

Annexure 1

Sr. No.	Violations	Applicable Penalty/disciplinary action
1	Use of TM/ CP funds / securities for other than specified purposes/Use of TM/CP funds/ securities for own purpose/for other clients	Rs. 1,00,000/- or 1% of the amount involved whichever is higher
2	Submission of information for inspection a) Delay in submission of documents/data/records sought for inspection b) Non co-operation in providing data/records/documents to inspecting officials for inspection resulting in non-completion of inspection. c) Wrong/incorrect submission of data towards Inspection	a) Rs.1,000/- per day starting from final due date for submission of data/records/documents sought for inspection subject to a cap of Rs 1 lakh. b) Monetary penalty of Rs. 1 lakh besides not allowing member to clear trades till the time of completion of inspection/Surrender/cessation of membership/ Declaration as default/ Expulsion. c) Penalty may vary from warning to Rs.1 lakh on case to case basis. (The serious case shall be discussed separately in applicable committee, which may enhance the penalty as deemed fit)
3	Cash dealings with TM/CP	10 % of the amount of cash dealing or Rs.1000/- whichever is higher For repetitive instances – penalty shall be escalated by 50 %
4	Non maintenance of segregated accounts for proprietary and clients/TM funds & Securities/Commodities	Rs. 1 Lakh and direction to open separate account within 1 month
5	Non-maintenance of a) Client/TM ledger b) Register of Securities (Client/TM wise scrip wise Register) (as applicable)	Rs. 1 Lakh + Direction to comply
6	Client/TM ledger not maintained properly (i.e. incomplete/ erroneous/ delay in entries)	Rs.25,000/-

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7	Register of Securities not in the prescribed format (as applicable)	Rs.25,000/-
8	Discrepancies / Incorrect details in Register of Securities, non-reconciliation of balances between client beneficiary accounts and register of securities (as applicable)	Rs.25,000/-
9	Non segregation of transactions between Custodial Participant/TM and own bank accounts (money deposited in own account or expenses routed through CP/TM Bank Account or own money deposited in CP/TM account) Non segregation of CP/TM and own money	a) If cumulative value of non-segregated transactions is less than Rs 1 crore – 0.5% of the cumulative value b) If cumulative value of non-segregated transactions is more than Rs 1 crore but less than Rs 5 crore – 0.75 % of the cumulative value c) If cumulative value of non-segregated transactions is more than Rs 5 crore – monetary penalty and/or any other disciplinary action, as may be decided by the Relevant Authority
10	Facilitating financing through NBFC in contravention of SEBI Circular	Rs. 5 Lakhs
11	Delay in release of payout of funds or securities (beyond one working day) or commodities	a) up to 5% of no. of instances – Rs. 15,000/- b) In excess of 5% and upto 10% of no. of instances - Rs 45,000/- c) In excess of 10% and upto 20% of no. of instances - Rs 75,000/- d) In excess of 20% of no. of instances – Rs. 1,00,000/-
12	Non-appointment of compliance officer	Rs. 50,000/-

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13	a)Books (Except Client ledger) not maintained including: i) General Ledgers , ii) Journals, iii) Cash and Bank Book, iv) Margin Deposit details, v) Register of complaints vi) Register of transaction vii Register of commodity (as applicable) b)Books (Except Client ledger) not maintained properly (i.e. incomplete/ erroneous/ delay in entries) including: i) General Ledgers, ii) Journals, iii) Cash and Bank Book, iv) Margin Deposit details, v)Register of complaints vi) Register of transaction vii) Register of Commodity (as applicable)	Rs. 25,000/- per book Rs. 10,000/- per book
14	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/ other prescribed details	Rs. 10,000/-

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15	Daily Margin statement not sent to affiliated Trading Member & Custodial Participants	a) In excess of 2% and upto 5% of no. of instances - Rs 15,000/- b) In excess of 5% and upto 10% of no. of instances - Rs 45,000/- c) In excess of 10% of no. of instances - Rs 75,000/- d) Otherwise – Advice
16	Clearing 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
17	Non-payment of statutory dues/duties/fees etc.	Advice

Sr. No.	Violations	Applicable Penalty/disciplinary action
18	Non-compliance with PMLA requirements based on confirmation from Compliance Officer	
	a. Non maintenance of Written Policy and Procedures relating to PMLA	Rs. 25,000
	b. Non Appointment of Principal Officer /Designated Director/ Non Intimation of Designated Director or change of Principal officer to FIU Delhi	Rs. 25,000
	c. Non-Implementation of systems in place to monitor, identify suspicious transaction and procedures for reporting the same	Rs. 25,000
	d. Non Adoption of customer due diligence	Rs. 25000 per client
	e. Financial information of clients not obtained / updated / documentary evidence related to financial information not obtained in case of clients trading in derivatives segment	Rs. 25000 per client
	f. Non Maintenance of records regarding ongoing training to staff relating to PMLA	Advice
	g. Disproportionate Exposure	Upto Rs.2,00,000/-
	h. Any other observation /violation which is required as per PMLA and not covered above	Advice
19	Non adoption / Maintenance of prescribed policies	1. Non adoption / Maintenance of policies - Rs. 25,000/- 2. Per line item not followed – Rs. 2500/- subject to maximum of 25000/-