

WTM/AB/SEBI/ERO/25/2019

**SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: ANANTA BARUA, WHOLE TIME MEMBER
EXPARTE-AD-INTERIM ORDER**

UNDER SECTIONS 11(4), 11B AND 11D OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 35 OF SECURITIES AND EXCHANGE BOARD OF INDIA (INTERMEDIARIES) REGULATIONS, 2008.

IN RESPECT OF:

Noticee no.	Noticee Name	PAN No.
1	BRH Wealth Kreators Limited (formerly BMA Wealth Creators Limited)	AACCB5141L
2	Shiv Kumar Damani	ADYPD0490J
3	Anubhav Bhatler	AHBPB4285E
4	Murgesh Devashrayi	AGUPD3529P
5	BRH Commodities Private Ltd (formerly BMA Commodities Pvt Ltd)	AACCB5142K
6	Prosperous Vyapaar Private Limited	AAHCP7740A
7	Polo-Setco Tie Up Private Limited	AABCP7880R
8	Parton Commercial Private Limited	AAECP6196R

(The aforesaid entities are hereinafter referred to by their respective names / serial numbers or collectively as “the Noticees”)

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1. BRH Wealth Kreators Limited (formerly BMA Wealth Creators Limited, hereinafter referred to as ‘**BMA**’/ ‘**Stock Broker**’/ ‘**Broker**’/ **Trading Member**’) is registered as Stock Broker with SEBI registration number INZ000184733. BMA is a member of NSE in Equity, Equity Derivatives, Currency Derivatives and MFSS segments and BSE Ltd. in Equity, Equity

Derivatives, and Currency Derivatives. Its subsidiary company 'BRH Commodities Private Limited' (formerly BMA Commodities Pvt. Ltd) is a member of Multi Commodity Exchange of India Ltd and National Commodity & Derivatives Exchange Ltd.

2. Pursuant to the report received from National Stock Exchange of India Limited (hereinafter referred as "NSE"), the Securities and Exchange Board of India (hereinafter referred to as 'SEBI') has examined irregularities in the affairs of BMA as a Stock Broker. BMA is having its registered office at Vishwakarma building, Tower-II, 29-5A, Dr. Ambedkar Sarani, Topsia Road, Kolkata-700046.
3. The details of directors of BMA along with the tenure of appointment as on March 31, 2018, as mentioned in the findings of NSE, are as under:

Table: 1

Noticee No.	Noticee Name	Tenure of the Directors
2	Sudhanshu Agarwalla	31-12-2004 to 31-03-2012
3	Shiv Kumar Damani	30-12-2004 till date
4	Avinash Agarwalla	31-12-2004 to 31-03-2018
5	Anubhav Bhattar	15-12-2004 till date
6	Asit Kumar Ghosh	31-03-2010 to 31-03-2013
7	Saikat Ganguly	04-08-2016 to 30-09-2016
8	Murgesh Devashrayi	24-08-2018 till date

4. The details of shareholding of BMA as on March 31, 2018, as mentioned in the findings of NSE, are as follows:

Table: 2

PART I-DOMINANT PROMOTER GROUP							
Sr. No.	Name of the Dominant Shareholder	Person supporting	Relation	No. of shares	Total amt. paid up	% of Total	PAN

