

SECURITIES AND EXCHANGE BOARD OF INDIA**ORDER**

Under Section 12(3) of Securities and Exchange Board of India Act, 1992 read with Regulation 27 of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008

In respect of –

Sr. No.	Name of the entity	SEBI Registration No.
1.	Dani Commodities Pvt. Ltd.	INZ000042036

in the matter of National Spot Exchange Limited

BACKGROUND

1. National Spot Exchange Limited (hereinafter referred to as 'NSEL') was incorporated in May 2005 with a purpose to develop an electronic Spot Exchange for trading in commodities. The Central Government under Section 27 of the Forward Contracts (Regulation) Act, 1952 (hereinafter referred to as "FCRA"), exempted all forward contracts of one-day duration for the sale and purchase of commodities traded on NSEL from operations of the provisions of FCRA vide a gazette notification dated June 05, 2007 (hereinafter referred to as 'Exemption Notification'). The said exemption was subjected to certain conditions which were mentioned in the aforesaid gazette notification. The conditions relevant for the purpose of the present proceedings are as follows:

- a. no short sale by the members of the exchange (NSEL) shall be allowed.
- b. all outstanding positions of the trades at the end of the day shall result in delivery.

- c. All information or returns relating to the trade as and when asked for shall be provided to the Central Government or its designated agency;

NSEL commenced its operations in October 2008.

2. In September 2009, NSEL introduced the concept of 'paired contracts' for trading which allowed buy and sell in same commodity through two different contracts at two different prices on the exchange platform wherein the investors could buy a short duration contract and sell a long duration contract and vice versa at the same time and at a pre-determined price. It was further noticed that trades for the Buy contract (T+2 / T+3) and the Sell contract (T+25/ T+36) used to happen on the NSEL platform on the same day at same time and at different prices, involving the same counterparties.
3. For the purpose of examination, Forward Markets Commission (hereinafter referred to as 'FMC') was appointed as 'Designated Agency' by Central Government vide notification dated February 06, 2012, by partially amending the Notification dated June 05, 2007, to collect all the information and returns relating to the trades executed on the spot exchanges including NSEL. FMC, on the basis of its analysis of the trade data collected from NSEL, observed that the trades executed through such 'paired contracts' were in violations of the conditions prescribed by Central Government vide the Exemption Notification. Accordingly, on the basis of such findings by FMC, Department of Consumer Affairs issued a letter dated July 12, 2013 thereby directing NSEL not to launch any further/fresh contracts until further instructions and to settle all existing contracts on their respective due dates. Subsequently, certain entities who were trading in the aforesaid 'paired contracts', defaulted in fulfilling their payment obligations leading to a huge settlement default of outstanding contracts to the tune of ₹ 5,600 Crores.
4. Vide Finance Act, 2015, FMC has been merged with Securities and Exchange Board of India (SEBI) with effect from September 28, 2015 and in pursuance

thereof, an intermediary could continue to buy, sell or deal in commodity derivatives as a commodity broker, if it had made an application for such registration to SEBI within a period of 3 months from the date of merger till the disposal of such application.

5. Dani Commodities Pvt. Ltd. (hereinafter referred to as 'the Noticee') was, *inter alia*, a member of NSEL and after the merger of FMC with SEBI, had applied for registration with SEBI. SEBI had granted certificate of registration on April 26, 2016 to the Noticee having registration number INZ000042036 as a commodities derivatives broker subject to the provisions of Securities and Exchange Board of India (Intermediaries) Regulations, 2008 (hereinafter referred to as 'Intermediaries Regulations, 2008').
6. As noted above, from the examination of trade data submitted by NSEL to FMC, it was observed that NSEL was organizing trading in 'paired contracts' in violation of the notification dated June 05, 2007. It was also noted that NSEL was also offering its members to trade in contracts with settlement period beyond 11 days which was also not permitted under FCRA 1952, which prescribes that all ready delivery contracts are required to be settled within 11 days of the trade. The Trading Members and Clearing members of the NSEL facilitated and/or participated in trading of such 'paired contracts' in alleged violation of the conditions stipulated under the Exemption Notification dated June 05, 2007 issued under the FCRA. Thus, it was alleged that, by participating in/facilitating trading in such 'paired contracts', such Trading Members of NSEL who also became registered intermediaries in securities market acted in a manner detrimental to the interest of securities market.
7. As per the information available with SEBI, several entities, including the Noticee had either themselves participated in and/or facilitated their clients in trading in those 'paired contracts' on the platform of NSEL and such a conduct on their part had allegedly led to violation of Regulation 5(e) of Securities and Exchange Board

