**BEFORE THE ADJUDICATING OFFICER**
**SECURITIES AND EXCHANGE BOARD OF INDIA**

**[ADJUDICATION ORDER NO. Order/BM/DS/2024-25/30811]**

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**UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992, SECTION 23-I OF THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995 AND RULE 5 OF SECURITIES CONTRACTS (REGULATION) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 2005**

IN THE MATTER OF

**GRD Securities Limited**
**PAN No.**: AABCG7534M
**SEBI Regn No.**: INZ000193937

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## FACTS OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted inspection of M/s GRD Securities Limited (hereinafter referred to as "**Noticee**" **/** "**GRD**" **/** "**the Company**") with respect to its stock broking activities, jointly with the Stock Exchanges (NSE and BSE) from December 29, 2022 to January 04, 2023. The period covered in inspection was from April 01, 2021 to Noember 30, 2022 (hereinafter referred to as "**inspection period**" / "**IP**"). Noticee is registered as stock broker with SEBI registration no. INZ000193937.

2. The findings/ observations made during the course of inspection were communicated to the Noticee by SEBI vide letter dated March 06, 2023. After examining the reply submitted by the Noticee vide letter dated March 21, 2023 and email dated August 18, 2023, it has been alleged that the Noticee violated various provisions of Securities Contracts (Regulation) Act, 1956 (hereinafter

referred to as "**SC(R) Act, 1956**"), SEBI (Stock Brokers) Regulations, 1992 (hereinafter referred to as "**Stock Brokers Regulations, 1992**") and applicable SEBI Circulars. The extracts of violations alleged to have been committed by the Notice and the corresponding provisions of SC(R) Act, 1956, Stock Brokers Regulations, 1992 and SEBI Circulars are given in the tabulation below:

**Table 1**

| **Sr. No.** | **Alleged Violations** | **Regulatory Provisions** |
|---|---|---|
| 1 | Segregation of client's funds and securities | Clause 2.4.2 of Annexure to the SEBI circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 on Enhanced supervision of Stock Brokers/DPs |
| 2 | Monthly / Quarterly settlement of Funds and Securities | Clause 8.1 of Annexure of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, clause 12 of Annexure of SEBI Circular SEBI/MIRSD/SE/Cir-19/2009 dated December 03, 2009 and SEBI Circular No. SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated 16th June 2021 |
| 3 | Reconciliation of Stock Mismatch alerts | Clause 2.3 of SEBI Circular MRD/DoP/SE/Cir-11/2008 dated April 17, 2008 read with Clause A(2) & A(5) of the code of conduct, read with Regulation 9(f) of the SEBI (Stock Brokers) Regulations, 1992 and Clause 4 of SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 |
| 4 | Reporting and short collection of Margin | SEBI Circular No. CIR/HO/MIRSD/DOP/CIR/P/2019/139 dated November 19, 2019 |
| 5 | Stock reconciliation | Clause 2.3 of SEBI Circular MRD/DoP/SE/Cir-11/2008 dated April 17, 2008 |
| 6 | Client Registration Process (KYC and KRA Process) | SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 |

| Sr. No. | Alleged Violations | Regulatory Provisions |
|---|---|---|
| | | Clause A(2) & A(5) of the code of conduct, read with Regulation 9(f) of the SEBI (Stock Brokers) Regulations, 1992 |
| 7 | Verification of Email ID & Mobile numbers / Unique Client Code (UCC) Verification | Clause 2(B) of SEBI Circular No. CIR/ MIRSD/15/2011 dated August 02, 2011 |

3. SEBI initiated adjudication proceedings against the Noticee under section 23D of SC(R) Act, 1956, and section 15HB of SEBI Act, 1992 for the alleged violations of the relevant provisions as stated above.

**APPOINTMENT OF ADJUDICATING OFFICER**

4. Mr Biju S, Chief General Manager, was appointed as the Adjudicating Officer **(AO)** vide Order dated February 29, 2024 under Section 15-I of the SEBI Act, 1992, section 23-I of the SC(R) Act, 1956, Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**SEBI Adjudication Rules**") and Rule 3 of Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 (hereinafter referred to as "**SCRA Adjudication Rules**"), to inquire into and adjudge under section 23D of SC(R) Act, 1956 and section 15HB of SEBI Act, 1992, the violations of aforesaid provisions alleged to have been committed by the Noticee. Pursuant to his transfer, the undersigned was appointed as AO vide Order dated July 22, 2024.

**SHOW CAUSE NOTICE, REPLY OF THE NOTICEE AND HEARING**

5. Show Cause Notice No. SEBI/EAD-1/BS/15356/1/2024 dated April 26, 2024 (hereinafter referred to as **"SCN"**) and Supplementary Show Cause Notice (SSCN) No. SEBI/EAD/BM/DS/25313/1/2024 dated August 07, 2024 was issued to the

Noticee in terms of Section 15-I of the SEBI Act, 1992, section 23-I of the SC(R) Act, 1956, rule 4 of SEBI Adjudication Rules and rule 4 of SCRA Adjudication Rules, to show cause as to why an inquiry should not be held against it and why penalty, if any, under section 23D of SC(R) Act, 1956 and section 15HB of SEBI Act, 1992 be not imposed on the Noticee.

6. The SCN and the SSCN were duly served on the Noticee through SPAD and digitally signed e-mail. Vide letters dated May 21, 2024 and August 14, 2024, the Noticee submitted its replies.

