Before the Member Committee
("MC"/"Committee")
of
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai – 400 051
held on September 18, 2025
In the matter of the Trading Member – Lakshmishree Investment & Securities Pvt. Ltd.

CORAM

Mr. S Ravindran	-	Chairperson
Justice (Retd) Smt. Abhilasha Kumari	-	Committee Member
Prof (Dr.) Mamata Biswal	-	Committee Member
Mr. Essaji Vahavanti	-	Committee Member
Mr. Ashishkumar Chauhan	-	Committee Member

ALSO PRESENT

Mr. Piyush Chourasia	-	Chief Regulatory Officer
Ms. Sonali Karnik	-	Vice President – Enforcement
Mr. Janardhan Gujaran	-	Vice President – Enforcement

---

1. **Lakshmishree Investment & Securities Pvt. Ltd ("Lakshmishree")** is a Trading Member registered with the National Stock Exchange of India Limited ("**Exchange**"/"**NSEIL**") and enabled for trading in the Capital Markets ("**CM**") segment and Futures and Options ("**F&O**") segments since August 03,2007 and ("**CD**") segment since August 29, 2008.

2. The Exchange conducted a regular inspection of the books of accounts and records of Lakshmishree in February 2025, covering the period September 01, 2024, to February 07, 2025 (**"inspection period"**). Post-inspection, the Exchange issued a Letter of Observation (**'LO'**) dated April 09, 2025, for the observed violations. Lakshmishree replied to the LO on April 23, 2025. The Committee, after evaluating the LO and the reply, passed the order as under.

INSPECTION OBSERVATIONS/VIOLATIONS ALLEGED IN LO

3. The inspection observations/violations alleged in the LO are summarized hereunder:

3.1. Non-adherence to Exchange guidelines related to Regulatory Framework for Market Access through Authorised Persons.

3.2. No pre-order placement evidence is maintained or provided for 23 trades executed by Lakshmishree through CTCL terminals during the period from September 17, 2024 to October 14,2024.

REGULATORY PROVISIONS

4. At the outset, it is appropriate to refer to the relevant regulatory provisions alleged to have been violated by Lakshmishree; extracts whereof are reproduced below:

4.1. **Non-adherence to Exchange guidelines related to Regulatory Framework for Market Access through Authorised Persons:**

a. Exchange Circular No NSE/COMP/63628 dated August 28,2024

Trading Members are hereby advised to perform enhanced due diligence to ascertain the suitability of an AP for their role. This includes in-person verification, site visits, PAN validation, background checks, scrutiny of all demat and bank account statements of the APs, continuous screening / verification that they are not debarred by SEBI & Exchanges, and including any other verification as deemed fit by the Member.

4.2. **Non maintenance of pre-order placement evidence**

a. Regulation 3.2.1 of Exchange Regulations (CM Segment) and Regulation 3.4.1 of Exchange Regulations (F&O Segment)

Trading Members shall ensure that appropriate confirmed order instructions are obtained from the constituents before placement of an order on the system and shall keep relevant records or documents of the same and of the completion or otherwise of these orders thereof. Notwithstanding the above, wherever the order instructions are received

from clients through the telephone, Members shall mandatorily use telephone recording system to record the instructions and maintain telephone recordings as part of its records.

b. Exchange Circular No. NSE/INSP/37301 dated March 26, 2018 (SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018)

To further strengthen regulatory provisions against un-authorized trades and to harmonize the requirements across markets, it has now been decided that all brokers shall execute trades of clients only after keeping evidence of the client placing such order, which could be, inter alia, in the form of:

i. Physical record written & signed by client,
ii. Telephone recording,
iii. Email from authorized email id,
iv. Log for internet transactions,
v. Record of messages through mobile phones
vi. Any other legally verifiable record

Further, in case the order instructions are received from clients through telephone, the member shall mandatorily use telephone recording system to record the instructions and maintain such recordings as part of its records.

CONSIDERATION AND FINDINGS

5. The observations/alleged violations, the reply of Lakshmishree and the findings of the Committee are as under: -

5.1 Non-adherence to Exchange guidelines related to Regulatory Framework for Market Access through Authorised Persons

5.1.1 The Exchange conducted an onsite inspection of Lakshmishree's Authorised Person, Ms. Sapna Jigar Tuli (**"AP"**). During the inspection, it was observed as under:

a) The address of AP was found to be identical to the address of another Authorised Person, M/s. Tenscope Management Private Limited **("Tenscope")**, where AP serves as a director along with her spouse.
b) Tenscope's Authorised Person registration was cancelled on disciplinary grounds on August 30, 2024. Despite this, Lakshmishree appointed AP as an Authorised Person on September 12, 2024.
c) Further, an online search of AP's proprietor revealed that multiple articles, webpages and social media posts (including Instagram) pertain to fraudulent activities by AP and her spouse related to assured returns schemes. The relevant links as under;

