

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

LOK SABHA

**UNSTARRED QUESTION NO. 59
ANSWERED ON 19TH JULY, 2021/ ASHADHA 28, 1943 (SAKA)
STOCK MARKET SCAMS**

59: SHRI ARVIND GANPAT SAWANT

Will the Minister of Finance be pleased to state:

- (a) the status of the progress of CBI FIR against National Stock Exchange of India Limited in the Rs.75,000 Crore Co-location scam;
- (b) the details of planned SEBI actions against NSE management and Karvy management in Rs.2500 Crore Karvy Scam in which several lakh customers have not yet received their money along with the time by which SEBI plans to take these actions;
- (c) the actions which SEBI plans to take against NSE management and broker in Rs.1000 Crore BMA Wealth case along with the time by which SEBI plans to take these actions; and
- (d) the actions which SEBI plans to take against NSE management and Anugrah stock broker owners in Rs.1200 crore scam?

ANSWER

**SHRI PANKAJ CHAUDHARY
MINISTER OF STATE FOR FINANCE**

- (a) CBI has registered a case in the matter of preferential access at the co-location facility of National Stock Exchange of India Limited, vide RC No.AC I 2018A0011 dated 28.05.2018, under section 120B & 204 of Indian Penal Code, Sections 7, 12 & 13 (2) read with 13(1) (d) of Prevention of Corruption Act, 1988 and under section 66 of Information Technology Act, 2000. Presently, the case is under investigation.
- (b) SEBI has already passed orders in the matter of Karvy Stock Broking Limited (KSBL) and initiated action against Directors and Key Management Personnel (KMP) of KSBL. In addition, adjudication proceedings have been initiated against both NSE and Bombay Stock

Exchange (BSE) for violating provisions of SEBI circulars. This is in addition to the criminal complaints filed by the NSE and its declaration of the broker as a defaulter. Claims of investors have been invited through a public notice.

(c) SEBI has already passed orders in the matter of BRH Wealth Kreators Limited (BRH; formerly BMA Wealth Creators Limited) and against HDFC Bank Limited in the matter. Further, SEBI has initiated enforcement proceedings against BRH, BRH Commodities Private Limited (BRHCPL), their KMPs and related entities as well as approved filing prosecution against BRH, BRHCPL and their KMPs for mis-utilisation of funds and securities of clients, diversion of funds and non-cooperation. This is in addition to the criminal complaints filed by NSE and its declaration of the broker as a defaulter. Claims of investors have been invited through a public notice.

(d) SEBI has already passed order in the matter of Anugrah Stock & Broking Private Limited (ASBPL) and initiated enforcement proceedings against ASBPL, its related entities and their KMPs. Application for prosecution has been filed against aforesaid entities, for engaging in Derivative Advisory Services in the nature of Portfolio Management Services promising assured returns without seeking registration under relevant SEBI Regulations. This is in addition to the criminal complaints filed by NSE and its declaration of the broker as a defaulter. Claims of investors have been invited through a public notice.
