

BEFORE DISCIPLINARY ACTION COMMITTEE
METROPOLITAN STOCK EXCHANGE OF INDIA LTD.
(Formerly known as MCX Stock Exchange Ltd.)

ORDER UNDER RULES 1 & 2 OF THE RULES OF METROPOLITAN STOCK EXCHANGE
OF INDIA LTD. AGAINST AIMCO FINEX LTD (MEMBER ID 12560)

BACKGROUND AND FACTS

- 1.1. Aimco Finex Ltd ("Aimco" or the "Member") (Member ID 12560) is a member of the Metropolitan Stock Exchange of India Ltd. ("the Exchange"). Details of its membership are reproduced in the tabulation below:

Sr No	Segment	SEBI Registration No	SEBI Registration Date	Active/ Non - Active
1	Currency Derivatives	INE261468335	March 20, 2013	Non-Active
2	Equity	INB261468335	March 19, 2013	Non-Active
3	Future & Options	INF261468335	March 19, 2013	Non-Active

- 1.2. SEBI in its inspection report of the Exchange (forwarded vide letter no. MRD/DMS/23/2012 dated January 2, 2012) has commented that the Exchange should ascertain that inactive brokers (not activated for trading) are not carrying out any other business in violation of Rule 8 (1) (f) & 8 (3) (f) of SCRR. SEBI vide letter dated MRD/DMS/4696/2012 dated February 24, 2012, further advised the Exchange to have alternative effective system, such as, conducting surprise inspections etc., to ensure

compliance of the regulations. The Exchange therefore, in accordance with Regulation 16.1 of the Currency Derivatives Segment, selected the Member for inspection in the financial year 2014-15.

- 1.3. The Member was issued a notice vide Exchange letter ref. no. MCX-SX/INS/RE/01/1317/14-15/7293 dated July 15, 2014 ("Inspection Notice"). The said notice informed the Member that the Exchange had scheduled an inspection of its books of accounts and that the same shall commence on or after July 29, 2014. The Member was also requested to provide the information / details/ documents mentioned in the Inspection Data Requisition (IDR) at the time of inspection. The notice was dispatched via First Flight Courier to the following address as provided by the Member to the Exchange:

4, Govt Place (North), 4th Floor, Delta House, Kolkata – 700001

- 1.4. From the records of the Courier Company, it was observed that the courier was delivered on July 16, 2014 at the above mentioned address (Registered Address) at 2.30 p.m. A copy of the notice was also sent to the email id available with the Exchange i.e. emankalyan@aimco.org.in. However, there was no response from the Member.
- 1.5. Subsequently, the Inspection Authorities visited the Member at its Registered Address on August 12, 2014. To the surprise of the Authorities, the office of Aimco was not found on the said premises. It was understood from the Liftman that Aimco had shifted its office. Repeated attempts to call the Member on the landline telephone numbers as well as on the mobile numbers (available with the Exchange) yielded no results.
- 1.6. The Exchange then addressed a letter no. MCX-SX/INSP-14-15/RE/01/1317/8531 dated August 14, 2014 to the Member, recording the events that transpired on August 12, 2014. The Member was further informed of the fact that the inspection was to be conducted as per SEBI's advice and that the Exchange selects such non-activated

members each year in order to comply with the said directive. The letter further informed the Member that once selected, the members are inspected to verify whether they are into any business other than securities and also whether the Member conforms to the basic criteria required for continued membership i.e. whether the Member maintains a net worth of Rs. 1 crore at any given point of time. The Member was also informed that the findings, if any, are then shared with SEBI. The Exchange further enlisted the Regulatory provisions which empower it to conduct an inspection and thus informed the Member that it was aware that the Member had not activated its trading terminals on the Exchange and has never traded on the Exchange, but due to the enlisted reasons, the Member was requested to provide date of inspection and IDR along with relevant supporting documents latest by August 22, 2014. The letter clearly indicated that in case of non-compliance with the requirements, the Exchange shall be constrained to initiate action in accordance with Rules 1 & 2 and other applicable provisions of Chapter V of the Rules of the Exchange. To ensure that the letter reached the correct person(s), the said letter was also sent on the residential addresses of all the Designated Directors as mentioned below:

Mr Eman Kayan Ghosh Director Aimco FInex Limited Baikunthpur Triveni Hooghly 712503 Mobile : 8420056230 Email: emankalyan@aimco.org.in	Mr. Goutom Majumder Director Aimco FInex Limited 22/5B, Verner Lane Belgharia Kolkata 700056
Mr Dev Dutta Director Aimco FInex Limited LP-207/65/2/10/6	Dhrub Kumar Seth Director Aimco FInex Limited 30/3-B-Mallick Lane

