BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/MC/RM/2022-23/17567]

UNDER SECTION 15-I (2) OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995 AND UNDER SECTION 19-H (2) OF DEPOSITORIES ACT 1996 READ WITH RULE 5 OF DEPOSITORIES (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 2005

In respect of –

Choice Equity Broking Pvt Ltd. having addresses at Shree Shakambhari Corporate Park, 156-158, Chakravarti Ashok Society, J.B.Nagar, Off Sahar Road, Andheri(East), Mumbai-400099

In the matter of Delta Leasing & Finance Ltd.

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') initiated adjudication proceedings against Choice Equity Broking Pvt Ltd. (**Noticee)** for the alleged violations of clause 1, 2(b), 3, 4, 11 of Part A of Schedule III of Code of Conduct of SEBI (Depositories and Participants) Regulations, 1996 (hereinafter referred to as **"D&P Regulations, 1996"**) read with Regulation 20AA *ibid* read with Regulation 98 of SEBI (Depositories and Participants) Regulations, 2018 (hereinafter referred to as **"D&P Regulations, 2018)** and clause 1.8(vii) & 1.8(viii) of SEBI Master Circular, CIR/MRD/DP/13/2013 dated April 15, 2013.

APPOINTMENT OF ADJUDICATING OFFICER

2. The undersigned was appointed as Adjudicating Officer (hereinafter referred to as '**AO**') *vide* order dated December 21, 2020 to inquire into and adjudge under

Section 15HB of the SEBI Act, read with Section 19G of the Depositories Act, the aforesaid alleged violations against the Noticee. The appointment of the AO was communicated *vide* order dated January 13, 2021.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. EAD5/MC/ST/2021/15254 dated July 14, 2021 (hereinafter referred to as '**SCN**') was issued to the Noticee in terms of Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 ('SEBI Adjudication Rules') and 4(1) of the Depositories (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 ('Depositories Adjudication Rules') to show cause as to why an inquiry should not be held and penalty not be imposed against Noticee in terms of Section 15HB of the SEBI Act, read with Section 19 G of the Depositories Act, for the aforesaid alleged violations.

4. The allegations levelled against the Noticee in the SCN are summarized as below:

5. Delta Leasing & Finance Ltd. (DLFL) was incorporated in November 1983 and was listed on DSE on June 27, 1984 and at BSE on April 18, 2013. As per the website of DLFL, the company is engaged in investments and providing loan & advances and other related activities. Address details of DLFL are as under:

Registered Office Address	55, F.I.E, Patparganj Industrial Area, New Delhi– 110092
Corporate Office Address	104, Mukund House, Azadpur, New Delhi-110033

6. An investigation was conducted into the trading activities in the scrip of DLFL from January 1, 2013 to December 31, 2014. Examination of off market data obtained from the Depositories revealed that promoter entities transferred substantial quantity of shares to several entities during the investigation period.

7. The off market transactions executed during the investigation period were carried out electronically in dematerialized form by transfer from the account of a Beneficial Owner (Transferor or Source Client) to the account of another beneficial owner (Transferee or the Target Client) through Delivery Instruction Slips (DIS).

8. On scrutiny of the DIS of some of the Source clients, it was observed that consideration amount for the off market transfer of shares was not stated in the DIS. In certain other cases, the consideration amount was indicated to have been received in cash and in some other cases, though the consideration amount was mentioned but the mode and manner of the amount received were not stated. Copy of DIS slips were provided as **Annexure-2** with SCN**.** The Source clients and the Target clients did not substantiate their claim of consideration received / paid with any documentary evidences in response to the summons issued seeking the aforementioned information.

9. In this connection, the role of the Depository Participants (DP) in the off market transactions through DIS was examined to ascertain as to whether the DPs exercised their due diligence and complied with the Rules and Regulations before executing such off market transfers.

10. Code of Conduct is prescribed for a DP in Regulation 20AA under Schedule III, governing its day-to-day activities as a DP and requires that DPs act in a prompt, effective and efficient manner and maintain high standards of integrity in all its dealings.

