

**Member Committee ("MC"/"Committee")
of
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
held on August 05, 2025**

**In the matter of Trading Member M/s. Arham Wealth Management Private
Limited**

CORAM:

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

ALSO, PRESENT:

| | |
|----------------------|---|
| Mr. Piyush Chourasia | - Chief Regulatory Officer - Member Compliance, Surveillance, Member Inspection & Investigation |
| Ms. Renu Bhandari | - Senior Vice President - Inspection, Member Registration & Compliance |
| Mr. Sanjaya Nair | - Vice President - Legal |
| Ms. Sonali Karnik | - Vice President - Enforcement |
| Mr. Janardhan Gujran | - Vice President - Enforcement |

BACKGROUND

1. **M/s. Arham Wealth Management Private Limited ("Arham")** is a Trading Member registered with the National Stock Exchange of India Limited ("**NSEIL**"/ "**Exchange**") and is enabled for trading in the Capital Market ("**CM**") segment since November 2014, Futures and Options ("**F&O**") segment since November 2014 and Currency Derivatives ("**CD**") segment since November 2014.
2. The Exchange conducted Limited Purpose Inspections ("**LPI**") of the books of Accounts and records of Arham, covering the period April 01, 2022, to September

30, 2023 (“**Inspection Period**”). Post-inspections, the Exchange issued a letter of observation (“**LO**”) dated October 08, 2024, to Arham seeking an explanation for the observed non-compliances with the regulatory provisions by Arham and its Authorised Persons (“**AP**”). Arham replied to the LO on October 22, 2024. Subsequently, the Exchange issued a supplementary annexure dated June 30, 2025, Arham replied to the supplementary annexure on July 08, 2025.

INSPECTION OBSERVATIONS/VIOLATIONS

3. The following are the inspection observations mentioned in the LO:

3.1. Use of client bank account for the purposes other than specified

3.2. Failure to undertake adequate due diligence and supervision over the operation of Authorised Persons.

3.2.1. AP has issued advertisement offering assured returns

3.2.2. Trading Member has not ensured that their Authorised Persons are engaged only in permitted activities and are not undertaking any business which are disallowed under the Byelaws, Rules & Regulations, and circulars of SEBI/Exchanges

3.3. Active registered Authorized Person has dealt with another Trading Member

3.4. Receipts and payments of funds from/to clients are transacted through own bank account

3.5. Trading Member is not maintaining the payout request received from the clients for part payment of credit balance clients

REGULATORY PROVISIONS

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

4.1. Use of client bank account for purposes other than specified

a. Regulation 6.1.5 (c) of Part A of the Capital Market Regulations of the Exchange and Regulation 6.1.6.2 of the Regulations (F&O segment)

(c) *The transfer from client's account to Trading Member's account shall be allowed under circumstances enumerated below:*

- (i) **Obligation to pay money into "Client's account"** : Every Trading Member who holds or receives money on account of a client shall forthwith pay such money to current or deposit account at bank to be kept in the name of the Member in the title of which the word "Clients" shall appear (hereinafter referred to as "Clients Account"). Trading Member may keep one consolidated clients account for all the clients or accounts in the name of each client, as he thinks fit; provided that when a Trading Member receives a cheque or draft representing in part money belonging to the client and in part money due to the Trading Member, he shall pay the whole of such cheque or draft into the clients account and effect subsequent transfer as laid down below in para (iii.B).
- (ii) **Moneys to be paid into "clients account"**: No money shall be paid into clients account other than-
- A. money held or received on account of clients.
 - B. such moneys belonging to the Trading Member as may be necessary for the purpose of opening or maintaining the account;
 - C. money for replacement of any sum which may by mistake or accident have been drawn from the account;
 - D. a cheque or draft received by the Trading Member representing in part money belonging to the client and in part money due to the Trading Member.
- (iii) **Moneys to be withdrawn from "clients account"**: No money shall be drawn from clients account other than -
- A. money properly required for payment to or on behalf of clients for or towards payment of a debt due to the Member from clients or money drawn on client's authority, or money in respect of which there is a liability of clients to the Trading Member, provided that money so drawn shall not in any case exceed the total of the money so held for the time being for such each client;
 - B. such money belonging to the Trading Member as may have been paid into the client account under para (ii.B) and (ii.D) above. money which may by mistake or accident have been paid into such account

- (iv) **Right to lien, set-off etc., not affected:** *Nothing in this para 1 shall deprive a Trading Member of any recourse or right, whether by way of lien, set-off, counter-claim charge(s) or otherwise against moneys standing to the credit of client's account.*

4.2.1 **AP has issued advertisement offering assured returns**

- a. Exchange Circular No. NSE/COMP/50957 dated January 07, 2022

In consultation with SEBI and other Stock Exchanges, the illustrative list of activities that are construed as non-compliance to Rule 8(1)(f) and 8(3)(f) of SCRR, if undertaken by a member, are provided as below.

