



Metropolitan Stock Exchange of India Limited

Department: Investigation

Segment: All

Circular No: MSE/ID/7602/2019

Date : May 02, 2019

SEBI order in the matter of Dark Fibre/ Leased Line connectivity allowed to certain Stock Brokers by National Stock Exchange Limited (NSE)

To All Members,

SEBI vide order no. WTM/SKM/EFD1-DRAIII/ 16 /2019-20 dated April 30, 2019 has issued the following directions.

National Stock Exchange Ltd. (NSE) (PAN : AAACN1797L) (Noticee No.1)

- a) Noticee no. 1 is directed to deposit a sum of Rs. 62.58 Crores as determined in the aforementioned SEBI Order along with interest calculated at the rate of 12% p.a. from September 11, 2015 till the actual date of payment, to IPEF of SEBI within 45 days from the date of this order.
- b) The Noticee no.1, on completion of every six months (by June 30th and December 31st) for the next three years, shall get its network architecture and infrastructure in its Colo facility and its linkages to the trading infrastructure audited by an independent CISA/CISM qualified and CERT-IN empanelled auditor. The deficiencies/shortcomings observed therein and the corrective steps taken thereon, with the comments of the MD and CEO of the Noticee No.1 shall be submitted to SEBI after obtaining approval of its Governing Board within 60 days from June 30th and December 31st of the year starting from June 30, 2019.
- c) Noticee No.1 is directed to prepare a comprehensive documented policy which shall, inter alia, include Guidelines, Standard Operating Procedures and Protocols with respect to its Colo facility including the eligibility criteria for Telecom Service Providers, the norms to be observed by the Stock Brokers and other registered intermediaries. The said documented policy is directed to be issued to the market intermediaries under intimation to SEBI, within three months from the date of this order.
- d) Noticee No.1, is directed to submit to SEBI, a report duly certified by its MD and CEO and with the comments of its Governing Board certifying that the network architecture and connectivity at its Colo facility and its linkages to the trading infrastructure are in conformity with SEBI's regulatory norms to provide fair, equitable, transparent and non-discriminatory treatment to all the market intermediaries registered with the Noticee No. 1. Such report shall be submitted within 30 days after every six months (ending on June 30th and December 31st) for the next three years. First such report shall be filed for the six months ending on June 30, 2019, by July 31, 2019 based on the existing system and practices, pending compliances to directions issued at b) and c) above.
- e) The Noticee no. 1 is directed not to introduce any new derivative product for next six months from the date of this order .

Ms. Chitra Ramakrishna, MD and CEO of NSE (PAN : ABVPR7353M) (Noticee No.3)

- f) Noticee No. 3 is directed that she shall not hold any position either directly or indirectly in the

management and/or the Board of or be associated, directly or indirectly, with any Stock Exchange, Clearing Corporation, Depository recognized or registered by SEBI and/or any intermediary registered with SEBI or any of their related entities, for a period of 3 years. Further, Noticee No. 3 shall also not hold any position either directly or indirectly in or be associated, directly or indirectly, with a company listed in any of the stock exchanges recognized by SEBI for a period of 3 years.

Mr. Subramanian Anand, Group Operating Officer (GOO) & Advisor to MD of NSE (PAN : AARPA8290K) (Noticee No.4)

- g) Noticee No. 4 is directed that she shall not hold any position either directly or indirectly in the management and/or the Board of or be associated, directly or indirectly, with any Stock Exchange, Clearing Corporation, Depository recognized or registered by SEBI and/or any intermediary registered with SEBI or any of their related entities, for a period of 3 years. Further, Noticee No. 4 shall also not hold any position either directly or indirectly in or be associated, directly or indirectly, with a company listed in any of the stock exchanges recognized by SEBI for a period of 3 years.

Mr. Ravi Varanasi, Head of Business Development Function (PAN: AACPV0930C) (Noticee No.5)

- h) Noticee No. 5 shall not hold any position, either directly or indirectly in or be associated, directly or indirectly, with any Stock Exchange, Clearing Corporation, Depository recognized or registered by SEBI and/or in any intermediary registered with SEBI or any of their related entities, for a period of 2 years. Further, Noticee No. 5 shall also not hold any position either directly or indirectly in or be associated, directly or indirectly, with a company listed in any of the stock exchanges recognized by SEBI for a period of 3 years.

