

Actions Taken by SEBI or any regulatory authority and Corrective measures adopted

ENTITY	PERSON	COMPETENT AUTHORITY	REGULATORY CHARGES	REGULATORY ACTION(S) / DATE OF ORDER	FURTHER DEVELOPMENTS	CORRECTIVE MEASURES ADOPTED	Remarks
ANAND RATHI FINANCIAL SERVICES LTD. (Old Name : ANAND RATHI SECURITIES LTD.) (Old Name : ANAND RATHI & CO.) (Old Name : ANAND K.RATHI) (Member : BSE)		SEBI	DEFICIENCIES IN MEMBER-CLIENT AGREEMENTS DID NOT DELIVER SECURITIES TO CLIENTS IN TIME DISCREPANCIES IN PROCESSING OF DELIVERY INSTRUCTION SLIP DEFAULTED IN DELIVERY OF CONTRACT NOTES IN RESPECT OF BOUNCED ELECTRONIC CONTRACT NOTES	IMPOSED PENALTY RS.5,00,000 <u>30-NOV-2011</u>		We have rectified all the deficiencies observed by SEBI. The rectified member-client agreement is enclosed herewith for your reference. We have taken the cognize of the said discrepancies and adopted the strict compliance in respect thereof. We are following up the requirements of Maker & Checker as prescribed and henceforth we would be vigilant and cautious as well. We are taking due care to send physical contract notes wherever mails are bounced and we have centralized system of delivery of contract notes from Head Office,	We have Paid the Penalty amount to SEBI.

			DID NOT HAVE ADEQUATE SYSTEM IN PLACE TO CHECK RECEIPT OF THIRD PARTY CHEQUES			<p>where if any email is bounce back, we ensure the delivery of the physical contract notes vide our head office.</p> <p>We have introduced a system, whereby client details relating to his various banks and account number will be captured in the client master (after due verification) and the system will allow to accept cheque(s) from the respective client from those banks only of which he has already provided the details. In an exception event, if client submits a cheque from another bank which is not updated in our system, then the concerned branch manager will determine that the submitted cheque pertains to client's bank only and will retain a copy of proof so determined, for record purpose.</p>	
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<p>ANAND RATHI FINANCIAL SERVICES LTD.</p> <p>(Old Name : ANAND RATHI SECURITIES LTD.)</p> <p>(Old Name : ANAND RATHI & CO.)</p> <p>(Old Name : ANAND K.RATHI)</p> <p>(Member : NSE)</p>		SEBI	<p>PERMITTED TRADING TERMINALS AT UNAUTHORISED LOCATIONS</p> <p>ALLOWED TERMINAL TO UNAUTHORISED USERS</p> <p>DEALT WITH UN- REGISTERED BROKERS</p>	<p>IMPOSED PENALTY RS.6,00,000</p> <p><u>07-FEB-2011</u></p>		<p>We are not allocating any terminals to any dealer without NCFM certification, Terminal ids to sub brokers without NCFM certification, without being allotted SEBI registration</p>	<p>We have Paid the Penalty amount to SEBI.</p>
			<p>DID NOT MAINTAIN INTEGRITY, PROMPTITUDE & FAIRNESS, DID NOT EXERCISE DUE SKILL, CARE & DILIGENCE AND DID NOT COMPLY WITH STATUTORY REQUIREMENTS VIOLATING REGULATION 7 READ WITH CLAUSES A(1),A (2) AND A(5) OF CODE OF CONDUCT FOR SUB-BROKERS UNDER SCHEDULE II OF SEBI (STOCK BROKERS AND SUB BROKERS) REGULATIONS, 1992</p>			<p>As per the direction of the SEBI, We have paid the penalty in the said matter and also terminated the sub-broker ship of the defaulting entity.</p>	
<p>ANAND RATHI SHARE & STOCK BROKERS LTD.</p> <p>(Old Name : NAVRATAN CAPITAL & SECURITIES PVT.LTD.)</p>		SEBI	<p>DID NOT COMPLY WITH "KNOW YOUR CLIENT" NORMS</p> <p>DEFICIENCIES IN CLIENT DATABASE</p> <p>VIOLATED CODE OF CONDUCT AS PRESCRIBED UNDER STOCK BROKER</p>	<p>IMPOSED PENALTY RS.1,00,000</p> <p><u>04-MAY-2009</u></p>		<p>We have adopted a new account opening policy to ensure a strict compliance with the KYC norms and clear deficiencies observed in the client database.</p> <p>We have adhered</p>	<p>We have Paid the Penalty amount to SEBI.</p>

(Member : BSE)			<p>REGULATIONS</p> <p>ILLEGALLY CHARGED CUSTODY CHARGES FROM CLIENTS</p> <p>DIRECTOR OF STOCK BROKING FIRM ACTED AS SUB BROKER OF HIS OWN FIRM THROUGH HIS CORPORATE ENTITY</p>			<p>to the code of conduct as prescribed under stock broker regulations and improvised the business operations as per SEBI guidelines.</p> <p>The charges were levied to one of the sub brokers and the same has been refunded.</p> <p>We have submitted application to surrender its sub-broker registration. Moreover, the sub broker was passive and all its clients were transferred to some other sub brokers.</p>	
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