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5. *Engaging into activities/schemes of unauthorised collective investments/portfolio management, promising or indicating fixed/guaranteed/regular returns/capital protection.*

- b. Exchange Circular No. NSE/INSP/51770 dated March 25, 2022

Members' attention is drawn to Exchange circular NSE/INSP/49434 dated August 27, 2021, wherein it was reiterated that members are not permitted to undertake any business/activity that is not allowed under the Byelaws, Rules & Regulations and circulars of SEBI/Exchanges.

However, despite various guidelines/ clarifications issued by the Exchange from time to time, certain practices followed by members are not in compliance with the relevant guidelines issued by the Exchange. Below are some of the market practices, that have come to the notice of the Exchange and members are advised to refrain from engaging in such practices.

- b) *Issue of advertisements: It is noted that Members are increasingly using influencers to promote their business, products/services/brokerage plans etc., including undertaking brand promotion. Members are hereby advised to undertake adequate due diligence to ensure that the content used by the influencer strictly adheres to the code of advertisement prescribed by the Exchange vide circular NSE/COM/49888 dated October 8, 2021. Further, advertisements/promotional campaigns issued by*

the members should not promote or incentivise trading in specific securities/contracts which will have the effect of inducement to the clients.

- e) *Assured Return Schemes/ Unauthorised Portfolio Management Service: It has also come to the notice of the Exchange that certain members were engaging in activities/schemes of fixed / periodic payments, which are not permitted under the Byelaws, Rules & Regulations and circulars of SEBI/Exchanges. It is reiterated that members are not permitted to undertake any business/activity that is not allowed under the Byelaws, Rules & Regulations and circulars of SEBI/Exchanges including operating any schemes of unauthorised collective investments/portfolio management, promising indicative/ guaranteed/fixed returns/payments etc.*

Members are advised to refrain from engaging in any practice that is against the spirit of the guidelines issued by SEBI/Exchange. Further, Members are advised to put in place adequate mechanisms to have oversight on the activities of their associates, authorised persons and take necessary action if any irregularity is observed. Non-adherence to the Byelaws, Rules & Regulations and circulars of SEBI/Exchanges will be viewed very seriously. The member will be liable for strict disciplinary action, if the member is observed to be engaging in unauthorised market practices either directly or through its Authorised person(s) and/or their Directors/Partners, employees etc.

4.2.2 Trading Member has not ensured that their Authorised Persons are engaged only in permitted activities and are not undertaking any business which are disallowed under the Byelaws, Rules & Regulations and circulars of SEBI/Exchanges

- a. Exchange Circular No. NSE/COMP/48536 dated June 9, 2021

Members are required to exercise adequate control and due diligence over the activities & transactions of their APs. Member shall conduct periodic inspection of their APs and records of the operations carried out by them in accordance with Exchange circular dated October 18, 2019 (Ref NSE/INSP/42448). On noticing irregularities, if any, Member shall take necessary measures as stipulated in the aforementioned SEBI circular, including cancellation of the AP registration through ENIT and selecting the reason as “Disciplinary action” along with providing the necessary details.

Members should ensure that their APs are engaging only in permitted activities and are not undertaking any business which are disallowed under the Byelaws, Rules & Regulations and circulars of SEBI/Exchanges including operating any schemes of unauthorized collective investments/portfolio management, promising indicative/guaranteed/fixed returns etc. It is, hereby, reiterated that all the acts of omission and commission of the AP and/or their Directors/Partners, employees etc., shall be deemed to be those of the Member and the Member shall be responsible for all such acts of its AP(s) and/or their Directors/Partners, employees etc., including liabilities arising there from.

- b. Exchange Circular No. NSE/COMP/50030 dated October 21, 2021

5. As stipulated in Exchange circular NSE/COMP/48536 dated June 09, 2021, it is re-iterated that APs are not permitted to undertake activities such as providing assured/guaranteed return schemes, unauthorised portfolio management & investment schemes etc. as well as directly accepting or paying/delivering any funds and securities from/to the clients/investors. It is responsibility of the Members to ensure that all APs registered with them are complying with the regulatory requirements and do not undertake any non-permitted activities. Members shall be liable for all such acts of its APs and/or their Directors/Partners, employees etc., including liabilities arising therefrom.