11. Further, in terms of para 1.8(vii) of SEBI Master Circular bearing Ref. No. CIR/MRD/DP/13/2013 dated April 15, 2013, *"the DPs shall cross check with the BOs under exceptional circumstances before acting upon the DIS".* And para 1.8(viii) of the said Master Circular states that *"the authorized official of the DP verifying such transactions with the BO, shall record the details of the process, date, time, etc., of the verification on the Instruction Slip under his signature".*

12. It was observed that the Noticee executed off market transactions which are considered as transactions under exceptional circumstances whereby the DPs are required to enquire with the beneficial owners about the transactions before its execution and record the same. The table below gives summary of such transactions:

Name of DP	Cash			Gift			Loan/Return of loan shares			Bad Deliver/Delivery return			Consideration not mentioned		
	No. of source client	No. of transactions	Qty of shares	No. of source clients	No. of transactions	Qty of shares	No. of source clients	No. of transactions	Qty of shares	No. of source clients	No. of transactions	Qty of shares	No. of source clients	No. of transactions	Qty of shares
Choice Equity Broking Pvt Ltd.	0	0	0	0	0	0	1	3	38,000	0	0	0	0	0	0

13. Details of the transactions executed were given as **Annexure-3** with SCN. On specific query to Noticee vide letters and summons pertaining to the extent of suo-moto due diligence exercised by them, the Noticee replied that it had exercised considerable due diligence while executing the transactions and had also obtained confirmation from the Source clients during verification of the DIS. However, the Noticee did not provide any documentary evidence of any record showing the name of the BO with whom verified, the manner of verification either phone or in person, date of such verification, the phone number to which calls made etc. substantiating their contention. The following Table gives details of summon issued and summary of the reply of the Noticee.

S No.	Name of the DP	Date of Letter/Summons issued	Date of Reply	Remarks
1	Choice Equity Broking Pvt Ltd.	14.06.2019	21.06.2019	Confirmed exercise of due diligence but not substantiated with documentary evidence

				such as cross verification with the source client and recording of the same

14. In view of the above, Noticee was alleged to have violated clause 1, 2(b), 3, 4, 11 of Part A of Schedule III of Code of Conduct of D&P Regulations, 1996 read with Regulation 20AA read with Regulation 98 of D&P Regulations, 2018; and clause 1.8(vii) & 1.8 (viii) of SEBI Master Circular CIR/MRD/DP/13/2013 dated April 15, 2013.

15. The relevant clauses of D&P Regulations, 1996 & 2018, SEBI Master Circulars dated December 31, 2010 and April 15, 2013 are reproduced as under:

D&P Regulations, 1996:-

THIRD SCHEDULE

CODE OF CONDUCT FOR PARTICIPANTS

***1**. A participant shall make all efforts to protect the interests of investors.*

***2**. A participant shall always endeavor to—*

(b) ensure that all professional dealings are effected in a prompt, effective and efficient manner;

***3.** A participant shall maintain high standards of integrity in all its dealings with its clients and other intermediaries, in the conduct of its business.*

***4**. A participant shall be prompt and diligent in opening of a beneficial owner account, dispatch of the dematerialization request form, rematerialisation request form and execution of debit instruction slip and in all the other activities undertaken by him on behalf of the beneficial owners.*

***11**. A participant shall maintain the required level of knowledge and competency and abide by the provisions of the Act, Rules, Regulations and circulars and directions issued by the Board. The participant shall also comply with the award of the Ombudsman passed under the Securities and Exchange Board of India (Ombudsman) Regulations, 2003.*

Participants to abide by code of conduct.

20AA. *The participant holding a certificate of initial or permanent registration shall, at all times, abide by the Code of Conduct as specified in Third Schedule.*

<u>D&P Regulations, 2018:-</u>

Repeal and savings.

98*.(1) On and from the commencement of these regulations, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, shall stand repealed.*

(2)Notwithstanding such repeal, anything done or any action taken or purported to have been taken or contemplated under the repealed regulations before the commencement of these regulations shall be deemed to have been done or taken or commenced or contemplated under the corresponding provisions of these regulations.

(3)After the repeal of the regulations referred to in sub-regulation (1), any reference thereto in any regulation, guideline, circular or direction issued by the Board shall be deemed to be a reference to the relevant provisions of these regulations.