of India (Stock Brokers) Regulations, 1992 (hereinafter referred to as 'Stock Brokers Regulations') read with Schedule II of the Intermediaries Regulations, 2008 and Regulations 9(b) and 9(f) read with Clause A(1), A(2) and A(5) of the Schedule II of the Stock Brokers Regulations thereby rendering such entities including the Noticee, to be an entity not 'fit and proper' to continue to hold its registration as Trading or Clearing Member under the Stock Brokers Regulations.

INITIATION OF PROCEEDINGS AGAINST THE NOTICEE

8. In view of the aforesaid acts of the Noticee committed on the platform of NSEL allegedly in violations of the conditions stipulated under the Exemption Notification dated June 05, 2007, enquiry proceedings in terms of the provisions of the Intermediaries Regulations, 2008 was initiated by SEBI against the Noticee. Pursuant to the same, SEBI, vide an Order dated September 24, 2018, appointed a Designated Authority (hereinafter referred to as 'DA') under regulation 24(1) of the Intermediaries Regulations, 2008 read with Section 19 of the SEBI Act, 1992, to enquire into the violations alleged to have been committed by the Noticee by trading on the platform of NSEL and to submit a report in accordance with the provisions of the Intermediaries Regulations, 2008.
9. The DA issued a show cause notice dated September 25, 2018 to the Noticee under regulation 25(1) of the Intermediaries Regulations, 2008 (as applicable at the relevant time) asking the Noticee to show cause as to why appropriate recommendation should not be made against it under regulation 27 of the Intermediaries Regulations, 2008 (as applicable at that time) read with Section 12(3) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act, 1992'). In response to the same, the Noticee submitted a letter dated October 16, 2018 requesting the DA to grant extension of time to file reply. Further, vide letter dated January 16, 2019, copy of the relevant extracts of Grant Thornton Report, Economic Offences Wing Report and NSEL Circulars dated

August 27, 2013 and March 10, 2015 and the copy of the FMC order dated December 17, 2013 were provided to the Noticee. Accordingly, the Noticee was advised to submit a reply to the SCN dated September 25, 2018 and to the letter dated January 16, 2019. In response, the Noticee vide letter dated July 15, 2019 had filed its reply.

10. On the basis of the aforesaid factual details, the DA, after considering the replies filed by the Noticee, submitted an Enquiry Report dated September 16, 2019 (hereinafter referred to as "Enquiry Report").

11. I note that vide the said Enquiry Report the DA has observed that the Noticee is not a 'fit and proper person' to continue to hold the certificate of registration as a commodity derivatives broker and has held that the Noticee is liable for action under section 12(3) of the SEBI Act, 1992 read with regulation 27(iv) of the Stock Brokers Regulations, 1992 and Chapter V of the Intermediaries Regulations, 2008 and therefore recommended that the certificate of registration granted to the Noticee may be cancelled ; the extract of which reads as below :

"In view of the facts and circumstances of the case and material available on records, it is determined that the Noticee is not a fit and proper person in terms of Regulation 5(e) of the Stock Broker Regulations read with Schedule II of the Intermediaries Regulations. Therefore, in terms of Regulation 27 of the Intermediaries Regulations, it is recommended that the certificate of registration of the Noticee, i.e. Dani Commodities Pvt. Ltd. registered with SEBI as a trading and clearing member bearing Registration No. INZ000042036 may be cancelled in the interest of the securities market."

