Client Funds	Running account authorization taken by trading member from client is not dated and does not contain a clause that the client may revoke the authorization any time/ Running account authorization not signed by client but by POA holder / Other discrepancies in running account authorization from clients	a) Up to 5 instances - Advise b) More than 5 instance - Rs. 10,000/-	2nd Time - 50% Escalation 3rd Time & Onwards - 100% Escalation	Financial Disincentive
13	Clients' Pay-in, Pay-out	Bank and demat account operations: Pay in / payout not received from / delivered to respective clients / Inter-client adjustment done for the purpose of settlement of accounts	Non-compliance up to 5 lakhs – Warning In excess of Rs. 5 Lakhs – 0.10% per day of violation subject to maximum penalty of Rs.2 lakhs	2nd Time & Onwards - 50% Escalation	Material

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions
Annexure 1.1 - Actions for non-compliances observed for during Member Inspections

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
14	Clients' Pay-in, Pay-out	Funds payout exceeding available peak fund ledger balance/ obligation observed	a) Up to Rs. 5 lakh- Warning b) Beyond Rs. 5 lakh- Rs. 25,000/-	2nd Time - 50% Escalation 3rd Time & Onwards - 100% Escalation Matter may be placed before relevant authority of Exchange for any necessary disciplinary action in addition to above-mentioned actions.	Material
15	Clients' Pay-in, Pay-out	Delay in release of pay out of funds/ commodities/ securities by the Specified deadline	Up to 10 Instances - a) Up to 2 instances - Advise b) Up to 5 instances - Rs. 20,000/- c) Up to 10 instance - Rs. 60,000/- Above 10 Instances- a) Up to 2% of number of sample instances - Advise b) Up to 5% of number of sample instances - Rs. 20,000/- c) Up to 10% of number of sample instances - Rs. 60,000/- d) Above 10% of number of sample instances - Rs. 1,00,000/-	2nd Time - 50% Escalation 3rd Time & Onwards - 100% Escalation	Material
16	Clients' Pay-in, Pay-out	Non-payment of dividend	15% of the amount of dividend not paid. Direction to pay.	2nd Time - 50 % Escalation 3rd Time & Onwards - 100% Escalation	Material
17	Clients' Pay-in, Pay-out	Delayed payment of dividend	a) Up to Rs. 1 lakh- Warning b) In excess of Rs. 1 lakh and up to Rs. 5 lakhs- 1% of the amount involved c) Above Rs. 5 lakhs- 2% of the amount involved	2nd Time - 50% Escalation 3rd Time & Onwards - 100% Escalation	Material
18	Client Margin Collection & Reporting	Incorrect reporting of margin collection from clients to the clearing corporation	Short collection penalty avoided + additional 100% of such penalty (Max Rs. 15 lakh) + Suspension conditions as per NSE circular No. NSE/INSP/42919 dated December 16, 2019 and NSE/INSP/45533 dated August 31, 2020 also be applicable	-	Material
19	Client Margin Collection & Reporting	Member has passed on short reporting penalty without intimating clients with relevant supporting	Advise	2nd time – Rs. 5,000/- 3rd Time & Onwards - 100% Escalation	Financial Disincentive
20	Client Margin Collection & Reporting	Daily margin statement issued with material discrepancies	Rs.1000/- per instance, subject to maximum penalty of Rs.50,000/-	2nd Time & onwards - 50% Escalation, subject to maximum cap of Rs. 75,000/-	Financial Disincentive
21	Client Margin Collection & Reporting	Daily Margin statement not sent	For More than 10 active clients - a) Up to 2% of no. of instances – Advise b) In excess of 2% and up to 5% of no. of instances - Rs 15,000/- c) In excess of 5% and up to 10% of no. of instances - Rs 45,000/- d) In excess of 10% of no. of instances - Rs 75,000/- For less than 10 active clients - a) Up to 50% of non-compliance – Advise b) More than 50% of non-compliance – Rs. 10,000/-	2nd Time & Onwards - 50% Escalation If Advice was levied - Warning	Financial Disincentive

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions**Annexure 1.1 - Actions for non-compliances observed for during Member Inspections**

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
22	Client Margin Collection & Reporting	Delay in issue of Daily margin statement	Up to 10 Instances - a) Up to 2 instances - Advise b) Up to 5 instances - Rs. 20,000/- c) Up to 10 instance - Rs. 60,000/- Above 10 Instances- a) Up to 2% of number of sample instances - Advise b) Up to 5% of number of sample instances - Rs. 20,000/- c) Up to 10% of number of sample instances - Rs. 60,000/- d) Above 10% of number of sample instances - Rs. 1,00,000/-	2nd Time - 50% Escalation 3rd Time & Onwards - 100% Escalation	Financial Disincentive
23	Contract Notes, Charges, Email ID & Mobile Number	Excess STT/CTT/ Stamp Duty/ MII Transaction charges recovered from the clients	a) If amount involved is less than 0.1% of the collection (or Rs. 10,000 whichever is higher) - Advise and direction to refund to clients/ remit to relevant authorities. b) If amount involved is more - 100% of amount (max Rs. 1 lakh) with direction to refund to clients/ remit to relevant authorities.	2nd Time - 50% Escalation 3rd Time & Onwards - 100% Escalation	Material
24	Contract Notes, Charges, Email ID & Mobile Number	Excess brokerage charges	a) If amount involved is less than 0.1% of the collection (or Rs. 10,000 whichever is higher) - Advise and direction to refund to clients/ remit to relevant authorities. b) If amount involved is more - 100% of amount (max Rs. 1 lakh) with direction to refund to clients/ remit to relevant authorities.	2nd Time - 50% Escalation 3rd Time & Onwards - 100% Escalation	Material
25	Contract Notes, Charges, Email ID & Mobile Number	Contract Notes Issued with material discrepancies / Duplicates or copies or proof of dispatch of contract notes not maintained/ Not issued within 24 hours of transaction execution/ Not signed by authorized signatory.	Up to 10 Instances - a) Up to 2 instances - Advise b) Up to 5 instances - Rs. 15,000/- c) Up to 10 instance - Rs. 45,000/- Above 10 Instances- a) Up to 2% of number of sample instances - Advise b) Up to 5% of number of sample instances - Rs. 15,000/- c) Up to 10% of number of sample instances - Rs. 45,000/- d) Above 10% of number of sample instances - Rs. 75,000/-	2nd Time - 50% Escalation 3rd Time & Onwards - 100% Escalation	Financial Disincentive
26	Contract Notes, Charges, Email ID & Mobile Number	Generation of email IDs and/or provision of contact details on behalf of the clients by member/ member employees/ Authorised Persons (APs)/ AP employees	Rs. 15,000/- per client, maximum up to Rs. 1 Lakh, Beyond which matter may be referred to relevant committee for necessary disciplinary action in addition to above-mentioned penalty	2nd Time - 50% Escalation 3rd Time & Onwards - 100% Escalation	Material

