

L/ENF/SC-660/IR/Offsite/2024-2025/917

October 23, 2024

Compliance Officer and Designated Directors

SURESH O KHANDELWAL

Stockbroker (Clg. No.660)

Rustom Building, 2nd Floor,

29, Veer Nariman Road

Fort

Mumbai-400001

Dear Sir /Madam,

Sub: Final letter pertaining to offsite alert generated in FY 2024-25

Please refer to **Annexure A** to this letter with 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. 25,000/- (Rupees Twenty – Five 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 additional information that is material and relevant to substantiate the grounds of waiver 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 2023-24*" 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.

We thank you for your co-operation.

Yours faithfully,



Shaila Menon
Asst. Gen Manager
(Enforcement)



Vandana Vania
Asst. Gen Manager
(Enforcement)

Annexure A

Name of the Member	SURESH O KHANDELWAL
Clearing Number	660
Inspection Year	FY 24-25
Date / period of inspection	24-05-2024

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

Not reported in HS File but same was available with the Exchange:

1. On verification of holding submission as per member submission and depository actual holding is incorrect.

On verification, the member submitted incorrect reporting of the Securities Holding Statement for the alert dated 24-05-2024 which led to generation of mismatch amounting to Rs. 13,07,217.90/-. The details are as under:

TRADE DATE	DPID	ISIN	Scrip name	CLOSE RATE IN RS.	Total Quantity (As per NSDL/CDSL) E	Total Quantity (As per TM's weekly holding submission) F	Mismatch Value (E-F)* Closing rate of ISIN
2024-05-24	1202700000879422	INE002A01018	RELIANCE	2,959.80	7.00	0.00	20,718.60
2024-05-24	1202700000879422	INE029A01011	BHARAT PETROLEUM	654.00	100.00	0.00	65,400.00
2024-05-24	1202700000879422	INE086A01029	ELECTROSTEEL	167.05	250.00	0.00	41,762.50
2024-05-24	1202700000879422	INE094A01015	HINDUSTAN PETROLEUM	543.05	100.00	0.00	54,305.00
2024-05-24	1202700000879422	INE0FRK01012	Motisons Jewellers	186.45	100.00	0.00	18,645.00
2024-05-24	1202700000879422	INE175A01038	JAIN IRRIGATION	62.68	1,000.00	0.00	62,680.00
2024-05-24	1202700000879422	INE373A01013	BASF	4,427.90	20.00	0.00	88,558.00
2024-05-24	1202700000879422	INE376G01013	BIOCON LTD	319.30	500.00	0.00	1,59,650.00
2024-05-24	1202700000879422	INE511C01022	Poonawalla Fincorp Ltd	458.35	500.00	0.00	2,29,175.00
2024-05-24	1202700000879422	INE552D01024	CONFIDENCE PETROLEUM	86.54	200.00	0.00	17,308.00

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2024-05-24	1202700000879422	INE864B01027	UMANG DAIRIES LTD	95.15	1,000.00	0.00	95,150.00
2024-05-24	1202700000879422	INE900B01029	KABRA EXTRUSIONTECHNIK LTD.	394.60	878.00	0.00	3,46,458.80
2024-05-24	1202700000879422	INE917M01012	Dilip Buildcon Ltd	426.60	250.00	0.00	1,06,650.00
2024-05-24	1202700000879422	INE481D01018	WILLARD INDIA LTD	7.57	100.00	0.00	757
						Total	13,07,217.90

Response of the Member is as follows:

- We would like to inform you that our clearing member is SMC Global Securities Ltd. bearing Cm No.07714. Therefore, we do not see any holding pay out in demat account. Hence the holding reporting is wrongly uploaded on 24/05/2024. However, we will take in future care to correctly upload holding report.
- As per the statement sent by you, we do not hold the share on trade date: 24/05/2024, therefore we have not mentioned in the reported holding.
- Submitted DP Transaction Statement dated 24/05/2024.

Analysis:

Based on Member's submission and clarification at the time of enforcement, the following is noted:

- The instances pertain to Payout to the Exchange.
- Member are required to maintain Register of Securities (ROS) of the transaction executed on behalf of its clients which is uploaded to the Holding Statement reported to the Exchange.
- The mismatch observed for Alert date **24/05/2024** is for 14 scrips of clients amounting to Rs. 13,07,217.90/-
- The alert date and the trade date are the same i.e 24/05/2024.
- Upon verifying the transaction statement of the clearing member SMC Global Securities Ltd., it is observed that 13 scrips were credited to the Pool Account of the Member on 24/05/2024 and **1 scrip i.e WILLARD INDIA LTD was not with the TM Pool a/c due to suspended status i.e ISIN INE481D01018, and the value of the scrip pertains to Rs.757/-.**
- On checking the transaction statement of the Pool Account of the Member i.e DP ID: 1202700000879422 TM Pool account, it is noted that there are debit entries against the 13 scrips transferring the shares to the respective client on 27/05/2024, which stands verified. The shares were transferred on 27/05/2024 as 25/05/2024 and 26/05/2024 are trading holidays.

The said non-compliance was informed to the Member vide email dated October 14, 2024, and the Member was requested to provide his comments along with documentary evidence showing compliance, if any. The Member was also informed of the applicable monetary fine. However, member has not made any fresh submissions showing compliance.

Handwritten signature/initials

Decision:

- Based on the above, it is noted that shares are transferred to the ultimate clients on the next trade date except for one scrip which is suspended and is retained with the clearing member.
- However, member failed to reconcile in the back office the securities of the client with the demat holding which led to incorrect reporting.

Therefore, penalty of Rs. 25000/- is being imposed for non-reconciliation of securities.

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