		Dominant shareholder					
1	Anubhav Bhatte			50000000	5,00,00,000.00	23.07	AHBPB4285E
2	Anubhav Bhatte	Polo-Setco Tie Up Pvt. Ltd.	Relative	56477357	5,64,77,357.00	26.06	AABCP7880R
3	Avinash Agarwalla			12000000	1,20,00,000.00	5.54	ACMPA9308F
		Total DPG (A)			11,84,77,357.00	54.66	
PART II-NON DOMINANT PROMOTER GROUP							
4	Sudhansu Agarwalla			3000000	30,00,000.00	1.38	ACMPA9309E
5	Shakti Auto Finance Pvt. Ltd.			6034000	60,34,000.00	2.78	AADCS5426J
6	Bhagwati Syndicate Pvt. Ltd.			4184000	41,84,000.00	1.93	AABCB0144Q
7	Snowtex Investment Ltd.			58745731	5,87,45,731.00	27.1	AAECS0334C
8	Sumeet Trading Pvt. Ltd.			10000000	1,00,00,000.00	4.61	AADCS8921J
9	Snowtex Securities Ltd.			15000000	1,50,00,000.00	6.92	AADCF6645K
10	Bliss Paper Mills Pvt. Ltd.			800000	8,00,000.00	0.37	AABCB0114E
11	Parton Commercial Pvt. Ltd.			167985	1,67,985.00	0.08	AAECP6196R
12	Others			327285	3,27,285.00	0.15	
		Total Non-DPG (B)			9,82,59,001.00	45.34	
		Grand Total (A+B)			21,67,36,358.00	100	

5. SEBI had received an email dated September 26, 2019 from NSE, addressed to market infrastructure institutions along with a copy to SEBI, informing that they had undertaken a reconciliation of the security holding/monthly client funds & securities balances submission with the Depository Participant (hereinafter referred as “**DP**”) records as on August 30, 2019 and during such reconciliation, NSE had observed significant mismatches and inconsistencies in the balances reported by BMA. A shortfall of around Rs.100 crores worth of client securities was observed as compared to the actual DP record as on August 30, 2019. BMA, in its communication to NSE, had attributed the shortfall to software issue.
6. NSE had further observed that out of the securities that were short, securities worth more than Rs.60 crores were *prima facie* used for meeting the pay in obligation of certain related clients indicating possible misappropriation of client securities. NSE stated that BMA has not provided any satisfactory explanation with regard to the shortfall and BMA has maintained the stance that the shortfall is due to software issue.
7. NSE then vide email dated October 04, 2019 forwarded a report of its preliminary observations of BMA to SEBI. Based on the report by NSE, it is observed that BMA has *prima facie* failed to comply with the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act, 1992**”) and Regulations. The details of *prima facie* violations as observed in the report of NSE are as under:

A. Mismatch in client securities reported to Exchange with DP statements:

- i. As a part of offsite supervision, NSE had analyzed the monthly Enhanced Supervision submission of client funds & securities of BMA as per SEBI circular – SEBI/HO/MIRSD/MIRSD2/CIR/P/2019/95 dated September 26, 2016 as on August 30, 2019, with the statement of depository account(s) and Clearing Member submissions.
- ii. On scrutiny of the same NSE has observed that there was a shortfall in the value of the client securities held by BMA with depositories amounting to Rs.93.31 crores across 691

scrips. During NSE's discussion with BMA on September 24, 2019, it was informed to NSE that the back office data of securities being submitted in the Exchange for monthly Enhanced and weekly holding are wrong due to software error and gross negligence at their end. Further, analysis of the shortfall revealed that 15 unique scrip constituted 77.21% (Rs.72.05 crores) of the total shortfall of Rs.93.31 crores.

- iii. On the basis of the net sell data in the aforesaid 15 scrips, top 5 unique clients for each of the 15 scrips were identified who had done the highest net-sell. Further, NSE observed that out of those 5 clients, the following 3 clients are mostly common among the list of top 15 scrips as per NSE trade data:

Table: 3

Sr. no.	PAN	Client name
1.	AAHCP7740A	Prosperous Vyapaar Private Limited
2.	AABCP7880R	Polo-Setco Tie Up Private Limited
3.	AAECP6196R	Parton Commercial Private Limited

- iv. On analyzing the details of the three clients, NSE observed that there was inadequacy of securities available with the Trading Member for these accounts as well as in their respective Beneficiary Owner (hereinafter referred as “BO”) account. It was observed that the said 3 clients appear to be related to the Trading Member. The total value of net sell through these 3 clients is approx Rs.70.90 crores, which is approximately 75.98% of the total value of mismatch as on August 30, 2019.

