

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Section 12 (3) of the Securities and Exchange Board of India Act, 1992 read with Regulation 27 of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008

In respect of:

Name of the Noticee	SEBI Registration No.	PAN
Berkeley Securities Limited	INZ000315034	AADCB7787M

In the matter of Berkeley Securities Limited**A. BACKGROUND IN BRIEF**

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) conducted a joint inspection of Berkeley Securities Limited (hereinafter referred to as “**Noticee**”) with the Exchanges and Depository during November 16-22, 2022 for the inspection period April 01, 2021 to October 31, 2022 (hereinafter referred to as “**inspection period**”). The findings of the said inspection were communicated to the Noticee. Thereafter, based on the findings arising out of the inspection and analysis of replies received by SEBI, it was *prima facie* observed that Noticee had allegedly violated various provisions of Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as “**SCRA**”), Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 (hereinafter referred to as “**Brokers Regulations**”), SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007 (hereinafter referred to as “**SEBI Certification Regulations**”), Securities Contracts (Regulations) Rules, 1957 (hereinafter referred to as “**SCRR**”) and various circulars issued by SEBI thereunder.

B. ENQUIRY PROCEEDINGS BY DESIGNATED AUTHORITY

2. Based on the findings of the said inspection, an enquiry proceedings was initiated under Regulation 23 of the Securities and Exchange Board of India

(Intermediaries) Regulations, 2008 (hereinafter referred as “**Intermediaries Regulations**”) and a Designated Authority (hereinafter referred to as “**DA**”) was appointed under Regulation 24 of the Intermediaries Regulations to enquire and make recommendations under Regulation 25 and 26 of the Intermediaries Regulations in respect of the alleged violations of the above mentioned provisions of law by the Noticee.

3. Accordingly, in terms of Regulation 25(1) of the Intermediaries Regulations, the DA issued an Enquiry Show Cause Notice (hereinafter referred to as “**Enquiry SCN**”) dated September 22, 2023 asking the Noticee to show cause as to why appropriate recommendations be not made for the alleged violations as provided under. The allegations levelled in the Enquiry SCN issued by the DA along with the alleged violations of the provisions have been reproduced in the table below:

Sr. No.	Allegations against the Noticee	Provisions violated
1.	Misuse of clients’ funds	Section 23D of the SCRA, Clause 1 of SEBI Circular SMD/ SED/CIR/93/23321 dated November 18, 1993 and Clause 3 of Annexure to SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016
2.	Monthly/Quarterly settlement of funds and securities	Clause 12.e. of Annexure-A to SEBI Circular SEBI/MIRSD/SE/Cir-19/2009 dated December 03, 2009 and Clause 8.1.1 & 8.1.4 of Annexure to SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, Clause 5.1, 5.4 & 5.8 of SEBI Circular SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated June 16, 2021
3.	Nomenclature of bank accounts maintained by the Noticee	Clause 2.3 of Annexure to SEBI circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016
4.	Stock reconciliation	Clause 6.1.1 (j) & 7.1.2 of SEBI circular Ref no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016
5.	Reporting and short collection of margin	Clause A.5 of Schedule II to SEBI (Stock Broker) Regulations, 1992 read with

Sr. No.	Allegations against the Noticee	Provisions violated
		Regulation 9(f) of SEBI (Stock Broker) Regulations, 1992 and Clause 15 of Annexure A to NSE circular NSE/INSP/45191 dated July 31, 2020, NSE/ INSP/49929 dated October 12, 2021 and NSE/INSP/53525 dated September 02, 2022
6.	Client Registration Process	SEBI Circular no. CIR/ MIRSD/16/2011 dated August 22, 2011, Clause 12 of Annexure A to SEBI Circular No. MIRSD/SE/ Cir-19/2009 dated December 03, 2009 and SEBI Circular CIR/ MIRSD/66/2016 dated July 21, 2016 read with SEBI Circular CIR/MIRSD/120/2016 dated November 10, 2016
7.	Terminal Verification & Certification	Regulation 3(2) of SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007, Clause A (5) of Schedule II read with Regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992 read with NSE circular no. NSE/ MEMB/3574 dated 29-Aug-02, NSE/MEMB /3635 dated 25-Sep-02.
8.	Net worth Verification	Clause A(5) of Schedule II read with Regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992 and Annexure A to NSE Circular NSE/COMP/48895 dated July 10, 2021 and Regulation 9(g) of SEBI (Stock Brokers) Regulations, 1992 read with Clause 1 of Schedule VI to SEBI (Stock Brokers) Regulations, 1992.
9.	Analysis of weekly enhanced supervision data	Clauses 1.2, 2.2, 6.1.1 (j) of Annexure to SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016.
10.	Verification of email ID & mobile numbers/UCC verification	Clause 2 (B) of SEBI Circular No. CIR/ MIRSD/15/2011 dated August 02, 2011.
11.	Requirement related to brokerage	Clause 18 of Annexure 4 to SEBI Circular CIR/MIRSD/16/2011 dated August 22, 2011.
12.	Exchange level internal alerts generated	Clause 6.1.1 (j) of Annexure to SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95

Sr. No.	Allegations against the Noticee	Provisions violated
		dated September 26, 2016, SEBI Circular ISD/CIR/RR/AML/1/06 dated January 18, 2006 and ISD/CIR/RR/AML/2/06 dated March 20, 2006.
13.	Cyber security and cyber resilience: STQC (Standardization Testing and Quality Certification) and VAPT (Vulnerability Assessment and Penetration Testing)	Clause 36 and 42 of Annexure-1 to SEBI circular SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018 read with SEBI/HO/MIRSD/TPD/P/CIR/2022/80 dated June 07, 2022.
14.	Related party loans.	Rules 8(1)(f) and 8(3)(f) of Securities Contracts (Regulations) Rules, 1957.

4. Thereafter, the DA, based on the findings and observations so recorded in the Enquiry Report dated July 10, 2024, has recommended that the certificate of registration of the Noticee be cancelled in the interest of the securities market. The relevant excerpt of the Report is produced hereunder:

“After taking into consideration the facts and circumstances of the case, material available on record and submissions made by the Noticee, I recommend that the certificate of registration of Noticee i.e., Berkeley Securities Limited, SEBI Registration No: INB011355436, INZ000052635, IN-DP-CDSL-0669-2012, be cancelled in the interest of the securities market.”