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions**Annexure 1.1 - Actions for non-compliances observed for during Member Inspections**

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
27	Contract Notes, Charges, Email ID & Mobile Number	a. Trading member has not uploaded mobile number/ email address for active clients in UCC for receiving alerts / Trade details b. Same email id / mobile number is uploaded for multiple clients (where not permitted) who are active/ traded c. Mismatch in Email IDs/ mobile as per Exchange records and Member's back office records for active/ traded clients	Rs. 1,000/- per client, maximum up to Rs. 1 Lakh	2nd Time - 50% Escalation 3rd Time & Onwards - 100% Escalation	Material
28	Contract Notes, Charges, Email ID & Mobile Number	Non-issuance of Contract Notes/ Deemed non-issuance of contract note	Rs. 10,000/- per client, subject to maximum penalty of Rs. 5 lakh.	-	Material
29	Contract Notes, Charges, Email ID & Mobile Number	ECN Log report not maintained in case of bounced back mails, ECNs sent to Email accounts other than those created / provided by clients, authorization for receiving ECN is not signed by the client but by the POA holder, e-mail ID for receiving ECN not created / provided by client/ Consent of client not obtained for sending ECN	Up to 10 Instances - a) Up to 2 instances - Advise b) Up to 5 instances - Rs. 15,000/- c) Up to 10 instance - Rs. 45,000/- Above 10 Instances- a) Up to 2% of number of sample instances - Advise b) Up to 5% of number of sample instances - Rs. 15,000/- c) Up to 10% of number of sample instances - Rs. 45,000/- d) Above 10% of number of sample instances - Rs. 75,000/-	2nd Time - 50% Escalation 3rd Time & Onwards - 100% Escalation	Financial Disincentive
30	Contract Notes, Charges, Email ID & Mobile Number	Non display of ECN on website	Advise	2nd time - Warning 3rd time & Onwards - 5,000/-	Financial Disincentive
31	Contract Notes, Charges, Email ID & Mobile Number	Contract note issued otherwise than in format prescribed by the Exchange	Advise	2nd time - Warning 3rd time & Onwards - 5,000/-	Financial Disincentive
32	Enhanced Supervision Related	Non-Reporting of closure of existing bank accounts to Exchange/s within prescribed timeline & format	Advise + Direction to report such details	2nd Time - Rs. 5,000/- + Direction to report such details 3rd Time & Onwards - 50% Escalation + Direction to report such details	Financial Disincentive
33	Enhanced Supervision Related	Non-reporting of closure of existing demat accounts to Exchange/s within within prescribed timeline & format	Advise and direction to report such details to the Exchange.	2nd time - Warning 3rd time & Onwards - 5,000/-	Financial Disincentive
34	Enhanced Supervision Related	Failure to assign appropriate Bank/ demat nomenclature to bank/ demat accounts	Rs. 5,000/- per account, maximum up to Rs. 1 Lakh + Direction to assign proper nomenclature	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions**Annexure 1.1 - Actions for non-compliances observed for during Member Inspections**

