



Ref: MSE/INS/RE/10/965/19-20/379 METROPOLITAN STOCK EXCHANGE

March 09, 2020

To,

Akshat Capital Services Private Limited
A-78, Green Valley, Kaushambhi, Ghaziabad'
Uttar Pradesh -201010.
Tel: 091-135-2760684

Kind Attn: Mr. Girish Bali – Compliance Officer

Dear Sir,

Sub: Action on violations observed during Inspection of books of accounts conducted in financial year 2019-20 (Currency Derivatives Segment).

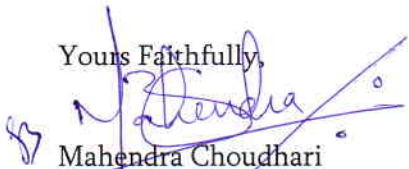
An inspection of your books of accounts and other documents was conducted by the Exchange in September 2019 for the period from July 01, 2018 to June 30, 2019 and observations on the same were forwarded to you vide letter no MSE/INS/RE/07/965/18-19/2880 dated October 23,2019 for your comments/clarifications on the non-compliances observed therein. Your reply was received by the Exchange via E-mail dated November 11, 2019, which was analyzed and placed before the Internal Committee of the Exchange in its meeting held on February 25, 2020.

The actions as decided by the ICMR on violations/deficiencies pointed out in the observation letter are enclosed as **Annexure**. Please note the actions includes a monetary fine of Rs.1,05,000/-.

You are advised to send a Cheque/Demand Draft payable in Mumbai in favour of 'Metropolitan Stock Exchange of India Ltd' for Rs.1,23,900/- (Rupee One Lakh Twenty-Three Thousand Nine hundred only), including GST @ 18% latest by March 24, 2020 or you can pay the said amount by way of online fund transfer, details of the bank for fund transfer is given below and provide fund transfer details to the Exchange :

Particulars	Details
Beneficiary Name	Metropolitan Stock Exchange of India Ltd
Bank & A/c No details	990680013757 / Current A/c / HDFC Bank Ltd, Fort Mumbai
IFSC Code	HDFC0000060

Yours Faithfully,


Mahendra Choudhary
Asst. Vice President – Inspection

Encl: As above

<u>Akshat Capital Services Private Limited</u>				
<u>Currency Derivatives Segment</u>				
Sr. No	Violation	Details	In Violation of	Action
1.	Change in Designated Director was not intimated to the Exchange	-	- SEBI circular no. CIR/MIRSD/2/2011 dated June 3, 2011 - Exchange circular no. MCXSX/MEM/585/2011 dated June 10, 2011 - Exchange circular no. MCX-SX/MEM/633/2011 dated September 12, 2011	You are warned to ensure compliance in future
2.	Discrepancies in KYC documents - clients' preference for trading across the Exchange & Segment not obtained.	-	- SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 3, 2009 - Regulation No 4.3.2 of the (CD segment) of the Exchange - SEBI Circular no. CIR/MIRSD/16/2011 dated August 22, 2011	Your reply is satisfactory
3.	Discrepancy in the status of KYC on the portal of KRA	-	- SEBI Circular No. MIRSD/Cir-23/2011 dated December 2, 2011 - Exchange Circular no. MCX-SX/INSP/670/2011 December 26, 2011 - Exchange Circular no. MCX-SX/INSP/756/2012 April 16, 2012 - Exchange Circular no. MCX-SX/INSP/1094/2013 April 03, 2013	A penalty of Rs. 5,000/- is levied (Due to repetitive nature of discrepancy, warning escalated to monetary penalty).
4.	Compliant Register not provided for verification	-	Regulation No. 15.1.16 of the CD Segment of the Exchange	Your reply is satisfactory
5a.	Discrepancies pertaining to settlement of clients account	Total instances of non-settlement - 19 out of 88 (21.59%)	Regulation No 16.3 of the (CD segment) of the Exchange	A penalty of Rs.75,000/- to be levied.
5b.		Gap of more than 90 days between two running account settlements.	- Exchange Circular No. MCX-SX/INSP/238/2009 dated December 4, 2009 - MCX-SX Circular No	You are advised to ensure compliance in future

Currency Derivatives Segment

Sr. No	Violation	Details	In Violation of	Action
5c.		Excess amount not transferred by way of electronic fund transfer, while settling the clients' funds	MCX-SX/INSP/471/2010 dated 10-Nov-10 • MCX-SX Circular No. MCX-SX/INSP/572/2011 dated May 16, 2011 • MCX-SX Circular No. MCX-SX/INSP/1552/2013 Dated October 30, 2013 • Exchange Circular No. MCX-SX/INSP/296/2010 February 25, 2010 • Exchange Circular No. MSEI/INSP/4554/2016 dated September 28, 2016 • Exchange Circular No. Circular No: MSE/INSP/5279/2017 dated Jun 27, 2017	You are warned to ensure compliance in future (Due to repetitive nature of discrepancy, advice escalated to warning).
6a.	Non-submission of PODs / Logs of daily Margin Statements issued to the clients' for all the selected sample instances, for verification	-	• Exchange Circular No MCX-SX/INSP/34/2008 dated November 24, 2008 • Exchange Circular No MCX-SX/INSP/667/2011 dated December 20, 2011	Your reply is satisfactory.
6b.	Daily Margin Statements not issued to the clients at the end of Trade Day	-	• Exchange Circular No. MSE/INSP/5963/2018 dated January 22, 2018	Your reply is satisfactory.
6c.	The Daily Margin Statements sent to the clients were not as per prescribed format	-	• Exchange Circular No. MSE/INSP/6511/2018 dated June 29, 2018	You are advised to ensure compliance in future.
6d.	Discrepancies pertaining to the Margin/ MTM reporting	-		A penalty of Rs.25,000/- to be levied.
7a.	Proof of intimation of appointment of 'Designated Director' and 'Principal Officer' to Financial Intelligence Unit as per PMLA requirements	-	• SEBI Circular no. ISD/AML/CIR-1/2009 dated September 01, 2009 • MCX-SX Circular no. MCX-SX/INSP/1824/2014 dated March 21, 2014	Your reply is satisfactory.
7b.	Proof of evidence of training program of AML	-	• MCX-SX Circular no. MCX-SX/INSP/2030/2014	Your reply is satisfactory.



~~METROPOLITAN STOCK EXCHANGE~~
Akshat Capital Services Private Limited
Currency Derivatives Segment

Sr. No	Violation	Details	In Violation of	Action
	and CFT (Combatting Financing of Terrorism) procedure arranged for employees.		dated July 01, 2014	
8.	NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification not obtained by Compliance Officer.	-	- Securities and Exchange Board of India Notification No. LAD-NRO/GN/202-13/33/1103 March 11, 2013 - Exchange circular no. MCX-SX/INSP/1057/2013 dated March 13, 2013	You are advised to ensure compliance in future.
9.	Discrepancies pertaining to weekly Clients' Funds Lying with the Stock Broker under Enhanced Supervision.	-	Exchange circular no. MSEI/INSP/4554/2016 dated September 28, 2016	Your reply is satisfactory.

87