4.3. Active registered Authorized Person has dealt with another Trading Member

- a. Exchange Circular No. NSE/INSP/42448 dated October 18, 2019

Framework for Supervision of Authorised Persons (APs) & Branches by Members

Annexure-A

INDICATIVE SCOPE OF BRANCH /AP INSPECTION BY MEMBERS

12. *The Branch/AP has not dealt with any other trading member/AP on behalf of its clients / self on the same Stock Exchange*

4.4. Receipts and payments of funds from/to clients are transacted through own bank account

a. Regulation 6.1.5 (c) of Part A of the Capital Market Regulations of the Exchange and Regulation 6.1.6.2 of the Regulations (F&O segment)

(c) *The transfer from client's account to Trading Member's account shall be allowed under circumstances enumerated below:*

- (i) **Obligation to pay money into "Client's account":** Every Trading Member who holds or receives money on account of a client shall forthwith pay such money to current or deposit account at bank to be kept in the name of the Member in the title of which the word "Clients" shall appear (hereinafter referred to as "Clients Account"). Trading Member may keep one consolidated clients account for all the clients or accounts in the name of each client, as he thinks fit; provided that when a Trading Member receives a cheque or draft representing in part money belonging to the client and in part money due to the Trading Member, he shall pay the whole of such cheque or draft into the clients account and effect subsequent transfer as laid down below in para (iii.B).
- (ii) **Moneys to be paid into "clients account":** No money shall be paid into clients account other than
- A. money held or received on account of clients;
 - B. such moneys belonging to the Trading Member as may be necessary for the purpose of opening or maintaining the account;
 - C. money for replacement of any sum which may by mistake or accident have been drawn from the account;
 - D. a cheque or draft received by the Trading Member representing in part money belonging to the client and in part money due to the Trading Member.
- (iii) **Moneys to be withdrawn from "clients account":** No money shall be drawn from clients account other than -
- A. money properly required for payment to or on behalf of clients for or towards payment of a debt due to the Member from clients or money drawn on client's authority, or money in respect of which there is a liability of clients to the Trading Member, provided that money so drawn shall not in any case exceed the total of the money so held for the time being for such each client;

B. *such money belonging to the Trading Member as may have been paid into the client account under para (ii.B) and (ii.D) above. money which may by mistake or accident have been paid into such account*

(iv) **Right to lien, set-off etc., not affected:** *Nothing in this para 1 shall deprive a Trading Member of any recourse or right, whether by way of lien, set-off, counter-claim charge(s) or otherwise against moneys standing to the credit of client's account.*

4.5. Trading Member is not maintaining the payout request received from the clients for part payment of credit balance clients

a. Exchange Circular No, NSE/INSP/51830 dated March 31, 2022

Members shall not make part/periodic payments, that are not commensurate with the running account settlement guidelines. However, if the client specifically requests for a pay-out, the same shall be made and the evidence of such requests received from clients shall be maintained by the member. It is to be noted that for each such payout to the credit balance clients, a separate request received from clients, which could be, inter alia, in the form of writing, telephone recording, email from registered mail id, record of messages through registered mobile phones, log for internet requests shall be maintained by the members.

5. CONSIDERATION & FINDINGS

The observations/alleged violations, the reply of Arham and the findings of the Committee are as under:

5.1. Use of client bank account for the purposes other than specified.

5.1.1. Upon verification of the client's bank records, it was observed by the Exchange that Arham had transferred funds from the client's account in 15 out of 40,812 instances (0.03%), amounting to Rs. 8.85 Lakhs. These transfers were made for the purpose of interest payments to the bank on the Intraday limit during the period from April 28, 2022, to September 30, 2023.

5.1.2. In reply to the LO, Arham submitted as under: -

- a. The bank from which the transaction was executed, and which the Exchange has observed as the client bank account, is a settlement bank account (Bank of India - 008620110003081). The transaction mentioned by the Exchange in the LO pertains to the interest paid to Bank of India for the purpose of pay-in of client obligation or margin on an intraday basis.
- b. The initial funds from Bank of India were received in the settlement account and returned from the same bank account. The interest for these transactions was auto-debited by the bank from the same settlement bank account. At every point where the said interest was debited from the settlement account, Arham ensured that its own funds were maintained in the settlement account, which were earlier transferred from its own bank account (HDFC Bank – 00670340002970).
- c. Therefore, Arham's own funds were utilized to pay the said interest, and there was no misuse of client funds. Additionally, as the said bank account was not a client bank account, the client bank account was not used for any purpose other than those specified.