<u>SEBI Master Circular CIR/MRD/DP/13/2013 dated April 15, 2013:-</u>

1.8 Safeguards to address the concerns of the investors on transfer of securities in dematerialized mode.

vii. The DPs shall cross check with the BOs under exceptional circumstances before acting upon the DIS.

viii. "….The authorized official of the DP verifying such transactions with the BO, shall record the details of the process, date, time, etc., of the verification on the instruction slip under his signature".

16. The aforesaid alleged violations, if established, make the Noticee liable for monetary penalty under Section 15HB of the SEBI Act, read with Section 19G of Depositories Act.

17. In response to the SCN, Noticee filed the reply to the SCN vide letter dated September 20, 2021. Opportunity of hearing was provided to the Noticee through video conferencing on June 20, 2022. Mr. Ankit Lohia, Advocate, Mr. Aditya Bhansali, Advocate, Mr. Akshaya Bhansali, Advocate, Ms. Nirali Mehta, Practicing Company Secretary, Mr. Ajay Kejriwal, Authorised Representatives (AR) of the Noticee attended the hearing and reiterated the submissions made in reply.

18. The key submissions of the Noticee are summarized as below:

19. The Noticee submitted that there is a long unexplained delay in the initiation of proceedings against it. The Noticee drew attention to the fact that the investigation period in the instant case is from January 01, 2013, to December 31, 2014, more than 7 years back from the date of issuance of Notice i.e., July 14, 2021. It further submitted that summon is issued on June 14, 2019, that is after 5 years from the date of transactions. In this regard, Noticee referred judgments of the Hon'ble SAT in the matter of *Libord Finance Ltd. v. SEBI, 2008 86 SCL 72 SAT*, Order of the Hon‟ble SAT in the matter of *HB Stockholdings Limited v. Securities and Exchange Board of India*, *Ashlesh Gunvantbhai Shah v. SEBI on January 31, 2020 (Appeal no. 169 of 2019)* etc.

20. Noticee submitted that the Notice is vague, and it is imperative that an authority must state in the Notice about the act of the Noticee and how the act of the Noticee has resulted in the violations of law stated in the Notice as per the principles of natural justice. The same is required so that the Noticee can give its proper and efficient defense. However, in the present case, while observing that the Noticee has not carried out necessary due diligence while executing the instruction received in the three DIS, the Notice is silent on how the Noticee failed in doing so. In this regard, Noticee referred judgments of *Hon'ble Supreme Court in Gorkha Security Services v. Government (NCT of Delhi), (2014) 9 SCC 105. Swaranganga Trading Private Ltd. v. Adjudicating Officer, SEBI (Appeal No. 74 of 2009).*

21. The Noticee has consecutively received written communications in form of DIS for the transfer of shares of Delta Leasing & Finance Limited (hereinafter referred to as “DLFL”) on January 22, 2014, January 31, 2014, and February 05, 2014, from one of its clients Ms. Anuradha Devi bearing DP Client ID as 1206690000017592. Ms. Anuradha has been an active client of the Noticee since January 2014. Further, Ms. Anuradha has been actively trading in the securities market in various scrips since the opening of an account with us.

22. Immediately, upon the receipt of the 3 DIS, the Noticee primarily verified whether the said DIS was complete in all respect, i.e. the date, the details of the scrip proposed to be transferred, number of shares to be transferred, the details of the transferee, the consideration in pursuance to scrip transferred, the reason for the transfer, etc.

23. Subsequently, it was verified whether the DIS was from the current range of Instruction booklet as available with such client. Further, it was also verified whether a proper DIS was settled about the depository of the transferee.

24. Upon being satisfied with these primary parameters, the Noticee further set out to do a thorough verification of the DIS and also of the proposed transaction. In this regard, Noticee has a set protocol to be followed when it receives instructions to transfer shares off market. In the present case also, the Noticee has complied with its internal protocol before executing the instructions for the transfer. This protocol for verification has been developed taking into consideration the applicable laws, rules, and regulations in relation to the off-market transfer of securities.

25. Firstly, the Noticee verified whether the client held shares proposed to be transferred in it’s demat holding. Secondly, the Noticee confirmed whether there was any type of lien on the shares proposed to be transferred.

