

L/ENF/SS-263/IR/2024-2025/441

June 24, 2024

To,
Compliance Officer and Designated Directors
Cochin Stock Brokers Ltd (Clg. No.263)
MES Dr. P. K. Abdul Gafoor,
4th Floor, Memorial Cultural Complex,
36/1565, Judges Avenue, Kaloor,
Kochi - 682017

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	Cochin Stock Brokers Ltd
Clearing Number	263
Inspection Year	F.Y. 2023 – 2024
Date of First Letter	December 29 2023
Date of Response to First Letter	February 07, 2024, June 14, 2024, June 18, 2024, June 19, 2024 & June 20 2024

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

Sr. No.	Violation	Notice / Regulatory Requirement	Action
1	Non upload of KYC on CKYCR	20160722-8 dated July 22, 2016, 20161111-24 dated November 11, 2016, 20161130-13 dated November 30, 2016	You are advised to ensure compliance with Exchange guidelines.
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.	Incorrect submission of Holding statement to Exchange	20160927-41 dated September 27, 2016 20200731-25 dated July 31, 2020, 20200930-66 dated September 30, 2020 20201217-54 dated December 17, 2020 20210118-31 dated January 18, 2021 20210927-48 dated September 27, 2021 0220903-1 dated September 03, 2022 20230113-13 dated January 13, 2023	You are advised to ensure correct submissions to the Exchange
4	Submission of incorrect data to the Exchange under Enhanced Supervision – Cash & Cash Equivalent balances monitoring of client assets	20160927-41 dated September 27, 2016, and 20161020-17 dated October 20, 2016, 20170623-14 dated June 23, 2017, 20201217-54 dated December 17, 2020, 20210927-48 dated September 27, 2021 and 20220903-1 dated September 3, 2022	You are warned for incorrect submission under Enhanced Supervision- Cash & Cash Equivalent balance

Details of observations closed after considering the responses provided: -

- Non settlement of clients' accounts
- Not inspecting 30% of Authorised Persons

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