5.1.3. The Committee finds as under

- a. Upon verification of the demat account details, it is noted that Arham's contention is tenable. The bank account in question (Account No. 8620110003081) has been identified as a settlement account and not a client bank account. Accordingly, since the settlement account does not fall under the category of client bank accounts, there is no instance of misuse of client funds.
- b. The funds maintained in the settlement account were utilized appropriately for their designated purpose, and the interest payments were made using Arham's own funds. In view of the above, the violation does not persist.

5.2. Failure to undertake adequate due diligence and supervision over the operation of Authorised Persons.

5.2.1. AP has issued advertisement offering assured returns

5.2.1.1. The Exchange, based on an advertisement guaranteeing assured returns published in a newspaper along with the mobile number 8097079640 and the name "Vision Trading Corporation," noted that the AP of Arham, had published an advertisement to provide assured returns. Further, an additional annexure comprising of a pamphlet issued by Arham's AP detailing the assured returns was provided by the Exchange vide an email dated June 30, 2025.

5.2.1.2. In reply to the LO, Arham submitted as under: -

The AP - Mr. Prashant Chavan (Trade name – Vision Trading Corporation) had already been closed by Arham when the advertisement was issued. Moreover, no client of the said AP had traded since the activation of the AP. Arham was unaware of the advertisement issued by the AP. Furthermore, the AP did not use the name of Arham Wealth while issuing the advertisement, and Arham Wealth has not received any complaints from clients. Furthermore, Arham, post receiving the supplementary annexure has replied stating that the AP has not sought any approval from Arham, and they were not aware of such an advertisement and became aware of the advertisement only post receiving the additional annexure from the Exchange. Further, the AP has been terminated and that no assured returns scheme is provided by Arham. In the advertisement cutting provided by the Exchange, name of Arham's AP, Mr. Prashant Chavan, was nowhere mentioned and thereby the advertisement was not issued by any of Arham's APs.

5.2.1.3. The Committee finds as under:

- a. Upon verification of the advertisement published in the newspaper and the pamphlet provided to Arham as an additional annexure, the Committee observes that the pamphlet contained specific

details of the scheme. These included a promise of regular 10% returns and an investor benefit chart outlining trading amounts, projected profits, and total returns, along with the bank and contact details of the AP.

- b. In light of this, the Committee observes that Vision Trading Corporation was engaged in issuing advertisements that offered assured returns. Additionally, the Committee notes that the email address mentioned in the advertisement, visiontc.solutions@gmail.com, matches the registered email ID of AP Mr. Prashant Chavan in the Exchange's database. However, it is also observed that the mobile number featured in the newspaper advertisement differs from the one registered with Arham. The Committee further notes that Arham has terminated the AP on disciplinary grounds.
- c. According to SEBI Circular No. MIRSD/DR-1/Cir-16/09 dated November 6, 2009, and NSE/COMP/48536 dated June 9, 2021, a Trading Member is permitted to provide market access to clients through APs on the pre-condition that the Trading Member shall be responsible for all acts of omission and commission of its APs. Exchange Circular No. NSE/COMP/50030 dated October 21, 2021, reiterates that it is the responsibility of the Trading Members to ensure that all APs registered with them comply with the regulatory requirements and do not undertake any non-permitted activities. In view of these regulatory provisions, Trading Members must exercise adequate control and due diligence over the activities and transactions of their APs, as part of continued compliance with the regulatory provisions.

5.2.2. Trading Member has not ensured that their Authorised Persons are engaged only in permitted activities and are not undertaking any business which are disallowed under the Byelaws, Rules & Regulations, and circulars of SEBI/Exchanges

5.2.2.1. Upon verification of the bank statement of the AP - Mr. Prashant Chavan, the Exchange observed that the AP conducted transactions with a client mapped under the AP (UCC - VTC4) in 601 out of 35630 instances from June 29, 2022, to September 21, 2023.

5.2.2.2. In reply to the LO, Arham submitted as under: -

Arham is not aware of any transactions conducted by the said AP with any of his clients, as no trade was executed by any of his clients with Arham Wealth Management Private Limited. Additionally, the client (UCC: VTC4) has never executed any trades. Furthermore, the said AP was inactive, and therefore, no audit was due.