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
35	Enhanced Supervision Related	Non-submission/ incorrect submission of PAN of Key Managerial Personnel (KMPs)/ Directors / dealers	Rs. 5,000/- per KMP, maximum up to Rs. 1 Lakh + Direction to report correct details to Exchange	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
36	Enhanced Supervision Related	Failure to report new bank/demat accounts opened by the member to Exchanges within the time specified for reporting of such accounts.	Rs. 5,000/- per account, maximum up to Rs. 1 Lakh + Direction to report such details to Exchange	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
37	Enhanced Supervision Related	Permitting additional exposure to clients beyond permissible period (S + 5 days)	a) Where non-compliance observed is up to Rs. 1 crore - Advise b) Where non-compliance observed is more than Rs. 1 crore- Rs. 50,000/-	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
38	Maintenance of Books of Accounts & Records	a) Non adoption / Maintenance of applicable policies (e.g. Risk Management Policy, Surveillance Policy, etc.) b) Non display of external policies on the website c) Non Updating of policies periodically	a) Non adoption / Maintenance of applicable policies (e.g. Risk Management Policy, Surveillance Policy, etc.) - Rs. 2,000/- per policy + Direction to maintain the policy b) Non display of external policies on the website - Rs. 10,000/- + Direction to display the policy c) Non Updating of policies periodically Advise + Direction to update the policy	2nd Time - For all non-compliances - 50% Escalation + Direction to rectify 3rd Time & Onwards - For all non-compliances - 100% Escalation + Direction to rectify	Financial Disincentive
39	Maintenance of Books of Accounts & Records	Non-maintenance of – a) Client ledger b) Register of Securities (Client wise scrip wise Register)	Rs. 1 Lakh + Direction to comply	2nd Time - 50% Escalation and Matter may be placed before relevant authority of Exchange for any necessary disciplinary action in addition to above-mentioned actions. 3rd Time & Onwards- 100% Escalation and Matter may be placed before relevant authority of Exchange for any necessary disciplinary action in addition to above-mentioned actions.	Material
40	Maintenance of Books of Accounts & Records	Non segregation / reconciliation of transactions between client and own bank/ demat accounts (Client money/ securities deposited in own bank/demat account or expenses routed through Client Bank Account or own money/ securities deposited in client bank/ demat account) Non segregation / reconciliation of client and own money/securities	a) up to 2% of number of instances - Advise b) up to 5% of number of instances –Rs. 30,000/- c) up to 10% of number of instances –Rs. 75,000/- d) In excess of 10% of number of instances – Rs 1,00,000/-	2nd Time - 50% Escalation 3rd Time & Onwards - 100% Escalation	Material

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions**Annexure 1.1 - Actions for non-compliances observed for during Member Inspections**

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
41	Maintenance of Books of Accounts & Records	Electronic transfers from clients not as per specified guidelines / Supporting documents / audit trail for pre-funded instruments not maintained/ non-maintenance of audit trail for funds received from clients/In case where aggregate value of banker's cheque / demand draft / pay order, then the same is not accompanied with name of bank account holder and number of bank account debited, duly certified by issuing bank	a) up to 2% of number of instances - Advise b) up to 5% of number of instances –Rs. 15,000/- c) up to 10% of number of instances –Rs. 45,000/- d) In excess of 10% of number of instances – Rs 75,000/-	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
42	Maintenance of Books of Accounts & Records	Books (Except Client ledger) not maintained: General Ledgers , Journals, Cash and Bank Book, Dividend Records, and Brokerage Records Register of complaints Register of transaction Register of commodity	Rs.25,000/- per book + Direction to maintain within 30 days Others than mentioned books- Advise + Direction to maintain within 30 days.	2nd Time & onwards- Increase penalty amount by 50%. Other than mentioned books- Warning + Direction to maintain within 30 days.	Material
43	Maintenance of Books of Accounts & Records	Books (Except Client ledger) not maintained properly: General Ledgers , Journals, Cash and Bank Book, Dividend Records, and Brokerage Records Register of complaints Register of transaction Register of commodity	Rs.10,000/- per book + Direction to maintain within 30 days	2nd Time & onwards- Increase penalty amount by 50% + Direction to maintain within 30 days	Financial Disincentive
44	Maintenance of Books of Accounts & Records	Client ledger/ Client wise scrip wise Register of Securities not in the prescribed format and / or not maintained properly and /- or not maintained Exchange/ segment wise (i.e. incomplete/ erroneous/ delay in entries/ non-reconciliation of balances between client related accounts and register of securities/Incorrect PAN of the clients in register of securities)	Rs. 25,000/-	2nd Time- 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
45	Margin Trading Funding	Not meeting the minimum Net-worth criteria for providing Margin Trading Facility	Direction to square up all open MTF positions within 30 days and not undertake any fresh positions and withdrawal of Margin Trading Facility thereafter	-	Material

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions**Annexure 1.1 - Actions for non-compliances observed for during Member Inspections**

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
46	Margin Trading Funding	Providing margin trading facility using funds from other than approved sources	a) Where the irregularity is up to 20% of the latest net worth – Rs. 10,000/- b) Where the irregularity exceeds 20% of the latest net worth – Rs. 1,00,000/- or 1% of the amount involved, whichever is higher.	2nd time – 50% escalation 3rd Time & Onwards- 100% Escalation	Material
47	Margin Trading Funding	Non-maintenance of separate client-wise ledgers for funds and records of securities of clients availing margin trading facility	Rs. 25,000/-	2nd time – 50% escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
48	Margin Trading Funding	Non- maintenance/ Non-reporting /Incorrect reporting of separate record of details of the funds used and sources of funds for the purpose of margin trading.	Rs. 15,000/-	2nd time – 50% escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
49	Margin Trading Funding	Incorrect/ Non reporting of MTF details to Exchange	Rs. 1,000/- per instance, subject to maximum cap of Rs. 1 Lakh in a month.	2nd time – 50% escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
50	Margin Trading Funding	Adequate margin has not been collected by the Member in the form of cash, cash equivalent or Group I equity shares, with appropriate hair cut in case of	Equivalent to incorrect reporting of margin Specified under Sr. No. 18 above	Equivalent to incorrect reporting of margin Specified under Sr. No. 18 above	Material
51	Margin Trading Funding	Non-adherence to Leverage and Exposure Limits pertaining to Margin Trading Facility	a) Variation Up to 20% of the latest net worth – Rs. 10,000/- b) Variation exceeding 20% of the latest net worth – Rs. 1,00,000/- with direction to reduce the MTF positions within 30 days to meet the leverage limits Calculation will be based on basis highest breach observed in exposure limits in a span of 30 days	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Material
52	Margin Trading Funding	Rights and Obligations etc. of Margin Trading Facility not issued to client	Rs. 5,000/- per client subject to maximum penalty of Rs. 1 lakh	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
53	Margin Trading Funding	Margin trading facility in other than permitted scrips	Rs. 25,000/- per scrip maximum up to 5 Lakhs	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
54	Margin Trading Funding	Member has not maintained segregation of collateral and funded stock pertaining to margin trading facility	Up to 10 Instances - a) Up to 2 instances - Advise b) Up to 5 instances - Rs. 20,000/- c) Up to 10 instance - Rs. 60,000/- Above 10 Instances- a) Up to 2% of number of sample instances - Advise b) Up to 5% of number of sample instances - Rs. 20,000/- c) Up to 10% of number of sample instances - Rs. 60,000/- d) Above 10% of number of sample instances - Rs. 1,00,000/-	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions**Annexure 1.1 - Actions for non-compliances observed for during Member Inspections**

