

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
[SETTLEMENT ORDER No. SO/NH/YK/2024-25/7492]**

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**In respect of:**

| <b>Sr. No.</b> | <b>Settlement<br/>Application No.</b> | <b>Name of the Applicant</b>                      | <b>PAN</b> |
|----------------|---------------------------------------|---------------------------------------------------|------------|
| 1              | 7492/2023                             | Accuracap Consultancy<br>Services Private Limited | AAHCA5639B |

**In the matter of Inspection of Accuracap Consultancy Services Private Limited**

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**BACKGROUND**

1. Accuracap Consultancy Services Private Limited (hereinafter referred to as “**Applicant**”) has been registered with the Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) as a Portfolio Manager since March 30, 2017. The registration number of the Applicant is INP000004037. SEBI had undertaken inspection of the Applicant on December 01, 2022, and December 02, 2022, for the period April 01, 2021, to June 30, 2022 (hereinafter referred to as “**Inspection Period/IP**”).
2. Post the culmination of the aforesaid inspection, an inspection report (hereinafter referred to as “**IR**”) was prepared. The findings of the said inspection were communicated to the Applicant vide letter dated March 14, 2023. In response to the findings in the inspection report, the Applicant submitted a reply vide letter dated March 24, 2023. After the receipt of the Applicant’s reply to the Inspection Report, a Post Inspection Analysis report (hereinafter referred to as “**PIA**”) was prepared.
3. Based on the findings of the Inspection conducted by SEBI and the response of the Applicant dated March 24, 2023, submitted to SEBI, certain non-compliances of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

(hereinafter referred to as “**PMS Regulations**”), SEBI Master Circular No. SEBI/HO/IMD/IMD-POD-1/P/CIR/2023/38 dated March 20, 2023 (hereinafter referred to as “**SEBI Master Circular dated March 20, 2023**”) and SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020 (hereinafter referred to as “**SEBI Circular dated February 13, 2020**”) were alleged. The extracts of the violations alleged to have been committed by the Applicant and the corresponding provision of the securities law are given in the table below:

**Table 1**

| <b>Sr. No.</b> | <b>Alleged Violation</b>                                                                                                            | <b>Regulatory Provisions</b>                                                                                                                                                                                                    |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.             | The Applicant received more than 20% of the brokerage charged to its clients in the guise of providing certain services to brokers. | Clause 13(a) of the Code of Conduct specified in Schedule III of PMS Regulations.<br><br>Clause 6.1.3.4 of the SEBI Master Circular dated March 20, 2023, read with Clause 3 (vi) of the SEBI Circular dated February 13, 2020. |

#### **APPOINTMENT OF THE ADJUDICATING OFFICER**

- SEBI had appointed the undersigned as the Adjudicating Officer (hereinafter referred to as “**AO**”) in the matter vide communique dated October 06, 2023, under Section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”), read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “**Adjudication Rules**”), to inquire into and adjudge under the provisions of Section 15HB of the SEBI Act for the aforementioned violations of the provisions of law alleged to have been committed by the Applicant.

## **SHOW CAUSE NOTICE**

5. A Show Cause Notice ref no. SEBI/HO/EAD2/NH/KL/2023/44032 dated November 07, 2023 (hereinafter referred to as '**SCN/Notice**') was served upon the Applicant in terms of Rule 4 of the Adjudication Rules read with Section 15-I of the SEBI Act to show cause as to why an inquiry should not be held against the Applicant and why penalty, if any, not be imposed on it in terms of the provisions of Section 15HB of the SEBI Act for the violations alleged to have been committed by the Applicant.
6. Consequent to the issuance of the SCN, the Applicant, vide email dated November 21, 2023, submitted that a settlement application was filed by the Applicant on November 20, 2023, requesting for settlement of the adjudication proceedings under the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as "**Settlement Regulations**"). The reply of the Applicant in response to the SCN, if any, was to be submitted within 15 days from the date of receipt of the SCN. However, the Applicant had not submitted reply on merits until December 27, 2023. Therefore, in the interest of natural justice, the Applicant was granted an opportunity of hearing on January 12, 2024, vide hearing notice dated December 27, 2023, and was also advised to submit its reply on merits in response to the SCN, if any, at the latest by January 10, 2024. Thereafter, the Applicant requested for the inspection of documents. The Applicant was granted two opportunities for inspection of documents. The inspection of documents was concluded on February 21, 2024. Subsequently, the Applicant was granted two more opportunities to submit its reply to the SCN, if any. The Applicant submitted its reply to the SCN on March 15, 2024. Then, the Applicant was granted an opportunity of hearing on August 07, 2024. However, the Applicant, vide e-mail dated August 01, 2024, sought adjournment of the hearing scheduled on August 01, 2024.

