

SECURITIES AND EXCHANGE BOARD OF INDIA
ORDER

UNDER SECTION 12(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 27 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (INTERMEDIARIES) REGULATIONS, 2008

RELATING TO

MAUZAMPURIA AGROS PRIVATE LIMITED

IN THE MATTER OF TRADING AT THE NATIONAL SPOT EXCHANGE LIMITED

1. The present proceedings emanate from an Enquiry Report dated August 24, 2020 submitted by the Designated Authority (hereinafter referred to as the “**DA**”) appointed by the Securities and Exchange Board of India (hereinafter referred to as the “**SEBI**”) to enquire into the alleged trading activities of Mauzampuriah Agros Private Limited (hereinafter referred to as the “**Noticee**”) as a stock broker on the spot exchange platform provided by the National Spot Exchange Limited (hereinafter referred to as the “**NSEL**”). The scope of the enquiry was to examine the possible violation by the Noticee of Regulations 5(e), 9(b) and 9(f) of the SEBI (Stock Brokers) Regulations, 1992 (hereinafter referred to as the “**Stock Brokers Regulations**”) read with Schedule II of the SEBI (Intermediaries) Regulations, 2008 (hereinafter referred to as the “**Intermediaries Regulations**”).
2. While conducting the enquiry, the DA had issued a notice dated September 25, 2018 to the Noticee calling upon it to show cause as to why an appropriate recommendation should not be made against it under Regulation 27 of the Intermediaries Regulations as it read at the relevant point of time prior to its amendment vide SEBI (Intermediaries) (Amendment) Regulations, 2021, w.e.f.

January 21, 2021. The notice was duly served upon the Noticee but no response thereto was received from it. Based on the observations so recorded in the said Enquiry Report, the DA recommended that the registration of the Noticee as a stock broker may be cancelled. The relevant excerpt of the Enquiry Report is reproduced below:

“30. In view of the facts and circumstances of the case and material placed before me, I am of the view that the Noticee is not a ‘fit and proper’ person in terms of Regulation 5(e) read with Regulation 27(iv) of the Stock Broker Regulations read with Schedule II of the Intermediaries Regulations. Therefore, in terms of Regulation 27 of the Intermediaries Regulations, I recommend that the registration of the Noticee i.e. Mauzampuriah Agros Pvt. Ltd. [Registration No. INZ000086738] as a commodities derivatives broker may be cancelled.”

3. It is pertinent to mention that Regulation 27 of the Intermediaries Regulations was amended with effect from January 21, 2021. Pursuant thereto, the procedure for action on receipt of the recommendation of the DA (which was earlier provided under Regulation 28 of the Intermediaries Regulations) was duly incorporated in the amended Regulation 27 of the Intermediaries Regulations. Thus, these proceedings are being considered under the amended Regulation 27 of the Intermediaries Regulations.
4. Accordingly, a notice dated September 10, 2020 (hereinafter referred to as the “**SCN**”) enclosing the Enquiry Report and certain other documents referred to in the said SCN, was issued to the Noticee under Regulation 28(1) of the Intermediaries Regulations, as applicable at the relevant time, calling upon it to show cause as to why the action recommended by the DA or any other action as deemed fit by the Competent Authority should not be taken against it. The SCN was duly served upon the Noticee but no response was received from the Noticee.
5. Subsequently, a supplementary notice dated February 17, 2023 (hereinafter referred to as the “**SSCN**”) was also issued to the Noticee which was duly served upon the Noticee through speed post. Once again, no reply was received from the Noticee. A notice of hearing dated April 10, 2023 was sent to the Noticee to provide an opportunity of personal hearing before me on April 21, 2023. The

Noticee failed to avail the said opportunity. In the interest of justice, another opportunity was granted to the Noticee, by sending a notice of hearing dated May 16, 2023 to it to appear before me on May 24, 2023. However, the Noticee neither appeared on the said date nor made any request for adjournment of the hearing.

Consideration of Issues

6. I note that despite the service of the SCN, SSCN and hearing notices, the Noticee neither submitted any response to the same nor availed the opportunities of personal hearing granted to it. Accordingly, I now proceed to conclude the present proceedings in respect of the Noticee on the basis of the material available on record.
7. While verifying the factual details relating to the Noticee, I have perused the registration details of the Noticee as mentioned in the Enquiry Report. The Registration Number mentioned against the name of the Noticee by SEBI is INZ000086738. Upon cross-verification of these details with the database of registered intermediaries maintained by SEBI, I note that the registration number INZ000086738, shown as allotted to the Noticee, is in fact, the registration number allotted to another entity namely Mauzampuriah Commodities Broking Pvt. Ltd. The relevant screenshot from the SEBI website is captured below:

The screenshot shows the 'Recognised Intermediaries' search interface on the SEBI website. At the top, there are social media icons. Below them is a search bar with the text 'Search any Intermediaries across all types'. The search criteria are set to 'Search by Member Name, Trade Name *' with the value 'INZ000086738' entered. The dropdown menu is set to '--All Intermediaries--'. There are 'GO' and 'Summary' buttons. The search results show one entry for 'MAUZAMPURIA COMMODITIES BROKING PVT LTD'. The details listed are: Trade Name: MAUZAMPURIA COMMODITIES BROKING PVT LTD, Registration No.: INZ000086738, Type: Registered Stock Brokers in Commodity Derivative Segment, Address: 48/227 GENERAL GANJ, Validity: Dec 28, 2015 - Perpetual, and Exchange Name: Multi Commodity Exchange of India Ltd.

Recognised Intermediaries	
Search any Intermediaries across all types ▼	
Search by Member Name, Trade Name *	Or INZ000086738 --All Intermediaries--
GO Summary	
1	
Name	MAUZAMPURIA COMMODITIES BROKING PVT LTD
Trade Name	MAUZAMPURIA COMMODITIES BROKING PVT LTD
Registration No.	INZ000086738
Type	Registered Stock Brokers in Commodity Derivative Segment
E-mail	
Telephone	
Address	48/227 GENERAL GANJ
Validity	Dec 28, 2015 - Perpetual
Exchange Name	Multi Commodity Exchange of India Ltd.

8. In order to verify this information, further details were sought from the Stock Exchange(s) namely, Multi Commodity Exchange of India Limited ("**MCX**") and National Commodity & Derivatives Exchange Limited ("**NCDEX**"). The NCDEX, vide its email dated July 12, 2013, informed that the Noticee was earlier a Trading

Member of NCDEX, but that post the merger of Forward Markets Commission(FMC) with SEBI, they did not receive any application for registration with SEBI from the Noticee and that its current membership status with NCDEX is “*surrendered (w.e.f. 27 May, 2016)*”. MCX, vide its email dated July 12, 2023, informed that it did not receive any application from the Noticee seeking registration as an intermediary with SEBI.

9. Thus, despite the fact that the Noticee was earlier a Trading Member of NCDEX, it does not appear to have applied for registration with SEBI post the merger of FMC with SEBI. Its current membership status with NCDEX is surrendered. The Noticee did not apply to the MCX seeking registration as an intermediary with SEBI. It is clear that the Noticee is not a SEBI registered intermediary and did not ever file any application seeking registration as an intermediary.
10. It appears that the registration number of the entity; Mauzampuriah Commodities Broking Pvt. Ltd. i.e. INZ000086738 was mentioned against the name of the Noticee. It is also noted that the Noticee in the present proceedings and the other entity i.e. Mauzampuriah Commodities Broking Pvt. Ltd. have several common details such as address and email-ID and at best, they may be considered as belonging to the same group. However, the fact remains that Mauzampuriah Commodities Broking Pvt. Ltd. is an entity, distinct from the Noticee of the present proceedings.
11. It is however relevant to note here that in terms of the provisions of the Finance Act, 2015 read with Forward Contracts Regulation Act, 1952, post the merger of FMC with SEBI, a complaint dated September 24, 2018 was filed by SEBI before the Economic Offences Wing (“EOW”) against certain brokers on account of the trades alleged to have been executed by them in paired contracts on the NSEL platform. Based on the said complaint, the EOW registered an FIR dated September 28, 2018. The Noticee was named in the FIR registered by EOW.

12. While the proceedings in relation thereto are ongoing separately, the present proceedings are only limited to determine the 'fit and proper' status of the Noticee as an intermediary under the Intermediaries Regulations. In view of the discussed facts and circumstances, the determination of the same does not arise, since the Noticee is not a registered intermediary under the Intermediaries Regulations.
13. Accordingly, in exercise of the powers conferred upon me under Sections 12(3) and 19 of the SEBI Act, 1992 read with regulation 27 of the Intermediaries Regulations, 2008, the SCN dated September 10, 2020 and SSCN dated February 17, 2023 issued to the Noticee i.e. Mauzampuriah Agros Private Limited are disposed off as infructuous.
14. This order is without prejudice to any other proceedings that are or may be initiated against the Noticee by any authority in accordance with law in respect of the trades executed by it on the spot exchange platform provided by the NSEL.
15. A copy of this order shall be served upon the Noticee and all the recognized Stock Exchanges and Depositories for their records.

Place: Mumbai
Date: July 21, 2023

Sd/-
BABITHA RAYUDU
EXECUTIVE DIRECTOR
SECURITIES AND EXCHANGE BOARD OF INDIA