Mr. Nagendra Kumar SRVS (NSE–Head of Membership Department) (PAN: AACPN7675E) (Noticee No.6)

- i) Noticee No. 6 shall not hold any position, either directly or indirectly in or be associated, directly or indirectly, with any Stock Exchange, Clearing Corporation, Depository recognized or registered by SEBI and/or in any intermediary registered with SEBI or any of their related entities, for a period of 2 years.

Mr. Deviprasad Singh (Head of Colo Support - NSE) (PAN : AAZPS9535R) (Noticee No.7)

- j) Noticee No. 7 shall not hold any position, either directly or indirectly in or be associated, directly or indirectly, with any Stock Exchange, Clearing Corporation, Depository recognized or registered by SEBI and/or in any intermediary registered with SEBI or any of their related entities, for a period of 2 years.

Way2Wealth Brokers Private Limited (PAN : AAACW3290M) (Noticee No.8)

- k) Noticee no. 8 is directed to deposit a sum of Rs. 15.34 Crores along with interest calculated at the rate of 12% p.a. from September 10, 2015 till the actual date of payment, to IPEF of SEBI within 45 days from the date of this order.
- l) Notice No. 8 is hereby directed not to accept / induct / enroll any new client for a period of 1 year from the date of this order. Further, Noticee No.8 shall not undertake any trades on any stock exchange recognized by SEBI on proprietary account for a period of 2 years.

Mr. M R Shashibhushan, CEO of Way2Weath (PAN : ABDPB4470B) (Noticee No.9)

- m) Noticee No. 9 shall not hold any position, either directly or indirectly, in or be associated, directly or indirectly, with any Stock Exchange, Clearing Corporation, Depository recognized or registered by SEBI and/or in any intermediary registered with SEBI or any of their related entities, for a period of 2 years.

GKN Securities (PAN : AAHFG6629C) (Noticee No.12)

- n) Noticee no. 12 is directed to deposit a sum of Rs 4.9 Crores along with interest calculated at the rate of 12% p.a. from September 11, 2015 till the actual date of payment, to IPEF of SEBI within 45 days from the date of this order.
- o) Notice No. 12 is hereby directed not to accept / induct / enroll any new client for a period of 1 year from the date of this order. Further, Noticee No.12 shall not undertake any trades on any stock exchange recognized by SEBI on proprietary account for a period of 2 year.

Sonali Gupta (PAN : AAEP1340F) , Om Prakash Gupta (PAN : AAHPG3048B) and Rahul Gupta (PAN: AAHPG6987B), Partners of GKN Securities (Noticee No.13, Noticee No.14 and Noticee No. 15)

- p) Noticee No. 13, Noticee No. 14 and Noticee No. 15 shall not hold any position, either directly or indirectly, in or be associated, directly or indirectly, with any Stock Exchange, Clearing Corporation, Depository recognized or registered by SEBI and/or in any intermediary registered with SEBI for a period of 2 years.

Sampark Infotainment Private Limited(Sampark) (PAN: AAMCS0946C) (Noticee No.16) and Mr. Prashanth D'souza, CEO of Sampark (PAN : AHUPD1548H) (Noticee No.17)

- q) Notice No. 16 and Noticee No. 17 are hereby directed not to offer, directly or indirectly, any new telecom services in any manner to any of the Stock Exchange, Clearing Corporation, Depository recognized or registered by SEBI and/or any intermediary registered with SEBI or their related entities, for a period of 2 years.
- r) Noticee No. 17 is hereby directed not to be associated with any telecom service provider, in any manner, providing services to any of the Stock Exchange, Clearing Corporation, Depository recognized or registered by SEBI and/or any intermediary registered with SEBI, or their related entities, for a period of 2 years.
- s) Amounts directed to be deposited as mentioned at para no. a), k) & n) above, shall be deposited either by way of demand draft drawn in favour of "Securities and Exchange Board of India", payable at Mumbai or by e-payment to SEBI account as detailed in the SEBI Order.

Members of the Exchange are advised to take note of the full text of the order available on SEBI's website [www.sebi.gov.in] and ensure compliance.

**For and on behalf of
Metropolitan Stock Exchange of India Limited**

Prachi Lendhe
Assistant Vice President