

PRESS RELEASE

TO INVESTORS OF SHARES BAZAAR AIF

Date: August 1, 2024

Ref. No.: BTL/AIF/24-25/57052

Sub.: ORDER UNDER SECTION 12(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 30A OF SEBI (INTERMEDIARIES) REGULATIONS, 2008 to 'Shares Bazaar Private Limited (INZ000303836)' acting as Investment Manager to Shares Bazaar AIF.

We are acting as the Trustee for Shares Bazaar AIF, a SEBI registered Category III AIF ("AIF").

SEBI has passed an Order Under Section 12(3) of The Securities And Exchange Board Of India Act, 1992 r/w Regulation 30A of SEBI (Intermediaries) Regulations, 2008 , dated July 31, 2024, bearing Ref. No. CGM/SS/MIRSD/RAC/01/2024 ("Order"). The Order has been passed in respect of Shares Bazaar Private Limited, registered with Securities and Exchange Board of India ("SEBI") as a stock broker. The Order is attached herewith for your reference (**Annexure 1**).

Thanks & Regards,
For Beacon Trusteeship Limited
in its capacity as the Trustee to the AIF



Name: Mr. Kaustubh Kulkarni
Designation: Director | Compliance Officer

BEACON TRUSTEESHIP LIMITED

Registered Office & Corporate Office : 5W, 5th Floor, The Metropolitan, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

Phone : +91 95554 49955 Email : contact@beacontrustee.co.in

Website : www.beacontrustee.co.in CIN : U74999MH2015PLC271288

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SECURITIES AND EXCHANGE BOARD OF INDIA
ORDER

ORDER UNDER SECTION 12(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 30A OF SEBI (INTERMEDIARIES) REGULATIONS, 2008

Noticee No	Name of Noticee	PAN
1	Shares Bazaar Private Limited (INZ000303836)	ABECS9026N

1. Shares Bazaar Private Limited (INZ000303836) (hereinafter referred to as “**Noticee**”) is a Stock Broker registered with Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”), in terms of Section 12(1) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “SEBI Act, 1992”) and SEBI (Stock Brokers) Regulations, 1992 (hereinafter referred to as “Broker Regulations, 1992”). The registration to the Noticee as a stock broker was granted subject to certain conditions including the condition that it continue to be member of a recognised stock exchange. At the time of grant of registration as stock broker, the Noticee was trading member of the recognised Stock Exchange, the details of which are given hereunder:

Sl. No.	Name of the Stock Broker	Stock Exchange	SEBI Registration Number	PAN Number
1	Shares Bazaar Private Limited	BSE	INZ000303836	ABECS9026N

BSE – BSE Limited

2. These recognised stock exchange where the Noticee was holding membership has informed SEBI that the Noticee has been expelled from its membership by it and the same has been communicated to the Noticee. The details of communication regarding its expulsion from membership of recognised stock exchange, sent by the recognised stock exchange to the Noticee is as under:

Name of the Stock Broker	Date of expulsion
	BSE
Shares Bazaar Private Limited	30.12.2022

3. In view of the above, I note that the Noticee is no longer holding membership of any stock exchange. I note that the Certificate of Registration as stock broker has been granted to the Noticee subject to the conditions of registration provided under Regulation 9 of the Broker Regulations, 1992. In this regard, I note that under Regulations 9(a) of the Broker Regulations, 1992, one of the conditions of registration is that the stock broker holds the membership of any recognized stock exchange. Since the Noticee is no longer holding membership of any recognized stock exchange, it no longer fulfil the conditions stipulated under Regulation 9(a) of the Broker Regulations, 1992 by which Certificate of Registration was granted to the Noticee.

4. In view of the aforesaid, SEBI initiated proceedings under Section 12(3) SEBI Act, 1992 read with Regulation 30A of the SEBI (Intermediaries) Regulations, 2008 (hereinafter referred to as “**Intermediaries Regulations, 2008**”) and vide SCN dated January 04, 2024 called upon the Noticee to show cause as to why the certificate of registration granted under the Act or the regulations made thereunder, should not be cancelled under Section 12(3) of the SEBI Act, 1992 read with Regulation 30A of the Intermediaries Regulations, 2008. SCN also advised the Noticee to file its reply to SCN along with documentary evidence, if any, within 21 days from the date of receipt of the SCN, and failing which it would be presumed that the Noticee has no reply to submit and the matter would be further proceeded with on the basis of the evidence available on record.

5. The SCN was sent through Speed Post with acknowledgement due. According to the Speed Post tracking details available in the website of India Post the SCN was delivered to the Noticee on January 09, 2024. The scan copy of the SCN was also sent to the notice through email (admin@sharesbazaar.com and mvrao@sharesbazaar.com). Further, BSE was advised to serve the SCN to the Noticee. BSE has informed that they had also sent the SCN through Speed Post with acknowledgement due on January 18, 2024 and same was delivered to the Noticee on January 20, 2024. The details of the last known address of the Noticee where delivery was made to the Noticee by speed post and date of delivery of such SCN are given below:

Name of the Stock Broker	Address	Date of delivery	Delivery mode
Shares Bazaar Private Limited	15-31-S3/MMC/719-A, 7th Floor, KPHB Colony, 2nd Phase, Kukatpally,	January 09, 2024 (by SEBI) and	Speed Post acknowledgement due

Name of the Stock Broker	Address	Date of delivery	Delivery mode
	Hyderabad, Telangana - 500072	January 20, 2024 (by BSE)	