C. POST ENQUIRY PROCEEDINGS BY THE COMPEPENT AUTHORITY - SHOW CAUSE NOTICE, REPLY AND HEARING

5. Pursuant to the submission of the Enquiry Report in the matter, a Post Enquiry Show Cause Notice dated July 24, 2024 enclosing therewith the Enquiry Report of the DA was issued to the Noticee under regulation 27(1) of the Intermediaries Regulations calling upon the Noticee to show cause as to why action as recommended by the DA or any other action including passing of directions, as deemed appropriate by the Competent Authority, should not be taken against the Noticee. The SCN further advised the Noticee to submit its reply, if any, within 21 days of receipt of the said SCN, failing which it shall be presumed that the Noticee has no reply to submit.

6. I note that the Post Enquiry Show Cause Notice was delivered to the Noticee and the proof of delivery is on record. Pursuant to the same, the Noticee, vide its letter dated July 29, 2024, submitted its reply which is reproduced here under:

“We acknowledge receipt of your SCN dated 24th July 2024 enclosing there with a copy of the Enquiry Report dated 10th July 2024 recommending cancelation of our certificates of registration bearing Number INB011355436, 1NZ000052635 and IN-DP-CDSL-0669-2012 for the reasons stated at para19 of the Enquiry Report under Regulation 26 of the SEBI (Intermediaries) Regulations, 2008.

Whilst reiterating what has been submitted vide our letter dated 12.01.2023, we wish to place on Record that we are in the process of closing down our DP operations as well as our broking Operations. We request you to not cancel our certificate of registration till such time that we surrender our certificates on account of closure of business. Enclosed please find copy of email dated 23.7.2024 received from CDSL communicating that CDSL has terminated the agreement with Berkeley Securities Limited w.e.f July 23, 2024.

Enclosed also please find our communication resting with letter dated 15.07.2024 received from NSE in reply to our application for surrendering of membership of the Exchange NSE has raised issued regarding payment of registration and annual SEBI fees payable to CDSL. We are looking in to the same and shall comply with the statutory requirements.

We wish to add that we are in the process of surrendering our membership right at the BSE. Under the circumstances in the interest of justice, we request you to kindly not cancel our certificates of registration since we are in the process of surrendering the same.”

7. In the interest of principles of natural justice, an opportunity of personal hearing was thereby granted to the Noticee on September 19, 2024. On the scheduled date, the hearing was held through video conferencing wherein, the authorized representative appeared on behalf of the Noticee and made oral submissions in the lines of the aforementioned reply dated July 29, 2024.

D. CONSIDERATION OF ISSUES AND FINDINGS:

8. I have carefully perused the Enquiry SCN including the Enquiry Report served on the *Noticee* and other materials/information submitted by the *Noticee* and relevant materials available on record. After considering the allegation levelled against the *Noticee* in the instant matter as spelt out in the post Enquiry SCN, the issue which arises for my consideration in the present proceeding is whether the *Noticee* has violated various provisions of the SEBI Act, Rules, regulations and circulars issued by SEBI from time to time relating to its broking operations.

9. In order to address the issue at hand, it would be apposite to refer to the relevant provisions of law alleged to have been violated in the matter, extracts whereof are reproduced below:

Section 23D of the SCRA

Penalty for failure to segregate securities or moneys of client or clients

23D. If any person, who is registered under section 12 of the Securities and Exchange Board of India Act, 1992 as a stock broker or sub-broker, fails to segregate securities or moneys of the client or clients or uses the securities or moneys of a client or clients for self or for any other client, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.

Clause 1 of SEBI Circular dated November, 18, 1993

"1. It shall be compulsory for all Member brokers to keep the money of the clients in a separate account and their own money in a separate account. No payment for transactions in which the Member broker is taking a position as a principal will be allowed to be made from the client's account."

Clause 3 of Annexure to SEBI Circular dated September 26, 2016

"3. Monitoring of Clients' Funds lying with the Stock Broker by the Stock Exchanges

Stock Exchanges shall put in place a mechanism for monitoring clients' funds lying with the stock broker to generate alerts on any misuse of clients' funds by stock brokers,"

Clause 12.e of Annexure -A of SEBI Circular dated December 03, 2009.

"e. The actual settlement of funds and securities shall be done by the broker, at least once in a calendar quarter or month, depending on the preference of the client. While settling the account, the broker shall send to the client a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all receipts/deliveries of funds/securities. The statement shall also explain the retention of funds/securities and the details of the pledge, if any."

Clause 8.1.1 & 8.1.4 of Annexure to SEBI Circular dated September 26, 2016

“8.1.1. There must be a gap of maximum 90/30 days (as per the choice of client viz. Quarterly/Monthly) between two running account settlements.

8.1.4. Statement of accounts containing an extract from client ledger for funds & securities along with a statement explaining the retention of funds/securities shall be sent within five days from the date when the account is considered to be settled.”

Clause 5.1, 5.4 & 5.8 of SEBI Circular dated June 16, 2021

“5.1. The settlement of running account of funds of the client shall be done by the TM after considering the End of the day (EOD) obligation of funds as on the date of settlement across all the Exchanges, at least once within a gap of 30 / 90 days between two settlements of running account as per the preference of the client.

5.4. For the clients having credit balance, who have not done any transaction in the 30 calendar days since the last transaction, the credit balance shall be returned to the client by TM, within next three working days irrespective of the date when the running account was previously settled.

5.8. Once the TM settles the running account of funds of a client, an intimation shall be sent to the client by SMS on mobile number and also by email. The intimation should also include details about the transfer of funds (in case of electronic transfer – transaction number and date; in case of physical payment instruments – instrument number and date). TM shall send the retention statement along with the statement of running accounts to the clients as per the existing provisions within 5 working days.”

