

Ref. No.: MSE/INSP/2021/962/RE/10/762/20-21

August 26, 2021

R.K. Global Shares & Securities Ltd.
Flat No - 5, 2nd Floor, Sagar Apartment,
6, Tilak Marg, New Delhi – 110 001
Tel: 91-011-43100999

Kind Attn: Mr. Khamesh Suresh Kumar – Compliance Officer

Dear Sir,

Sub: Action on violations observed during Inspection of books of accounts conducted in financial year 2020-21 (Currency Derivatives Segment)

An inspection of your books of accounts and other documents was conducted by the Exchange officials remotely in March 2021 for the period from December 01, 2019 to September 30, 2020 and observations on the same were forwarded to you vide letter bearing ref. no. MSE/INSP/2021/501/RE/07/762/20-21 dated April 30, 2021 for your comments/clarifications on the non-compliances observed therein. Your reply was received by the Exchange vide e-mail on May 9, 2021. The said reply was analyzed and placed before the Internal Committee of the Exchange in its meeting held on August 09, 2021.

The action, as decided by the Committee on violation/deficiency pointed out in the observation letter is enclosed as **Annexure**. Some of the actions mentioned in the said annexure are explained below:

- 1 The Committee has granted you a time of 30 days from the date of this letter to obtain certificate from Bank for proper nomenclature assigned to 17 Bank accounts held with them and submit to the Exchange for verification. In case of failure to submit the certificates within the aforesaid timeline, a penalty of Rs.5,000/- shall be levied. The members has to pay the Rs.5,900/- (Rupee Five Thousand Nine Hundred only), including GST @ 18% latest by September 25, 2021.
- 2 Apart from the above, you are advised to send a Cheque/Demand Draft payable in Mumbai in favour of '**Metropolitan Stock Exchange of India Ltd**' for Rs.11,800 /- (Rupee Eleven Thousand Eight Hundred only), including GST @ 18% latest by September 10, 2021 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,
SD/-
Mahendra Choudhari
Asst. Vice President – Membership & Inspection

Encl: As above

R.K. Global Shares & Securities Ltd. <u>Currency Derivatives Segment</u>				
Sr. No	Violation	Details	In Violation of	Action
1.	The member has not submitted Preliminary Finding List (PFL) & IDR duly stamp & signed by the Compliance officer/ Designated Authorised Signatory	-	-	You are advised to ensure compliance in future.
2	The member has not submitted Bank Book & Bank Account Statements (along with proof of Nomenclature & back office code).		• Regulation No. 15.1.6.2 (i) of the (CD segment) of the Exchange • Exchange Circular No. MSEI/INSP/ 4554/2016 dated September 28, 2016	You are advised to obtain certificate from Bank for proper nomenclature assigned to Bank accounts and submit to the Exchange within one month from this letter, In case of non-submission a penalty of Rs. 5000/- shall be levied with the warning to be issued to assign appropriate nomenclature and intimate such details to the Exchange.
3	In case of 2 instances, there was a gap of more than 90 days between two running account settlements.		• Exchange Circular No. MSEI/INSP/ 4554/2016 dated September 28, 2016 • Exchange Circular No. MSEI/INSP/4799/2016 dated December 22, 2016 • Exchange Circular No. MSE/INSP/5279/2017 dated Jun 27, 2017	No Action

R.K. Global Shares & Securities Ltd.				
<u>Currency Derivatives Segment</u>				
Sr. No	Violation	Details	In Violation of	Action
4	Member has not submitted the PODs/ logs of Daily Margin Statements issued to the clients.		• Exchange Circular No MCX-SX/INSP/34/2008 dated November 24, 2008 • Exchange Circular No MCX-SX/INSP/667/2011 dated December 20, 2011 • Exchange Circular No MCX-SX/INSP/471/2010 dated 10-Nov-10 • Exchange Circular No. MSE/INSP/5963/2018 dated January 22, 2018	No Action
5	There was difference in the Margin and MTM loss collected and reported by the member on behalf of one client and member has not submitted the details of excess free balances available (if any) in other Exchanges / Segments.		• Regulation No. 4.4.14 & 6.5 of the CD Segment of the Exchange • Exchange Circular no. MCX-SX/C&S/663/2011 dated December 16, 2011 • Exchange Circular No. MSE/INSP/5963/2018 dated January 22, 2018 • Exchange Circular No. MSE/INSP/6511/2018 dated June 29, 2018	No Action
6	Member has not submitted PODs/ logs of Annual Global Transaction Statements issued to the clients.		• Exchange Circular No. MSE/INSP/5937/2018 dated January 12, 2018	No Action
7a	Discrepancies pertaining to the upload of Enhanced Supervision Data; The member has not submitted the relevant data/ details towards 'Clients' Funds Lying with the Stock Broker'	- -	• Exchange circular no. MSEI/INSP/4554 /2016 dated September 28, 2016 • Exchange circular no. MSE/INSP/7872/2019 dated July 04, 2019 • Exchange circular no. MSE/INSP/9305/2020 dated July 31, 2020	A penalty of Rs. 10,000/- is levied. (Due to repetitive nature of discrepancy, warning escalated to Monetary penalty of Rs.10,000/-).

R.K. Global Shares & Securities Ltd. <u>Currency Derivatives Segment</u>				
Sr. No	Violation	Details	In Violation of	Action
	for the week ended February 28, 2020.'			
7b	Member has not submitted Trial Balance & Securities Register/Holding as on February 21 & 28, 2020 towards data uploaded under Periodic Clients Funds and Securities balances and Holding statement.			