

L/ENF/ARG-3060/IR/2024-2025/893

October 21, 2024

To,
Compliance Officer and Designated Directors
Competent Finman Pvt. Ltd (Clg no. 3060)
348, Sector 21-A,
Chandigarh-160022

Dear Sir / Madam,

Sub: Final letter pertaining to Inspection of Authorised person viz- Mr. Gagandeep Singh 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.

A penalty of **Rs. 21,500/- (Rupees Twenty-One Thousand Five Hundred Only)** is being imposed on you for non-adherence to the regulatory requirements pursuant to the Exchange Notice No. 20180214-31 dated February 14, 2018.

The penalty will be debited to you through the General Charges Bill. However, if you are aggrieved by the penal action described in the aforementioned paragraph, you may submit a request within a time frame of 10 working days from the date of this letter along with necessary documentary evidence and a request for personal hearing, if required, in support of your request.

All correspondence/email in this matter shall be with subject line "*Reply to Final Action Letter <name of the Trading Member> - <Clg. No.> FY 2024-25*" and is to be marked to the mail id Enforcement@bseindia.com.

It may further be noted that any representations made after the lapse of the 10 working days period from the date of this communication shall not be considered by the Exchange and no further extension shall be granted to file a request for seeking waiver from the Exchange.

If the Exchange does not receive any representation from the Trading Member within the prescribed time frame it will be presumed that the Trading Member does not have any objection and has agreed to pay the penalty to the Exchange.



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. Gen Manager
(Enforcement)



Shaila Menon
Asst. Gen Manager
(Enforcement)

Annexure A

Name of the Member	Competent Finman Pvt. Ltd.
Clearing Number	3060
Inspection Year	F.Y 24-25
Date of First Letter	September 30, 2024
Date of Response to First Letter	October 11, 2024, October 14, 2024 & October 15, 2024.

- Details of Non-Compliance observed after considering the responses provided, where monetary penalty is applicable:

1. Inspection Observation:

During the onsite inspection it was observed that, BSE terminal having IML ID 1600220001001001 was operated by Mr. Ajay Kumar (not NISM Certified) instead of the AP Mr. Gagandeep Singh to whom this terminal was allotted.

It is also noted that AP Gagandeep Singh is out of Country from 10/06/2024, but the terminal was being operated during this period till 20/06/2024.

Response of the Member:

The AP was asked to provide explanation as to the observation. However, it may be noted that during the period of our inspection no such observation was made.

Analysis: -

It is noted that the AP Mr. Gagandeep Singh was out of Country and Mr. Ajay Kumar has been executing trades on behalf of Mr. Gagandeep Singh using the IML ID 1600220001001001 during the period covered under inspection. Mr. Ajay Kumar has not been registered as approved user by the Member.

Decision:

A penalty of Rs 1,500/- is being levied on the Member for operation of trading terminals by persons other than the approved user/person as per Exchange records.

AS

2. **Inspection Observation:** Following information/documents were not displayed by the Authorised Person;

- SEBI Registration Certificate of the Member
- AP Approval Letter issued by the Exchange
- Investor Charter

Response of the Member:

No such observation was made during the course of our inspection as our inspection personal had reported of proper display of these documents. Upon our inquiring about your observation contrary to our observation, it was informed by the AP that all those were displayed but were covered by some imposter which was removed later. Photos of SEBI Registration Certificate, AP appointment letter and Investor Charter are attached herewith.

Analysis: -

The reply of the Member is not satisfactory. The above documents were not displayed by the AP and the same was accepted during onsite inspection and the POR was signed the representative of AP.

Decision:

A penalty of Rs. 10,000/- is being levied on the Member for non-displaying of details i.e., the SEBI Registration Certificate, Registration letter issued by the Exchange and Investor Charter to the AP.

3. **Inspection Observation:** Complaint Register was not maintained by the Authorised Person

Response of the Member:

The AP has informed that there is no complaint whatsoever by any client. Photo Copy of complaint register is enclosed. Further, the AP informed that only 4-6 regular clients come to his office and trade and that they are all aware of these documents/information. The AP has provided emails received from all those clients confirming the same. However we have informed the AP to adhere to as advised or surrender the trading terminal.

Analysis: -

The Complaint Register was not available at the AP location. It is to be noted that:

- Post inspection the Member provided a copy of Complaint register.
- The AP executed trade on behalf of his clients using IML ID 1600220001001001, during the Inspection period as well as on the date of inspection i.e., June 20, 2024.
- Mr. Ajay Kumar (Unauthorized person) on behalf of AP Mr. Gagandeep Singh has duly signed the POR accepting the same, which indicates the non-compliance.

AS, IS

Decision:

A penalty of Rs. 10,000/- is being levied on the Member for non-maintenance of complaint register.

- **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.	AP has not maintained Voice recording of clients placing orders.	20070906-10 dated September 06, 2007.	You are advised to ensure to maintain voice recording/pre-trade order sheet wherever order instructions are received from clients.
2.	Non maintenance of Client visit Register	20070906-10 dated September 06, 2007	You are advised to ensure that the Authorized Person maintains Client Visit Register at all times.
3	Member made an incorrect submission with regards to the AP inspection. The Members has mentioned following points as complied whereas there was non-compliance. <ul style="list-style-type: none"> • SEBI Registration Certificate • AP Approval Letter • Investor Charter • Complaint register • Emails received from clients. 	20100224-18 dated February 24, 2010.	You are advised to ensure that the AP inspections are correctly carried out and the discrepancies are correctly pointed out before submitting to the Exchange.

AS
S