## **SETTLEMENT PROCEEDINGS**

7. Based on material available on record, it is noted that, pursuant to receipt of the Settlement Application, the authorised representatives of the Applicant had a meeting with the Internal Committee of SEBI (hereinafter referred to as “**IC**”) on January 16, 2024. The IC recommended Rs. 11,05,000/- (Rupees Eleven Lakhs Five Thousand only) as the indicative amount. Thereafter, the Applicant, vide email dated January 17, 2024, submitted the revised settlement terms, wherein the Applicant agreed to the settlement terms indicated during the IC.
8. The High Powered Advisory Committee (hereinafter referred to as “**HPAC**”), in its meeting held on February 05, 2024, recommended that the matter be placed before the IC for reconsideration of the settlement terms considering the gains made by the Applicant.
9. The authorised representatives of the Applicant had a meeting with the IC on April 18, 2024. In the IC meeting, the authorised representatives of the Applicant were informed that in addition to Rs. 11,05,000/- (Rupees Eleven Lakhs Five Thousand only) as the indicative amount for settlement, an amount of Rs. 71,57,450 (Rupees Seventy One Lakhs Fifty Seven Thousand Four Hundred Fifty only), which was the brokerage amount charged in excess of the cap of 20%, should also be disgorged by the Applicant. Thereafter, the Applicant, vide email dated April 24, 2024, submitted the revised settlement terms, wherein the Applicant agreed to the settlement terms indicated during the IC held on April 18, 2024.
10. The HPAC, in its meeting held on June 14, 2024, considered the revised settlement terms proposed by the Applicant and recommended that the case may be settled upon payment of Rs. 11,05,000/- (Rupees Eleven Lakhs Five Thousand only) as settlement amount and Rs. 71,57,450 (Rupees Seventy One Lakhs Fifty Seven Thousand Four Hundred Fifty only) as disgorgement amount by the Applicant towards the settlement terms.

11. The recommendations of the HPAC were approved by a Panel of Whole Time Members (hereinafter referred to as “WTMs”) on July 25, 2024, and the same was communicated by SEBI to the Applicant vide email dated July 29, 2024. Subsequently, the Applicant, vide email dated August 01, 2024, informed SEBI about the remittance of the aforesaid settlement amount and disgorgement amount. The said email also provided relevant details regarding the remittance of the said settlement amount and disgorgement amount. The material on record confirms the receipt of the said settlement amount and disgorgement amount.

### **ORDER**

12. Therefore, in view of the acceptance of the settlement terms and the receipt of the amounts by SEBI as per settlement terms as mentioned above, the instant adjudication proceedings initiated against the Applicant vide Show Cause Notice ref no. SEBI/HO/EAD2/NH/KL/2023/44032 dated November 07, 2023 is disposed of in terms of Section 15JB of the SEBI Act read with Regulation 23(1) of the Settlement Regulations on the basis of the settlement terms.

13. This Settlement Order is, however, without prejudice to the right of SEBI to take actions under Regulation 28 of the Settlement Regulations, including restoring or initiating the proceedings in respect to which the settlement order was passed against the Applicant, if –

13.1. Any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue;

13.2. The Applicant have breached any of the clauses/conditions of undertakings/waivers filed during the present settlement proceedings.

13.3. There was a discrepancy while arriving at the settlement terms.

14. This Settlement Order is passed on this day of August 08, 2024, and shall come into force with immediate effect.

15. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicant and shall also be published on the website of SEBI.

**Date: August 08, 2024**

**Place: Mumbai**

**N HARIHARAN  
CHIEF GENERAL MANAGER  
AND ADJUDICATING OFFICER**