

IN THE HIGH COURT OF JUDICATURE AT MADRAS

... Petitioners

v.

... Respondents

FACTS.

PRAYER.

ISSUES OF LAW.

SUMMARY.

HELD.

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COUNSELS

Judgment Pronounced on

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/AK/DS/2025-26/31362]

**UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA
ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY
AND IMPOSING PENALTIES) RULES, 1995**

In The Matter Of
Marwadi Shares and Finance Limited
SEBI Regn No.: INZ000174730
PAN: AABCM5192K

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1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted thematic inspection of M/s Marwadi Shares and Finance Limited (hereinafter referred to as "**Noticee**" / "**MSFL**" / "**the Company**") on October 12, 2023 and October 13, 2023 to check compliance with provisions of SEBI Circulars issued with respect to misutilisation and segregation of client and own funds and securities and settlement of running account. The period of inspection was from April 01, 2022 to September 30, 2023 (hereinafter referred to as "**inspection period**" / "**IP**"). Noticee is registered as stock broker, with SEBI registration no. INZ000174730.
 2. The findings/ observations made during the course of inspection were communicated to the Noticee by SEBI, vide letter dated November 23, 2023. After examining the reply submitted by the Noticee, vide letter dated December 11, 2023, it was observed that the Noticee had, prima facie, violated various provisions of applicable SEBI Circulars. The summary of violations alleged to have

been committed by the Noticee and the corresponding regulatory provisions are given in the table below:

Sr. No.	Alleged Violations (Summarized)	Regulatory Provisions
1	Non-settlement of clients' funds	<ul style="list-style-type: none"> • Clause 5.4 of SEBI Circular SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated June 16, 2021 • Clause 4.1 of SEBI Circular SEBI/HO//MIRSD/DOP/P/CIR/2022/101 dated July 27, 2022
2	Incorrect reporting of Enhanced Supervision Data	Clause 3.2(A) SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016

3. SEBI initiated adjudication proceedings against the Noticee u/s 15-I r/w 15HB of SEBI Act, 1992 for the alleged violations of the relevant provisions as stated above.

APPOINTMENT OF ADJUDICATING OFFICER

4. Ms. Asha Shetty, Chief General Manager was appointed as the Adjudicating Officer (**AO**) vide Order dated August 29, 2024 under Section 15-I of the SEBI Act, 1992, and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**SEBI Adjudication Rules**"), to inquire into and adjudge u/s 15HB of SEBI Act, 1992, the violations of aforesaid provisions alleged to have been committed by the Noticee. Subsequently, vide Order dated November 22, 2024, the undersigned was appointed as AO in the matter.

SHOW CAUSE NOTICE, REPLY OF THE NOTICEE AND HEARING

5. Show Cause Notice No. SEBI/EAD/EAD-8/AS/DP/2024/29324/1-2 dated September 12, 2024 (hereinafter referred to as "**SCN**") was issued to the Noticee in terms of rule 4 of SEBI Adjudication Rules r/w Section 15-I of the SEBI Act, 1992, *Adjudication Order in the matter of Marwadi Shares and Finance Limited*

to show cause as to why an inquiry should not be held against it and why penalty, if any, be not imposed on the Noticee under section 15HB of SEBI Act, 1992.

6. Vide letter dated September 30, 2024, the Noticee requested for inspection of the inspection report, Post Inspection Analysis, replies and opinion formed by the Competent Authority to initiate Adjudication Proceedings. The Noticee was provided inspection of these documents on October 16, 2024, and was also provided a copy of the said documents.

7. The Noticee submitted its reply to the SCN, vide letter dated December 06, 2024. The submissions made by the Noticee are as summarized below:

7.1. Non-settlement of clients' funds

7.1.1. Inactive clients' funds - *It has been alleged that the Noticee has not settled the inactive clients in 1465 instances. However, the allegation is not attracted in the following cases:*

7.1.1.1. *75 instances pertain to clients who were active during the relevant 30-day period and consequently the requirement to settle as inactive client is not attracted. The clients who were active in the mutual fund segment have also been considered to be active clients.*

7.1.1.2. *73 instances pertain to 4 clients where the credit due towards such clients is disputed.*

7.1.1.3. *303 instances pertain to such clients who are untraceable and have been inactive for a significant period of time. In these instances, these clients have not traded for a period exceeding over 1 year and the KYC details of such clients are no longer current.*

7.1.2. *Remaining 1014 instances pertain to such cases where the Noticee has issued cheques which were not deposited by clients. As the cheques expire, these entries were reversed in the books of the Noticee and were subsequently reissued to the*

clients. The Noticee has followed up with clients on several occasions to ensure that these cheques are deposited and the account is settled.

7.1.3. Noticee also submitted instance wise reply for all the 1465 instances.

7.1.4. While the observation in the SCN is only for the Inspection Period, several of the underlying clients have remained inactive for a significantly long period of time and accordingly in some cases, the cheques issued were prior to the period in respect of which such allegation is made. This demonstrates the fact that the Noticee has either duly discharged and / or has been taken steps in respect of its obligation to settle these clients. Accordingly, the delay or pendency of the settlement, if any, is evidently on the part of the clients to deposit the cheques which have been issued to them

7.1.5. 1465 instances pertain to 186 unique client codes, however, SEBI has accounted for the same unsettled balance of the client multiple times for consecutive periods. This method of accounting for the unsettled amount has resulted in a higher quantum of unsettled amount, i.e. Rs.1,04,22,856.26, without due consideration of the fact that the balance that is required to be settled does not differ from one month to the other and that several accounts have been settled subsequently. The accurate amount required to be settled was Rs.12,80,684.69/- only.

7.1.6. Further, it is submitted that out of the total 186 clients, the amount towards settlement issued by the Noticee by cheques remain unclaimed in case of 60 clients amounting to Rs.3,36,675.15/- and this amount is kept in a separate unsettled client account.

7.1.7. Without prejudice to the above, it is necessary to state and highlight that the allegation in the SCN pertains to only 1465 instances out of 95263 instances which is merely approximately 1.5% of the total instances inspected by SEBI, which further demonstrates the fact that the Noticee is compliant and duly carries out the settlement of inactive clients and any delay so observed is neither malafide nor intentional.

- 7.1.8. *Active clients' funds – It has been alleged that out of 66028 instances verified by SEBI, the Noticee had issued cheques to settle funds instead of NEFT / RTGS / Online transfer at the time of settlement in 750 instances and the amount of unsettled funds is Rs.1,34,85,765/-.*
- 7.1.9. *However, there are only 18 instances where the account was unsettled and the quantum of unsettled amount was approximately Rs.2,31,144/-. Presently, only 8 such instances remain unsettled and the quantum of amount unsettled is Rs.1,10,588.50 and the remaining instances have been duly settled.*
- 7.1.10. *Noticee has submitted instance wise reply for all the 750 instances.*
- 7.1.11. *The allegation appears to be based on the fact that these instances of settlement have been carried out by cheques and not bank transfer. In this regard, it is submitted that issuance of cheque towards settlement of account is an accepted method of settlement and several of its clients prefer receiving their settlement payouts by way of cheques. Accordingly, the delay in settlement of these accounts, if any, is evidently on the part of the clients to deposit the cheques which have been issued to them*
- 7.1.12. *Noticee has 1,32,391 clients out of which only 730 clients, i.e. approx. 0.55% are settled through cheques. Thus, the Noticee predominantly carries out settlements by way of bank transfers except for such instances where there is a preference for settlement by way of cheque.*
- 7.1.13. *Without prejudice to the above, the allegation in the SCN pertains to only 750 instances out of 66,028 instances which is merely approximately 1.1% of the total instances inspected by SEBI which further demonstrates the fact that Noticee is compliant and duly carries out the settlement in time and any delay so observed is neither malafide nor intentional.*

7.2. *Incorrect reporting of Enhanced Supervision Data*

- 7.2.1. *Admittedly, there was a clerical error on part of the Noticee where the balance in one of the client's account with HDFC Bank bearing no. 1010140000013 was incorrectly reported as Rs.78,087.72/- instead of Rs.1,39,43,752.63/-. It is submitted that the same this error was entirely unintentional and not deliberate.*
- 7.2.2. *In respect of the Enhanced Supervision Reporting, only one head of reporting was erroneously reported and not the remaining heads. It is also reiterated that notwithstanding that error, there is no significant impact on our 'G' value which remains positive.*
- 7.2.3. *Without prejudice to the above, it is submitted that SEBI has noted only one instance of misreporting during an Inspection Period spanning 15 months which demonstrates that Marwadi has strong processes and is duly and accurately compliant with its reporting obligations.*
- 7.3. *The Noticee has undertaken corrective actions to improve its operations and prevent reoccurrence of the SEBI observations in future. There are overall 68 instances of non-settlement, for which the Noticee has taken steps in attempting to contact such clients including by way of calls and / or emails as the case maybe seeking updation of records to enable online transaction to remit the amounts. However, in 12 cases the concerned client has not been reachable over the registered number and in 2 cases the clients have been entirely untraceable. It is submitted that the accounts of such clients remain unsettled notwithstanding these efforts, however, the Noticee is attempting to ensure that no client account remains unsettled. A UCC wise tabular representation of the attempts of communication attempted by the Noticee and the relevant emails / call recordings is provided along with the submissions.*
8. **Vide letter dated January 02, 2025, hearing notice was issued to the Noticee to provide an opportunity of personal hearing in the interest of natural justice. The Noticee was advised to appear before the undersigned on January 16, 2025. The Noticee appeared for the scheduled hearing through its authorized representative**

(AR). The AR reiterated submissions already made, vide letter dated December 06, 2024, and also made additional submissions, which it submitted in writing, vide letter dated January 22, 2025.

9. The additional submissions made by the Noticee are as summarized below.

9.1. *The Noticee has referred to SEBI AO Order Order/BM/GN/2024-25/31011 dated November 28, 2024, and has requested that the same view may be taken in the present case.*

9.2. *The Noticee has complied with the provisions alleged to be violated, and submitted a certificate from the internal auditor in this regard.*

9.3. *In response to the specific query raised by the Ld. Adjudicating officer it is submitted that while some of the clients of the Noticee deposited funds through online transfer, from that the Noticee was not able to procure IFSC code for registering the client for pay-out of fund to client through NEFT.*

9.4. *Further, the excess funds belonging to inactive clients that were not claimed were kept in a down streaming bank account : HDFC Bank, A/c No.: 1010140000023, IFSC: HDFC0000101, Type: Current, as per SEBI's guidelines and the Noticee confirms that it has not earned any interest thereon.*

CONSIDERATION OF ISSUES AND FINDINGS

10. Considering the allegations made out in the SCN and the submissions made by the Noticee, I find that following issues require consideration in the present case:

ISSUE I - Whether the Noticee has violated provisions of SEBI Circulars dated September 26, 2016, June 16, 2021 and July 27, 2022, as given at para 2 above?

ISSUE II - Do the violations, if any, attract penalty under section 15HB of the SEBI Act, 1992?

ISSUE III - If so, what should be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act, 1992?

11. The said provisions under which violations have been alleged against the Noticee are reproduced below –

SEBI Circular SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated June 16, 2021

5.4. For the clients having credit balance, who have not done any transaction in the 30 calendar days since the last transaction, the credit balance shall be returned to the client by TM, within next three working days irrespective of the date when the running account was previously settled.

SEBI Circular SEBI/HO/MIRSD/DoP/P/CIR/2022/101 dated July 27, 2022

4.1. The settlement of running account of funds of the client shall be done by the TM after considering the End of the day (EOD) obligation of funds as on the date of settlement across all the Exchanges on first Friday of the Quarter (i.e., Apr-Jun, Jul-Sep, Oct-Dec, Jan-Mar) for all the clients i.e., the running account of funds shall be settled on first Friday of October 2022, January 2023, April 2023, July 2023 and so on for all the clients. If first Friday is a trading holiday, then such settlement shall happen on the previous trading day.

SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016

3. Monitoring of Clients' Funds lying with the Stock Broker by the Stock Exchanges

3.2. Stock brokers shall submit the following data as on last trading day of every week to the Stock Exchanges on or before the next trading day:

A- Aggregate of fund balances available in all Client Bank Accounts, including the Settlement Account, maintained by the stock broker across stock exchanges."

12. I now proceed to deal with the issues as under;

ISSUE I - Whether the Noticee has violated provisions of SEBI Circulars dated September 26, 2016, June 16, 2021 and July 27, 2022, as given at para 2 above?

13. Non-settlement of clients' funds

- 13.1. Inactive clients' funds - During the inspection for running account settlement of funds for inactive clients, total 95,263 instances were verified for clients having credit balance, who have not done any transaction in the 30 calendar days. It was observed that the Noticee did not settle the inactive clients on 1,465 instances out of the aforesaid 95,263 instances. The total amount of unsettled funds is Rs.1,04,22,856.26. Thus, it was alleged that the Noticee had violated the provisions of Clause 5.4 of SEBI Circular SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated June 16, 2021.
- 13.2. Active Clients' funds – It was observed from the verification of settlement done on 1st Friday of the quarter that the Noticee had not settled clients' funds in 750 instances out of total 66,028 instances. It was observed that Noticee issued cheques to settle funds of the aforesaid clients instead of transferring the funds by NEFT/ RTGS/ Online transfer at the time of settlement. The total amount of unsettled funds was Rs.1,34,85,765/-. Further, from its reply given during post inspection analysis, it was observed that:
- 13.2.1. In some instances, cheques issued to client were not reversed in the ledger of clients within 3 months of issue of cheque.
- 13.2.2. Cheques in 565 instances out of total 750 were issued to clients before the date of settlement which was subsequently cleared after substantial delay which is considered as non-settlement.
- 13.2.3. Noticee did not provide logs for communication made to clients with regard to payment failure and updation of bank account.
- 13.3. Thus, it was alleged that the Noticee had violated the provisions of Clause 4.1 of SEBI Circular SEBI/HO/MIRSD/DoP/P/CIR/2022/101 dated July 27, 2022
- 13.4. As per the provisions of clause 5.4 of SEBI Circular SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated June 16, 2021, the credit balance is required to be returned within three working days. As per Clause 4.1 of SEBI Circular

SEBI/HO/MIRSD/DoP/P/CIR/2022/101 dated July 27, 2022, the settlement of running account of funds of the client shall be done by a trading member after considering the End of the day (EOD) obligation of funds as on the date of settlement across all the Exchanges on first Friday of the Quarter for all the clients.

- 13.5. In this regard, the Noticee has made submissions as summarized in paragraph 7.1 above.
- 13.6. With respect to 1,465 instances pertaining to non-settlement of inactive clients' funds, I note the following:
 - 13.6.1. With respect to 75 instances, the Noticee has submitted that the clients were active during the relevant 30 days' period. However, the Noticee has not provided the date of their last transaction, or any other document in support of its submissions.
 - 13.6.2. With respect to 73 instances, the Noticee has submitted that these instances pertain to 4 clients against which the amount of credit due is disputed. However, the Noticee has not submitted any information / document, supporting its submissions.
 - 13.6.3. With respect to 303 instances, the Noticee has submitted that the clients were inactive and untraceable for period exceeding one year and their KYC details were not current. I note that these instances pertain to 33 clients. Noticee has submitted call logs in support of its submissions that it had made various efforts to trace these clients. However, I note that the Noticee did not report the untraceable clients in the cash & cash equivalent submission to Exchanges.
 - 13.6.4. With respect to remaining 1014 instances, the Noticee has submitted that the cheques were not deposited by the clients, and were subsequently reissued. In this regard, the Noticee has also submitted that excess funds

belonging to inactive clients that were not claimed were transferred to a separate bank account, in compliance with applicable provisions.

13.6.5. Noticee has submitted that the accurate amount of unsettled funds is Rs.12,80,684.69 only, and not Rs.1,04,22,856.26, as alleged in the SCN. From the perusal of details of unsettled inactive clients' funds, I note that the amount of Rs.1,04,22,856.26 was arrived by adding the clients' outstanding balances for multiple periods, due to which the same unsettled balance has been considered more than once. However, the accurate amount of unsettled inactive clients' funds is Rs.12,80,684.69. Thus, I am inclined to accept the Noticee's submissions in this regard.

13.7. With respect to 750 instances pertaining to non-settlement of active clients' funds, I note the following:

13.7.1. In most of the instances, the Noticee has submitted that it had issued the cheques even before the settlement dates and the cheques were cleared after the first Friday of the Quarter. In this regard, the Noticee has provided cheque issuance dates and clearing dates for around 155 instances. In few of the instances, the Noticee has submitted that NEFT was rejected and cheque was subsequently issued, and few cases where cheques were not cleared and amounts were sent through NEFT.

13.7.2. However, in some instances, the Noticee has submitted that cheques were issued on a certain date and they were cleared after more than three months. Noticee has submitted that some clients had preferred settlement by way of cheque, and for this reason, cheques were being issued to these clients. However, the Noticee should have ensured settlement of funds by following up with the clients who were not depositing the cheque, or by transferring their funds through bank transfer.

13.7.3. Noticee has also submitted call recordings and call logs of some clients where the Noticee's employees had called the clients to encourage them

to provide their bank account details for subsequent pay-outs, demonstrating the Noticee's efforts to persuade its clients to choose settlement through bank transfers.

13.7.4. Noticee has admitted that in 18 instances, funds of Rs. 2,31,144 remained unsettled.

13.7.5. As the Noticee has not provided cheque issuance dates for all the instances, it is not possible to verify its submissions with respect to all the instances. While its submissions are acceptable for 150 odd instances, for which the Noticee has provided cheque issuance dates and clearing dates, I am not inclined to accept the submissions for remaining instances (where the dates have not been provided by the Noticee). Further, the Noticee has itself admitted to have not settled the funds amounting to ₹2,31,144 in 18 instances.

13.8. In view of the foregoing observations, the allegation of violation of provisions of clause 5.4 of SEBI Circular SEBI/HO/MIRSD/DOP/P/ CIR/2021/577 dated June 16, 2021 and Clause 4.1 of SEBI Circular SEBI/HO/MIRSD/DoP/P/CIR/ 2022/101 dated July 27, 2022 against the Noticee stands established.

14. Incorrect reporting of Enhanced Supervision Data

14.1. It was observed that the Noticee made an incorrect reporting of "*Aggregate of fund balances in all Client Bank Accounts, including the Settlement Account*" on one sample date i.e. 29-07-2022. It was observed that Aggregate of fund balances available in all Client Bank Accounts, including the Settlement Account was reported to be ₹57,02,129.27 instead of ₹1,95,67,794.18 with a difference of ₹1,38,65,664.91. Thus, it was alleged that the Noticee has violated the provisions of Clause 3.2 (A) of SEBI Circular SEBI/HO/MIRSD/ MIRSD2/CIR/P/2016/95 dated September 26, 2016.

- 14.2. Clause 3.2 of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 requires all stock brokers to submit certain data as on last trading day of every week to the Stock Exchanges on or before the next trading day, including Aggregate of fund balances in all Client Bank Accounts, including the Settlement Account.
- 14.3. The Noticee has admitted that there was a clerical error due to which the value of fund balances of clients' accounts was incorrectly submitted by the Noticee.
- 14.4. The Noticee has also submitted that there was no significant impact on the 'G' value, which always remained positive. It is noted that there is no allegation in the SCN with respect to 'G' value.
- 14.5. As the Noticee had submitted incorrect value of the Aggregate of fund balances in all Client Bank Accounts, including the Settlement Account, the allegation of violation of provisions of Clause 3.2 of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 against the Noticee stands established.

ISSUE II - Do the violations, if any, attract penalty under Section 15HB of the SEBI Act, 1992?

15. I note that Noticee as part of its submissions has cited order of Adjudicating Officer of SEBI indicating exoneration in similar matter. In this regard, I note that each matter is peculiar in its facts and circumstances based on which the violations and penalties are ascertained. Hence, any generic parallel drawn would be devoid of merit. I note that Noticee has merely cited and mentioned about the Order, however, the Noticee has neither demonstrated as to how the cited order is having facts similar to all the violation established in the instant matter.

16.I note that since the above violations are established, the Noticee is liable for monetary penalty under Section 15HB of the SEBI Act, 1992, the text of which is reproduced hereunder:

SEBI Act, 1992

Penalty for contravention where no separate penalty has been provided.

15HB. Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.

ISSUE III - If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act, 1992?

17. While determining the quantum of penalty under Section 15HB of the SEBI Act, 1992, it is important to consider the factors stipulated in Section 15J of the SEBI Act, 1992, which read as under:

SEBI Act, 1992

15J While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

18.I note the following from the findings of inspection and the Noticee's submissions:

- 18.1. There are 1,465 instances of non-settlement of funds of 179 inactive clients out of 95,263 instances of inactive clients with credit balance, verified during the inspection, which is 1.5% (approx.)
 - 18.2. There are 750 instances of non-settlement of 589 active clients' funds out of 66,028 instances verified during the inspection, which is 1.13% (approx.) of the total instances verified.
 - 18.3. Noticee has submitted call logs and call recordings to demonstrate the efforts made by the Noticee to persuade its clients to provide bank account details for settlement through bank transfers. It has also submitted that many of the unsettled balances have been settled subsequently.
 - 18.4. The Noticee has submitted that it has transferred unclaimed funds of its inactive clients to a separate non-interest bearing account, in compliance with applicable provisions.
 - 18.5. The Noticee has admitted that there was a clerical error due to which the value of fund balances of clients' accounts was incorrectly submitted by the Noticee to the Stock Exchanges.
19. In the present matter, I note that no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of the defaults by Noticee. Further, from the material available on record, it is not possible to ascertain the exact monetary loss to the investors /clients on account of default by the Noticee. However, as per the available records, I note that that Noticee has been penalised earlier also for the violations pertaining to non-settlement of clients' funds. Thus, the violations are repetitive in nature. Also, the fact that as a SEBI registered intermediary, Noticee is under statutory obligation to comply with the applicable circulars, rules and regulations, cannot be ignored. The very purpose of the said regulations is to deter wrong doing and promote ethical conduct in the securities

market. Therefore, suitable penalty must be imposed for non-compliances in order to ensure that the Noticee is more careful in conducting its operations.

ORDER

20. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticee and also the factors mentioned in Section 15J of the SEBI Act, 1992, in light of judgment of the Hon'ble Supreme Court in SEBI vs. Bhavesh Pabari (2019) 5 SCC 90, in exercise of power conferred under Section 15-I of the SEBI Act, 1992 r/w Rule 5 of the SEBI Adjudication Rules, I impose the following penalty upon the Noticee for the violations as mentioned hereunder.

Name of Noticee	Provisions violated	Penalty attracted under	Penalty Amount
Marwadi Shares and Finance Limited	<ul style="list-style-type: none"> • Clause 5.4 of SEBI Circular SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated June 16, 2021 • Clause 4.1 of SEBI Circular SEBI/HO//MIRSD/DOP/P/CIR/2022/101 dated July 27, 2022 • Clause 3.2(A) SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 	Section 15HB of SEBI Act, 1992	₹2,00,000/- (Rupees Two Lacs Only)

21. I find the said penalty to be commensurate with the lapse/omission on the part of the Noticee

22. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT → Orders → Orders of AO → PAY NOW.

23. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under Section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.

24. In terms of Rule 6 of the SEBI Adjudication Rules, copy of this order is sent to the Noticee and also to the Securities and Exchange Board of India.

**AMIT
KAPOOR** Digitally signed
by AMIT KAPOOR
Date: 2025.04.03
11:59:55 +05'30'

DATE: APRIL 03, 2025

PLACE: MUMBAI

**AMIT KAPOOR
ADJUDICATING OFFICER**