**SHOWCAUSE NOTICE, REPLY, SUPPLEMENTARY SHOW CAUSE NOTICE
AND PERSONAL HEARING**

12. After considering the Enquiry Report, a Post Enquiry Show Cause Notice dated October 15, 2019, (hereinafter referred to as "SCN") enclosing therewith the Enquiry Report of the DA along with certain material/information as specified therein, was issued to the Noticee under Regulation 28(1) of the Intermediaries Regulations, 2008 (as applicable at the relevant time) calling upon it to show cause as to why based on the materials/information as have been brought out in the post enquiry SCN alongwith the Enquiry Report concerning the fit and proper person criteria, the action as recommended by the DA or any other direction/measure as may be deemed fit, should not be passed against /imposed on it by the Competent Authority. The SCN further advised the Noticee to submit its reply, if any within 21 days of receipt of the said SCN.
13. At this juncture, it would be germane to note that while adjudging appeals filed by certain entities in the similar matter before the Hon'ble Securities Appellate Tribunal (hereinafter referred to as 'the Hon'ble SAT'), the Hon'ble SAT vide its order dated June 09, 2022 has *inter alia* made the following observations:
- ".....The matters are remitted to the WTM to decide the matter afresh in the light of the observations made aforesaid in accordance with law after giving an opportunity of hearing to the brokers. All issues raised by the brokers for which a finality has not been reached remains open for them to be raised before the WTM. It will be open to the WTM to rely upon other material such as the complaint letters of NSEL, EOW report, EOW charge sheet, etc. provided such copies are provided to the brokers and opportunity is given to rebut the allegations. Such additional documents relied upon by the respondent should form part of the show cause notice for which purpose, it will be open to the WTM to issue a supplementary show cause notice....."*
14. Pursuant to the above order of the Hon'ble SAT, SEBI has caused to issue a Supplementary Show Cause Notice dated October 11, 2022 (hereinafter referred as 'SSCN') to the Noticee whereby copies of SEBI complaint dated September 24, 2018 addressed to SIT-NSEL, Economic Offences Wing, Mumbai, FIR No.SPL

LAC No.110/18 dated September 28, 2018 registered with MIDC Police Station, Mumbai , the amended Schedule II of the SEBI (Intermediaries) Regulations, 2008 (as amended by the SEBI (Intermediaries) (Third Amendment) Regulations, 2021 w.e.f. November 17, 2021) and a copy of Hon'ble SAT's Order dated June 09, 2022 were provided to the Noticee.

15.I note from the records available before me that the Noticee has submitted its written response to SCN and SSCN vide letters/emails dated November 07, 2019, December 11, 2019 and November 18, 2022. After receipt of the afore-stated written submissions, the Noticee was provided with an opportunity of personal hearing before me on November 24, 2022, which was attended by Mr. Ravi Ramaiya, Authorised Representative on behalf of the Noticee. During the personal hearing, submissions already made by the Noticee vide its abovementioned letters were largely reiterated. Further, during the course of personal hearing, Noticee was asked to submit details of the claim amounts pending in 'paired contracts' due to payment default at NSEL in respect of its proprietary account and of its clients. In this regard, I find that the Noticee vide email dated November 29, 2022 has provided the said information.

CONSIDERATION OF ISSUES AND FINDINGS

16.I have carefully perused the SCN including the Enquiry Report, SSCN, the written and oral submissions made by the Noticee and other materials/information available on record.

17.I note from the material available on record that -

- a. 54 clients traded in 'paired contracts' through the Noticee.
- b. as per Grant Thornton Report, as on September 19, 2013, NSEL had pay-out obligation to the Noticee to the extent of ₹13,91,46,048 for the trades carried out in the paired contracts.

- c. as per the Economic Offences Wing (EoW) Report, it is observed that the Noticee had an exposure of ₹14,33,35,742 in paired contracts.
- d. from the circular of NSEL dated August 27 2013, as per settlement plan of NSEL, the Noticee was due to receive ₹6,94,185 (upto ₹2 lacs @ 100%) and ₹82,05,583 (₹2 lacs to ₹10 lacs @ 50%) for the investors who traded through the Noticee.
- e. the circular of NSEL dated March 10, 2015, details the special payout made by NSEL to each of the members, including to the Noticee, wherein it is mentioned that special payout of ₹88,99,768 was made to the Noticee.

18. In light of the above, I find it appropriate to look at the background of NSEL and understand the nature of the 'paired contracts' that were offered on the exchange – which ultimately is the cause /genesis of the current proceedings.

19. As noted above at para 2, 'paired contracts' are those contracts which involved buying and selling the same commodity through two different contracts at two different prices wherein investors could buy a short duration settlement contract and sell a long duration settlement contract and vice versa, with the same counterparty at the same time. In other words, the paired contract involved two simultaneous transactions being undertaken at the same time with the same counterparty- one being a purchase transaction (settling at T+2 or T+3) and the other being a sale transaction (settling at T+25 or T+36) at different prices on the platform of NSEL. In this regard, it is pertinent to mention that, vide the Exemption Notification dated June 05, 2007, the Central Government has prescribed that the members of NSEL shall not engage in short sale of the commodities and all outstanding positions of the trades at the end of the day shall result in delivery. Further, the provisions of FCRA, 1952 prescribes that all ready delivery contracts are required to be settled within 11 days of the trade.

20. From the perusal of the nature of the paired contracts offered by NSEL it is clear that the said paired contracts were in violation of the provisions of the FCRA, 1952 and the Exemption notification dated June 05, 2007. It was observed that on its

website, NSEL was advertising 'paired contracts' as an alternative to fixed deposits and the return offered was 16% across all commodities irrespective of the nature of the contract and duration. I note that such a description of a contract on the website of NSEL should have been a red flag to the Noticee since the 'paired contracts' were being marketed as an alternative to fixed deposits. Such a description of a contract on the website of NSEL is sufficient to make any reasonable person to act in a more circumspect manner and to come to the conclusion that what was being offered were not contracts in commodities but rather a financial product offering fixed returns. Further, these contracts were structured in a manner which ensured that the buyer always made pre-determined profits. From the very nature of the said contracts, it is evident that the said contracts are nothing but financial instruments. The same was also upheld by the Hon'ble Supreme Court in its judgment dated April 22, 2022 in the matter of The State of Maharashtra Vs. 63 Moons Technologies Ltd. (Civil Appeal Nos. 2748-49 of 2022). The Noticee being a stock broker ought to have certainly understood the nature of the product before participating/facilitating in such contracts.

21. In view of above, I note that the Noticee, being aware of the nature of contracts and the trades, facilitated 54 clients to trade in paired contracts at NSEL. Further, besides the clients, Ms. Gargi H. Dani, the Director of the Noticee and another family member of the Director Mr. Bankimchandra H. Dani had also traded in 'paired contracts' through the Noticee.

22. I note that vide Finance Act, 2015, FMC has been merged with Securities and Exchange Board of India (SEBI) on September 28, 2015. In this regard, FCRA was amended whereby Section 29(A) Repeal and Savings was inserted, which is produced hereunder for reference -

29A. Repeal and savings.—(1) *The Forward Contracts (Regulation) Act, 1952 (74 of 1952) is hereby repealed.*

(2) *On and from the date of repeal of Forward Contracts Act—*

(a)....

(b).....

(c) anything done or any action taken or purported to have been done or taken including any inspection, order, penalty, proceeding or notice made, initiated or issued or any confirmation or declaration made or any licence, permission, authorisation or exemption granted, modified or revoked, or any document or instrument executed, or any direction given under the Act repealed in subsection (1), shall be continued or enforced by the Security Board, as if that Act had not been repealed;

(d) all offences committed, and existing proceedings with respect to offences which may have been committed under the Forward Contracts Act, shall continue to be governed by the provisions of that Act, as if that Act had not been repealed;

*(e) a fresh proceeding related to an offence under the Forward Contracts Act, may be initiated by the Security Board under that Act within a **period of three years** from the date on which that Act is repealed and be proceeded with as if that Act had not been repealed;*

(f).....

23. I note from the available records that the Noticee has facilitated its clients to trade in 'paired contracts' including the Director and a family member of the Noticee. I note that participating /facilitating in the trading in 'paired contracts' was itself illegal as per notification dated June 05, 2007, as stated in the introductory paragraph. I also note that by virtue of the abovesaid insertion of Section 29A (Repeal and savings) into the FCRA, SEBI has been substituted as the enforcing authority in place of erstwhile FMC. Since the paired contracts were violative of the conditions stipulated in the Government Notification dated June 05, 2007, a complaint was filed by SEBI with Economic Offences Wing, Mumbai (EOW) on September 24, 2018, against the brokers who participated / facilitated access to 'paired contracts' traded on NSEL, including the Noticee within the time limit as specified in the aforementioned provision of the Finance Act, 2015. On the basis of the said complaint of SEBI, a FIR dated September 28, 2018 was registered with MIDC Police Station, Mumbai. I note that the name of the Noticee is reflected in the complaint and the FIR. I also note that the violations committed by the Noticee had also led to initiation of enquiry proceedings against the Noticee by SEBI.

24. However, at a preliminary level, one key submission or data point concerns the status of registration of the Noticee with SEBI as an intermediary. I note that, the Noticee had applied for surrender of the registration No. INZ000042036 on November 17, 2016 to NCDEX, which was forwarded by NCDEX to SEBI on June 22, 2017 and SEBI had on October 10, 2017 informed National Commodity & Derivatives Exchange Limited that the certificate of registration bearing registration No. INZ000042036 dated April 26, 2016 granted to M/s. Dani Commodities Private Limited has been cancelled. In pursuance thereof, MCX, NCDEX etc. accepted the surrender of membership.
25. The question that arises for consideration is whether SEBI can invoke provisions of Intermediaries Regulations against an entity who has already surrendered its certificate of registration and the same has been accepted by SEBI. It is relevant for me to consider the effect of the surrender of registration wherein post surrender the Noticee cannot continue any business activities using the subject registration of certificate. It is relevant at this junction to take note of the fact that post merger of FMC with SEBI and upon application for registration of certificate made by the Noticee, SEBI granted registration to the Noticee on April 26, 2016. The Noticee happened to make surrender application to National Commodity & Derivatives Exchange Limited (NCDEX), which was forwarded by NCDEX to SEBI on June 22, 2017.
26. I note that once an entity is registered with SEBI as an intermediary, it has to comply with various provisions of SEBI Act, Rules, Regulations and Circulars. In this regard the criteria for fit and proper person which has to be complied by registered securities market intermediaries is provided under Schedule II of the Intermediaries Regulations. Regulation 5(e) read with Regulation 9(f) of the Stock Brokers Regulations mandate that fit and proper criteria are not just eligibility criterion that need to be satisfied when an entity seeks registration with SEBI, but also a continuous requirement that has to be complied with as long as the entity is

duly registered with SEBI. The relevant extracts of these provisions are reproduced below:

Stock Brokers Regulations

“Consideration of application for grant of registration.

5.The Board shall take into account for considering the grant of a certificate, all matters relating to trading, settling or dealing in securities and in particular the following, namely, whether the applicant,-

.....

(e) is a fit and proper person based on the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008;

Conditions of registration

9. Any registration granted by the Board under regulation 6 shall be subject to the following conditions, namely,-

a....

.....

(f) he shall at all times abide by the Code of Conduct as specified in Schedule II;

**“SCHEDULE II
SECURITIES AND EXCHANGE BOARD OF INDIA (INTERMEDIARIES)
REGULATIONS, 2008**

[See regulation 7]

- 1. The applicant or intermediary shall meet the criteria, as provided in the respective regulations applicable to such an applicant or intermediary including:*

- a. *the competence and capability in terms of infrastructure and manpower requirements; and*
 - b. *the financial soundness, which includes meeting the net worth requirements.*
2. *The 'fit and proper person' criteria shall apply to the following persons:*
- a. *the applicant or the intermediary;*
 - b. *the principal officer, the directors or managing partners , the compliance officer and the key management persons by whatever name called; and*
 - c. *the promoters or persons holding controlling interest or persons exercising control over the applicant or intermediary, directly or indirectly:*

Provided that in case of an unlisted applicant or intermediary, any person holding twenty percent or more voting rights, irrespective of whether they hold controlling interest or exercise control, shall be required to fulfill the 'fit and proper person' criteria.

Explanation – For the purpose of this sub-clause, the expressions "controlling interest" and "control" in case of an applicant or intermediary, shall be construed with reference to the respective regulations applicable to the applicant or intermediary.

3. *For the purpose of determining as to whether any person is a 'fit and proper person', the Board may take into account any criteria as it deems fit, including but not limited to the following:*
- a. *integrity, honesty, ethical behaviour, reputation, fairness and character of the person;*
 - b. *the person not incurring any of the following disqualifications:*
 - i. *criminal complaint or information under section 154 of the Code of Criminal Procedure, 1973 (2 of 1974) has been filed against such person by the Board and which is pending;*
 - ii. *charge sheet has been filed against such person by any enforcement agency in matters concerning economic offences and is pending;*
 - iii. *an order of restraint, prohibition or debarment has been passed against such person by the Board or any other regulatory authority or enforcement agency in any matter concerning securities laws or financial markets and such order is in force;*
 - iv. *recovery proceedings have been initiated by the Board against such person and are pending;*

