Sr. No.	Details of contravention	Penalty (in rupees)
I - Dealings with clients		
1	Client registration documents	
	(a) Not provided / Not executed / Not made available	Rs. 10,000/- per client
	(b) Inclusion of contravening clauses / omission of material details	Violation for critical clauses - Rs 25000
		Other procedural clauses - Rs 10000
	(c) other discrepancies	Advice
2	(a) In-person verification of clients not carried out	Rs 500 per client
	(b) Other discrepancies in carrying out in person verification of clients	Advice
3	Copy of client registration documents not delivered / Client Code and mail id not communicated in writing / policies & procedures not communicated to clients	1. In excess of 2% and up to 5% of number of instances - Rs 10,000/-
		2. In excess of 5% and up to 10% of number of instances - Rs 30,000/-
		3. In excess of 10% of number of instances - Rs 50,000/-
		Otherwise, Advice
4	Not uploaded KYC information to KRA within prescribed time frame	Advice
5	Delay in uploading KYC information to KRA / Not sending KYC documents to KRA and maintaining proof of dispatch	Advice
6	Non display of details by member viz, name, its logo, registration no, address with telephone no, compliance officer name, telephone no, email id and other prescribed details	Advice
7	Policy of member regarding pre funded instruments not maintained	Advice
	Electronic transfers from clients not as per specified guidelines / Supporting documents / audit trail for pre-funded instruments not maintained	1. In excess of 2% and up to 5% of number of instances - Rs 10,000/-
		2. In excess of 5% and up to 10% of number of instances - Rs 30,000/-
		3. In excess of 10% of number of instances - Rs 50,000/-
		Otherwise Advice
8	Bank and demat account operations	

Sr. No.	Details of contravention	Penalty (in rupees)
	(a) Separate clients bank or demat account not maintained	Rs. 10,000/-
	(b) Pay in / payout not received from / delivered to respective clients / Inter-client adjustment done for the purpose of settlement of accounts	1. In excess of 2% and up to 5% of number of instances - Rs 10,000/-
		2. In excess of 5% and up to 10% of number of instances - Rs 30,000/-
		3. In excess of 10% of number of instances - Rs 50,000/-
		Otherwise, advice
	(c) Non-segregation of own and clients' funds or securities	1. In excess of 2% and up to 5% of number of instances - Rs 10,000/-
		2. In excess of 5% and up to 10% of number of instances - Rs 30,000/-
		3. In excess of 10% of number of instances - Rs 50,000/-
		Otherwise, advice
	(d) Delay in release of payout of funds or securities / actual settlement of funds or securities not done on monthly / quarterly basis as specified by the client	1. In excess of 2% and up to 5% of number of instances - Rs 10,000/-
		2. In excess of 5% and up to 10% of number of instances - Rs 30,000/-
		3. In excess of 10% of number of instances - Rs 50,000/-
		Otherwise, advice
	(e) Delayed / non-payment of dividend	If delay in excess of 90 days 0.5 % of the amount
		(Rs 10,000/- if amount not known)
		Otherwise, Advice
	(f) 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	Advice
9	Daily Margin statement not sent	1. In excess of 2% and up to 5% of number of instances - Rs 10,000/-
		2. In excess of 5% and up to 10% of number of instances - Rs 30,000/-
		3. In excess of 10% of number of instances - Rs 50,000/-
		Otherwise, Advice

Sr. No.	Details of contravention	Penalty (in rupees)
10	Quarterly Statement of accounts for funds or securities 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	1. In excess of 2% and up to 5% of number of instances - Rs 10,000/-
		2. In excess of 5% and up to 10% of number of instances - Rs 30,000/-
		3. In excess of 10% of number of instances - Rs 50,000/-
		Otherwise, Advice
11	Cash dealings with clients	0.1% of the aggregate value in excess of Rs. 50,000/-
		Otherwise, Advice
12	Non-disclosure of trading on own account to clients	Advice
	Exclusive e-mail id for investors' complaints not created or not displayed	
13	Modification/Transfer of trades otherwise than on the Exchange trading platform or for purposes other than permitted	In excess of 5% of value (turnover). Penalty of 2% of value (turnover) modified, otherwise a fine of 1% of value (turnover) modified
	Trades in the error account are subsequently shifted to some other client code	
14	Transfer of trades otherwise than for genuine purpose	0.1% of value of trades modified for other than genuine purpose(over and above SEBI stipulated penalty for online modification)
15	Non adoption of well documented policy to handle client code modification approved by board or governing body of the member	Advice
16	Excess STT charges recovered from the clients	TM be directed to remit to authorities excess STT levied / TM be directed to refund excess STT collected from clients and fine equal to Rs 10000/-
17	Excess Transaction Charges recovered from the clients	TM to be advised to refund excess transaction charge and fine of Rs 5000/-
18	Evasion of margin	0.3% of the value of trades subject to minimum of Rs 25,000/-

Sr. No.	Details of contravention	Penalty (in rupees)
19	Improper use of funds raised by placing of clients securities with bank / any other financial institutions viz. funds not used for respective client obligation / margins	Rs. 1,00,000/- or 0.1% of the value of misuse whichever is higher
	Mis-utilization of clients' funds and/or securities	
20	Excess brokerage charged	TM to be advised to refund the excess brokerage charged to the constituents and penalty equal to the excess brokerage charged or Rs. 10,000/- whichever is higher
	Sharing of brokerage/commission, except as permitted under the Bye-Laws	Advice
21	Funding to clients	Upto 2 instances - Advice
		Otherwise- Rs 50000/-
22	Non-maintenance of well documented risk management policy	Advice
23	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
II - Contract Notes		
1	Non-issue of Contract Notes	1. Upto 25% of no. of clients- Rs 50000/-
		2. In excess of 25% and up to 50% of no. of clients - Rs 100,000/-
		3. In excess of 50% of no. of clients - Rs 150,000/-
2	Issued with material discrepancies / Duplicates or copies or proof of dispatch of contract notes not maintained/ Consent of client not obtained for sending ECN / Not issued within one working day of trade execution/ Not signed by authorized signatory	1. In excess of 2% and up to 5% of number of instances - Rs 10,000/-
		2. In excess of 5% and up to 10% of number of instances - Rs 30,000/-
		3. In excess of 10% of number of instances - Rs 50,000/-
		Otherwise, Advice