Clause 2.3 of the Annexure to SEBI circular dated September 26, 2016

“2.3.4. All new bank and demat accounts opened by the stock brokers shall be named as per the above given nomenclature and the details shall be communicated to the Stock Exchanges within one week of the opening of the account.”

Clause 6.1.1(j) & 7.1.2 of the SEBI circular dated September 26, 2016

6.1.1.j. In case stock broker shares incomplete/wrong data or fails to submit data on time.

7.1.2. End of day securities balances (as on last trading day of the month) consolidated ISIN wise (i.e., total number of ISINs and number of securities across all ISINs)

Clause A.5 of Schedule II of SEBI (Stock Broker) Regulations, 1992

“A.(5) Compliance with statutory requirements: A stock-broker shall abide by all the provisions of the Act and the rules, regulations issued by the Government, the Board and the Stock Exchange from time to time as may be applicable to him.”

Regulation 9(f): *he shall at all times abide by the Code of Conduct as specified in Schedule II; and”*

NSE Circulars

Clause 15 of Annexure A of NSE Circular dated July 31, 2020

“15. In case of short reporting of margin/margin on consolidated crystallized obligation/MTM, Can member pass on the penalty to the clients? In case of failure (cheque not cleared or margin requirement not met by the client) on part of the client resulting which penalty is levied by the Clearing Corporation on the member for short reporting of client upfront margins/ margin on consolidated crystallized obligation/MTM losses, member may pass on the actual penalty to the client, provided he has evidences to demonstrate the failure on part of the client .Wherever penalty for short reporting of upfront margin/ margin on consolidated crystallized obligation/ MTM losses is being passed on to the client relevant supporting*

documents for the same should be provided to the client. *Member cannot pass on the penalty w.r.t. short collection of upfront margin to client.”

NSE Circular dated October 12, 2021

Clarification to Question no. 15 in Annexure A of the Exchange Circular NSE/INSP/45191 dated July 31, 2020, has been partially modified as below: 15. In case of short reporting of margin/margin on consolidated crystallized obligation/MTM, Can member pass on the penalty to the clients? Member shall not pass on the penalty w.r.t short collection of upfront margins to clients under any circumstances. In case of failure (requirement not met by the client) on part of the client resulting which penalty is levied by the Clearing Corporation on the member for short reporting of margins other than “upfront margins” such as consolidated crystallized obligation, Delivery margins, other margins (Mark-to-market & additional margins), member may pass on the actual penalty to the client, provided he has evidence to demonstrate the failure on part of the client. Wherever penalty for short reporting of margins other than “upfront margins” is being passed on to the client relevant supporting documents for the same should be provided to the client.”

NSE Circular dated September 2, 2022

“This has reference to Exchange circular NSE/INSP/45191 dated July 31, 2020 wherein it was clarified that the members cannot pass on the penalty w.r.t short collection of upfront margin to client. Further, it has been reiterated again vide Exchange circular NSE/INSP/49929 dated October 12, 2021 that members are not permitted to pass on the penalty levied by clearing corporations on account of “short/non-collection of upfront margins” to clients under any circumstances. However, Exchange has observed that certain members are passing on the penalty levied by clearing corporations on account of “short/non-collection of upfront margins from clients” to respective clients. In view of the above, it is once again reiterated that members are not permitted to pass on the penalty levied by clearing corporations on account of “short/non-collection of upfront margins” to clients under any circumstances Further, Members are advised to refund the penalty levied by clearing corporations on account of “short/non-collection of upfront margins” to the clients on an immediate basis if same has been passed on to the clients after 11th October, 2021.”

Regulation 3(2) of SEBI(Certification of Associated Persons in the Securities Market) Regulations, 2007

(2) An associated person on being employed or engaged by an intermediary on or after the date specified by the Board shall obtain the certificate within one year from the date of being employed or engaged by the intermediary.

Clause A(5) of Schedule II read with Regulation 9(f) of Stock Broker Regulations read with NSE Circular dated 29.08.2002 and NSE Circular dated 25.09.2002.

Clause A. 5 of Stock Broker Regulations

(5) Compliance with statutory requirements: A stock-broker shall abide by all the provisions of the Act and the rules, regulations issued by the Government, the Board and the Stock Exchange from time to time as may be applicable to him.

Read with Regulation 9(f) of Stock Broker regulation and Annexure A of NSE Circular dated 10.07.2021 and Regulation 9(g) of Stock Brokers Regulations read with Clause 1 of Schedule VI of the Stock Broker Regulations.

Clause 2(B) of SEBI Circular dated August 02, 2011.

2. B. Uploading of mobile number and E-mail address by stock brokers

- i. Stock exchanges shall provide a platform to stock brokers to upload the details of their clients, preferably, in sync with the UCC updation module.
- ii. Stock brokers shall upload the details of clients, such as, name, mobile number, address for correspondence and E-mail address.
- iii. Stock brokers shall ensure that the mobile numbers/E-mail addresses of their employees/sub-brokers/remisiers/authorized persons are not uploaded on behalf of clients.
- iv. Stock Brokers shall ensure that separate mobile number/E-mail address is uploaded for each client. However, under exceptional circumstances, the stock broker may, at the specific written request of a client, upload the same mobile number/E-mail address for more than one client provided such clients belong to one family. 'Family' for this purpose would mean self, spouse, dependent children and dependent parents.

**Clause 18 of Annexure 4 to SEBI Circular CIR/MIRSD/16/2011 dated August 22, 2011
BROKERAGE**

18. The Client shall pay to the stock broker brokerage and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that stock broker renders to the Client. The stock broker shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and bye-laws of the relevant stock exchanges and/or rules and regulations of SEBI.