5.2.2.3. The Committee finds as under: -

a. Upon verification of the bank transaction statements of the AP, the Committee observes that the AP was engaged in financial transactions with the client bearing UCC: VTC4. Accordingly, Arham's submission that it was unaware of any such dealings on the grounds that no trades were executed by any client through Arham—is not substantiated.

b. It is further noted that the AP, was active during the period from April 21, 2022, to September 22, 2023, and engaged in transactions with the client (UCC: VTC4) during this time. While this particular client did not execute trades through the Exchange platform, another client associated with the AP (UCC: VTC1) did execute trades between May 11, 2022, and August 24, 2022, as verified from trade data. Therefore, the Committee concludes that the

AP was actively engaged in client-related activities during the relevant period.

- c. As per SEBI Circular No. MIRSD/DR-1/Cir-16/09 dated November 6, 2009, and NSE/COMP/48536 dated June 9, 2021, a Trading Member is permitted to provide market access to clients through APs on the pre-condition that the Trading Member shall be responsible for all acts of omission and commission of its APs. Exchange Circular No. NSE/COMP/50030 dated October 21, 2021, reiterates that it is the responsibility of the Trading Members to ensure that all APs registered with them comply with the regulatory requirements and do not undertake any non-permitted activities. In view of these regulatory provisions, Trading Members must exercise adequate control and due diligence over the activities and transactions of their APs, as part of continued compliance with the regulatory provisions. Hence, the violation persists.
- d. Exchange Circular No. NSE/COMP/48536 dated June 09, 2021, stipulates that an Authorised Person is prohibited from accepting any receipt or payment/delivery of funds and securities of the clients. An Authorised Person shall not collect or receive any funds or securities from the clients and shall not charge any amount from the clients, directly or indirectly, for the services rendered on behalf of the Member as an agent.

- 5.2.3. Given the findings mentioned above, the Committee decided to Warn Arham for both the violations (referred at Paragraph 5.1.1 and 5.2.2) and has directed Arham to conduct an audit of all active APs through an auditor empanelled with the Exchange. The cost of audit shall be borne by Arham and Arham shall submit the compliance status in this regard within 3 months from the date of communication.

5.3. Active registered Authorized Person has dealt with another Trading Member

5.3.1. Upon verification of the PAN of the Authorized Person in the UCC database of the Exchange for all trading members, the Exchange observed that AP - Prashant Chavan (Vision Trading Corporation) was registered as an active client (PAN: ANBPC9288Q) with another trading member during the period in which he was also an active AP with Arham.

5.3.2. In reply to the LO, Arham submitted as under: -

The Authorized Person (AP) - Mr. Prashant Chavan (Trade name – Vision Trading Corporation) was registered as a client with another trading member. However, Arham was unaware of this registration and was unable to identify the same.

5.3.3. The Committee finds as under: -

- a. The Committee observes that Arham failed to identify that an active registered AP had engaged in transactions with another Trading Member. This oversight indicates a lack of adequate control and due diligence over the activities of the AP.
- b. As per SEBI Circular No. MIRSD/DR-1/Cir-16/09 dated November 6, 2009, and NSE/COMP/48536 dated June 9, 2021, a Trading Member is permitted to provide market access to clients through APs on the pre-condition that the Trading Member shall be responsible for all acts of omission and commission of its APs. Exchange Circular No. NSE/COMP/50030 dated October 21, 2021, reiterates that it is the responsibility of the Trading Members to ensure that all APs registered with them comply with the regulatory requirements and do not undertake any non-permitted activities. In view of the said regulatory provisions, Trading Members must exercise adequate control and due diligence over the activities and transactions of its APs, as a part of continued compliance with the regulatory provisions.
- c. Furthermore, Trading Members are advised to monitor their existing and newly onboarded APs based on the indicative scope as defined in the Exchange circular no. NSE/INSP/42448 dated October 18, 2019. One of the indicative scopes is AP shall

not deal with any other Trading Member/AP on behalf of its clients/self on the same Stock Exchange. Since, member failed to ensure adequate control and due diligence over the activities of AP, the violation persists.

5.3.4. Given the findings above, the Committee decided to warn Arham and is directed to issue directions to all AP's to not trade through another Trading Member for the observed violations.

5.4. Receipts and payments of funds from/to clients are transacted through own bank account

5.4.1. Upon verification of bank books, the Exchange observed that Arham has transferred funds from its own account to 3 clients in 26 instances out of 16,682 instances (0.15%) amounting to Rs. 5.70 Lakhs during the period from April 12, 2022, to September 9, 2023.

5.4.2. In reply to the LO, Arham submitted as under: -

The clients of Arham mentioned were also registered as its AP. The transactions observed in Arham's own bank account, which were considered by the Exchange as funds transfers from Arham's own bank account to clients, are clarified to have taken place as brokerage payments and/or client reference payments to the AP.

5.4.3. The Committee finds as under: -

a. Upon verification of the Membership Database, the Committee observes that the clients Sejal Nikit Shah (AP Registration No.: AP2906001211) and Jayesh Magan Bhai Gohil (AP Registration No.: AP2906001441) are also APs of Arham. However, the client Rahul Mahato was not registered as an AP of Arham. Hence, a violation persists for one instance wherein Arham transferred funds to Rahul Mahato.

b. After considering the above findings, the final violation persists in 1 out of 16,682 instances (0.006%), amounting to Rs.4,845/-

5.4.4. Given the findings above, the Committee decided to advise Arham for the observed violations in terms of S. No. 15 of Schedule 1 of Exchange Circular No. NSE/INSP/53530 dated September 02, 2022.

5.5. Trading Member is not maintaining the payout request received from the clients for part payment of credit balance clients

5.5.1. Upon verification of client ledgers, the Exchange observed that Arham did not maintain the pay-out request received from the clients for part payment of credit balance clients in 13 instances amounting to Rs. 4.20 Lakhs pertaining to 2 clients from May 13, 2022, to March 31, 2023.

5.5.2. In reply to the LO, Arham submitted as under: -

Arham has provided payouts to its clients to the extent of the available credit balance only. Moreover, the payouts were credited to the respective clients' registered bank accounts only. Clients had sufficient fund balances on the payout day and did not have any margin shortfall on the payout day. Additionally, the clients' funds were allocated in the respective exchange and/or segments.

5.5.3. The Committee finds as under: -

- a. The Committee notes that Arham has not provided evidence to support the claim that the pay-out request was received from clients for part payment of the credit balance. Consequently, due to the lack of evidence, Arham's claim cannot be substantiated. Therefore, the violation persists in this regard.
- b. Exchange circular no. NSE/INSP/51830 dated March 31, 2022, stipulates that "Members shall not make part/periodic payments, that are not commensurate with the running account settlement guidelines. However, if the client specifically requests for a pay-out, the same shall be made and the evidence of such requests received from clients shall be maintained by the member. It is to be noted that for each such payout to the credit balance clients, a separate request received from clients, which could be, inter alia, in the form of writing, telephone recording, email from registered mail id, record of messages through registered mobile phones, log for internet requests shall be maintained by the members."

5.5.4. Given the findings above, the Committee decided to warn Arham for the observed violation.

DECISION

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

| Sr. No. | Committee's Findings | Prescribed Penalty as per Exchange Circular No. NSE/INSP/53530 dated September 02, 2022 | Penalty |
|----------------|---|--|--|
| 1. | Failure to undertake adequate due diligence and supervision over the operation of Authorised Persons | No Prescribed Penalty | Warning + Arham to conduct an audit of all APs through an auditor empanelled with the Exchange. The cost of audit shall be borne by Arham and Arham shall submit compliance status in this regard within 3 months from the date of communication |
| 2. | Active registered Authorized Person has dealt with another Trading Member | No Prescribed Penalty | Warning + Arham to issue directions to all APs not to trade through any other Trading Member |
| 3. | Receipts and payments of funds from/to clients are transacted through own bank account | Less than 2% of number of instances – Advise | Advice |
| 4. | Trading Member is not maintaining the payout request received from the clients for part payment of credit balance clients | No Prescribed Penalty | Warning |
| Total | | | Advice + Warning + Directions |

6. Arham is directed to note the non-monetary penalties as indicated above and ensure non-recurrence of the observed violations.
7. Arham is directed to conduct an audit of all APs through an auditor empanelled with the Exchange. The cost of audit shall be borne by Arham and Arham shall submit compliance status in this regard within 3 months from the date of communication.
8. Arham to issue directions to all APs not to trade through any other Trading Member.

Sd/-
Abhilasha Kumari
(Committee Member)

Sd/-
Essaji Vahanvati
(Committee Member)

Sd/-
Ashishkumar Chauhan
(Committee Member)

Date: March 18, 2026