Sr. No.	Details of contravention	Penalty (in rupees)
3	ECN Log report not maintained in case of bounced back mails, ECN not displayed on website, ECN's 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 and no physical letter confirming the e-mail ID and exercising choice to receive documents on that e-mail ID is received from the clients (In case of clients registered prior to March 2010).	1. In excess of 2% and up to 5% of number of instances - Rs 10,000/-
		2. In excess of 5% and up to 10% of number of instances - Rs 30,000/-
		3. In excess of 10% of number of instances - Rs 50,000/-
		Otherwise, Advice
4	Contract Note issued otherwise than in format prescribed by the Exchange	Advice
5	Trading member has not uploaded mobile number/ email address for clients who have exercised choice for receiving alerts	Advice
III - Margin Trading		
1	Margin trading facility in scrip's other than permitted	Rs. 10,000/-
2	Short collection of margin in excess of 20%	Rs. 10,000/-
3	Other procedural contraventions	Rs. 10,000/-
4	Agreement not executed with clients	Rs. 5,000/- per client
IV - Dealings with Intermediaries		
1	Dealing with unregistered intermediaries	Rs. 1,00,000/- per unregistered intermediary
		Also, member to be advised to ensure that the entities stop dealing as unregistered intermediaries and be directed to withdraw the terminal(s), if any, allotted to such entities, immediately.

Sr. No.	Details of contravention	Penalty (in rupees)
		In addition to monetary penalty, suspension of the trading membership may also be considered depending upon the gravity of the violation, in cases where dealings with more than 5 unregistered intermediaries (in the Cash Segment) and / or intermediaries (in the Derivative Segment) are observed
2	Doing business for / through other TMs or sub-brokers of other TMs of the Exchange without prior approval of the Exchange	Rs. 10,000/-
	With brokers / sub-brokers of other Exchanges without intimation	Advice
3	Inspection of sub-brokers / branches not done / Inspection report of sub-brokers & branches not made available to the inspecting team	Rs. 10,000/-
V - Trading System & Office Management		
1	Unauthorized extension of NEAT terminal / Non-upload of CTCL terminals to the Exchange / Upload of CTCL details with incorrect terminal location / Location of terminal at a place other than main / branch office and the offices of registered sub brokers / authorized persons of the member.	Rs. 50000/- per terminal
		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 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
2	Errors in upload of CTCL details (Non-Trading ids to be excluded while levying fine)	In excess of 5 terminals, Rs 5,000/- per terminal (Non-trading ids to be excluded while levying fine)

Sr. No.	Details of contravention	Penalty (in rupees)
3	Non-upload of non-trading id's (Id's that cannot be used for trading)	Advice
4	Allowing trading terminals to be operated without valid certification	Cash segment- Advice Derivatives segment - Rs 1,000/- per terminal
5	Operation of terminals by persons other than the approved user / person as per Exchange records	Rs 1,000/- per terminal
6	Non-display of notice board or SEBI registration certificate	Rs. 10,000/-
7	Non-appointment of compliance officer	Rs. 10,000/-
8	Execution of trades on own account from locations other than those permitted by the Exchange	Rs. 10,000/-
9	Not following the advertisement code of the Exchange	Rs. 5,000/-
10	Non-compliance with PMLA requirements	
	(a) Non maintenance of Written procedures relating to PMLA	Rs. 10,000/-
	(b) Non Appointment of Principal Officer/ Non Intimation of change of Principal officer to FIU Delhi	
	(c) Non-Implementation of systems in place to monitor, identify suspicious transaction and procedures for reporting the same	
	(d) Non Adoption of customer due diligence	Advice
	(e) Financial information of clients not obtained / updated / documentary evidence related to financial information not obtained in case of clients trading in derivatives segment	Advice
	(f) Non Maintenance of records regarding ongoing training to staff relating to PMLA	Advice
VI - Books of Accounts		
1	Non-maintenance of client ledger	Rs. 50,000/-

Sr. No.	Details of contravention	Penalty (in rupees)
2	Segregation of Exchange wise client ledgers not maintained	Rs. 25,000/-
3	Client ledger not maintained properly	Rs. 25,000/-
4	Client-wise Scrip wise Register of securities not maintained	Rs. 50,000/-
5	Register of Securities not in the prescribed format	Advice
6	Discrepancies / Incorrect details in Register of Securities, non reconciliation of balances between client beneficiary accounts and register of securities	Rs. 10,000/-
7	Books (Except Client ledger) not maintained	Rs 10,000/- per book
8	Books (Except Client ledger) not maintained properly	Rs 5,000/- per book
VII - Margin Reporting requirements		
1	In case of false reporting of margin	100% of falsely reported amount + Suspension of trading for 1 day in respective segment

Incremental Penalties Structure

In case any violation is observed to be repeated, during inspection conducted in last three financial years, the following penalty would be made applicable.	
Applicable Penalty	**Penalty for repeat violations**
Advice	Warning
Warning	Rs. 5,000/-
Monetary Penalty	Increase penalty amount by 50%