Clause 36 and 42 of Annexure-1 to SEBI circular SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018

Clause 36:

Certification of off-the-shelf products 36. Stock Brokers / Depository Participants should ensure that off the shelf products being used for core business functionality (such as Back office applications) should bear Indian Common criteria certification of Evaluation Assurance Level 4. The Common criteria certification in India is being provided by (STQC) Standardisation Testing and Quality Certification (Ministry of Electronics and Information Technology). Custom developed / in-house software and components need not obtain the certification, but have to undergo intensive regression testing, configuration testing etc. The scope of tests should include business logic and security controls

Clause 42:

Vulnerability Assessment and Penetration Testing (VAPT)

42. Stock Brokers / Depository Participants with systems publicly available over the internet should also carry out penetration tests, at-least once a year, in order to conduct an in-depth evaluation of the security posture of the system through simulations of actual attacks on its systems and networks that are exposed to the internet

Rules 8(1) (f) and 8(3) (f) of Securities Contracts (Regulation) Rules, 1957

Qualifications for membership of a recognised stock exchange

8(1)(f) he is engaged as principal or employee in any business other than that of securities 8 [or commodity derivatives] except as a broker or agent not involving any personal financial liability unless he undertakes on admission to sever his connection with such business : 9 [***] 10[Provided that nothing herein shall be applicable to any corporations, bodies corporate, companies or institutions referred to in clauses (a) to (n) of sub-rule (8).]

8(3)(f) he engages either as principal or employee in any business other than that of securities 14[or commodity derivatives] except as a broker or agent not involving any personal financial liability, provided that—

the governing body may, for reasons, to be recorded in writing, permit a member to engage himself as principal or employee in any such business, if the member in question ceases to carry on business on the stock exchange either as an individual or as a partner in a firm, (ii) in the case of those members who were under the rules in force at the time of such application permitted to engage in any such business and were actually so engaged on the date of such application, a period of three years from the date of the grant of recognition shall be allowed for severing their connection with any such business, 15[(iii) nothing herein shall affect members of a recognised stock exchange which are corporations, bodies corporate, companies or institutions referred to in items [(a) to (n) of sub-rule (8)]

10. The allegations against the Noticee are now examined individually on merits in the following paragraphs.

11. Misuse of clients' funds:

11.1 In this regard, I note that the inspection has observed that the value of G was negative on 23 out of 44 sample instances, indicating that the funds of credit balance clients were mis-utilized for meeting settlement obligations of debit balance clients and/or for its own purpose. The inspection has also observed that the average misutilised amount was Rs.62.71 Lakh and the amount of misutilization ranged from Rs.1.97 Lakh to Rs.81.83 Lakh.

11.2 In respect of the above, I note that the Noticee has in its reply to the DA submitted that in the month of July 2021 inadvertently the full value of bank guarantee was taken as per global margin file. After the Noticee was apprised of the lapse, the Noticee immediately rectified its reporting and the same was also informed to NSE. The Noticee submitted that the shortage of Rs.1.97 Lakh on account of an inadvertent wrong fund transfer entry on September 10, 2022 was identified and rectified by effecting a reverse entry immediately on September 13, 2022 upon being brought to its notice.

11.3 In the extant matter, I note that the Noticee has simply submitted that the transfer was an inadvertent lapse which was immediately rectified. However, it is to be noted that as per SEBI Circular dated November, 18, 1993 all brokers shall compulsorily to keep the money of the clients in a separate account and

their own money in a separate account. No payment for transactions in which the Member broker is taking a position as a principal will be allowed to be made from the client's account. Further, SEBI Circular dated September 26, 2016 also mandates exchanges to put in place a mechanism for monitoring clients' funds lying with the stock broker to generate alerts on any misuse of clients' funds by stock brokers.

- 11.4 In this connection, I find that the DA has noted that the Noticee has neither denied nor disputed the violation and that the Noticee's submission is in the nature of admission. Further, in view thereof, the DA has found that the allegation that funds of credit balance clients were misutilized for meeting the obligations of debit balance clients and/or for its own purpose stands established.
- 11.5 Therefore, in the instant matter, I find that the Noticee has misutilized the funds of credit balance clients for meeting the obligations of debit balance clients. Further, it is pertinent to mentioned here that misutilization of client's fund is a serious violation and the Noticee ought to have been more diligent. In this regard, I note that though the Noticee has submitted that the funds were reverted back to the clients account, however, from the materials available on record, I find that the funds were reverted only after the lapse was detected by NSE during its audit. I therefore concur with the view taken by the DA and find the Noticee in violation Clause 1 of SEBI Circular SMD/ SED/CIR/93/23321 dated November 18, 1993 and Clause 3 of Annexure to SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016.
- 11.6 I note that for the allegation of 'misutilization of client's fund' the violation of the provision of Section 23D of the SCRA is also levied in the instant case. Here it is relevant to mentioned that Section 23D of the SCRA deals with '*Penalty for failure to segregate securities or moneys of client or clients*'. Since monetary penalty cannot be levied in the extant enquiry proceedings, the Noticee is absolved from the violation of the provision of section 23D of the SCRA.

12. Monthly/Quarterly settlement of funds and securities:

12.1 As regards the settlement of funds and securities, the following was observed:

- (a) that the Noticee had not settled the funds of active clients in 19 out of 600 instances (value Rs.95.13 Lakh);
- (b) there were discrepancies in ledger balance and margin amounts in retention statement issued to clients in 20 instances;
- (c) the Noticee had not issued retention statements to clients in 38 instances; and
- (d) the Noticee had not settled the funds of inactive clients in 356 instances (value Rs.99.98 Lakh).

12.2 While the Noticee has in its submission to the DA *inter alia* denied that it had failed to settle client funds, the DA has after considering the submission of the Noticee noted that:

- (a) the Noticee had not settled the funds of 19 active clients;
- (b) As regards the violation that there were discrepancies in ledger balance and margin amounts in retention statement issued to clients in 20 instances, in 8 instances, the Noticee has submitted that the differences were due to system error. In respect of remaining 12 instances, the Noticee has submitted that the differences were due to incorrect calculations of margins by Inspection team.
- (c) As regards the violation that the Noticee had not issued retention statements to clients in 38 instances, the Noticee has submitted that it had sent the retention statements to the clients. However, the DA has noted that the Noticee has not demonstrated the same with relevant details and documents.
- (d) As regards the violation that the Noticee had not settled the funds of inactive clients in 356 instances, the Noticee has submitted that:
 - in 119 instances, client is actively trading and they are active clients.
 - in 234 instances, client is settled and payout is made.
 - In 3 instances, client has nil balance.