Malancha Housing Complex Dhalua, North Kolkata – 700094	Howrah – 711101
Mr Sukumar Goswami Director Aimco FInex Limited Amodghata Mogra, Hooghly 712148	Mr Ashim Kumar Mishra Director Aimco FInex Limited G N Mukerjee Road Majher Sarak Bansberi, Hooghly 712502

- 1.7. In response to this letter, one of the Directors (as per Exchange records) Mr. Goutom Majumder, vide letter dated September 1, 2014 (received by the Exchange on September 8, 2014) acknowledged receipt of the letter issued by the Exchange and stated that he had resigned vide letter dated January 30, 2012 from the directorship of Aimco on with effect from February 1, 2012 due to which he was undone to do anything with regard to the requirements of the Exchange.
- 1.8. Since no reply was received by the Exchange from any other Director, a reminder letter no. MCX-SX/INSP-14-15/RE/01/1317/9570 dated October 13, 2014 was sent to the Member on all its registered communication addresses giving time till October 31, 2014 to comply with the requirements of the Exchange. A copy of said letter was also sent on the aforementioned residential addresses of the Directors. The said letter was received by one of the directors Mr. Dhruv Kumar Seth on October 16, 2014 at 10.30 a.m. However the letter sent on the registered address of the Member was returned with the remark 'shifted'. There was also no communication from the Member or any of its Directors.
- 1.9. In light of the fact that the Member had failed to extend co-operation to the Inspection Authorities as also the fact that the Member had shifted its address and was not reachable, the Exchange decided to refer the matter to the Disciplinary Action Committee ("the Committee") for further action in this regard.

1.10. Accordingly, the Member was issued a Show Cause Notice vide letter No. MCX-SX/INSP-14-15/RE/01/1317/878 dated February 20, 2015, wherein the Exchange set out the chronology of events that accrued right from the date of issuance of Inspection Notice, and also highlighted the following instances of regulatory non-compliance by the Member:

- a. The Member by not co-operating with the Inspection Authorities /not intimating the Exchange, its place of inspection/ not furnishing required documents, had contravened Regulation 15.1.14 and Regulation 4.2.1 (d) of the Regulations of the CD Segment of the Exchange as well as Bye Law 2(h) of Chapter VI of the Bye Laws of the Exchange.
- b. The Member had not submitted its annual accounts to the Exchange since March 31, 2009 due to which it could not be verified whether the Member had complied with the requirements of Rule 8(i)(f) & 8(iii)(f) of SCRR and had also contravened Regulation 15.2 of the Regulations of the CD Segment which requires a Member to prepare, maintain and submit to the Exchange, annual accounts for each financial year, not later than 6 months after the end of the Trading Member's financial year.
- c. The Member had not submitted Net worth Certificate since September 30, 2009: Due to this it could not be verified whether the Member had maintained the prescribed limit of Rs. 1 crore. Non-maintenance of Net worth as per the prescribed limit is in violation of Regulation 16L of SEBI Stock Broker and Sub-Broker Regulations, 1992 as well as Rule 32 of Chapter III of the Rules of the Exchange and Exchange Circular No. MCX-SX/MEM/49/2009 dated January 13, 2009.
- d. The Member had not updated its information with the Exchange in contravention of Exchange Circular No. MCX-SX/MEM/1265/2013 dated June 20, 2013 (and all other circulars issued on a yearly basis on the subject), as well as SEBI Circular No.

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Cir/MIRSD/14/2011 dated August 2, 2011 which mandate the members to submit information to the Exchange on shareholding/ dominant promoter group and details and director details.

