

L/ENF/SS-189/IR/2024-2025/463

June 27, 2024

To,
Compliance Officer and Designated Directors
SYKES & RAY EQUITIES (INDIA) LTD. (Clg. No. - 189)
3rd Floor, Cama Bldg.,
24, Dalal Street, Fort,
Mumbai-400001

Dear Sir /Madam,

Sub: Final letter pertaining to Inspection conducted by the Exchange in FY 2023-24

Please refer to **Annexure A** to this letter with the details of non-compliances observed by the Exchange after taking into consideration the clarifications offered by you.

You are advised to take necessary steps to ensure that such non-compliances do not recur.

Please note that in case similar non-compliances are observed during a subsequent inspection by the Exchange, applicable action including an escalated penalty may be imposed pursuant to the Exchange Notice No. 20180214 - 31 dated February 14, 2018.

Further, you are requested to submit a compliance certificate, from your Compliance Officer within 10 days from the receipt of this letter stating that all the recommendations made above have been implemented. Failure to furnish the compliance certificate within the timelines or submission of an incorrect compliance certificate (in case similar observations are observed by the Exchange or your internal auditor, etc. post the submission of the compliance certificate) may result in further action being initiated by the Exchange.

You are also required to place the letter before your Board for necessary action and the letter is to be taken into consideration by your Board for the performance appraisal of the concerned individual who is responsible for the lapse/ deficiency.

We thank you for your co-operation during the inspection.
Yours faithfully,



Vandana Vania
Asst. General Manager
(Enforcement)



Sandhya Sapaliga
Associate Manager
(Enforcement)

Annexure A

Name of the Member	SYKES & RAY EQUITIES (INDIA) LTD
Clearing Number	189
Inspection Year	FY 23-24
Date of First Letter	February 16 2024
Date of Response to First Letter	February 23, 2024, June 04, 2024, June 05, 2024 June 18, 2024, June 19, 2024, June 20, 2024 & June 21, 2024

a) Details of Non-Compliance observed after considering the responses provided, where no monetary penalty is applicable:

Sr#	Violation	Notice / Regulatory Requirement	Action
1	There were no clear remarks showing PAN of clients was verified with Income Tax website on the scanned KYC images	SEBI/HO/CDMRD/DMP/CIR/P/2016/87 dated September 16, 2016 and SEBI/HO/CDMRD/DNP/CIR/P/2021/30 dated March 08, 2021 20230626-1 dated June 26, 2023, 20230518-1 dated May 18 2023	You are advised to ensure that correct and clear remarks are mentioned on the documents wherever the PAN is verified from the income tax website.
2	Incorrect Email and Mobile number of clients uploaded in UCC database	20140801-19 dated August 1, 2014, 20140811-25 dated August 11, 2014, 20140819-17 dated August 19, 2014, September 26, 2016, 20160927-41 dated September 27, 2016, 0020, 20161020-17 dated October 20, 2016	You are advised to ensure that the Exchange UCC database is updated on a regular basis.
3	Non settlement of Clients' accounts	20210809-50 dated August 9, 2021, 20160927-41 dated September 27, 2016, 20210616-41 dated June 16, 2021, 20210831-40 dated August 31, 2021, 20220331-53 dated March 31, 2022, 20220727-48 dated July 27 2022	You are advised to ensure compliance with settlement of clients' accounts
4.	Non reconciliation of Securities	Exchange Notice No. 20160927-41 dated September 27, 2016, 20161020-17 dated October 20, 2016 ,20150413-30 dated April 13, 2015, and 20190412-43 dated April 12, 2019	You are advised to ensure reconciliation of securities
5.	Incorrect calculation and submission of Net worth.	20210809-50 dated August 09, 2021, 20231023-13 dated October 23, 2023	You are advised to correctly compute and report the net worth to the Exchange.

Details of observations closed after considering the responses provided: -

- Mismatch in Exchange UCC database and Member's Back Office with regard to client status, Mobile Numbers, Email ids and Bank Account Numbers
- Incorrect reporting of Margin collection.
- Reporting Enhanced Supervision – Cash & Cash Equivalent balances monitoring of client assets.
- Nomenclature is not entered in the Bank account name on Bank statements.

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