- v. *an order of conviction has been passed against such person by a court for any offence involving moral turpitude;*
 - vi. *any winding up proceedings have been initiated or an order for winding up has been passed against such person;*
 - vii. *such person has been declared insolvent and not discharged;*
 - viii. *such person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force;*
 - ix. *such person has been categorized as a wilful defaulter;*
 - x. *such person has been declared a fugitive economic offender; or*
 - xi. *any other disqualification as may be specified by the Board from time to time.*
4. *Where any person has been declared as not 'fit and proper person' by an order of the Board, such a person shall not be eligible to apply for any registration during the period provided in the said order or for a period of five years from the date of effect of the order, if no such period is specified in the order.*
5. *At the time of filing of an application for registration as an intermediary, if any notice to show cause has been issued for proceedings under these regulations or under section 11(4) or section 11B of the Act against the applicant or any other person referred in clause (2), then such an application shall not be considered for grant of registration for a period of one year from the date of issuance of such notice or until the conclusion of the proceedings, whichever is earlier.*
6. *Any disqualification of an associate or group entity of the applicant or intermediary of the nature as referred in sub - clause (b) of clause (3), shall not have any bearing on the 'fit and proper person' criteria of the applicant or intermediary unless the applicant or intermediary or any other person referred in clause (2), is also found to incur the same disqualification in the said matter:*

Provided that if any person as referred in sub-clause (b) of clause (2) fails to satisfy the 'fit and proper person' criteria, the intermediary shall replace such person within thirty days from the date of such disqualification failing which the 'fit and proper person' criteria may be invoked against the intermediary:

Provided further that if any person as referred in sub - clause (c) of clause (2) fails to satisfy the 'fit and proper person' criteria, the intermediary shall ensure that such person does not exercise any voting rights and that such person divest s their holding within six months from the date of such

disqualification failing which the 'fit and proper person' criteria may be invoked against such intermediary.

7. *The 'fit and proper person' criteria shall be applicable at the time of application of registration and during the continuity of registration and the intermediary shall ensure that the persons as referred in sub - clause s (b) and (c) of clause (2) comply with the 'fit and proper person' criteria."*

27. I also note that, vide the SSCN, the Noticee was also provided with a copy of the abovementioned amended Schedule II of the Intermediaries Regulations.

28. I note that the FIR dated September 28, 2018 registered by the Mumbai Police for the alleged violations committed by the Noticee is duly subsisting.

29. In view of the above facts and taking into consideration the involvement of the Noticee in the paired contracts and the FIR pending against the Noticee, I hold the Noticee as 'not being fit and proper' in terms of the criteria laid down in Schedule II of the Intermediaries Regulations.

30. As stated earlier, while the surrender prohibits the Noticee from conducting business as a commodity broker, post acceptance of its surrender of registration certificate by SEBI, it does not absolve the Noticee from the liabilities of any illegalities that were committed while it was conducting its business as an intermediary. In other words, post the merger of FMC with SEBI, the liabilities of the Noticee as a commodity broker with respect to all the omissions and commissions done earlier continues to be governed under the jurisdiction of SEBI. As noted above, SEBI has filed complaints within the time stipulated in the Finance Act, 2015 against the NSEL members who have traded in the illegal forward contracts, including the Noticee. Thus, I am of the view that the Noticee did not qualify the conditions of 'Fit and Proper' as stipulated under the Intermediaries Regulations, 2008 while carrying out its business on the NSEL platform, as stated above. However, in light of surrender / cancellation of certificate of registration of the Noticee by SEBI, I am of the view that it will not serve any purpose to issue

further directions against the Noticee. In view of the above position, I am inclined not to further delve into the merits of the allegations levelled in the SCN & SSCN and the replies filed by the Noticee.

31. Order –

- a. In view of the facts and circumstances of the case as discussed above, I, in exercise of powers conferred upon me under Section 12(3) read with Section 19 of the Securities and Exchange Board of India Act, 1992 and Regulation 27 of the SEBI (Intermediaries) Regulations, 2008, hereby dispose of the SCN dated October 15, 2019 and SSCN dated October 11, 2022 issued to M/s. Dani Commodities Private Limited without any directions, limiting my findings that the Noticee to be not fit and proper, as an intermediary.
- b. The above Order is without prejudice to the criminal complaint filed by SEBI in the NSEL matter and/or any proceedings pending before any authority in respect of similar matter concerning the Noticee or other relevant persons.
- c. A copy of this order shall be served on the Noticee and upon all recognized Stock Exchanges and Depositories.

DATE: DECEMBER 20, 2022
PLACE: MUMBAI

Sd/-
PRAMOD RAO
EXECUTIVE DIRECTOR
SECURITIES AND EXCHANGE BOARD OF INDIA