26. Subsequently, the Noticee also verified the source of the receipt of such shares and also checked the dealings of the client in the scrip proposed to be transferred. The Noticee observed that the client has been dealing in the scrip of DLFL much prior to the proposed transfer both through the platform of the exchange and also through off-market mode. However, no suspicion was raised on the proposed transfer of shares as it is in line with the normal trading pattern of the Noticee. Moreover, the Noticee executes multiple transactions on a daily basis average, the Noticee cannot be expected look at all the transactions with a suspicious eye. The Noticee while executing the transactions exercises a complete and reasonable care and in case even a small suspicion is noticed by the Noticee then the Noticee exercise a complete and thorough due diligence.

27. While executing the transaction based on the aforesaid three DIS, the Noticee exercised complete and thorough due diligence. Further, the Noticee confirmed the transaction details such as the number of shares, scrip name, valuation, and counterparty with the client over the phone. During the phone call, the client also mentioned that the transfer of shares was in lieu of the repayment of a loan. Hence, no suspicion was observed by the Noticee while executing the transactions. Moreover, prior to execution of transactions, one of the senior officers of the Noticee verified the aforesaid three DIS. Further, another employee of the Noticee checked and countersigned the three DIS.

28. The Noticee also observed that there was no overwriting as regards the particulars in the three DIS. The Noticee also verified the signature of its client with the signature available in the records and observed no variance therein.

29. The Noticee had duly recorded the date and time of receipt of the three DIS. Further, the Noticee also verified whether the demat account in which the shares were proposed to be transferred was an active account or not. Moreover, it was confirmed by the Noticee that the client was holding some other shares in the demat account, after the execution of the DIS.

30. The entire process of verification was carried out by a senior employee of the Noticee as the value of the transactions in the aforesaid three DIS were more than 5 lakhs. Further, the three DIS were also checked and countersigned by another employee of the Noticee. Hence, the Noticee followed a two-step verification prior to the execution of the aforesaid three DIS. This shows that the Noticee was being diligent while executing the transactions. Therefore, from the perusal of the aforesaid, it can be observed that all the necessary steps were taken in regard to the three DIS.

31. Despite there being no such requirement of mandatory verification, the Noticee confirmed the transaction details with the BO over the phone. Pursuant to the confirmation of the details mentioned in the DIS, the Noticee executed the transactions. Thus, the Noticee has performed an extra layer of diligence while executing the transactions. Therefore, the Noticee cannot be charged for the failure of exercising due diligence when it is clear that the Noticee has taken an additional step of diligence required by it under the law.

32. The Notice observed that the Noticee has not provided the call recordings of the verification and on the said basis, gone ahead to conclude that deficiency in the due diligence done by the Noticee on this very basis. In this regard, the Noticee submits that non-provision of data of call recording, which was in the first place not mandatory does not mean that the Noticee was deficient in its process of due diligence.

33. The Noticee further submits that there was no mandatory requirement to firstly record such confirmation calls and secondly to maintain such records, Therefore, no negative inference should be drawn against the Noticee for not providing the call records for the verification done with the clients. However, the details of the calls made have been duly recorded and cross verified on the back side of the three DIS. The complete and clear post verification scanned copies of the DIS from both the sides are placed on records.

34. With respect to clause 1.8 (viii) of the Depositories Circular, Noticee submitted that the account of the BO was active at the time when the Noticee received the DIS. Further, not all the ISIN balances were being transferred from the BO account. Accordingly, the BO account was not falling in any of the aforesaid circumstances where a mandatory verification was required by the Noticee. Hence, neither the Noticee was required to verify the details of the aforesaid transactions with the BO nor the notice was mandated to record the details of the aforesaid transaction on the instruction slip.

35. Noticee also relied on the following case laws to state that the Noticee exercised a reasonable due diligence, Hon‟ble Supreme Court in the case of *Chander Kanta Bansal v. Rajender Singh Anand, [2008 (5) SCC 117] , Almondz Global Securities Limited v. Securities and Exchange Board of India (Appeal No. 275 of 2014) , WTM Order No. WTM/GM/EFD DRA-1/12/FEB/2017 in the matter of Brooks Laboratories Ltd. dated February 09, 2017*, etc. which highlight that due diligence in law means reasonable diligence, hence, everything that is reasonable has to be done in the process of due diligence and it does not mean doing everything possible. Further, no extraordinary step can be expected in the due diligence process unless there exists a suspicion at the time of due diligence.

36. The Noticee submitted that it exercised reasonable diligence by confirming the transaction details over the phone with the BO at the time of executing the transaction based on the DIS it received from the BO. Noticee did not find any suspicious details while verifying the details of the transaction on call. Further, it was under the normal course of the business of the Noticee to execute the transactions as the BO account was active at the relevant time. Otherwise, the Noticee has the practice to confirm the transaction via email in case of execution of transactions of dormant account. In the financial year 2013-2014, around 5 off-market transactions were executed from the account of the BO in a different scrip, apart from the aforesaid 3 transactions. In these transactions also no suspicion was observed or seen by the Noticee. Further, no alert was raised by the depository for any of the transactions. Therefore, that there was no reason or act

that would have raised any suspicion for the transactions executed by the Noticee.

37. Hence, an adverse inference cannot be drawn against the Noticee that it failed to exercise due diligence while acting on the DIS it received from the BO as it has confirmed the details on phone, and no suspicion was raised while executing the transactions.

38. As the inquiry in the matter is complete, I now proceed to decide the matter on the basis of SCN issued, reply received and material placed on record.

CONSIDERATION OF ISSUES AND FINDINGS

39. The issues that arise for consideration in the instant matter are:

Issue No. I Whether the Noticee violated clause 1, 2(b), 3, 4, 11 of Part A of Schedule III of Code of Conduct of SEBI (Depositories and Participants) Regulations, 1996 (hereinafter referred to as **"D&P Regulations, 1996"**) read with Regulation 20AA ibid read with Regulation 98 of SEBI (Depositories and Participants) Regulations, 2018 (hereinafter referred to as **"D&P Regulations, 2018)** and clause 1.8(vii) & 1.8(viii) of SEBI Master Circular, CIR/MRD/DP/13/2013 dated April 15, 2013?

Issue No. II If yes, whether the failure, on the part of the Noticee would attract monetary penalty under Section 15HB of the SEBI Act, read with Section 19G of the Depositories Act?

Issue No. III If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules; and Section 19I of the Depositories Act read with Rule 5(2) of the Depositories Adjudication Rules?

Issue No. I Whether the Noticee violated clause 1, 2(b), 3, 4, 11 of Part A of Schedule III of Code of Conduct of SEBI (Depositories and

Participants) Regulations, 1996 (hereinafter referred to as "D&P Regulations, 1996") read with Regulation 20AA ibid read with Regulation 98 of SEBI (Depositories and Participants) Regulations, 2018 (hereinafter referred to as "D&P Regulations, 2018) and clause 1.8(vii) & 1.8(viii) of SEBI Master Circular, CIR/MRD/DP/13/2013 dated April 15, 2013?

40. Before going into the merits of the case, I note that the Noticee has contended that there is an inordinate delay of 7 years in the matter. In this regard, it is noted that the Investigation was initiated in the year 2019 and was concluded in the year 2020. The appointment of the undersigned in the matter was made in January, 2021. Hence, it cannot be said that there is inordinate delay in the initiation of the instant proceedings against the Noticee. I also note that no limitation is prescribed in SEBI Act or Regulations for issuance of SCN or for completion of the Adjudication proceedings.

41. I also note that the Noticee has contended that the Notice is vague. In this regard, I note that the actions of Noticee and the circumstances, on the basis which violations are allegedly charged upon the Noticee are clearly detailed in the SCN along with the relevant provisions and regulations allegedly violated. Further, in support of the alleged violations, evidences have also been provided as annexures to the SCN. In view of the same, the contention of the Noticee is not acceptable.

42. The allegations against the Noticee are based upon certain off market transactions in respect of which Noticee was required to carry out certain due diligence. The transactions are alleged to be under exceptional circumstances whereby DPs were required to cross check with the Beneficial Owners (BOs) about the transactions before its execution.

43. Noticee has contended that the transfers were executed only pursuant to verification of details on the DIS with the BO (Ms. Anuradha Devi) wherein the

client confirmed over phone that the reason for the transfer of shares was in lieu of the "repayment of the loan'. In support of the due diligence, Noticee has submitted copies of the DIS Slips for the impugned transactions, on the back side which the officials of the Noticee have signed and confirmed that the details of the DIS Slips were confirmed with the BO, further the official has also noted the mobile number on which the BO was contacted and the time of contact. Further, the details of the DIS slips issued, and the signature were cross checked from the back office of the Noticee.

44. In this regard, I note that clause 1.8 (vii) of SEBI Master Circular CIR/MRD/DP/13/2013 dated April 15, 2013 states that "The DPs shall cross check with the BOs under exceptional circumstances before acting upon the DIS" However, the term "exceptional circumstances" has not been defined, and there is no provision in the aforesaid circular, giving any indication or direction as to which transaction is to be classified as exceptional. The differentiation of the off market transactions into categories such as "Cash", "Gift", "Loan/ Return of Loan shares", "Bad Delivery/Delivery Return" and "Consideration not mentioned category", and treating these categories as exceptional circumstances, is not provided in this circular which was applicable during the relevant period. These categories were specified much later in July 2019.

45. I take note of the Noticee's contention that it did verify the details of the DISs with the Beneficial Owners. I have perused the DIS slips for the impugned three transactions provided by the Noticee, and note that only on one DIS Slip the reason for transfer is mentioned as 'Repayment of Loan' and in remaining two DIS Slips the field for reason and the consideration amount is blank. I also note that on the backside of all the three DIS Slips, the official of the Noticee under his signature has verified the transactions with the BO, and had recorded the details like mobile number and time of confirmation etc. I also note that material on record does not bring out any concerns raised by respective BOs. I further note that this requirement of cross-checking with the BO was put in place to safeguard the concerns of investors.

46. Upon perusal of the DIS slips based on which the allegations referring to exceptional circumstances as well as suspicious transactions are made, I note that there is nothing in the DIS slips indicating that the impugned off market transactions were cash transactions. Hence, keeping in view the claim by the Noticee that the reason for the impugned transactions was confirmed as 'Repayment of Loan' from BO over phone for all the three impugned transactions, and in absence of any records to contradict the Noticee claims, I find that reason for not mentioning consideration is recorded.

47. In view of the above, I find that, there is insufficient material on record to conclude that the impugned off market transactions were cash transactions or were under exceptional circumstances. Hence violation of clause 1.8 (vii) of SEBI Master Circular CIR/MRD/DP/13/2013 dated April 15, 2013 by Noticee is not established.

48. I also note that as per clause 1.8 (viii) of SEBI Master Circular CIR/MRD/DP/13/2013 dated April 15, 2013, verification with BO is applicable in cases wherein either all the ISIN balances in an account are transferred at a time and there was no debit transaction in the account for past 6 months, OR if the concerned BO Account has 5 or more ISINs, and all such ISINs are transferred at one time. Noticee has submitted that account of Ms. Anuradha Devi involved in off market transactions was active, and neither of aforesaid criteria met at any point, requiring mandatory verification was required by the Noticee. However, no supporting documents have been placed on record by the Noticee in this regard. I also find that there is no material on record to substantiate that the criteria for verification as stipulated in aforesaid clause was met for the accounts involved in the off market transactions executed by the Noticee.

49. In view of the above, in the absence of any records to contradict the Noticee claims, I find that Noticee has not violated clause 1.8 (viii) of SEBI Master Circular CIR/MRD/DP/13/2013 dated April 15, 2013.

50. In view of the above, I find that material on records does not establish that Noticee failed to exercise reasonable due diligence and violated clause 1, 2(b), 3, 4, 11 of Part A of Schedule III of Code of Conduct of SEBI (Depositories and Participants) Regulations, 1996 (hereinafter referred to as **"D&P Regulations, 1996"**) read with Regulation 20AA ibid read with Regulation 98 of SEBI (Depositories and Participants) Regulations, 2018 (hereinafter referred to as **"D&P Regulations, 2018).**

51. As the violations alleged against the Noticee are not established, issues II and III do not merit consideration.

ORDER

52. In view of the findings noted in the preceding paragraphs, the adjudication proceedings initiated against the Noticee vide SCN dated July 14, 2021 are disposed of.

53. Copy of this Adjudication Order is being sent to the Noticee and also to SEBI in terms of Rule 6 of the Adjudication Rules and Rule 6 of the Depository Adjudication Rules.

DATE: June 30, 2022	**MANINDER CHEEMA**
PLACE: MUMBAI	**ADJUDICATING OFFICER**