

L/ENF/ARG-6361/IR/2024-2025/974

November 14, 2024

To,
Compliance Officer and Designated Directors
Alacrity Securities Ltd. (Clg no. 6361)
101, Hari Darshan
B-Wing, Bhogilal Fadia Road,
Kandivali (West)
Mumbai-400067

Dear Sir / Madam,

Sub: Final letter pertaining to Inspection of Authorised person viz- Mr. Bharat R. Parekh 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. 20,000/- (Rupees Twenty 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.

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.

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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	Alacrity Securities Ltd
Clearing Number	6361
Inspection Year	F.Y 24-25
Date of First Letter	September 25, 2024
Date of Response to First Letter	October 24, 2024, November 08, 2024 & November 13, 2024.

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

Inspection Observation:

Following information/documents were not displayed by the Authorised Person:

- SEBI Registration Certificate of the Member
- Exchange approval letter issued to the Authorised Person

Response of the Member:

SEBI Registration certificate and Exchange approval letter issued to AP not displaying. In this connection we inform you that last year a fire was caught in the office. So, we had renovated our office and for renovation we had removed these documents. Now after completion of renovation we have redisplayed this documents/information in the office.

Analysis:

The reply of the Member is not satisfactory. The non-compliance was accepted by Mr. Mihir Gandhi on behalf of the AP Mr. Bharat Parekh and had signed the Preliminary Observation Report mentioning the same, no reason of renovation of office etc was mentioned.

Decision:

A penalty of Rs. 20,000 /- is being levied on the Member for not ensuring that its AP displays SEBI Registration Certificate & AP Registration Certificate at all times.

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2. 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	<p>Following documents were not maintained by the Authorised Person:</p> <ul style="list-style-type: none"> • Client Visit Register. • Call Recording System. 	<p>20070906-10 dated September 06, 2007. SEBI adjudication order no. Order/SV/RM/2024-25/30382-30384 dated August 21, 2024. Order/BM/JR/2024-25/30664 dated August 19, 2024.</p> <p>20070906-10 dated September 06, 2007.</p>	<p>Client Visit Register You are advised to ensure that the Authorized Person maintains Client Visit Register at all times.</p> <p>Call Recording System You are advised to ensure to maintain voice recording/ pre-order trade sheet wherever order instructions are received from clients through telephone and must mandatorily use telephone recording system to record the instructions and maintain such telephone recordings as part of its records.</p>

3. Details of observation closed after considering the responses provided:

The Trading terminal was operated by Mr. Mihir Gandhi (Employee) instead of AP Mr. Bharat R. Parekh.

