

L/ENF/AG-3297/IR/2024-2025/973

November 14, 2024

To,
Compliance Officer and Designated Directors
ECONO BROKING PVT. LTD (Clg no. 3297)
Commercial Unit No 201 To 202a, 2nd Floor,
Dalal Street Commercial Coop Soc Ltd, Block No 53,
Building No 53e, Zone 5, Road 5e, Gift City
Gandhinagar-382355

Dear Sir / Madam,

Sub: Final letter pertaining to Inspection of Authorised person viz- Ms. Madhuriben H Thakur 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. 11,500/- (Rupees Thirty Thousand 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.

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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	ECONO BROKING PVT. LTD
Clearing Number	3297
Inspection Year	F.Y 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 monetary penalty is applicable:**

1. Inspection Observation:

It was observed that the trading terminal was operated by Mr. Hemant Madhukarbhair Thakar, the Husband of the AP.

S. No.	CTCL ID/Location ID	User Type	Trading Terminal allotted to	Trading Terminal Operated by
1.	3600050123011001	AP	Ms. Madhuriben H Thakar	Mr. Hemant Thakar

Response of the Member:

We humbly deny this observation and submit that the Trading Terminal was operated by Mrs. Madhuriben H Takar only who is registered as AP with your good office through our company. Mr. Heman Madhukarbhair Thakar, spouse of the AP who is also having valid NISM Certificate used to provide service to clients in absence of Mrs. Madhuriben H Thakar, however we request your good office to refer the reply given by the concerned AP in this regard and a copy of E-Mail Reply from Madhuriben H Thakar is enclosed herewith for your ready reference and perusal. Moreover, please note that on 07.06.2024, we have updated the name of Mr. Hemant M Thakar, as dealer / employee of the concerned AP for CTCL ID / Trading Terminal of Mrs. Madhuriben H Takar in exchange record. In view of above we humbly request your good office to take lenient view in the matter.

AP's Reply: We refer to obs. 2 of that terminal was operated by Mr. Hemant Madhukarbhair Thakar, my husband I totally disagree with the observation and I submit that this observation is false, not correct and I submit that I operate the trading terminal. I state that on 30.05.2024 after market closed and I submit that I operated the trading terminal. I state that on 30.05.2024 after closed around 04.15 pm, when BSE official visit my office (my home as I operate trading terminal from home, address of same is updated in exchange also) I was not present in my home, so on what basis bse official made this observation is in question. I can't believe this observation. Only if BSE official come to my office during market and see my husband operating the trading terminal in my place. Further I also disagree with this observation and deny it as I was not present during the BSE official visit my office/home and I have not sign any obs. Sheet or paper.



Reply of AP's husband Mr Heman Madhukarbhai Thakar:

On 30.05.2024 after market closed around 04.15 pm, BSE official visit my home to audit for office of my wife, Madhuriben Thakar, Authorize Person of BSE and NSE via Econo broking Pvt. Ltd at that time my wife was not in home.

As a good gesture I met BSE official and give answer for some questions. BSE official asked me that who operate the trading terminal so I tell him that my wife operates the same and sometime, in her absence or she is busy, I give service to client in her place and that I also possesses NISM certificate. On the basis of this conversation, he prepared one sheet in English language and insisted me to sign the same and I sign the same sheet in good faith through I cannot understand the contents of the same.

Analysis: -

The Member and AP has refuted the non-compliance. The reply of the Member and AP is not satisfactory due to following facts:

- The husband of the AP Mr. Hemant Madhukarbhai Thakar accepted the fact that his wife operates the trading terminal and sometime, in her absence or she is busy, he gives service to clients in her place
- Mr. Hemant Madhukarbhai Thakar also stated the he is NISM Certified
- Post-inspection on June 06, 2024, the Member registered the husband of the AP as approved user in the Exchange records
- Mr. Hemant Madhukarbhai Thakar also stated that he does not understand English and signed some document prepared by the inspecting official in the absence of the AP (his wife). However, based on the facts that he is NISM Certified, also registered as approved user and services clients in the absence of his wife, it can be construed that he has good knowledge of English language and understood the remarks of Inspecting Official mentioned in the POR while signing the POR.

Further, it is noted that on the date of inspection, trades were executed from the terminal id i.e.3600050123053088 (file name EQT tradelog PAN without CP).

Decision:

A penalty of Rs. 1500/- is being levied on the Member for allowing operation of terminals by persons other than the approved user / person as per Exchange records.

2. Inspection Observation:

Registration letter issued by the Exchange is not displayed at office registered location.

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Response of the Member:

The Registration letter issued by the Exchanges is now displayed by AP at office registered location and relevant proof in support is enclosed with AP's reply in the matter, however we request your good office to refer the reply given by the concerned AP in this regard and a copy of E-Mail Reply from Madhuriben H Thakar along with Supporting is enclosed herewith for your ready reference and perusal. In view of above we humbly request your good office to take lenient view in the matter.

AP's Reply:

We refer to observation 3 of that registration letter issued by the Exchange not displayed, I submit that the same is displayed and photo of the same is attached. On 30.05.2024 after market closed around 04.15 pm, BSE Official visited my home to audit for office of my wife, Madhuriben Thakar, authorize person of BSE and NSE via Econo broking Pvt Ltd at that time my wife was not in home.

Analysis:

The Member in his reply mentioned that, the Registration letter issued by the Exchanges is displayed by AP at her registered office location, however, no SEBI Registration Certificate of the Member was displayed. Mr Heman Madhukarbhai Thakar the husband of the AP had accepted the same and had signed POR during onsite inspection, mentioning the said non-compliance.

Decision:

A penalty of Rs. 10,000/- is being levied on the Member for not ensuring that the AP displays registration letter issued by the Exchange at all times.

- **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.	The Member has made incorrect submission with regards to the AP inspection to the Exchange: Maintenance of voice Recording	20100224-18 dated February 24, 2010	You are advised to ensure that inspections of APs are correctly carried out and correct details are submitted to the Exchange.
2.	The AP has not maintained Voice recording system.	20170927-38 dated September 27, 2017, 20171130-22 dated November 30, 2017 20180323-57 dated March 23, 2018	You are advised to execute client trades only after obtaining / keeping the evidence of the client placing such order and maintain the same.



Sr. No.	Details of Non-Compliance	Notice / Regulatory Requirement	Action
3.	The Member has not updated email Id of the AP on Exchange portal	20100224-18 dated February 24, 2010	You are advised to ensure to upload correct email address of the Authorize Person details on the Exchange portal.

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