B. Relationship of certain entities through which shares were sold:

- i. NSE observed that client securities of the value of Rs.34 crores were misappropriated through client name “Prosperous Vyapaar Private Limited” (hereinafter referred to as “PVPL”) bearing UCC- 10100764 in NSE. On verification of the details of the client from the MCA21 website, it was found that the address of the client was similar to that of BMA, i.e., 6th Floor, Viswakarma Building 86c, Topsia Road (S), Kolkata, West Bengal-700046. The details of the directors of PVPL are as given below:

Table: 4

Client Name	Directors	Directorship in other companies
Prosperous Vyapaar Private Limited	Mr. Debiprasad Ganguly	Trenton Vyapaar Private Limited (Client in BMA, UCC-10100765)
		Melete Hub Private Limited
	Ms. Uma Bhaduri	Trenton Vyapaar Private Limited (Client in BMA, UCC-10100765)
		Melete Hub Private Limited

- ii. On verification of the shareholders of PVPL, NSE observed that its shareholders were Mr. Jayant Kumar Singh & Ms. Pushpa Devi Sharma during the incorporation. However, from April 2016, the promoters changed to Mr. Ravindra Banthia & Ms. Rajshree Banthia till date. The shareholding details of PVPL are as given below:

Table: 5

Client Name	Shareholders/Promoters
Prosperous Vyapaar Private Limited	Mr. Ravindra Banthia (50 % holding)
	Mrs. Rajshree Banthia (50% holding)

- iii. NSE observed that client securities of value Rs.31.10 crores were misappropriated through client name Polo-Setco Tie Up Private Limited (hereinafter referred as “PTUPL”) bearing UCC- 10100402 in NSE. On verification of the details of the client, it was found that the client is related to the Dominant Promoter, Mr. Anubhav Bhatte of the Member – BMA Wealth Creators as per NSE data. The details of the directors of PTUPL are as given below:

Table: 6

Client Name	Directors	Directorship in other companies
Polo-Setco Tie Up Private Limited	Mr. Vinay Dujari	Shivpariwar Projects Private Limited
		Parton Commercial Private Limited (Client in BMA, UCC-10100734)
		RDB Insurance Broking Services Private Limited
	Mr. Ram Kishore Sharma	Bluesnow Suppliers Private Limited
		AB Insurance Brokers Private Limited

- iv. On verification of the shareholders of PTUPL, NSE observed that the shareholder/promoter of BMA viz. Mr. Anubhav Bhattar is also the shareholder in Polo. It was also observed that Mr. Anubhav Bhattar, Ms. Padma Bhattar, Ms. Meghna Bhattar and Mr. Raj Kumar Bhattar belonging to the same family are the only 4 shareholders of the company with combined 100% holding. The shareholding details of PTUPL are as given below:

Table: 7

Client Name	Shareholders/Promoters
Polo-Setco Tie Up Private Limited	Ms. Padma Bhattar (3.54 % holding)
	Ms. Meghna Bhattar (89.81% holding)
	Mr. Raj Kumar Bhattar (6.64% holding)
	Mr. Anubhav Bhattar (0.01% holding)

- v. NSE observed that client securities of value Rs.5.79 crores were misappropriated through client name Parton Commercial Private Limited (hereinafter referred as “PCPL”) bearing UCC- 10100734 in NSE. On verification of the details of the client, it was found that the client is a Non-Dominant Promoter of the member-BMA Wealth Creators as per NSE data. The details of the directors of PCPL are as given below:

Table: 8

Client Name	Directors	Directorship in other companies
Parton Commercial Private Limited	Mr. Vinay Dujari	Shivpariwar Projects Private Limited
		Polo-Setco Tie Up Private Limited (Client In BMA, UCC-10100402)
		RDB Insurance Broking Services Private Limited
	Mr. Netre Thapa	Bonus Vincom Private Limited
		Calix Vincom Private Limited
		RDB Insurance Broking Services Private Limited