- 1.11. In light of the above factors as well as the fact that co-operation was not extended to the Inspection Authorities and that the basis and continuing membership requirement of the Exchange was not fulfilled, the Member, vide the said Show Cause Notice, was asked to show cause as to why disciplinary action should not be taken against it in accordance with Rules 1& 2 and other applicable provisions of Chapter V of the Rules of the Exchange.
- 1.12. Accordingly, the Member was informed that the matter would be placed before the Committee in its next meeting and that it shall be informed of the same once the date and venue of the meeting was finalized so as to be given an opportunity to appear before the Committee and present its case. The member was also advised to submit its reply latest by February 27, 2015.
- 1.13. The Show Cause notice was sent on the Member's registered address and its copies were also marked to Directors (their residential address). However, it was later observed that, inadvertently, the copies were not dispatched on Directors' residential addresses. They were dispatched only on Member's office address. From the dispatch records, it was observed that the said Show Cause Notice was returned undelivered with a remark 'shifted' from the registered/communication address.
- 1.14. Thereafter, the Exchange issued hearing notice vide letter no. MCX-SX/INS/RE/07/2014-15/1317/987 dated February 27, 2015 to the Member which stated that the matter was being placed before the Committee in its meeting scheduled to be held on March 13, 2015 at 10:30 am. The Member was advised to appear in person before the Committee along with its representative(s) to present its case and submissions in respect of the observations entailed in the Show Cause Notice. It was informed to the Member that the Committee after considering the

Member's written reply and oral submissions, shall decide the action to be taken in the matter under Chapter V of the Rules of the Exchange.

1.15. The Hearing Notice was also sent on the Residential Address of the Directors. From the dispatch records, it was observed that out of the 7 addresses to which the hearing notice was sent, it was received by following two directors of the member at their residential addresses:

- a. Dhruv Kumar Seth – Director, Aimco Finex Limited, 30/3-B-Mallick Lane, Howrah – 711101 (Received on March 2, 2015 at 12 PM by D. Sheth)
- b. Mr Ashim Kumar Mishra – Director, Aimco Finex Limited, G N Mukerjee Road, Majher Sarak, Bansberi, Hooghly 712502 (Received on March 2, 2015 at 2.30 PM by S. Misra)

1.16. Accordingly, the matter was placed before the Committee in its meeting held on March 13, 2015. Though the hearing notice was received by two Directors viz., Dhruv Kumar Seth and Mr Ashim Kumar Mishra, the Member neither appeared before the Committee nor sent any communication to the Exchange.

Committee's Meeting on March 13, 2015:

1.17. During the meeting held on March 13, 2015, the following facts and records were considered by the Committee:

- a. The member did not comply with various Rules/Regulations/Bye-laws of the Exchange/SEBI, including the following:
 - i. Regulation 15.1.14 of the Regulations of the Exchange requires Members to intimate to the Exchange the place where these records are kept and available for audit/inspection.
 - ii. Regulation 4.2.1 (d) of the Regulations of the Exchange, requires Members to maintain various records and books of accounts and make available for inspection by any person authorised in this behalf by the Exchange, the

information related to such Trading Member's financial condition as specified by the Exchange for this purpose.

- iii. Bye-Law 2(h) of Chapter VI of the Bye-laws of the Exchange, requires Members to extend full co-operation and furnish such information and explanation as may be required for the purpose of any inspection or audit authorised by the relevant authority or other authorised official of the Stock Exchange, into or in regard to any trades, dealings, their settlement, accounting and/or other related matters.
- iv. Regulation 15.2 of the Regulations of the Exchange specifies that the Member shall prepare, maintain and submit to the Exchange, annual accounts for each financial year, not later than six months after the end of the Trading Members financial year.
- v. Exchange circulars no. MCX-SX/MEM/1265 /2013 dated June 20, 2013, no. MCX-SX/MEM/2010/2014 dated June 26, 2014 and SEBI circular no. Cir/MIRSD/14/2011 dated August 2, 2011 mandate the members to submit information to the Exchange on shareholding /dominant promoter group and details and director details.
- b. Even after repeated follow-ups, the Member neither allowed the Exchange to conduct inspection nor submitted any documents for verification.
- c. The Committee noted that the Exchange has followed up with the Member on numerous occasions and has given multiple opportunities for presenting their case in person before the Committee.
- d. However, though all the letters sent on Directors' residence addresses were received by at least one director, inadvertently the Show Cause Notice was not received by them and which may have deprived them of the opportunity to put forth their submissions. This may hinder the process of applying the principle of natural justice in dealing with the member.

- 1.18. In view of the above facts the Committee decided that the Member and its directors may be given one more opportunity. The Committee directed the Exchange to
- a. Re-send the Show Cause notice on Member's registered / communication office addresses and also send copies of the same on Directors' residential addresses
 - b. Re-place the case in the next meeting of the Committee
 - c. Provide another opportunity to the Member / its Directors to appear before the Committee to present their case in the next meeting

1.19. As advised by the Committee, the Exchange re-sent the Show Cause Notice on the Member's Registered Addresses and copies of the same were also sent on Directors' residential addresses vide letter no. MSXI/INSP-14-15/RE01/1317/1454 dated March 25, 2015 advising the member submit its reply by April 1, 2015. This letter also reproduced the observations and consideration of the Committee in the meeting dated March 13, 2015.

1.20. However, there was still no response from the Member, due to which the following reminders were sent:

Sr No	Reminder Letter no. and date	Time granted to submit the data/reply
1	MSXI/INSP-14-15/RE01/1317/1649 dated April 9, 2015	April 15, 2015
2	MSXI/INSP-14-15/RE01/1317/1709 dated April 16, 2015	April 23, 2015
3	MSXI/INSP-14-15/RE01/1317/1887 dated April 24, 2015	May 1, 2015

These reminders again went unanswered.

1.21. In light of the fact that the Member ignored this communication too, and did not extend co-operation to the Exchange, the matter was decided to be placed in the next meeting of the Committee which was scheduled to be held on May 29, 2015. The member was informed of the same vide letter no. MSXI/INSP-14-15/RE01/1317/1649 dated April 9, 2015 dated May 22, 2015 dated February 27, 2015 and offered personal

hearing before the Committee to present its case. This letter too was sent on member's addresses as well as residential addresses of all the directors. However, there was still no response from the member.

- 1.22. Accordingly, during the meeting held on May 29, 2015, the Committee considered the fact that the Member was given ample time and opportunity to submit the required information and therefore assessed the merits of the matter based on the available records and arrived at the conclusion recorded herein.

CONSIDERATION AND FINDINGS

- 1.23. The Committee has examined the documents and recommendations available on record. It has been alleged that the Member did not extend co-operation to the Inspection Authorities as well as the Exchange further to issuance of the Inspection Notice. It has further been alleged that the Member did not provide the data required to verify compliance with the Rules/ Regulations and Bye-Laws and various circulars issued by the Exchange as well as SEBI. It was therefore recommended that the Member was liable to be penalized for contravention of Rules 1 & 2 of Chapter V of the Rules of the Exchange. In light of the factors, the Committee shall now consider the following contraventions which were placed before it in the meeting held on May 29, 2015:

- a. Not extending co-operation to the Inspection Authority for conducting inspection
- b. Non- Submission of Annual Accounts
- c. Non- Submission of Net worth Certificate
- d. Non- Submission of information on shareholding/ dominant promoter group and details and director details.

1.24. The alleged contraventions have been considered by the Committee based on the available records, particularly, the observations and recommendations of the Inspection Report as well as the Exchange.

I. CONTRAVENTION: NON-COOPERATION WITH INSPECTION AUTHORITIES:

- 1.25. The first contravention before the Committee for consideration is that the Member did not co-operate with the Inspection Authorities further to issuance of the Inspection Notice. In this regard, the Committee notes that the Rules/ Regulations and Bye-Laws of the Exchange require that a member allow and co-operate with the Inspection Authority at the time of inspection. One aspect of such co-operation is timely provision of information and documents as required and requested by the Inspection Authority.
- 1.26. The Committee notes that Chapter 16 of the Regulations of the CD Segment of the Exchange relate to the process and requirements of Inspection. The relevant provisions of this Chapter are as follows:
- a. Regulation 16.1.1 states that the Exchange may appoint an Inspection Authority to undertake inspection of the books of accounts, other records and documents of the Trading Members for any of the specified purposes.
 - b. Additionally, Regulation 16.3 defines the obligations of a Trading Member on Inspection, wherein it is specifically stated that it is the duty of every director, officer and employee of the Trading Member who is being inspected, to produce such books, records and other documents and furnish the same within such time as the inspection authority may require.
 - c. Regulation 16.3.2 also requires a Trading Member to allow the inspecting authority to have reasonable access to the premises occupied by him or by any other person on his behalf and also extend reasonable facilities for examining any books, records, documents and computerized data in his

possession or any other person and also provide copies of documents or materials which in the opinion of the Inspecting Authority are relevant.

d. Regulation 16.3.4 further states that it shall be the duty of every director, officer, employee or associate of the Trading Member to give to the inspecting authority all assistance in connection with the inspection.

1.27. The Committee further notes that Bye-Law 2(h) of Chapter VI of the Bye-laws of the Exchange, requires Members to extend full co-operation and furnish such information and explanation as may be required for the purpose of any inspection or audit authorized by the relevant authority or other authorized official of the Stock Exchange, into or in regard to any trades, dealings, their settlement, accounting and/or other related matters.

FINDINGS:

1.28. In the present case, the Committee notes that the subject inspection was to be undertaken as per the directive issued by SEBI so as to confirm whether the Member was in compliance with Rules 8(i)(f) & 8(iii)(f) of Securities Contract Regulation Rules. These rules mandate that a broker/ a trading member should not involve itself in any business other than that of securities. It is further noted that an inspection notice to that effect was issued on July 15, 2014 in accordance with the requirements of Regulation 16.1. The records obtained from the courier company indicate that the notice was delivered on July 16, 2014 at the Registered Address of the Member. Additionally, the Committee notes that the Member was also issued notice vide email on the email id registered with the Exchange.

1.29. The Committee also notes that despite the fact that the Member was informed of the scheduled date for inspection in advance, the Member did not find it necessary to communicate to the Inspection Authorities that it had shifted its Registered Address. Additionally, it is observed when the Inspection Authorities visited the Registered Address on the scheduled date, the office of Aimco was not found on the said

premises. It is understood that the Inspection Authorities had to enquire about the status of the company premises from the Liftman. The Committee also notes that communication was issued to the Member at its Registered Address as well as the Residential Addresses of all its Directors.

1.30. As noted from the sequence of events elaborated in the previous section, the Inspection Authorities as well as the Exchange have constantly attempted to reach the concerned persons in order to conduct the inspection. However, there has been no co-operation whatsoever from the Member. On the other hand, it is observed that the Member has simply ignored all communication by the Inspection Authorities and the Exchange.

1.31. The Committee notes that further to issuance of the Inspection Notice, the Member was given more than ample opportunity to extend its co-operation. However, it is noted that the Member has blatantly disregarded the requirements of the aforesaid Bye Laws and Regulations. The fact that the Member has not extended even the slightest inclination to the Inspection Authorities in respect of the proposed Inspection highlights its indifference to procedural and statutory protocol. The Committee noted that the Exchange has followed up with the member on numerous occasions and the member was given due opportunities for presenting its case in person multiple times before the Committee. It is also evident that the principle of natural justice was aptly followed by the Exchange in its approach. The Committee is of the view that such acts of willful neglect have to be viewed seriously as the Exchange is prevented from discharging its own statutory obligations. This contravention thereby stands established and the Member is liable to be penalized accordingly.

II. CONTRAVENTION: NON- SUBMISSION OF ANNUAL RETURNS

- 1.32. The next contravention for consideration before the Committee pertains to Non-Submission of Annual Returns by the Member to the Exchange. The Committee notes that as per Regulation 15.2, every Trading Member is required to prepare annual accounts for each financial year ending on March 31st or such other date as advised to the CD Segment of the Exchange. Additionally, as per Regulation 15.2.3, each Trading Member is required to furnish its audited financial statement to the Exchange no later than 6 months after the end of the Trading Member's financial year.
- 1.33. Also, Regulation 4.2.1(d) of the Regulations of the CD Segment of the Exchange requires a Member to maintain such records and make available for inspection by any person authorized in this behalf by the CD Segment of the Exchange, the information related to such Member's financial condition as specified by the CD Segment of the Exchange for this purpose.
- 1.34. Over and above these requirements, the Exchange, vide its Circular Nos. MCX-SX/MEM/1265 /2013 dated June 20, 2013, and SEBI Circular No. Cir/MIRSD/14/2011 dated August 2, 2011 advised its Members to submit the following for the respective financial years:
- a. Audited Financial Statements for financial year
 - b. Networth Certificate & Computation of Networth as on March 31 of that year
 - c. Undertaking regarding status of details mentioned in (d) to (h)
 - d. Details of Directors/ Partners/ Proprietor
 - e. Shareholding Pattern/ Partnership Pattern
 - f. Details of Dominant Promoter Group/ Dominant Group of Partnership Firms
 - g. Contact Details
 - h. Details regarding Membership of other Stock Exchanges

1.35. The Exchange Circulars also required Members to submit an undertaking in the specified format as to the status of changes, such as change in directors, shareholding etc. if any, from the filings of the previous year as given in (c) above. Also, the Circulars specifically stated that non-submission of any of the documents forming part of the Annual Return and submission of documents not in the prescribed formats would be construed as non-submission of Annual Return.