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
55	Member's Operations & Administration	Non-disclosure of trading on own account to clients	Warning	2nd time-Rs.10,000/-penalty 3rd Time & Onwards- 100% Escalation	Financial Disincentive
56	Member's Operations & Administration	Exclusive e-mail id for investors' complaints not created or not displayed	a) If email ID not created - Rs. 10,000/- b) If email ID not displayed - Rs. 5,000/-	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
57	Member's Operations & Administration	Trading member has outsourced activities in violation of SEBI prescribed rules	To be decided on a case to case basis based on nature of non-compliances	To be decided on a case to case basis based on nature of non-compliances	-
58	Member's Operations & Administration	Non-closure of following demat Accounts - 1. Client beneficiary accounts 2. Client Margin/ Collateral account 3. Client Margin Trading Securities account 4. Client unpaid securities account	Rs. 5,000/- per account (where Members are unable to provide reasonable explanation) + Direction to close.	-	Financial Disincentive
59	Member's Operations & Administration	Incomplete / Non display of details by member viz, Notice Board/ name, its logo, registration no, address with telephone no, compliance officer name, telephone no, email id, SEBI Registration certificate/ AP Registration certificate and other prescribed details.	Rs. 10,000/- per location subject to maximum penalty of Rs. 1 lakh.	2nd time - 50% escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
60	Member's Operations & Administration	Member has not maintained pre order confirmation of trades	Where client has post facto confirmed the trades - advice In all other cases - Rs. 10,000/- per client (max Rs. 1,00,000/-) Monetary norms of unauthorised trading will applicable where the clients dispute the trades	2nd time & onwards- 50% escalation	Material
61	Client Registration & KYC	Inclusion of contravening clauses / omission of material details in non KRA part of Account Opening Form (AOF)	a. Advise along with direction to rectify- where the Contravening clause has not been acted upon by the broker when not permitted. b. Other cases- Rs. 10,000/- for procedural clauses and 25,000/- for critical clauses.	2nd time - 50% escalation 3rd Time & Onwards- 100% Escalation	Material
62	Client Registration & KYC	Copies of executed documents not sent to the clients within the specified timeline of account opening/ Necessary documents such as RDD, MITC, etc. not sent to the clients.	Up to 10 Instances - a) Up to 2 instances - Advise b) Up to 5 instances - Rs. 15,000/- c) Up to 10 instance - Rs. 45,000/- Above 10 Instances- a) Up to 2% of number of sample instances - Advise b) Up to 5% of number of sample instances - Rs. 15,000/- c) Up to 10% of number of sample instances - Rs. 45,000/- d) Above 10% of number of sample instances - Rs. 75,000/-	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Material

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions**Annexure 1.1 - Actions for non-compliances observed for during Member Inspections**

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
63	Client Registration & KYC	Delay in uploading changes in KYC information to KRA / other procedural observations related to KRA process	a) Up to 20% of number of instances - Advise b) More than 20% of instances- Rs. 3,000/-	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
64	Client Registration & KYC	Procedural discrepancy in client registration documents (non KRA)	Advise	2nd time - Warning 3rd time & Onwards - Rs. 1000/- per client, maximum up to Rs. 1 Lakh	Financial Disincentive
65	Client Registration & KYC	More than one active trading code allotted to the client where not permitted	Rs. 1000/- per client, maximum up to Rs. 1 Lakh	2nd Time- 50% Escalation 3rd Time & Onwards- 100% Escalation	Material
66	Client Registration & KYC	Non-maintenance of client code/ non mapping of trading code.	Rs. 1000/- per client, maximum up to Rs. 1 Lakh	2nd Time- 50% Escalation 3rd Time & Onwards- 100% Escalation	Material
67	Client Registration & KYC	Dealing with the client without registering UCC.	Rs. 15,000/- per client, maximum up to Rs. 5 Lakhs	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation Beyond which Matter may be placed before relevant authority of Exchange for any necessary disciplinary action in addition to above-mentioned actions.	Material
68	Client Registration & KYC	Client registration documents (Non KRA) not provided / not made available to the Exchange	Rs. 15,000/- per client, maximum up to Rs. 5 Lakhs	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation Beyond which Matter may be placed before relevant authority of Exchange for any necessary disciplinary action in addition to above-mentioned actions.	Material
69	Client Registration & KYC	Material Discrepancies in non KRA part of account opening form (viz. signature, selection of segment where the client intends to trade, Income proof (where applicable), In-Person verification of clients not carried out, Email, Mobile, Bank account, Demat account and Request for change not collected in Client registration documents.	Rs. 5,000/- per client, subject to maximum penalty of Rs. 1 lakh	2nd time - 50% escalation 3rd Time & Onwards- 100% Escalation	Material
70	Client Registration & KYC	Non-Updating of any changes in the KYC details in the back office of the member, UCC Database of the Exchange, and CKYC along with / Non-Updating of Permanently disconnected mobile numbers details (Received from TRAI) of the registered clients of the member/ Beneficial owners of the client (non-individuals) not identified	a) Up to 20% of number of instances - Advise b) More than 20% of instances- Rs. 5,000/-	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions**Annexure 1.1 - Actions for non-compliances observed for during Member Inspections**