Related Links :
https://www.instagram.com/ahmedabadmirrorofficial/p/DBLTu1NhlSv/?hl=en
https://www.ahmedabadmirror.com/couple-behind-rs-42cr-fraud-arrested-from-lonavalahotel/81879304.html
https://indiankanoon.org/doc/184166812/
https://www.ahmedabadmirror.com/city-trader-becomes-latest-target-of-con-couple-loses-rs-1cr/81877625.html#goog_rewarded
https://english.gujaratsamachar.com/news/gujarat/couple-cheats-financial-advisor-of-3-36-crore
http://www.edypa.in/ahmedabad/professional-coaching/tenscope-management/reviews/137

Thus, Lakshmishree has failed to carry out proper due diligence on multiple occasions while onboarding AP.

5.1.2 In reply to the LO, Lakshmishree submitted as under:

a. At the time of onboarding, Lakshmishree followed the standard due diligence process as laid down under the applicable exchange circulars and SEBI guidelines. However, an in-depth verification is now carried out regarding the past association and background of the authorised persons.

b. At the time of onboarding of the AP, Lakshmishree has conducted name screening through publicly available sources, including a comprehensive Google search. However, no adverse or inappropriate findings were observed during this process. An in-depth verification regarding the past associations and background of

the AP is now carried out to strengthen internal processes and to ensure stricter compliance with the Exchange's guidelines on onboarding authorized persons.

5.1.3 The Committee finds as under:

a. Lakshmishree contended that Lakshmishree followed the standard due diligence process as laid down under the applicable Exchange circulars and SEBI guidelines and conducted name screening through publicly available sources, including a comprehensive Google search. However, no adverse or inappropriate findings were observed by the Trading Member.

b. It was observed that the AP was a director of Tenscope along with her spouse. Tenscope was previously an authorised person of another trading member, whose registration was cancelled on disciplinary ground on August 30, 2024. The list of authorized persons cancelled on disciplinary grounds is publicly available on the NSEIL website. Despite the same, Lakshmishree appointed AP as an authorised person on September 12, 2024.

c. Further, Lakshmishree failed to conduct adequate screening or verification of publicly available information at the time of onboarding the Authorised Person. Multiple online articles, webpages, and Instagram posts alleging fraudulent activities by the AP and their spouse were accessible and were subsequently noted during the inspection.

d. Thus, by failing to carry out proper due diligence while onboarding AP, Lakshmishree has violated Exchange Circular No. NSE/COMP/63628 dated August 28, 2024. The circular mandates Trading Members to perform enhanced due diligence to ascertain the suitability of an Authorised Person, which includes in-person verification, site visits, permanent account number validation, background checks, scrutiny of all demat and bank account statements of the authorized person, continuous screening / verification that they are not debarred by SEBI and Exchanges, and including any other verification as deemed fit by the Member.

5.1.4 Given the findings mentioned above, the Committee decided to warn and direct Lakshmishree to verify a) onboarding of all its authorized persons including corporates and their directors, to ensure they are fit and proper, b) take an appropriate action against authorized persons wherever required and, c) submit a Chartered Accountant certificate confirming the same within 30 days from the date of communication by the Exchange.

5.2 <u>Non-maintenance of pre-order placement evidence</u>

5.2.1. The Exchange verified the trade data pertaining to 169 trades executed in the client account mapped to the Lakshmishree's AP. Upon verification, it was observed that Lakshmishree failed to maintain pre-order placement evidence in case of 23 trades executed through CTCL (Computer-To-Computer Link) terminals allocated to Lakshmishree's AP.

5.2.2 In reply to the LO, Lakshmishree submitted as under:

a. The said AP was associated with Lakshmishree in September 2024 and remained onboard for approximately 4-5 months. During this short tenure, most trades were conducted by clients themselves through online modes (IBT/STWT), while a few trades were placed offline via the AP's CTCL terminal.

b. The pre-order placement instruction sheets for the offline trades were duly collected by Ahmedabad Branch office of Lakshmishree. The same has been compiled and are attached as supporting documentary evidence. These sheets contain the client's order instructions along with relevant details including client code, scrip name, order type, quantity, price, date and signature, thereby fulfilling the requirement of order placement proof.

c. Further, a centralized digital archive has been implemented for systematic storage of client order proofs; Mandatory voice log recording has been introduced for all offline trades placed via CTCL terminals and internal audit checks have been strengthened at the branch/authorised person level to ensure strict adherence to order authentication protocols.