12.3 The DA has also stated that with respect to the above submissions of the Noticee, the same has not been demonstrated with relevant evidence and documents. Since the Noticee has not made any specific submission with respect to the violations alleged against it in its reply to the Post-Enquiry SCN, I therefore concur with the findings of the DA and find the Noticee in violation of Clause 12.e. of Annexure-A to SEBI Circular SEBI/MIRSD/SE/Cir-19/2009 dated December 03, 2009 and Clause 8.1.1 & 8.1.4 of Annexure to SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, Clause 5.1, 5.4 & 5.8 of SEBI Circular SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated June 16, 2021.

13. Nomenclature of bank accounts maintained by the Noticee.

13.1 During verification of bank accounts maintained by Noticee, the inspection observed that the Noticee had failed to maintain appropriate nomenclature in respect to the accounts - 1XXXXXXXXXX0034, 0XXXXXXXXXX1253 and 3XXXXXXXX9759) uploaded as "Client Account".

13.2 The Noticee has in its submission to the DA stated that the bank account No. 0XXXXXXXXXX1253 was a dormant account and while the request for change of nomenclature was submitted, it was not yet done by the bank.

13.3 It is noted that in order to enhance the supervision of stock brokers/depository participants, SEBI has vide Circular dated September 26, 2016 provided for bank accounts and demat accounts maintained by all stock brokers and depository participants to have appropriate nomenclature to reflect the purpose for which those accounts are being maintained. Clause 2.3 of SEBI Circular dated September 26, 2016 provides that all existing demat accounts maintained by stock brokers shall be assigned the appropriate nomenclature. However, I note that in the extant matter, the Noticee has failed to provide appropriate nomenclature for three bank accounts. I thus confirm with the findings of the DA that the Noticee failed to maintain appropriate nomenclature of three Bank accounts thereby violating clause 2.3 of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016.

14. Stock reconciliation

- 14.1 During the verification of securities reported to Exchange, it was observed that the Noticee had wrongly reported demat account wise holding on Exchange portal with actual holding in demat account in 8 ISINs.
- 14.2 In respect of the above, I note that the Noticee has in its submission to the DA stated that the same was a technical error which was rectified with the help of a software.
- 14.3 It is relevant to note that SEBI vide Circular dated September 26, 2016 provides for “monitoring criteria for Stock Brokers” and mandates that the end of day securities balances (as on last trading day of the month) shall be consolidated ISIN wise (i.e., total number of ISINs and number of securities across all ISINs). However, I find that the Noticee has admitted the same to be a technical error and thus agree with the findings of the DA and find the Noticee in violation of Clause 6.1.1 (j) & 7.1.2 of SEBI circular Ref no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016.

15. Reporting and short collection of margin

- 15.1 Upon verification of penalty levied on shortfall of margin collection, the inspection observed that the Noticee passed on penalties levied to the following 34 clients for shortfall of upfront margin in 34 instances (CD-8, CM-20, FO-6). The amount of penalty passed to clients were Rs.1.12 Lakh.

Segment	Trade Date	Client Code	Shortfall Amount	Penalty Amount	GST Amount	Total Penalty	Amount Debited in Client Ledger	Debit Date
CD	08/07/2021	91xx17	1,930	19	3	23	19	16/07/2021
CD	17/12/2021	A2xx24	81	0.40	0.07	0.47	0.40	27/12/2021
CD	11/03/2022	Axx96	39,137	196	35	231	196	22/03/2022
CD	26/04/2022	AHxx574	1,321	66	12	78	66	05/05/2022
CD	08/07/2021	AHxx909	61,408	614	111	725	614	16/07/2021
CD	08/09/2022	AHxx911	-	1,812	326	2,138	1,812	16/09/2022
CD	02/09/2022	Rxx2	14,365	718	129	848	718	12/09/2022
CD	08/07/2021	WCxx04	2,249	22	4	27	22	16/07/2021
CM	08/08/2022	A7xx247	-	5,480	986	6,466	5,480	18/08/2022
CM	19/08/2022	A6xx14	-	4,009	722	4,730	4,009	29/08/2022

Segment	Trade Date	Client Code	Shortfall Amount	Penalty Amount	GST Amount	Total Penalty	Amount Debited in Client Ledger	Debit Date
CM	29/03/2022	Cxx1	3,31,063	3,311	596	3,907	3,311	06/04/2022
CM	28/03/2022	A71xx32	61,945	3,097	558	3,655	3,097	05/04/2022
CM	11/04/2022	A71xx34	2,97,978	2,980	536	3,516	2,980	21/04/2022
CM	17/08/2022	119xx77	-	2,550	459	3,009	2,550	25/08/2022
CM	12/09/2022	119xx95	1,68,214	1,682	303	1,985	1,682	20/09/2022
CM	03/10/2022	A3xx037	1,50,384	1,504	271	1,775	1,504	12/10/2022
CM	11/04/2022	A7xx236	1,36,050	1,361	245	1,605	1,361	21/04/2022
CM	18/05/2022	A128xx119	1,26,207	1,262	227	1,489	1,262	26/05/2022
CM	11/06/2021	DExx43	1,15,891	1,159	209	1,368	1,159	21/06/2021
CM	04/04/2022	A1xx072	1,14,860	1,149	207	1,355	1,149	12/04/2022
CM	24/01/2022	Sxx2	1,11,011	1,110	200	1,310	1,110	02/02/2022
CM	18/02/2022	AHxx981	21,225	1,061	191	1,252	1,061	28/02/2022
CM	19/01/2022	A7xx018	21,130	1,056	190	1,247	1,056	28/01/2022
CM	27/06/2022	27xxK01	20,072	1,004	181	1,184	1,004	05/07/2022
CM	18/05/2022	A12xx38	92,675	927	167	1,094	927	26/05/2022
CM	14/07/2021	27Axx15	86,409	864	156	1,020	864	23/07/2021
CM	23/06/2022	A71xx59	75,246	752	135	888	752	01/07/2022
CM	03/01/2022	AHNxx79	14,770	739	133	871	739	11/01/2022
FO	27/01/2022	A83xx07	9,52,180.14	47,609.01	8,569.62	56,179	47,609	04/02/2022
FO	07/10/2022	Cxx3	-	10,118.35	1,821.30	11,940	10,118	17/10/2022
FO	27/09/2022	A18xx64	1,10,716.54	5,535.83	996.45	6,532	5,536	06/10/2022
FO	28/09/2021	A15xx014	75,882.24	3,794.11	682.94	4,477	3,794	06/10/2021
FO	28/05/2021	A27xx6	2,67,379.79	2,673.80	481.28	3,155	2,674	07/06/2021
FO	17/05/2022	A21xx02	41,621.93	2,081.10	374.60	2,456	2,081	25/05/2022