- vi. On verification of the shareholders of Parton, NSE observed that there are 3 shareholders/promoters in total, and all of them are corporate entities. The shareholding details of PCPL are as given below:

Table: 9

Client Name	Shareholders/Promoters
Parton Commercial Private Limited	Calix Vincom Pvt. Ltd. (49.05 % holding)
	Bonus Vincom Pvt. Ltd. (48.31% holding)
	Vans Medicare & Biotechnology Pvt. Ltd. (2.64% holding)

C. Analysis of funds shortfall:

- i. On analysis of financial details including client trail, enhanced supervision submission, Exchange files and Clearing Members Submissions made by broker and clearing members for date August 30, 2019, NSE observed that the total amount payable to the clients were amounting to Rs.56.83 crores. Total funds for the corresponding dates with bank/clearing member/ Clearing Corporation were amounting to Rs.52.39 crores, thereby indicating shortfall of funds to the extent of Rs.4.72 crores.

- ii. The aforesaid calculation has been done by NSE on the basis of Enhanced Supervision provisions wherein only the funded portion of underlying deposit(s) have been considered. It indicates that the Member does not have sufficient funds to meet client obligations for the above mentioned date as verified and as detailed in the table below:

Table: 10

Sl. no.	Particulars	As on 30-Aug-2019 (In Rs.)
A	Balances lying in Client & Settlement Account (as per enhanced supervision submission of trading member)	1,63,92,753.25
B	Balances lying with Clearing Corporation and Exchanges (As per NSE records)	5,33,22,782.64
C	Balance lying with Clearing members (as per Clearing Member's Submission)	45,14,68,167.65
D	Total Funds available Client/Settlement banks and CC/CM (A+B+C)	52,11,83,703.54
E	Total Credit Balances of all clients (as per enhanced supervision submission of trading member)	56,83,69,024.09
F	Funds unavailable to cover client payable	-4,71,85,320.55

- iii. NSE has informed that the aforesaid calculations has been based on submission made by BMA and its Clearing Member- M/s Edelweiss Custodial Services limited to the Exchange as part of the provisions of Enhance Supervision and weekly reporting (Sl no. A & C in the above Table no. 10). However, the authenticity of the same could not verified by NSE due to non-submission of data by the Trading Member sought during examination.
- iv. From the paras 7 A, B and C above, it is find that BMA has *prima facie* failed to segregate securities and monies of clients and has thus *prima facie* violated SEBI Circular SMD/SED/CIR/93/23321 dated November 18, 1993. Further, the entity appears to

have furnished misleading information to the exchange with regard to SEBI circular SEBI/HO/MIRSD /MIRSD2/CIR/P /2016/95 dated September 26, 2016 on enhanced supervision of stock brokers and DPs. BMA also violated clauses A(1), A(5) & B(6) of Schedule II, i.e., Code of Conduct for Stock Brokers read with Regulation 9 of SEBI (Stock Brokers) Regulations, 1992 (hereinafter referred to as “**Broker Regulations**”), Regulation 17 of Broker Regulations and Rule 15 of the Securities Contracts (Regulation) Rules, 1957

D. Complaints on Unauthorized Transfer of shares:

- i. NSE has stated that, Central Depository Services (India) Limited vide its email dated August 29, 2019 had informed the other market infrastructure institutions that they are in receipt of 6 complaints pertaining to unauthorized transfers against Depository Participant - BRH Wealth Kreators Limited (formerly BMA) from its clients. Further, vide email dated September 19, 2019 CDSL had again informed that they are in receipt of complaints pertaining to unauthorized transfer of securities against DP BMA Wealth Creators Limited (DP ID: 46300) from its beneficiary owner's.
- ii. Two complaints were received in the FY 2018-19 and 8 complaints were received in the FY 2019-20 of which 6 complaints were received in last month. Further, they added that they have received a common clarification from the DP's end that securities were wrongly transferred from the batch made by the back office and after reconciling the same, DP had again transferred the said securities back to respective BO accounts. It was observed that valuation of unauthorized transfers was approximately amounting to Rs.1.82 crores.
- iii. From the above, BMA prima facie has violated Regulation 59(2) and Regulation 36 read with clause 3 of Part-A of Code of Conduct for Participants as specified under Third Schedule of SEBI(Depositories and Participants) Regulations, 2018.

