

L/ENF/ARG-197/IR/2024-2025/825

October 04, 2024

To,
Compliance Officer and Designated Directors
Monarch Networth Capital Ltd. (Clg. No. 197)
Unit No. 803-804a, 8th Floor, X Change Plaza
Block No. 53, Road 5e, Zone 5
Gift City
Gandhinagar-382355

Dear Sir / Madam,

Sub: Final letter pertaining to Inspection of Authorised person viz- Mr. Gaurang Kalidas Patel conducted by the Exchange in FY 2024-25.

Please refer to **Annexure A** to this letter containing the details of non-compliances observed by the Exchange after taking into consideration the submissions and clarifications offered by you. You are also advised to take necessary steps to ensure that such non-compliances do not recur.

Please note that in case the 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)



Janvi Bhujbal
Assistant Manager
(Enforcement)

Annexure A

Name of the Member	Monarch Network Capital Ltd
Clearing Number	197
Inspection Year	FY. 24-25
Date of First Letter	June 14, 2024
Date of Response to First Letter	June 21, 2024

- Details of Non-Compliance observed after considering the responses provided, where no monetary penalty is applicable are as follows:

Sr. No.	Details of Non-Compliance	Notice / Regulatory Requirement	Action
1	Authorised Person does not have call recording system	20070906-10 dated September 06, 2007.	You are advised to ensure that recording of orders placed by clients are always maintained.
2	Authorised Person does not have access to BSE trading terminal and hence is not in compliance with requirements to ensure execution of client's orders for buying and selling of securities. Even If AMC charges being paid by Authorised Person for both NSE & BSE terminal to Trading Member.	20210701-1 dated July 01, 2021.	You are advised to ensure that their trading systems are in compliance with the aforesaid requirement to ensure execution of clients' orders for buying and selling of securities at the best available market price (Best Price Execution).
3.	Trading Member is not following Exchange guidelines for execution of client trade at the best available market price.		
4.	Client Visit register not maintained	20070906-10 dated September 06, 2007.	You are advised to ensure that the Authorized Person maintains Client Visit Register

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5.	Complaint register not maintained.	20211217-5 dated December 17, 2021.	You are advised to ensure that its APs maintain the complaint register at all times.
6.	<p>The Member made an incorrect submission with regards to the AP inspection. The Members has mentioned following points as complied whereas there was non-compliance.</p> <ul style="list-style-type: none"> • Maintenance of voice Recording. 	20100224-18 dated February 24, 2010.	You are advised to ensure that books of account of AP's are diligently inspected, and correct findings are submitted to the exchange.

AS.

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