5.2.3 The Committee finds as under:

a. Lakshmishree claimed that pre-order placement instruction sheets signed by clients for offline trades were duly collected by its Ahmedabad branch office. However, the Noticee failed to provide any other legally verifiable records to establish that the order instruction slips were indeed signed by the clients, such as the Know Your Client (KYC) forms and entries in the visitor register to demonstrate that the same were duly collected by its Ahmedabad branch office.

b. SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018, read with Exchange Circular No. NSE/INSP/37301 dated March 26, 2018, stipulates that Trading Members shall execute clients' trades only after maintaining evidence of the client having placed such orders. Such evidence may include, inter alia, a physical record written and signed by the client, telephone recordings, emails from the authorized email ID, logs of internet transactions, records of messages through mobile phones, or any other legally verifiable record. Thus, in the absence of any such legally verifiable record to demonstrate that the pre-order placement instruction slips were duly signed by the clients and collected by its Ahmedabad branch office, the violation persists.

c. Lakshmishree further submitted that it has taken corrective action such as, introduction of mandatory voice log recording for all offline trades placed via CTCL terminals, a centralized digital archive implemented for systematic storage of client order proofs etc. However, post inspection compliance does not absolve Lakshmishree for the violation already committee. Hence the violation persists.

d. Lakshmishree has violated Regulation 3.2.1 of NSEIL (CM Segment) Regulations, Regulation 3.4.1 of NSEIL (F&O Segment) Regulations and Exchange Circular No. NSE/INSP/37301 dated March 26, 2018 (SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018), by not maintaining pre-order confirmations for the trades executed by its clients.

5.2.4 Given the findings mentioned above, the Committee decided to levy a penalty of Rs. 25,000/- in line with Sr. No. B (63) of Schedule I of the Exchange Circular No. NSE/INSP/53530 dated September 2, 2022, read with Exchange Circular No. NSE/INSP/70746 dated October 10, 2025. Further Lakshmishree is directed to comply with the requirement of keeping appropriate evidence for orders placed by client within 30 days from the date of communication of this order.

DECISION

6. In view of the above, the Committee levies the following penalties as indicated against each of the violations:

Sr. No.	Committee's Findings	Prescribed action as per Exchange Circular No NSE/INSP/53530 dated September 2, 2022, and the Exchange circular No. NSE/INSP/70746 dated October 10, 2025.	Monetary penalty/ Material/ Financial disincentive	Action post considering the Lakshmishree's submissions and the Committee's findings
1	Non-adherence to Exchange guidelines related to Regulatory Framework for Market Access through APs	No prescribed penalty	-	Warning + Direction to verify a) onboarding of all its authorized persons including corporates and their directors, to ensure they are fit and proper, b) take an appropriate action against authorized persons wherever required and, c) submit a Chartered Accountant certificate confirming the same

Sr. No.	Committee's Findings	Prescribed action as per Exchange Circular No NSE/INSP/53530 dated September 2, 2022, and the Exchange circular No. NSE/INSP/70746 dated October 10, 2025.	Monetary penalty/ Material/ Financial disincentive	Action post considering the Lakshmishree's submissions and the Committee's findings
				within 30 days from the date of communication by the Exchange.
2	Non-maintenance of pre-order placement evidence	Rs. 25,000/- + Direction to comply with the requirement of keeping appropriate evidence for orders placed by clients within 30 days from the date of communication	Monetary penalty	Rs. 25,000/- + Direction to comply with the requirement of keeping appropriate evidence for orders placed by client within 30 days from the date of communication of the order
Total				**Rs. 25,000/- + Direction**

7. Lakshmishree is directed to pay a monetary penalty of Rs. 25,000 /- (Rupees Twenty-five thousand only) as indicated above.

8. Lakshmishree is directed on the following:

   a. Direction to verify a) onboarding of all its authorized persons including corporates and their directors, to ensure they are fit and proper, b) take an appropriate action against authorized persons wherever required and, c) submit a Chartered Accountant certificate confirming the same within 30 days from the date of communication by the Exchange.

   b. to comply with the requirement of keeping appropriate evidence for orders placed by client within 30 days from the date of communication of the order.

9. Lakshmishree is directed to note the non-monetary penalties as indicated above and ensure non-recurrence of the observed violations.

Sd/-	Sd/-	Sd/-
Abhilasha Kumari	Essaji Vahanvati	Ashishkumar Chauhan
(Committee Member)	(Committee Member)	(Committee Member)

Date: May 22, 2026