15.2 In respect of the above, I note that the Noticee has in its submission to the DA stated that it had passed on penalties levied for shortfall of upfront margin due to some system errors, delay in information by client about transfer of funds, short margin from client etc.,

15.3 In this connection, it is relevant to note that as per extant provisions as applicable under the NSE Circular NSE/INSP/53525 dated September 02, 2022, members shall not pass on the penalty w.r.t short collection of upfront margins to clients under any circumstances. More particularly, in case of failure (requirement not met by the client) on part of the client resulting which penalty is levied by the Clearing Corporation on the member for short reporting of margins other than “upfront margins” such as consolidated crystallized

obligation, delivery margins, other margins (Mark-to-market & additional margins), member may pass on the actual penalty to the client, provided he has evidence to demonstrate the failure on part of the client.

15.4 Having considered the above, in the extant matter the reasons provided by the Noticee is not acceptable as Noticee has simply passed on the penalty levied by clearing corporations on account of “short/non-collection of upfront margins” to clients. Therefore, I am inclined to agree with the findings of the DA and find the Noticee in violation of Clause A.5 of Schedule II to SEBI (Stock Broker) Regulations, 1992 read with Regulation 9(f) of SEBI (Stock Broker) Regulations, 1992 and Clause 15 of Annexure A to NSE circular NSE/INSP/45191 dated July 31, 2020, NSE/ INSP/49929 dated October 12, 2021 and NSE/INSP/53525 dated September 02, 2022.

16. Client Registration Process (KYC, CKYC and KRA process):

16.1 It was observed that during the inspection period:

- a) The Noticee had not done CKYC of 75 clients.
- b) The Noticee had failed to capture details of action taken against a client by SEBI / other authorities and running account authorization not dated in 10 clients.
- c) In 2 instances tariff sheet not signed and preference with respect to running account authorization were not ticked for monthly or quarterly.
- d) KRA status of Client code A71A231 was not available.
- e) The Noticee had not provided facility for online closure of trading accounts.

16.2 I note from the materials available before me that the Noticee has submitted that the violation to be either a clerical mistake or that the violation is now rectified. However, the Noticee has not demonstrated the rectification made with any documentary evidence.

16.3 In view thereof, I agree with the findings of the DA that the submissions of the Noticee are in the nature of admission and thus find the Noticee in violation of SEBI Circular no. CIR/ MIRSD/16/2011 dated August 22, 2011, Clause 12 of

Annexure A to SEBI Circular No. MIRSD/SE/ Cir-19/2009 dated December 03, 2009 and SEBI Circular CIR/ MIRSD/66/2016 dated July 21, 2016 read with SEBI Circular CIR/MIRSD/120/2016 dated November 10, 2016.

17. Terminal Verification & Certification

- 17.1 It was observed that the Noticee had submitted incorrect details of office pin code of a terminal and had failed to provide NISM certificates of 4 approved users.
- 17.2 The Noticee has in its submission to the DA stated that the pin code is actually not in use and has been deactivated from the Exchange portal. As regards failure to provide NISM certificates of 4 approved users the Noticee has submitted certificate for only 2 users.
- 17.3 As regards the submission of the Noticee that the pin code is actually not in use and has been deactivated from the Exchange portal, I find that the Noticee has not provided any evidence to substantiate its claim. Further, as per Regulation 3(2) of Certification of Associated Persons Regulations, an associated person on being employed or engaged by an intermediary shall obtain the certificate within one year from the date of being employed or engaged by the intermediary. In the extant matter the Noticee has failed to provide the certificate for the remaining 2 users.
- 17.4 In light thereof, I am inclined to accept the findings of the DA and find that the Noticee has violated Regulation 3(2) of SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007, Clause A (5) of Schedule II read with Regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992 read with NSE circular no. NSE/ MEMB/3574 dated 29-Aug-02, NSE/MEMB /3635 dated 25-Sep-02.

18. Net worth Verification

- 18.1 It was observed that as on March 31, 2022 the Noticee had reported net worth of Rs.2,25,37,161/-. While verifying the net worth, it was observed that the

Noticee had not deducted all “Doubtful debts/ advances” of Rs.2,03,92,388/- and “30% of Marketable securities” of Rs.1,54,512/-. The revised networth of the Noticee after deducting said items came down to Rs.50,42,839/- which was below the minimum networth requirement of Rs.1 Crore. The DA has noted that as the Noticee was dealing in Currency Derivatives segment, the Noticee should have maintained the minimum networth of Rs.1 crore as per the Brokers Regulations. However, the revised net worth of the Noticee was Rs.50.43 Lac.