E. Net worth Submission by the Member and analysis

- i. As per the Net worth submitted by BMA Wealth Creators Limited based on the unaudited financial accounts as on March 31, 2019 the net worth stands at Rs.12.83 crores. However, they have not submitted the net worth based on the audited balance sheet as on March 31, 2019 till date.
- ii. NSE has stated that the computation of current net worth of BMA Wealth Creators Limited could not be carried on due non accessibility of data at the member end. The net worth details submitted to the Exchange are as given below:

Table: 11

Computation of Networth as on 31-Mar-2019			
Sr. No.	Particulars	Amount (Rs.)	Amount (Rs.)
1	Capital (excluding preference share capital)	21,67,36,358.00	
2	Free Reserve	32,16,99,092.00	
	Total (A)		53,84,35,450.00
Less:	<i>Non-allowable Assets</i>		
1	Fixed assets (including intangible assets)	3,97,54,155.00	
2	Pledged securities	-	
3	Members Card	-	
4	Non allowable securities (unlisted securities)	51,22,245.00	
5	Bad Deliveries	-	

6	Doubtful debt & advance 9 (including debts and advances over due for more than three months or given to associates)	36,11,02,024.00	
7	Prepaid expenses	41,54,153.00	
8	30% of marketable Securities	-	
	Total (B)		41,01,32,577.00
	Net worth (A-B)		12,83,02,873.00

- iii. In terms of Regulation 9(g) of the Broker Regulations, a stock broker is required to maintain a minimum networth, as specified in Schedule VI of the Broker Regulations, on continuous basis.

F. Non-compliance with respect to pledging of Client securities

- i. On verification of data from depositories, NSE observed that securities of the clients were being pledged with JM Financial Products Limited, Bajaj Finance Limited and HDFC Bank Ltd. to raise funds. On analysis of data as on August 30, 2019, DP Id 1204630000021137 (F&O collateral account) and DP Id 12046300000155615 (CM collateral account) were having the total pledge quantity of 2,72,71,205 across 1023 scrip aggregating value to Rs.226.22 crores. The details of the same are bifurcated as follows:

Table: 12

Pledgee Name	Quantity	Value (Rs)
Bajaj Finance Limited	6,94,629	4,85,17,834.20
JM Financial Products Limited	20,26,412	14,61,35,823.81
HDFC Bank Ltd	2,45,50,164	2,06,75,68,594.16

- ii. Further, on verification of data from Depositories as on September 30, 2019 by NSE, the total pledge quantity was 2,18,23,165 across 941 scrip aggregating value to Rs.169.24 crores. The details are as follows:

Table: 13

Pledgee Name	Quantity	Value (Rs)
JM Financial Products Limited	17,52,525	13,19,10,619.90
HDFC Bank Ltd	2,00,70,640	1,56,04,98,735.46

- iii. As per SEBI circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 on Handling of Clients' Securities by Trading Members/Clearing Members, it is stated that, "*the client's securities already pledged in terms of clause 2.5 of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/ 2016/95 dated September 26, 2016 and clause 2 (c) of SEBI circular CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017 shall, by August 31, 2019, either be unpledged and returned to the clients upon fulfilment of pay-in obligation or disposed off after giving notice of 5 days to the client*" (deadline since extended to September 30, 2019). NSE has observed that BMA has not complied with the above mentioned circular and has continued to keep the securities pledged with banks/NBFCs post August 30, 2019. As on September 30, 2019, the total value of pledged client securities aggregated to Rs.169.24 crores.
- iv. From the above, I note that BMA has acted *prima facie* in violation of SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019, clauses A(1), A(5) & B(6) of Schedule II, i.e., Code of Conduct for Stock Brokers read with Regulation 9 of Brokers Regulations. Further, I note that BMA has *prima facie* furnished misleading information to the exchange with regard to SEBI circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 on enhanced supervision of stock brokers and DPs.

G. Non/Wrong submission of information:

- i. On sample verification of weekly reporting as on September 30, 2019, NSE observed that BMA has not reported details regarding pledging of client securities to the Exchange in the weekly securities holding submission. However, on verification of the DP records, it has been observed that BMA has pledged securities of its clients to the tune of more than Rs.169 crores with JM Financial and HDFC Bank Limited.
- ii. NSE in its report has stated that the member has failed to report the complete list of DP accounts operated by it to the Exchanges. As per the SEBI's circular on Enhanced Supervision, Members are required to report details of all their DP accounts to the Exchange. However on verification of the information received from the depositories, NSE noted that BMA has not reported the following DP accounts to the Exchange:-

Table: 14

Sl. no.	DP Name	DP ID
1	BRH Wealth Kreators Limited	2204630000000090
2	BRH Wealth Kreators Limited	2204630000000107
3	BRH Wealth Kreators Limited	1204630000739121
4	BRH Wealth Kreators Limited	1204630000000013
5	BRH Wealth Kreators Limited	1204630000739153

- iii. The Trading Member is required to produce before the Exchange its books, records, accounts and other documents in custody or control as and when required. However, NSE observed that BMA has taken significant time to provide the data for Enhanced Supervision submission, DP transaction statement of requested clients etc., to the exchange. Also NSE observed that the trading member has not provided requested data in spite of repeated reminders via emails dated September 25, 2019, September 28, 2019 and October 01, 2019, and telephone, like General Trial, Collateral files of other Exchange(s), current holding and fund balances for all registered clients, Client wise details of the securities pledged to NBFCs/Banks/CCs/CM, Register of Securities (ROS) for all the registered clients, etc.

- iv. Further, upon inquiry by NSE regarding the shortfall of security amount, on September 24, 2019, BMA has provided an undertaking to NSE, where they have affirmed that all securities of the clients are lying with them without any shortages. However, on the basis of verification of the holding statement(s) of the depositories there is a shortfall observed by NSE, in the value of securities, to the tune of Rs.93.31 crores.
 - v. BMA has *prima facie* furnished misleading information to the exchange. In view of the above, I note that BMA has acted *prima facie* in violation of SEBI circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016.
8. In view of the above observations contained in the report of NSE, it *prima facie* appears that BMA has committed the following violations:
- a. By failing to segregate securities or monies of client or clients, BMA has violated SEBI Circular no. SMD/SED/CIR/93/23321 dated November 18, 1993 and SEBI circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 read with Clauses A(1), A(5) & B(6) of Schedule II read with Regulation 9 of Broker Regulations, Regulation 17 of Broker Regulations and Rule 15 of the Securities Contracts (Regulation) Rules, 1957.
 - b. By furnishing misleading information to the exchange, BMA has violated SEBI circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016.
 - c. By failing to unpledge and return the securities to the clients upon fulfilment of pay-in obligation, BMA has violated SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 read with Clauses A(1), A(5) & B(6) of Schedule II read with Regulation 9 of Broker Regulations.
 - d. By making unauthorized transfer of shares from the client's demat accounts, BMA has *prima facie* violated Regulation 59(2) and Regulation 36 read with Clause 3 of Part-A of

Code of Conduct for Participants as specified under Third Schedule of SEBI(Depositories and Participants) Regulations, 2018.

9. Under the above circumstances, I, in exercise of powers conferred upon me under Sections 11(1), 11(4), 11B and 11D read with Section 19 of the SEBI Act, 1992 and Regulation 35 of SEBI (Intermediaries) Regulations, 2008, by way of this *ex parte ad interim* order, hereby issue the following directions:

- (i) BRH Wealth Kreators Limited (formerly BMA Wealth Creators Limited), Shiv Kumar Damani, Anubhav Bhattar, Murgesh Devashrayi, BRH Commodities Private Ltd. (formerly BMA Commodities Pvt. Ltd.), Prosperous Vyapaar Private Limited, Polo-Setco Tie Up Private Limited and Parton Commercial Private Limited are restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, either directly or indirectly, or being associated with the securities market in any manner whatsoever, till further directions;
- (ii) The aforesaid Noticees shall cease and desist from undertaking any activity in the securities market, directly or indirectly, in any manner whatsoever till further directions;
- (iii) The aforesaid Noticees are directed not to dispose of or alienate any assets, whether movable or immovable, or to create or invoke or release any interest or charge in any of such assets except with the prior permission of NSE and BSE;
- (iv) The aforesaid Noticees are directed to provide a full inventory of all their assets, whether movable or immovable, or any interest or investment or charge in any of such assets, including details of all their bank accounts, demat accounts and mutual fund investments immediately to NSE and BSE but not later than 5 working days from the date of receipt of this order;
- (v) Till further directions in this regard, the assets of the Noticees shall be utilized only for the purpose of payment of money and / or delivery of securities, as the case may

be, to the clients / investors under the supervision of the concerned exchanges/depositories;

- (vi) The depositories are directed to ensure that no debits are made in the demat accounts, held jointly or severally, of the aforesaid Noticees and persons except for the purpose mentioned in sub-para (v) above, after confirmation from NSE/BSE;
 - (vii) The banks are directed to ensure that no debits are made in the bank accounts held jointly or severally by the Noticees except for the purpose of payment of money to the clients/investors under the written confirmation of NSE/BSE;
 - (viii) The exchanges, clearing corporations and depositories shall appoint forensic auditor to track misuse of client's funds/securities and to identify the net assets/liabilities of Noticee no. 1 and Noticee no. 5 and submit the report to SEBI within 90 days;
 - (ix) The exchanges shall deal with the complaints/claims of the clients against the member and may return the amount of client fund and securities to the clients and may also use assets of the Noticee no. 1 to meet clients'/exchanges'/clearing members'/clearing corporations', obligations; and
 - (x) The above directions are without prejudice to the right of SEBI to take any other action that may be initiated in respect of aforesaid entities/persons.
10. The findings recorded in the order are based on the *prima facie* examination of facts and *prima facie* violation of securities law.
11. The present order has been passed under disciplinary proceedings against the Trading Member for the violations of the Securities Laws, as mentioned in the order above. The observations in this order does not *ipso facto* entitle any client of the Trading Member to claim their funds, stocks and securities, which claims are to be taken by such clients with the concerned stock exchanges/depositories in accordance with their respective bye-laws.

12. The Noticees against whom this Order is being passed may file their objections, if any, within twenty one (21) days from the date of receipt of this Order. The Noticees are directed to submit their replies along with the supporting documents including details of payments made to clients. In the event the Noticees intend to avail an opportunity of personal hearing, they may appear before the Securities and Exchange Board of India at its Head Office at SEBI Bhavan - II, Plot No.C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051 on November 11, 2019 at 02:30 PM. In the event of the Noticees failing to file replies within 21 days of receipt of this order or failing to appear before SEBI on the aforesaid date and time, the preliminary findings at paras 6 of this Order and directions at para 8 (a) to (i) above shall be deemed to be confirmed against the Noticees automatically, without any further orders.
13. This order shall come into force with immediate effect. A copy of this order shall be forwarded to all the Noticees, Stock Exchanges, the relevant banks, Depositories and Registrar and Transfer Agents of Mutual Funds to ensure that the directions given above are strictly complied with.

Place: Mumbai

Date: October 07, 2019

Sd/

ANANTA BARUA

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA