



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

CHIEF GENERAL MANAGER
&
DESIGNATED AUTHORITY

THROUGH SPAD & DIGITALLY SIGNED EMAIL

SEBI/EAD-3/BM/LD/22176 /2022

May 24, 2022

M/s. F6 Commodities Pvt. Ltd.
PAN : AACCF1155G
Unit No. 206, 2nd Floor,
Sewa Corporate Park,
M. G. Road,
Gurgaon – 122 002

Notice under Chapter V of the Securities and Exchange Board of India
(Intermediaries) Regulations, 2008 in the matter of F6 Commodities Pvt. Ltd.

1. An inspection of F6 Finserve Pvt. Ltd was conducted by NSE and subsequently by Securities and Exchange Board of India (hereinafter referred to as 'SEBI') pursuant to which an Ex parte Ad-interim Order dated May 29, 2018 & Confirmatory Order dated December 14, 2018 was passed by SEBI in the matter. During the inspection it was observed that F6 Commodities (hereinafter referred to as "Noticee") which is one of the associates of F6 Finserve was involved in irregularities in its functioning as a Commodity Broker. The period covered in the inspection was from April 01, 2015 till July 31, 2017 (hereinafter referred to as 'Inspection Period').
2. SEBI, vide communiqué dated November 17, 2021 (copy enclosed as Annexure 1), appointed the undersigned as the Designated Authority to submit a report and make a recommendation in compliance with Regulation 25 and 26 of the SEBI (Intermediaries) Regulations, 2008.
3. Noticee is registered with SEBI as a Commodity Broker of Multi Commodity exchange of India Ltd. (MCX), National Multi Commodity Exchange Ltd. (NMCE)

Show Cause Notice in the matter of Enquiry Proceedings against, मुंबई - 400 051.

F6 Commodities Pvt. Ltd. (आई. वी. आर. एस.), 2644 9000 / 4045 9000 फेक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in



अनुवर्ती :
Continuation :

**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

and National Commodity & Derivatives Exchange Limited (NCDEX) (Unique
Registration No. INZ000037335)

4. It is observed that the Noticee has ceased to be a member of the NCDEX and MCX. Further, the Noticee has been expelled by MCX w.e.f 13.03.2019 and has been declared defaulter by NCDEX w.e.f 24.05.2018 and by MCX w.e.f 18.05.2018. Copy of the email received from NCDEX and MCX is placed at **Annexure B & C**, respectively.
5. You are, therefore, called upon to show cause as to why appropriate recommendation should not be made against you as prescribed under Regulation 27(i) and (ii) of the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992. The text to said provision is reproduced below:

Regulation 27(i) and (ii) of the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992

Liability for action under the Securities and Exchange Board of India (Intermediaries) Regulations, 2008

27. A stock broker shall be liable for any action as specified in [Chapter V of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 including suspension or cancellation of his certificate of registration as a stock broker, if he —

- (i) ceases to be a member of a stock exchange; or**
(ii) has been declared defaulter by a stock exchange and not re-admitted as a member within a period of six months

6. You may also note that a settlement mechanism is provided under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. If the Noticees wishes to avail the benefit of the settlement process, they may apply for the same in the manner provided in the said regulations under intimation to the undersigned.

7. Your reply, if any, along with supporting enclosures and documents, should reach the undersigned at the address mentioned below as well as through email at



अनुवर्ती :
Continuation :

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Securities and Exchange
Board of India**

barnalim@sebi.gov.in and lorrettad@sebi.gov.in within 21 days from the date of receipt of this notice, failing which it shall be presumed that you have no submissions to make, in which case, the matter shall be proceeded with on the basis of material/facts on record.

**Securities and Exchange Board of India,
SEBI BHAVAN- II, C-7, G- Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai – 400 051.**

8. You may also indicate in your reply if you desire a Personal Hearing in the matter. Further, you are advised to provide copy of PAN and email id and also keep the undersigned informed about the change in your correspondence if any, till the proceedings are completed.


BARNALI MUKHERJEE
Designated Authority

Enclosures :

Annexure A	Communication of Order dated November 17, 2021
Annexure B	Email from NCDEX dated 27/12/2019
Annexure C	Email from MCX dated 27/12/2019

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SECURITIES AND EXCHANGE BOARD OF INDIA

Communication of the Order appointing Designated Authority

1. Whereas, Securities and Exchange Board of India (SEBI) conducted inspection in respect of **F6 Commodities Pvt. Ltd.**
2. Whereas the competent authority has *prima-facie* noted that **F6 Commodities Pvt. Ltd.** ceased to be a member, expelled and been declared defaulter. Hence became liable for actions specified in *Regulation 27 (i) and (ii) of the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 (now SEBI (Stock Brokers) Regulations, 1992 w.e.f 01.04.2019)*.
3. And whereas the Designated Member has approved the initiation of proceedings under Chapter V of the SEBI (Intermediaries) Regulations, 2008 against **F6 Commodities Pvt. Ltd.** Vide order dated 24.12.2020.
4. Therefore, the Executive Director, in exercise of powers conferred under regulation 24 (2) of the SEBI (Intermediaries) Regulations, 2008 has appointed **Ms. Barnali Mukherjee, Chief General Manager** as the Designated Authority vide order dated 11.11.2021 to submit a report and make a recommendation in compliance with regulations 25 and 26 of the SEBI (Intermediaries) Regulations, 2008.
5. The said proceedings of appointment are hereby communicated to the Designated Authority.

Dated at Mumbai, on this 17th day of November, 2021

Bhavana R.K.
BHAVANA RAVIKUMAR
GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA

Deepshikha Lohmorh

From: Ankur Mathur <ankur.mathur@ncdex.com>
Sent: 27/12/2019 18:59
To: Deepshikha Lohmorh
Cc: M SHINOD; Seema Nayak; Enforcement Group; Arbitration & ISC; Compliance
Subject: In matter of F6 Commodities Pvt. Ltd.

Follow Up Flag: Follow up
Flag Status: Flagged

Madam,

Sub : In matter of F6 Commodities Pvt. Ltd.

This is with reference to your mail dated December 27, 2019 on the captioned subject. The point wise reply to the required information with respect to F6 Commodities Pvt. Ltd. is given below:

1. F6 Commodities Pvt. Ltd has been declared as a defaulter by the Exchange w.e.f. May 24, 2018.

2. F6 Finserve Pvt Ltd was declared defaulter by BSE w.e.f. April 03, 2018. In this regard, it was observed that the Exchange member, F6 Commodities Pvt Ltd, is an associate of the said entity and accordingly, the case was placed before the Disciplinary Action Committee for appropriate action as per SEBI circular SEBI/HO /CDMRD/DMP/ CIR/P/ 2016/102 dated September 27, 2016. However, the said member was declared defaulter by MCX on May 18, 2018 and as such, Exchange in observance of the same SEBI circular, declared the member as defaulter on May 24, 2018.

3. Details of disbursements of claims as on December 26, 2019 are as follows:

Sr. no.	Total Claims received	Total claims allowed	Total claims rejected	Total No. of claims settled	Amount disposed so far (in Crs)	Total No. of Pending claims	Value of Pending claims (in Crs)
1	3	0	3	0	0	0	

Regards,

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Ankur Mathur

Senior Executive

National Commodity & Derivatives Exchange Limited

@@Location--Address@@



+91 9022093215



022 66406753



ankur.mathur@ncdex.com / askus@ncdex.com



Toll-free number 1800 266 2339 / 1800 103 4861



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Deepshikha Lohmorh

From: MCX - CRO Office <cro@mcxindia.com>
Sent: 27/12/2019 20:41
To: Deepshikha Lohmorh
Cc: M SHINOD; Sanjay Golecha/MCX/Chief Regulatory Officer
Subject: In matter of F6 Commodities Pvt. Ltd._SEBI
Attachments: F6 Commodities Pvt Ltd.PDF

Importance: High

Follow Up Flag: Follow up

Flag Status: Flagged

Madam,

With reference to captioned subject and the trail mail, please find the details below.

1. Status of CD broker F6 Commodities Pvt. Ltd. (expelled/defaulters)

F6 Commodities Pvt Ltd. was declared as defaulter on May 18, 2018 due to its failure to honor the IGRC Orders by paying admissible claims amounting to Rs.33,24,934.78 & then expelled for non-cooperation in inspection on March 13, 2019.

2. Details of actions taken by Exchange against f6, (as per last communication SCN was issued to F6 (attach report, if any))

As per the last Show Cause Notice issued by Investor Services Department, the Exchange has declared the Member as defaulter.

An SCN was issued to the Member as they were not cooperating for Inspection (copy of SCN attached).

The Member Selection Committee (MSC) in its meeting on March 13, 2019 decided that M/s F6 Commodities Private Limited be expelled from the membership of the Exchange with immediate effect in terms of Rule 43 (b) read with Bye-law 14.2 and 14A of the Exchange in view of its non-cooperation for inspection. Accordingly, the Member has been expelled (with effect from March 13, 2019) from the Membership of the Exchange vide Circular no: MCX/INSP/204/2019 dated April 17, 2019.

3. Details of disbursements of claims as on December 26, 2019 in following format

Sl. no.	Total Claims received	Total claims allowed	Total claims rejected	Total No. of claims settled	Amount disposed so far (in Crs)	Total No. of Pending claims	Value of Pending claims (in Crs)
1.	*49	32	14	27	0.178	#5	0.011

Note: *1 claim is outside purview of the Exchange, in 1 claim the claimant has withdrawn his complaint and 1 new claim is received from the claimant for which the document is awaited.

#1 claim is under process for payment for Rs.37,342/- and disbursement document awaited from the balance 4 claimants.

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Regards,
Siddharth Kamat
Regulatory Compliance
Multi Commodity Exchange of India Ltd
Phone : +91-22-67318888 Extn: 9419
Fax : +91-22-67269557
Email ID: siddharth.kamat1@mcxindia.com
URL : www.mcxindia.com