6. Further, the SCN was also published on the website of BSE under the header Home>Member Directory>Defaulter & Expelled Members>SEBI Show Cause.
7. I note that till date of this order, no reply has been received from the Noticee. In view of this, I proceed to determine the matter on the basis of the material available on record. In this regard, I have considered the SCN, the relevant provisions of law and other details available on record.
8. Before dealing with the SCN it would be appropriate to refer to the relevant extract of the provisions of law involved in the matter. The relevant extract of the provisions of the SEBI Act, 1992, Intermediaries Regulations, 2008 and Broker Regulations, 1992, is reproduced herein below:

Relevant extract of the provisions of the SEBI Act 1992

“.....12. Registration of stock brokers, sub- brokers, share transfer agents, etc

...

(3) The Board may, by order, suspend or cancel a certificate of registration in such manner as may be determined by regulations:

Relevant extract of the provisions of the SEBI (Intermediaries) Regulations, 2008

30A. Special procedure for action on expulsion from membership of all the stock exchange(s) or clearing corporation(s) or termination of all the depository participant agreements with depository(ies).

.....

(2) On receipt of intimation from all the stock exchange(s) or clearing corporation(s) of which the stock-broker or clearing member, as the case may be, was a member, that such stock broker or clearing member has been expelled from its membership, the Board may issue a notice to such stock broker or clearing member calling upon the noticee to make its submission(s), if any, within a period not exceeding twenty-one days from the date of service thereof, through a written reply, along with

documentary evidence, as to why the certificate of registration, granted under the Act or the regulations made thereunder, should not be cancelled.

.....

(4) No opportunity of personal hearing may be granted while disposing of the proceedings under this regulation.

(5) After considering the facts and circumstances of the case, material on record and the written submissions, if any, the Board shall endeavor to pass an order within twenty days from the date of receipt of submissions of the notice;

(6) The Board may, while passing such order, impose such conditions upon the person as it deems fit to protect the interest of the investors or its clients or the securities market.

(7) The Board may require the person concerned to satisfy the Board the factors as it deems fit, including but not limited to the following -

(a) the arrangements made by the person for maintenance and preservation of records and other documents required to be maintained under the relevant regulations;

(b) redressal of investor grievances;

(c) transfer of records, funds or securities of its clients;

(d) the arrangements made by it for ensuring continuity of service to the clients;

(e) defaults or pending action, if any.....”

Relevant extract of the provisions of the Broker Regulations, 1992:

“.....Conditions of registration.

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

(a) the stock broker holds the membership of any stock exchange;.....”

9. I note that the Noticee is registered with SEBI as Stock Broker and holding SEBI Certificate of Registration under the Broker Regulations, 1992 and member of the stock exchange as mentioned in para 1 above. I note that the Certificate of Registrations have been granted by SEBI to the Noticee subject to, the conditions of registration under Regulation 9 of the Broker Regulations, 1992, which inter alia provides that the stock broker must be a member of a recognised stock exchange.

10. I note that the stock exchange has informed SEBI that the Noticee was expelled from its membership by it and the same has been communicated to the Noticee as

mentioned in para 2 above. Therefore, I note that the Noticee is no longer holding membership of any recognized stock exchange. Thus, the Noticee has ceased to satisfy the conditions of registration stipulated under Regulation 9 (a) of Broker Regulations, 1992. I note from paras 4 to 7 that the procedure as required for cancellation of registration as stipulated in the Intermediaries Regulations, 2008, has been followed. In view of the above, I find that the certificate of registration as stock broker, granted to the Noticee under the SEBI Act, 1992 and the Broker Regulations, 1992, should be cancelled under Section 12(3) of the SEBI Act, 1992 read with Regulation 30A of the Intermediaries Regulations, 2008.

Directions:

11. In view of the foregoing, I, in exercise of the powers conferred under Section 12(3) of the SEBI Act, 1992 read with Section 19 of the SEBI Act, 1992 and Regulation 30A of the Intermediaries Regulations, 2008, hereby, cancel the certificate of registration of Shares Bazaar Private Limited (INZ000303836).
12. Irrespective of the cancellation of certificate of registration, the Noticee shall continue to be liable for anything done or omitted to be done as stock broker and continue to be responsible for payment of outstanding fees and dues and interest if any, due to SEBI.
13. The main purpose of cancellation of certificate of registration, as stock broker, of the Noticee is to prevent the misuse of its certificate of registration with SEBI, without being a member of a recognized stock exchange, on unaware investors. Thus, Noticee shall continue to be liable for any action initiated or to be initiated as if their certificate of registration has not been cancelled and this order does not absolve the Noticee from any violation of the securities laws committed by the Noticee as registered stock broker.
14. The Noticee shall ensure to arrange for maintenance and preservation of records and other documents required to be maintained under the relevant regulations; redressal of investor grievances; transfer of records, funds or securities of its clients; continuity of service to its clients; and necessary actions with respect to the defaults or pending action, if any.

15. The Noticee shall abide by the provisions referred in Regulation 30A (8) of Intermediaries Regulations, 2008.

16. This Order comes into force with immediate effect.

17. A copy of this order shall be served upon all the Noticee and the Recognized Stock Exchanges to ensure necessary compliances.

Date: July 31, 2024

Place: Mumbai

Sharad K. Sharma
Chief General Manager
Securities and Exchange Board of India