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
71	Terminal related non-compliances	Non-upload of non-trading id's (Id's that cannot be used for trading)	Advise	2nd time - Warning 3rd time & Onwards - Rs. 1000/- per instance	Financial Disincentive
72	Terminal related non-compliances	Execution of trades on own account from locations other than those permitted by the Exchange Execution of trades on own account from locations other than those permitted by the Exchange but Location reported to exchange	Rs. 15,000/-	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
73	Terminal related non-compliances	Allowing trading terminals to be operated without valid certification, where required and certificate has expired	Rs 1,500/- per terminal. Subject to maximum penalty of Rs. 1 lakh.	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
74	Terminal related non-compliances	Unauthorized extension of NEAT/ Trading terminal / Non-upload of CTCL Trading terminals to the Exchange / Location of terminal at a place other than main / branch office and the location of the offices of registered / authorized persons of the member not uploaded to Exchange	Rs. 1 Lakh per location In cases where non-upload of details of more than five CTCL terminals are observed and such CTCL terminals are also observed to be operated by entities acting as unregistered intermediaries in the CM segment or as unregistered intermediaries in the F&O segment and / or such terminals are observed to be used for carrying out illegal trading activity, suspension of the trading membership may also be considered depending upon the gravity of the violation.	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Material
75	Terminal related non-compliances	Member does not have appropriate systems in place to monitor, review trading terminals mapped to its branches/ AP	Rs. 1,000/- per instance, subject to maximum cap of Rs. 1 Lakh + Direction to place appropriate system within 30 days	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
76	Terminal related non-compliances	Information about the trading terminal (CTCL) details reported to Exchange is different from the details available in the trading system of the trading member. (Non-Trading ids to be excluded while levying fine)	Rs. 5,000/- per instance, subject to maximum cap of Rs. 1 Lakh	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions
Annexure 1.1 - Actions for non-compliances observed for during Member Inspections

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
77	Terminal related non-compliances	Operation of terminals by persons other than the approved user / person as per Exchange records	Rs 1,500/- per terminal	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
78	Upstreaming of Client funds'	Upstreaming Non-compliances - a) Clients funds have been retained without valid justification. b) Funds shown as retained with TM not available in the relevant bank account. <u>Threshold for action-</u> a) Value of Creditors up to 100 Crores - Higher of 1% of total creditors and Rs. 10 Lakhs b) Value of creditors more than 100 crores up to 500 Crores - 1 Crores plus 0.5% of incremental value of creditors above Rs. 100 Crores c) Value of Creditors more than 500 Crores - 3 Crores plus 0.25% of incremental value of creditors above Rs. 500 Crores	For first 90 days - 0.03% Next 91-180 days - 0.04% Next 181-240 days - 0.05% Next 241-300 days - 0.06% After 300 days - 0.07% Note - Days mentioned above are Calendar days, percentage will be on the amount of non-compliance.	In 2nd time 0.07% becoming applicable to member in the same quarter- 50% escalation. In 3rd time 0.07% becoming applicable to member in the same quarter- 75% escalation. Further, if the value of violation is more than 2% of total creditor's then additionally, TM shall be debarred from taking new clients for 10 days. If 4th time & Onwards - 0.07% becoming applicable to member in the same quarter- 100% escalation. Further, if the value of violation is more than 2% of total creditor's then additionally, TM shall be debarred from taking new clients for 20 days.	Financial Disincentive
79	Upstreaming of Client funds'	Client funds retained with TM but with incorrect justification code	1st time in the calendar month - Advise	2nd time and onwards in the calendar month- Rs. 10,000/- per instance	Material
80	Upstreaming of Client funds'	Unit of Mutual fund overnight schemes/ FDR made out of the clients' funds are not pledged/ lien marked as case may be to the CC by the permitted deadlines <u>Threshold for action-</u> a) Value of Creditors up to 100 Crores - Higher of 1% of total creditors and Rs. 10 Lakhs b) Value of creditors more than 100 crores up to 500 Crores - 1 Crores plus 0.5% of incremental value of creditors above Rs. 100 Crores c) Value of Creditors more than 500 Crores - 3 Crores plus 0.25% of incremental value of creditors above Rs. 500 Crores	For first 90 days - 0.03% Next 91-180 days - 0.04% Next 181-240 days - 0.05% Next 241-300 days - 0.06% After 300 days - 0.07% Note - Days mentioned above are Calendar days, percentage will be on the amount of non-compliance.	In 2nd time 0.07% becoming applicable to member in the same quarter- 50% escalation. In 3rd time 0.07% becoming applicable to member in the same quarter- 75% escalation. Further, if the value of violation is more than 2% of total creditor's then additionally, TM shall be debarred from taking new clients for 10 days. If 4th time & Onwards - 0.07% becoming applicable to member in the same quarter- 100% escalation. Further, if the value of violation is more than 2% of total creditor's then additionally, TM shall be debarred from taking new clients for 20 days.	Material

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions
Annexure 1.1 - Actions for non-compliances observed for during Member Inspections

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
81	Upstreaming of Client funds'	d. Non-compliance with respect to tenure of FDR made out of the clients' funds*	Rs. 25,000/- per FDR, subject to maximum penalty of Rs. 1 lakh + direction to comply within 30 days.	-	Material
82	Upstreaming of Client funds'	e. Transfer of funds to the client from other than DSCNB account	Up to 10 Instances - a) Up to 2 instances - Advise b) Up to 5 instances - Rs. 15,000/- c) Up to 10 instance - Rs. 45,000/- Above 10 Instances- a) Up to 2% of number of sample instances - Advise b) Up to 5% of number of sample instances - Rs. 15,000/- c) Up to 10% of number of sample instances - Rs. 45,000/- d) Above 10% of number of sample instances - Rs. 75,000/-	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Material
83	Upstreaming of Client funds'	f. Non permissible transfer of funds between USCNB, DSCNB and any other bank account of the SB	Up to 10 Instances - a) Up to 2 instances - Advise b) Up to 5 instances - Rs. 15,000/- c) Up to 10 instance - Rs. 45,000/- Above 10 Instances- a) Up to 2% of number of sample instances - Advise b) Up to 5% of number of sample instances - Rs. 15,000/- c) Up to 10% of number of sample instances - Rs. 45,000/- d) Above 10% of number of sample instances - Rs. 75,000/-	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Material
84	Upstreaming of Client funds'	BGs backed by client asset	Rs. 25,000/- per BG, subject to maximum penalty of Rs. 1 lakh + direction to comply within 30 days.	-	Material
85	Others	Non adherence to Rule 8(1)(f) and 8(3)(f) of Securities Contract (Regulation) Rules, 1957, relating to fund based activities of brokers and in connection with / incidental to /consequential upon the securities business	a) Amount involved <= Rs. 5 Crores : 1% of the amount involved + Direction to recover/settle the funds within the time allotted b) Amount involved > Rs. 5 Crores : Penalty of Rs. 5 Lakhs + No new clients if funds are not recovered/settled within the time allotted ++ Disciplinary action such as suspension / disablement of trading terminals / Expulsion etc. depending upon the gravity of the case may also be considered	2nd Time & Onwards - Amount involved <= Rs. 5 Crores : 50% escalation + No new clients till CA certificate certifying that funds are recovered/settled is submitted Amount involved > Rs. 5 Crores : 50% escalation + appropriate disciplinary action such as suspension / disablement of trading terminals / Expulsion etc. as deemed fit by the relevant authority	Material
86	Others	Discrepancy in net worth computation (not resulting in shortfall)	1. If actual net worth more than reported net worth- Advise 2. If actual net worth less than reported net worth, up to 5% variation- Advise. More than 5%- 5% amount of incorrect reporting or Rs. 1,00,000/-, whichever is lower	2nd Time & onwards- 50% Escalation	Financial Disincentive
87	Others	Member has allowed trading in the account of minor in a manner not permitted by law	a. Up to 1 client- Advise. b. More than 1 client- Rs. 25,000/- per client subject to maximum penalty of Rs. 1 lakh.	2nd time - 50% escalation 3rd Time & Onwards - 100% Escalation	Material

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions**Annexure 1.1 - Actions for non-compliances observed for during Member Inspections**

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
88	Others	Norms related to Suspense account (SUSPE1234N) not followed	Where balance has been upstreamed - Advise Other cases - 1% of amount (max cap Rs. 1,00,000) + direction to comply	-	Material
89	Others	Incorrect submission of RBS	Advise	2nd Time - Warning 3rd Time & Onwards - Rs. 5,000/-	Financial Disincentive
90	Others	Non-issuance/Delay in issuance of annual global statement to clients	Advise	2nd Time - Rs. 10,000/- 3rd Time & Onwards- 100% Escalation	Financial Disincentive
91	Others	Material discrepancies in the statement sent to clients (Statement of Funds & Securities / Retention Statement/ Annual Global Statement, etc.)	Rs. 15,000/-	2nd Time - 50% Escalation 3rd Time & Onwards- 100% Escalation	Material
92	Others	Member has not sent text or link of the following with contract Notes - 1. Regulation 19 & 20 of SECC Regulations, 2018 to clients dealing in scrip of listed Stock Exchanges 2. Schedule II of the SEBI (Intermediaries) regulations, 2008 to clients dealing in scrips of listed depositories	Advise	2nd Time - Warning 3rd Time & Onwards - Rs. 5,000/-	Financial Disincentive
93	Others	Change in Statutory Auditor not intimated to the Exchange	Advise	2nd Time & Onwards- Warning	-
94	Others	Penalty for short collection of upfront (peak/EOD) margins passed on to the clients where not permitted	a) Penalty passed on is less than or up to Rs.1,00,000/- : Actual Penalty passed on + Direction to refund any penalty collected from the clients b) Penalty passed is more than Rs.1,00,000/-: Penalty of Rs.1,00,000/- + direction to refund the penalty to client.	2nd Time & Onwards - 50% Escalation + Direction to refund the penalty to client.	Financial Disincentive
95	Others	Facility for online closure of trading accounts not made available (where applicable)	Rs. 25,000/- + Direction to comply with requirements within 30 days	-	Financial Disincentive
96	Others	One bank account is mapped to more than one PAN where the holders are not joint holders	Monetary penalty of Rs.1000/- per instance subject to maximum penalty of Rs.1,00,000/- and direction to rectify the UCC details and confirm to exchange in 15 days	2nd Time & Onwards - Monetary penalty of Rs.2,000/- per instance subject to maximum penalty of Rs. 2,50,000/- and direction to rectify the UCC details and confirm to exchange in 15 days	Material
97	Others	Non-adherence to guidelines on incentives/referral schemes	Rs.10,000/- plus direction to comply	2nd Time & Onwards - 50% escalation + Matter may be placed before relevant authority for necessary disciplinary action in addition to monetary penalty.	Financial Disincentive