- 18.2 The Noticee has in its submission to the DA has stated that while carrying forward the closing balances in the next year, the software created difference in the opening balance for a few clients amounting to approx. Rs.70 lacs. For the rectification of said balances the differential amount has been transferred to a miscellaneous client ledger account and the vendor of the software has since rectified the glitch. The difference was due to error created by software in margin accounts.
- 18.3 I find that as per Regulation 9(g) of the Stock Brokers Regulations, any registration granted by the Board shall be subject to certain conditions as detailed therein, one such condition being that the broker shall at all times maintain the minimum networth as specified in Schedule VI of the Stock Brokers Regulations. Under Schedule VI, the stock broker shall have such networth and shall deposit with the stock exchange such sum as may be specified by the Board/stock exchange from time to time.
- 18.4 I find that the Noticee has attributed the discrepancy in the networth calculation to the software used by the Noticee. Hence, I find that there was not only a discrepancy in the computation of networth submitted to the exchange by the Noticee but also a shortage of minimum networth requirement upon computation of the revised networth of the Noticee. I thus find the contention of the Noticee devoid of any merit and agree with the findings of the DA that the Noticee has violated Clause A(5) of Schedule II read with Regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992 and Annexure A to NSE Circular NSE/COMP/48895 dated July 10, 2021, Regulation 9(g) of SEBI (Stock

Brokers) Regulations, 1992 read with Clause 1 of Schedule VI to SEBI (Stock Brokers) Regulations, 1992

19. Analysis of Weekly Enhanced Supervision data

- 19.1 Inspection has observed that the Noticee had not correctly uploaded Demat account number of CDSL account number 1207550000027121 on exchange platform, also the purpose of CDSL Demat account number 120755000001825 was uploaded as “CLIENT” account, while as per Demat statement tagging was as “CM PRINCIPAL ACCOUNT”.
- 19.2 The Noticee has submitted to the DA that the demat account No. 1207550000027121 has been already uploaded on exchange platform and the screen shot of the same is forwarded to the DA.
- 19.3 As the compliance is post inspection, the same does not absolve the Noticee of the liability of non-compliance that existed during the inspection period. I am in agreement with the findings of the DA and hold the Noticee in violation of Clauses 1.2, 2.2, 6.1.1 (j) of Annexure to SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016.

20. Verification of Email ID & Mobile numbers / UCC Verification

- 20.1 During the inspection period, the following was inter alia observed:
- a) Mismatch in Mobile number in UCC & back office – 34 instances
 - b) Mismatch in email ID in UCC & back office – 42 instances
 - c) Single email id mapped to multiple clients: 28 email id mapped to 60 clients. Thus, contract notes have not been issued to ultimate client.
 - d) Single mobile number mapped to multiple clients: 22 numbers mapped to 50 clients
 - e) Broker had not correctly uploaded Email ID of active clients on Exchange platform – 13 instances
- 20.2 I note that the Noticee has submitted the following to the DA “...barring two instances wherein the lapse has been already rectified no mismatch was observed for

any other clients. Similarly, for a single instance of mismatch email id which has been rectified, no other instance has been observed. Moreover, with respect to the observation of single email id being mapped to multiple clients, we state that the accounts are client self accounts and their family accounts for which declaration is already in place and has been taken from them. Also, with respect to same mobile number being alleged to mapped to multiple clients, there are client accounts, family accounts as well as Karta accounts for which declaration has already been taken.

We submit that contract notes have been duly issued to the ultimate clients and neither has any complaint been received for non receipt of the same from any client... ”.

- 20.3 The DA has noted that Noticee’s reply in this regard is mere statements as the Noticee has not demonstrated the same with relevant details and documents. I note that the Noticee has also not submitted any evidence to substantiate its submissions before me. I am thus inclined to accept the findings of the DA and find the Noticee in violation of Clause 3.2 of Annexure to SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016.

21. Requirement related to Brokerage

- 21.1 During the verification of contract notes of sample clients, it was observed that the Noticee had levied brokerage in excess of the agreed rates i.e. Rs.20 per lot as detailed in the table below:

CLIENT CODE	NAME	Trade date	Brokerage as per KYC-consent given for option		Total brokerage to be charged	Brokerage charged as per contract note	Excess brokerage charged
			LOT	RATE PER LOT			
A8xx012	Nxxxxx Pxxxxxx Hxxxxx Hxx	15/03/2022	16	20	320	5219.47	4899.47

- 21.2 The Noticee has submitted that due to an inadvertent clerical lapse a wrong brokerage slab was mentioned in the software. The difference was identified by the audit team of BSE and the brokerage slab is rectified since.

21.3 I find that Clause 18 of Annexure 4 to SEBI Circular CIR/MIRSD/16/2011 dated August 22, 2011 deals with “Brokerage” and provides that client shall pay to the stock broker brokerage and statutory levies as are prevailing from time to time and as they apply to the Client’s account, transactions and to the services that stock broker renders to the Client. The Circular further provides that the stock broker shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and bye-laws of the relevant stock exchanges and/or rules and regulations of SEBI.

21.4 As the Noticee’s submission is in nature of admission, I agree with the findings of the DA and hold the Noticee in violation of Clause 18 of Annexure 4 to SEBI Circular CIR/MIRSD/16/2011 dated August 22, 2011.

22. Exchange level Internal Alerts generated

22.1 Inspection observed that the Noticee had submitted incorrect reporting pertaining to Client Unpaid Securities Account (CUSA) to the Exchange. The Noticee had further failed to close 9 suspicious transaction alerts generated in BSE E-Boss Portal.

22.2 The Noticee in its submission to the DA has stated that there is no security pending in CUSA and all transactions alerts are closed in exchange E-Boss Portal.

22.3 From the materials before me, as per the comments received from BSE, BSE has observed that incorrect reporting had been made by the Noticee with respect to security pending in CUSA. As regards the transactions alerts closed in exchange E-Boss portal, BSE has confirmed that the Noticee has closed 5 alerts post inspection and the other 4 alerts are still open.

22.4 I note that the Noticee has not provided any evidence or documents to substantiate its claim, hence in light thereof, I agree with the findings of the DA and find the Noticee in violation of Clause 6.1.1 (j) of Annexure to SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, SEBI

Circular ISD/CIR/RR/AML/1/06 dated January 18, 2006 and ISD/CIR/RR/AML/2/06 dated March 20, 2006.

23. Cyber security and cyber resilience

23.1 A cyber security audit was conducted for the period October 01, 2021 to March 31, 2022, and the following was observed against the Noticee:

- a) STQC (Standardisation Testing and Quality Certification) not available.
- b) VAPT (Vulnerability Assessment and Penetration Testing) not conducted.

23.2 The Noticee in his reply to the DA attached the screenshot of the VAPT report submitted on NSE on October 22, 2022 however, the Noticee has not responded with respect to the allegation that STQC was not available.

