

July 02, 2024

To, The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001. BSE Scrip Code: 540776	To, The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai – 400 051. NSE Symbol: 5PAISA
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Dear Sir / Madam,

Sub: Intimation with respect to order passed by Member and Core Settlement Guarantee Fund Committee (MCSGFC) dated July 01, 2024.

Ref: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”)

With reference to the captioned subject and in continuation to our intimation dated March 15, 2024, it is informed that Member and Core Settlement Guarantee Fund Committee (MCSGFC) of the MCX has passed an order *vide* its letter dated July 01, 2024 pursuant to which following disciplinary actions are initiated against the Company:

1. A monetary penalty of ₹ 2,59,75,000/- (plus applicable GST).
2. A non-monetary penalty, in addition to monetary penalty, by restricting on-boarding of new clients for a period of Fourteen (14) days from the date of receipt of this order.

Brief facts of the case:

Consequent to the limited purpose thematic inspection on technical glitches carried out by the MCX, NSE and SEBI, it was alleged that a total of 8 technical glitches were not reported to the exchanges as per MCX Circular Reference No. MCX/TECH/726/2022 dated December 16, 2022.

Pursuant to the same, a show cause notice dated March 07, 2024 (“SCN”) was issued by MCX and the Company filed its response on March 14, 2024. However, even before the expiry of the timeline for filing the response to the SCN, MCX *vide* its email dated March 14, 2024 (“Order”) imposed a restriction on the Company with regard to on-boarding of new clients across all segments with immediate effect. Being aggrieved by the said Order, the same was immediately challenged by the Company before the Hon’ble Bombay High Court by filing a writ petition. During the course of the hearing, it was submitted on behalf of MCX that it would not act on the restriction imposed on the Company in said Order and would grant an opportunity of hearing to the Company. Consequently, the Order was nullified.

The Company was given an opportunity of being heard on March 27, 2024 wherein the Company had offered a detailed representation along with the Root Cause Analysis (“RCA”) and Action taken to ensure non-recurrence of the said issues in future. Despite the same, the Member and Core Settlement Guarantee Fund Committee (MCSGFC) of the MCX has passed the aforesaid order.

In view of the above, please find below disclosure of information for development in relation to such proceeding pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023.

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Sr. No.	Particulars	Details
1.	The details of any change in the status and/or any development in relation to such proceedings;	After considering the necessary submissions made by the Company, Member and Core Settlement Guarantee Fund Committee (MCSGFC) of the MCX vide its order dated July 01, 2024 has imposed the restriction on on-boarding of new clients for a period of 14 days from the date of receipt of the order, taking into account that the member has already been directed not to on-board new clients for a day on March 15, 2024. Further, the Committee has imposed a consolidated monetary penalty of Rs. 2,59,75,000/- in terms of the exchange circulars.
2.	In the case of litigation against key management personnel or its promoter or ultimate person in control, regularly provide details of any change in the status and / or any development in relation to such proceedings;	Not Applicable
3.	In the event of settlement of the proceedings, details of such settlement including - terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the listed entity.	Not Applicable

In this regard, we would like to state that:

1. The Company is in the process of preferring an appeal against the said order before Securities Appellate Tribunal.
2. The Order does not, in any way, affect the Company's existing business with its existing clients.
3. The Company has always met all its obligations towards Exchanges and clients on time. The Company has always followed a Compliance First approach and carried out business in full compliance in letter and spirit with extant laws and regulations.

The Exchange shall be intimated on the developments in relation to the above in terms of SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023.

Thanking You,

Yours faithfully,

For 5paisa Capital Limited

Namita Godbole
Company Secretary & Compliance Officer
Membership No.: A21056
Email: csteam@5paisa.com

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