FINDINGS:

- 1.36. In the present case, the Committee notes that the Member has failed to submit any of the documents entailed in the Circulars. The Member in failing to submit these documents has further violated the requirements of the Rules and Regulations of the Exchange. However, the Committee has particularly noted the following instances, and shall analyze each in detail, as below:
- 1.37. Non-submission of Networth Certificate: As per the prescribed Circular, the Member is required to submit a Networth Certificate. In this regard, the Committee also notes that Rule 32 of Chapter III of the Rules of the Exchange states that the Relevant Authority shall from time to time prescribe conditions and requirements for continued admittance to trading membership which may, inter alia include maintenance of minimum net worth and capital adequacy, renewal or certification etc. In respect of this rule, the Committee further notes that Exchange Circular No. MCX-SX/MEM/49/2009 dated January 13, 2009 as well as Regulation 16L of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 state that a Member is required to maintain a minimum net worth of Rs. 1 crore. However, as the Member did not submit its certificate of net worth, there was absolutely no way of knowing whether the Member had maintained this minimum net worth. The Committee further notes that Circular No. MCX-SX/MEM/1265 /2013 dated June 20, 2013, state that members who have not submitted the Networth Certificate or those who have submitted network certificate which is not as per the format prescribed by the Exchange, the

same shall be treated equivalent to shortfall in networth of more than 50% and prescribed action would be initiated accordingly.

- 1.38. **Non- Submission of Audited Financial Statements for financial year:** In addition to the aforesaid, the Committee notes that Regulation 15.1.14 of the Regulations of the Exchange requires Members to intimate to the Exchange the place where financial records are kept and available for audit/inspection. It is noted that the Member did not submit its annual accounts since March 2013 and did not make the same available for inspection. Though the Member was asked to rectify this contravention vide the Show Cause Notice, there was no response and thereby no rectification to that effect. The Committee notes that the Member, in this case too, was given sufficient and ample opportunity to rectify the defect.
- 1.39. **Change in Directors:** After the visit to the so-called Registered Address of the Member, the Exchange decided to give the benefit of doubt to the Member and issued communication dated August 14, 2014 to the personal address of the Member's Directors. It was then that the Exchange was informed that Mr. Goutam Majumder was no longer a Director of the Member. The Committee is of the view that the requirements of the aforesaid circulars have been violated in this regard too and that the same may be considered as contravention for the purpose of initiating action.
- 1.40. **Change in Contact Details:** Further to issuance of the Inspection Report, at the time of visit to the Registered Address, it is noted that the Inspection Authorities were informed that the premises of the Member had changed. The Committee is of the view that the Member failed to update the details in respect of this fact too, due to which there has been contravention of the aforesaid circulars yet again.
- 1.41. It is pertinent to highlight that these contraventions are in addition to the contravention established in the previous section, as this stems from non-compliance with a standing mandate. The Member was aware of the above requirements much prior to issuance of the Inspection Notice and the Show Cause Notice. The fact that

the Member has not submitted the annual returns is sufficient to establish contravention of the aforesaid regulations. The fact that the Member did not endeavor to right the wrong for approximately 3 years is indicative of its indifference to statutory requirements. The Committee is therefore of the view that serious action may be taken against the Member as contravention in respect of non-submission of Annual Returns stands established. This contravention may be read in sync with the contravention above as the Member did not submit this information after receipt of Inspection Notice either. Prescribed action may be initiated against the Member.

ORDER

- 1.42. Having considered the facts of the case, as elaborated upon above and having established contravention by the Member, the Committee is of the view that the Member is liable to be penalized in accordance with Rules 1 & 2 of Chapter V of the Rules of the Exchange. The Committee has particularly considered the fact that the Member is not active and has blatantly disregarded the requests for Inspection from the Exchange. The fact that the requests of the Inspection Authorities were ignored and the Member did not show any hint of inclination towards co-operating with the Authorities cannot be taken lightly by the Committee. The conduct of the Member requires to be severely reprimanded so as to discourage Trading Members from following suit. Additionally, the Committee is of the view that the Member has to be prevented from taking advantage of the leniency afforded to it.
- 1.43. After considering all the facts and circumstances of the case, it is hereby directed that the Member viz., Aimco Finex Ltd, be suspended from the membership of the Exchange with immediate effect. The suspension shall be valid till the time the

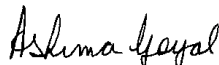
Member approaches the Exchange with the intention to co-operate with the Inspection Authorities for the period defined in the Inspection Notice and makes all the relevant submissions.

1.44. Aimco Finex may approach the suitable forum in case it is aggrieved by this order.

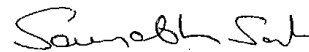
Dated on 18 day of August, 2015.



Thomas Mathew T.



Prof. Ashima Goyal



Saurabh Sarkar