23.3 The DA has observed that although VAPT report has been submitted on NSE on October 22, 2022, however, VAPT was not conducted for the period October 01, 2021 to March 31, 2022. Further since the Noticee has not made any submission with respect to STQC, the violation with respect to STQC is considered as accepted by the Noticee.

23.4 I am inclined to accept the findings of the DA and find that the Noticee has violated Clause 36 and 42 of Annexure-1 to SEBI circular SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018 read with SEBI/HO/MIRSD/TPD/P/CIR/2022/80 dated June 07, 2022.

24. Related party loans

24.1 Inspection observed that the Noticee was engaged in a business other than that of securities and had provided loans to 2 related parties amounting to Rs.3.78 Lakh to Berkeley Finance Ltd (Rs.3,45,335/-) and Berkeley Automobile Limited (Rs.32,259/-).

24.2 The Noticee has submitted the following to the DA - *"We submit that Berkeley Automobiles was never our client. The debit of Rs. 32,259/- was towards repairs of car*

done by Berkeley Automobiles. Further, Berkeley Finance is an NBFC from whom we had secured loan of Rs. 3,45,335/- which was repaid back by us.”

24.3 It is noted that Rule 8(1)(f) and Rule 8(3)(f) of the SCRR requires that members of a Stock Exchange, shall not engage either as principal or employee, in any business, other than that of securities or commodity derivatives, except as a broker or agent, not involving any personal financial liability. SEBI vide Circular No. SMD/Policy/Cir-6 dated May 07, 1997, had clarified, *inter alia*, that borrowing and lending of funds by a trading member in connection with or incidental to or consequential upon the securities business would not be disqualified under 8(1)(f) and 8(3)(f) of the SCRR.

24.4 In view of the above, although Noticee has submitted that the debit of Rs. 32,259/- was towards repairs of car done by Berkeley Automobiles, the Noticee has failed to provide relevant bills and documents to that effect. Further, the Noticee has not demonstrated with relevant documents if the loans secured from Berkeley Finance Ltd. were related to business of securities. In view thereof, I concur with the findings of the DA and find the Noticee in violation of Rule 8(1)(f) and 8(3)(f) of SCRR.

25. I shall now proceed to consider the directions that should be issued against the Noticee which would commensurate with the violations established in this Order.

26. I note that from the aforesaid facts demonstrated above based on the information and data gathered at the time of inspection, unequivocally bring to light the various flagrant regulatory lapses in the way the Noticee was operating. Further, I find that the majority of the allegations established against the Noticee pertain to non-compliance of relevant regulations/ circulars for which the Noticee has in its submissions taken corrective steps to rectify its defaults to some extent. However, the same does not absolve the Noticee of the liability of non-compliance as the violation existed during the period of inspection. For technical / procedural violations of minor nature, which did not assume serious nature and got corrected, I find that for the same set of violations, adjudication proceeding was also initiated and a total penalty of Rs.9,00,000/- (Rupees Nine Lakhs only) has been imposed on the Noticee vide

Adjudication Order dated July 10, 2024. The fact that penalty has already been imposed in the adjudication proceeding may be taken as a mitigating factor, however, even after considering this mitigating factor, it is seen that there are certain violations viz. misuse of clients' fund, non-maintenance of minimum networth, cyber security and cyber resilience which cannot be considered as technical violations of minor nature. These violations committed by the Noticee are undoubtedly grave in nature and prejudicial to the interest of investors in the securities market.

27. Having considered the above, it is established that the Noticee carried out its stock broking activities during the period of inspection in contravention of various provisions of the SEBI regulations and circulars issued thereunder. I note that a stock broker being vital securities market intermediary is strictly prohibited from indulging in act detrimental to the investors interest or which leads to interference with the fair and smooth functioning of the market. A stock broker is required to maintain high standards of integrity, promptitude and fairness in the conduct of his business dealings, and shall have to ensure that its interests is not in conflict with its clients. In the given facts and situation, the Noticee has not only misutilized its client's funds but also continued to act as a stock broker even when its networth fell below the eligible networth requirement.

28. In respect of the above, I note that the DA has recommended that certificate of registration of the Noticee may be cancelled. Here, I find it relevant to refer to the Noticee's submission dated July 29, 2024 wherein, the Noticee has informed that it is in the process of closing down its depository participant (DP) as well as its broking operations. In view thereof, the Noticee has requested SEBI to not cancel its certificate of registration till such time the certificates are surrendered on account of closure of business. Further, the Noticee in its above submission has also enclosed a copy of the Termination Order of CDSL wherein, CDSL has vide Termination Order dated July 23, 2024 terminated the agreement of the Noticee as a DP Participant with CDSL for violations *inter alia* of not meeting the eligibility criteria of networth to continue as DP in accordance with the Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018. As regards its broking operations, the Noticee has submitted that it is in the process of surrendering its membership with BSE. Further, as regards surrendering of membership with NSE, Noticee has submitted that NSE

has raised certain issues regarding payment of registration and annual fees payable to CDSL.

29. As a regulator of the capital markets, SEBI has the duty to safeguard the interest of investors and protect the integrity of the securities market. Since, the conduct of the Noticee is not in the interest of the investors in the securities, appropriate measures need to be taken against the Noticee. Therefore, I find no reason to disagree with the recommendation given by the DA in the Enquiry Report. Moreover, the Noticee's plan to surrender its certificate of registration with the exchanges cannot be considered as justification to keep the recommendations on hold.

E. ORDER:

30. In view of the foregoing discussions and deliberations, I, in exercise of powers conferred upon me under section 12(3) and section 19 of the SEBI Act read with regulation 27(5) of the Intermediaries Regulations, hereby, cancel the certificate of registration granted to the Noticee, i.e. Berkeley Securities Limited, bearing SEBI registration number INZ000315034.

31. The Order shall come into force with the immediate effect.

32. A copy of this order shall be served upon the Noticee, all the Recognized Stock Exchanges to ensure necessary compliances.

Date: October 29, 2024
Place: Mumbai

Sd/-
G. RAMAR
CHIEF GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA