

ANMI - BROKERS FORUM - CPAI NOW, LIVE UP TO YOUR PROMISE OF "IMMEDIATE DISCIPLINARY ACTION"

Brokers need to come clean on Genuineness, Entitlement and Correctness of complete KYC for 13,000 Trading Clients, both funded and non funded.

Brokers are not extending co-operation for sharing complete KYC details of their Trading Clients despite 4 circulars by NSEL, including one circular under the instructions from Hon'ble High Court Committee (HCC). NSEL has received details from merely 1,938 Trading Clients, representing just 16% of the total Trading Clients in response to the complete KYC sought. We request Brokers' Associations to instruct their members to comply and furnish complete KYC.

NSEL faced similar experience when complete KYC details were demanded for Rs. 179 crs disbursed as a part of the special payout. Several Brokers have failed to submit KYC details of even one Trading Client, which includes brokers like Motilal Oswal Commodities Broking Pvt Ltd, Nirmal Bang Commodities Pvt Ltd, Geojit Comtrade Ltd, amongst others.

WHY ARE BROKER ASSOCIATIONS TURNING A BLIND EYE TO SUCH COMPLAINTS?

Sample complaint of one Trading Client against brokers alleging creation of false ledger account, using time lag for client code modification

IN THE SPECIAL COURT OF MPID AT SESSIONS
COURT AT MUMBAI
Misl. Application No. 59 / 2015

KETAN ANIL SHAH
.....Complainant

Versus

Motilal Oswal Wealth Management Pvt. Ltd & 11 Ors.
..... Respondent



INDEX

| Sr. No. | Particulars | Pages |
|---------|-------------|-------|
| 1. | Roznama | |
| 2. | ... | |

"... This document clearly establishes that having already completed the transaction in his own account, he hived it off innocent, gullible investors like me, there by enriching himself to my financial detriment and loss. This document enunciates that the whole transaction was bogus and Mr. Motilal Oswal and Philip Capital as the brokers were the master mind in controlling and manipulating the exchange.

23. I say that to camouflage the whole episode of cheating, forgery and criminal breach of trust, the accused Motilal Oswal attempted to lend a false appearance of legitimacy by creating separate ledger accounts. Here to annexed and marked as Exhibit "I and J" are those ledger accounts. But even these ledger accounts are manipulated with the sole intention to defraud me, these. For example, accused Motilal Oswal created two ledger accounts in my name for the same period and in one account he has attempted to transfer the liability to NSEL showing a balance of zero, whereas for the same period the earlier ledger account showed a balance of crores of Rupees. In spite of my persistent queries to reconcile the two, the accused have failed and neglected to do so and in fact have been giving evasive answers to my persistent queries.

24. I say that during my personal inquiries after the scam broke out, I was shocked to learn that during the trades, an invoice no. 908, was issued to me by Motilal Oswal showing transactions worth Rs. 96691455/- out of which my share in the transactions was only 22629915/-. This is annexed and marked as Exhibit "K". This was contrary to my understandings/ arrangement with them as I had not given them any authority whatsoever to merge my trading with other parties. This leads to only one irresistible conclusion that accused had already conducted the trade and the document tendered to me was a post facto justification for the illegal act. Here to annexed and marked as Exhibit "L" is the copy of the said email communication dated 27/8/13. This document clearly establishes that having already completed the transaction in his own account, he hived it off to innocent, gullible investors like me, there by enriching himself to my financial detriment and loss. This document enunciates that the whole transaction was bogus and Mr. Motilal Oswal and Philip Capital as the brokers were the master mind in controlling and manipulating the exchange. Moreover the accused made me believe that the trades on NSEL, were investment arbitrage trades to be executed simultaneously. However it is found that accused brokers kept a gap of 15 minutes to 6 hours. In certain cases the sale has happened first and the purchase has been done later. A copy of the said time statements of both brokers is

KETAN SHAH in his affidavit to Special MPID Court has accused Motilal Oswal Wealth Management Pvt Ltd.

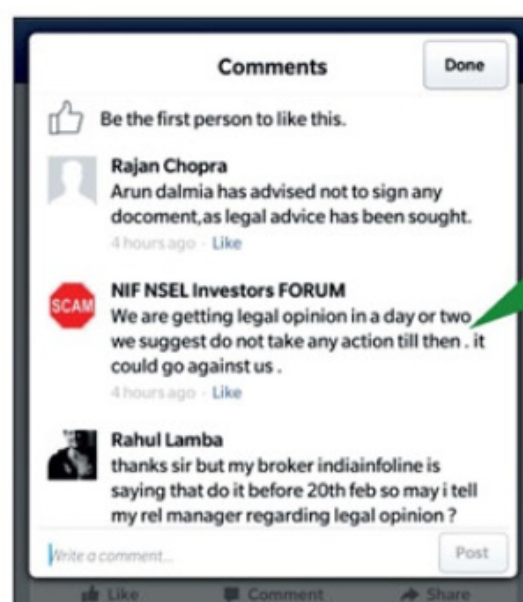
The affidavit reads : "For example, accused Motilal Oswal created two ledger accounts in my name for the same period and in one account he has attempted to transfer the liability to NSEL showing a balance of zero, whereas for the same period the earlier ledger account showed a balance of crores of Rupees."

"I say that during my personal inquiries after the scam broke out, I was shocked to learn that during the trades, an invoice no. 908, was issued to me by Motilal Oswal showing transactions worth Rs. 9,66,91,455/- out of which my share in the transactions was only Rs. 2,26,29,915/-"

Snapshot of social media where Broker Associations are misguiding Trading Clients (with respect to submitting KYC for circular under the instructions from HCC)



? If 13,000 Trading Clients really exist, then why is NIF populating this message. Are they protecting identity of benami clients?



? What could go against Broker Associations if they act transparently and partner to arrive at a resolution?

BROKERS: At least now, submit complete KYC and other details to NSEL and prove the authenticity of 13,000 Trading Clients

| NAME & ADDRESS | CLIENT CODE | CLIENT LEDGER | PAN | TRADING FUND OWNED/BROKER FUNDED* | SOURCE OF FUNDS | NAME OF BROKER | COMMODITY TRADED |
|----------------|-------------|---------------|-----|-----------------------------------|-----------------|----------------|------------------|
|----------------|-------------|---------------|-----|-----------------------------------|-----------------|----------------|------------------|

Select fields from KYC form.
*Funding through own, associate or recommended NBFC.

ASSOCIATIONS ARE REQUESTED NOT TO MISLEAD THE GOVERNMENT AND JOIN THE EFFORTS FOR RECOVERY FROM DEFAULTERS BECAUSE WE BELIEVE, TOGETHER WE CAN...