

L/ENF/ARG-685/IR/2024-2025/926

October 24, 2024

To,
Compliance Officer and Designated Directors
Vidyut Devendrakumar (Clg no. 685)
Ground Floor, Rajabhadur Mansion
32, Ambalal Doshi Marg
Fort, Mumbai-400001

Dear Sir / Madam,

Sub: Final letter pertaining to Inspection of Authorised person viz- Mr. Bhaskar Anchan 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. 40,000/- (Rupees Forty 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 | Vidyut Devendrakumar |
| Clearing Number | 685 |
| Inspection Year | F.Y 24-25 |
| Date of First Letter | August 07, 2024 |
| Date of Response to First Letter | October 03, 2024, October 07, 2024, October 08, 2024, October 10, 2024, October 11, 2024 & October 18, 2024. |

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

1. Inspection Observation:

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

- Notice Board.
- SEBI Registration certificate of the Member
- Registration letter issued by the Exchange to the AP.

Response of the Member:

Vide letter dated October 03, 2024, October 10, 2024 & October 11, 2024, the Member submitted photograph showing display of Registration letter issued by the Exchange to the AP, Notice Board, and SEBI Registration Certificate of the Member.

Analysis:

The Member has submitted proof showing post-inspection compliance. The AP had signed the POR wherein this non-compliance was mentioned.

It was also noted that the AP Mr. Bhaskar Anchan was allotted with IML ID: 4000910004004012. It was verified that trades were executed from the said IML ID during the Inspection covering period as well as on the Inspection date i.e., June 19, 2024.

Decision:

A penalty of Rs. 30,000 /- is being levied on the Member for not ensuring that its AP display Notice Board, SEBI Registration Certificate and Registration letter issued by the Exchange at all times.

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2. Inspection Observation:

Complaint register was not maintained by the Authorised Person.

Response of the Member:

The Member did specifically replied to this point, instead the Member vide mail dated October 10, 2024, submitted copy of Complaint register.

Analysis:

The Member did specifically replied to this point, instead provided copy of the Complaint Register for verification.

It also noted that:

- Post inspection the Member provided copy of Complaint register.
- The AP executed trade on behalf of clients using IML ID 4000910004004012 during the inspection period as well as on the date of inspection i.e., on June 19, 2024
- There are no complaints against the AP and the Member.
- The AP signed POR accepting the non-compliance.

Decision:

From the above it can be observed that the Member has not complied with the requirement. Therefore, a penalty of Rs. 10,000 /- is being levied on the Member for not ensuring that its APs maintain Complaint Register 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 | 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. |
| 2 | The voice recording system is not maintained. | 20070906-10 dated September 06, 2007. | You are advised to ensure to maintain voice recording/pre-trade order sheet. |

Handwritten signature/initials