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions

Annexure 1.1 - Actions for non-compliances observed for during Member Inspections

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
98	Others	Non-adherence to Guidelines on Compliance Officers issued vide Exchange circular no. NSE/COMP/54600 dated November 25, 2022.	Rs. 25,000/-	2nd Time & Onwards - 100% Escalation	Financial Disincentive
99	Others	1. Incorrect reporting of Client Level Holding Statement/Shortages file reporting. 2. Incorrect reporting of client level segregation reporting.	For Holding Statement/ Shortages file reporting- If client holding reported incorrectly - Advise <i>(Exception- In case the holding incorrectly reported pertaining to prop and legacy frozen accounts like CUSA, client beneficiary and client collateral, etc.)</i> 2. For incorrect reporting in client level segregation reporting - Advisory <i>(Exception - In case the value of incorrect reporting is up to Rs. 1 crore or securities related incorrect reporting, Advisory will be issued)</i>	2nd Time & Onwards - 1. For Holding Statement/ Shortages file reporting beyond Rs. 50 Lakhs - Rs. 1,000 per day of reporting (maximum capped to Rs. 1 Lakh) <i>(Exception- In case the holding incorrectly reported pertaining to prop and legacy frozen accounts like CUSA, client beneficiary and client collateral, etc.)</i> 2. For incorrect reporting in client level segregation reporting - 2nd time & Onwards - Monetary penalty of Rs. 25,000/- <i>(Exception - In case the value of incorrect reporting is up to Rs. 1 crore or securities related incorrect reporting, Advisory will be issued)</i>	Financial Disincentive
100	Others	Non- Appointment of Principal officer / Designated director / their details not intimated to FIU	Direction to intimate to FIU	-	-
101	Others	Changes in the Appointment of Principal officer / Designated director / their details not intimated to FIU	Direction to intimate to FIU	-	-
102	Others	Non-display of Mandatory documents/ details on website of the member	Advise plus direction to display within 1 month from the date of direction	2nd time- Rs.25,000/- plus direction to display within 1 month 3rd time & Onwards- 50% escalation	Financial Disincentive
103	Others	Associated persons does not have valid NISM series VII certification – (Securities Operations and Risk Management Certification Examination).	Advisory and direction to comply with in 30 days.	2nd Time- Rs. 1,500 per person 3rd Time & Onwards - Rs. 5,000 per person	Financial Disincentive
104	Others	Inactive client accounts not identified/ marked/ flagged as inactive in UCC database	For traded clients - Monetary Penalty of Rs.1,000/- per client (maximum Rs.1,00,000) For Non-traded Clients - Advise	-	Financial Disincentive

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions

Annexure 1.1 - Actions for non-compliances observed for during Member Inspections

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
105	Others	Cash dealings with clients excluding DP charges where permitted by depository.	More than Rs. 50,000 in a FY - 10% of the amount of cash dealing or Rs. 1,000/- whichever is higher.	2nd time - 50% escalation 3rd Time & Onwards- 100% Escalation	Material
106	Others	Dealing with unregistered intermediaries	Rs. 1,00,000/- per unregistered intermediary; Also Member to be directed to stop all dealings with such unregistered intermediaries and to withdraw the terminal(s), if any, allotted to such entities immediately. In addition to monetary penalty, suspension of the trading membership may also be considered, depending upon the gravity of the violation, in case where dealings with more than 5 unregistered intermediaries (in cash segment) and/ or intermediaries (in Derivative segment) are observed.	2nd Time & Onwards - 100% Escalation + Expulsion of the trading membership, depending upon the gravity of the violation	Material
107	Others	Facilitating financing to clients through NBFC / Financer / Institutions either directly or indirectly in a manner not permitted	3% of the Outstanding value, subject to minimum penalty of Rs.1 Lakh and maximum penalty of Rs.5 Lakhs and Direction to not to be conduit of facilitating financing to clients	2nd Time & Onwards - 5% of the Outstanding Value, Subject to minimum penalty of Rs.2 Lac and maximum penalty of Rs.10 Lac and Disciplinary action including disablement of trading terminals.	Material
108	Others	Monthly/ Weekly (as applicable) Statement of accounts for funds, securities and commodities not sent/ delay in issuance of weekly Statement of accounts for funds, securities and commodities, non-issue of weekly statement displaying all receipt and payment of funds / inward and outward movement of securities and pending obligations	Up to 10 Instances - a) Up to 2 instances - Advise b) Up to 5 instances - Rs. 15,000/- c) Up to 10 instance - Rs. 45,000/- Above 10 Instances- a) Up to 2% of number of sample instances - Advise b) Up to 5% of number of sample instances - Rs. 15,000/- c) Up to 10% of number of sample instances - Rs. 45,000/- d) Above 10% of number of sample instances - Rs. 75,000/-	2nd time - 50% escalation 3rd Time & Onwards- 100% Escalation	Material
109	Others	Late/Non submission of data towards undertaking to freeze the bank account	Rs. 5,000/- per bank account + Subject to maximum penalty of Rs. 1 lakh + Direction	2nd time - 50% escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
110	Others	DDPI - Demat Debit and Pledge Instruction executed without explicit consent from client to authorise stock broker & Depository Participant to access their BO account for limited purpose of meeting the Pay-in obligation for settlement of trades executed by them.	Rs.10,000 per client subject to maximum cap to Rs.1,00,000/-	2nd Time & Onwards - Rs.15,000 per client subject to maximum cap to Rs.5,00,000/-	Material
111	Others	Norms of converting inactive to active not followed	Rs. 1,000/- per client capped to Rs.1 lakh plus direction to comply within 1 month from the date of communication	2nd Time & Onwards - 50% escalation plus direction to comply within 1 month from the date of communication	Financial Disincentive
112	Others	Non-adherence to all other applicable guidelines for clients registered through online KYC process	Rs.50,000/- plus direction to adhere to the applicable guidelines within 1 month from the date of direction	-	Financial Disincentive

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions**Annexure 1.1 - Actions for non-compliances observed for during Member Inspections**

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
113	Others	Non-adherence to the guidelines regarding issue of ECN through SMS/electronic instant messaging services	Up to 2 clients - Advise More than 2 clients- Rs.10,000/-	2nd time - 50% escalation 3rd Time & Onwards- 100% Escalation	Financial Disincentive
114	Others	Intimation including the details about the transfer of funds to clients by SMS & Email not sent at the time of running account settlement of funds.	In case either of SMS or email has been sent to client - Advise In case neither of SMS nor Email has been sent - Rs. 10,000/-	In case either of SMS or email has been sent to client - 2nd Time - Rs. 10,000/- 3rd Time & Onwards- 100% Escalation In case neither of SMS nor Email has been sent - 2nd Time & Onwards - 100% Escalation	Financial Disincentive
115	Others	Advance notice (where applicable) not given to clients in case of closure of branch/AP	Rs.10,000/- per branch / AP, subject to maximum penalty of Rs. 1 lakh	2nd Time & Onwards- 50% Escalation	Financial Disincentive
116	Others	Non-maintenance of order and/or trade log	Rs.25,000/- plus direction to comply	2nd Time & Onwards- 50% Escalation	Material
117	Others	Dealing with SEBI Debarred Entities from accessing market	Rs. 5,000 per instance + Direction to desist such dealings	2nd time & Onwards - 50% escalation + direction to desist	Financial Disincentive
118	Others	Maintaining client bank accounts in excess of prescribed limit of 30 bank accounts across all segments and Exchanges at a time and/ or maintaining client bank account with other than approved banks	Rs.10,000/- per bank account subject to maximum penalty of Rs. 1,00,000/- plus direction to close the account	2nd Time & Onwards - 50% Escalation + Direction to close the account	Financial Disincentive
119	Others	Member has made payments without maintaining evidence of client requests (where required)	Aggregate payment up to Rs.1 lakh – Warning In excess of Rs.1 lakh 10% of the value involved subject to maximum of Rs.1 Lakh	2nd Time & Onwards- 15% of the value involved subject to minimum of Rs.10,000/- and Maximum of Rs.1,50,000/-	Financial Disincentive
120	Others	Member has incorrectly levied delayed payment charges on clients	Direction to refund the excess charges plus monetary penalty as under- a) Non-compliance up to Rs.1 lakh – Rs.10,000/- b) In excess of Rs.1 lakh– Rs.25,000/-	-	Financial Disincentive
121	Others	Invocation of client pledged securities more than client obligation to the broker.	1% of the incorrect invocation value, subject to maximum capping of Rs. 1 Lakh	2nd Time & Onwards- 2% of the incorrect invocation value, subject to maximum capping of Rs. 2 Lakhs	Financial Disincentive

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions**Annexure 1.1 - Actions for non-compliances observed for during Member Inspections**

Sr. No.	Contravention Category	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
122	Others	Late/Partial/Non-submission of undertaking / authorization to Exchange to access the information / statements pertaining to all bank accounts (maintained by members) from Banks	Rs. 5,000/-	2nd Time & Onwards- 50% Escalation	Financial Disincentive
123	Others	Delayed/Non-submission of UCC wise settlement details as per the prescribed format	1.Charges Rs. 1,500/- per day till first 7 calendar days or submission of report, whichever is earlier 2.Charges of Rs. 2,500/- per day from 8th calendar day to 21st calendar day or submission of report, whichever is earlier 3.In case of non-submission of report till 21st calendar days, new client registration shall be prohibited and notice of 7 calendar days for disablement of trading facility till submission of report, shall be issued. 4.The disablement notice issued to the member will be shared with all the Exchanges for information. 5.In case of non-submission of report by 28th calendar day, Member shall be disabled in all segments till submission of report.	-	Financial Disincentive
124	Others	Member has not displayed "Risk disclosure with respect to trading by individual traders in Equity Futures & Options Segment" on their website and Mobile App.	Rs. 10,000/- + Direction to comply within 30 days.	2nd Time & Onwards- 50% Escalation	Financial Disincentive
125	Others	Mismatch of UCC details as compared to KYC of client or incorrect details uploaded in UCC database uploaded by the member. (Excluding Email & Mobile no)	Rs.1,000 per UCC subject to a maximum of Rs. 50,000/-	2nd Time - 2nd time - 50% escalation, 3rd Time & Onwards- The matter shall be placed before the relevant Committee.	Financial Disincentive
126	Others	Non reporting/ Incorrect / incomplete details of the material direct complaints received by Member (through any channel) to the Exchange	Monetary penalty of Rs.1000/- per client subject to maximum penalty of Rs.1,00,000/-	2nd Time & Onwards - 50% Escalation	Financial Disincentive
127	Others	Location Mismatch in terminal reported location and order placed location details captured	Rs. 1000 per instance	-	Financial Disincentive
128	Others	Specific approval not obtained from the Exchange for providing internet trading facility to its clients	Rs.1,00,000/- + direction to stop providing IBT facility within 15 days or till compliance whichever is earlier	-	Financial Disincentive