7. The submissions made by the Noticee are as summarized below:

    *<u>Segregation of Clients' funds and Securities</u>*

    *7.1. There are certain statutory dues which have been collected by the Noticee from the client account through settlement account so that there can be proper segregation through JV entries and not transferred directly between client and self-account. Further it has transferred few funds from client account to self-account via settlement account as there is margin deposit with CC/CM on behalf of clients. There is no client fund misutilisation by the Noticee and all the payments to clients have been honoured whenever requested by clients. In totality the credit balance of client is well intact with client/settlement bank balances along with deposit that are lying with CC/CM. Most of the funds have been transferred to self through settlement account on account of funds of clients lying with CC/CM which has been deposited by us as TM. Moreover, any charges like brokerage/STT etc. are transferred to self-account from client account through settlement account in order to have a clear demarcation of funds instead of direct transfer which actually will not be a wise process to ensure segregation.*

7.2. *In line with Clause 2.4.2 of Annexure to the SEBI Circular dated September 26, 2016, the daily reconciliation statements have been submitted through JV Entries clearly indicating the debit balance recovery from clients which can be evidenced from the Ledger of JV entries passed.*

*<u>Quarterly / Monthly Settlement of Client Funds & Securities</u>*

7.3. *The Stock Broker submitted that in majority of cases they have settled client account even more than once in a quarter and further submitted that in few instances due to back office software issue some client accounts were not settled or delay in settlement during the relevant quarter. It has adopted system-based automatic settlement mechanism of clients. As these settlement takes place automatically without having any manual intervention, hence it may have happened that due to some technical glitch in the software the cases may have not been identified and hence could not be settled within a time gap of 90 days between two quarters.*

*<u>Reconciliation of Stock Mismatch alerts</u>*

7.4. *Noticee provided instance wise reasons for the stock mismatch alerts. These include the following.*

   7.4.1. *Due to glitch in back-office software, the Beneficiary Account of G082 was reported as Own Account of GRD Securities Ltd.*

   7.4.2. *As per the Noticee's RMS policy, it does not auction the shares of the clients after 7 days in CUSA and also doesn't allow the Clients to trade till the debit balances is cleared. In the captioned cases, the shares of clients were transferred to CUSA and the client was not allowed to trade till the debit was cleared.*

*<u>Reporting and Short collection of Margin</u>*

7.5. *Noticee has admitted to the short collection of margin in the instances observed during the inspection.*

*Stock reconciliation*

7.6. *Noticee submitted that there was a mismatch of 2278 qty of YES bank shares which was available in its Own beneficiary account. The demat statement was provided by the Noticee. These shares was frozen due to regulatory action and were in lock-in for 3 years and was supposed to be released on 13th March 2023. It was not reported in the Holding statement because in holding statement as there are only two columns (Free & Pledge securities), and this Yes bank share was not falling under any of the column, hence not reported. There is no mismatch/misappropriation of shares and only a reporting issue.*

*Client Registration Process: KYC and KRA Process*

7.7. *Forms had already been modified and the team was instructed to use separate sheet for Running account settlement authorisation only for funds which was already modified, but due to some clerical error the forms were continued though having new forms in place. Moreover, there is no client securities lying in Noticee's account and all the shares / securities given by the clients are under Pledge / Unpledge mechanism, hence misappropriation of the same does not arise. Noticee has taken steps to make it a part of the form so there will no confusion.*

7.8. *Forms on which client has signed is relating to CKYC details on which client is supposed to sign and the data were supposed to be filed in but due to some mistake, the form was not filled and the relevant data of the client has been punched in CKYC Platform. The Noticee will ensure that all the forms/papers/documents collected from the clients are filled in properly.*

7.9. *Client email id and mobile number was updated on the UCC and back office and now the same has been filled in the form of the client after verification from the form separately collected.*

*<u>Verification of Email ID & Mobile numbers</u>*

7.10. *The Noticee accepted the allegations and provided instance wise replies. These include the following.*

7.10.1. *PAN of the client is updated as "ACTPC6754G" in the Back office as well in the exchange UCC while complying with 6 KYC attributes updation.*

7.10.2. *In the Back office it has been observed that two email ids updated i.e. one is primary and other is secondary*

8. Vide letter dated August 23, 2024, hearing notice was issued to Noticee to provide opportunity of personal hearing in the interest of natural justice. The Noticee was advised to appear before the undersigned on September 11, 2024. The Noticee appeared for the scheduled hearing through its authorized representative (**AR**). The AR reiterated submission made vide letter dated August 14, 2024 and May 21, 2024. The AR was asked to submit following information / documents.

8.1. Explanation, along with supporting documents, for each of the 15 instances observed on 15 sample dates, where funds were transferred from client account to proprietary account through settlement account, as provided in the Show Cause Notice dated April 26, 2024.

8.2. Explanation, along with supporting documents, for each of the instances observed with respect to stock mismatch alerts.

9. The AR requested time till September 18, 2024 to submit these documents and to make additional submissions. The request was acceded to. The Noticee made additional submissions vide mail dated September 18, 2024.

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

10.1. *With respect to the allegation of non-segregation of clients' funds and securities, the Noticee submitted that the funds were transferred from the client* *account to the proprietary account through settlement account, and relevant journal voucher entries were passed to reflect the segregation and actual transfer of funds. There has not been client fund utilization for any day during the inspection.*

10.2. *Reconciliation of stock mismatch alerts – reasons provided by the Noticee are discussed in forthcoming paragraphs.*

## CONSIDERATION OF ISSUES AND FINDINGS

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

    ISSUE I - Whether the Noticee is in violation of the provisions of SC(R) Act, 1956, SEBI Brokers Regulations, 1992 and applicable SEBI Circulars, as given in Table 1 above?

    ISSUE II - Do the violations, if any, attract penalty under section 23D of SC(R) Act, 1956 and section 15HB of the SEBI Act, 1992?

    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 and section 23J of SC(R) Act, 1956?

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

    ***SEBI (Stock Brokers) Regulations, 1992***

    ***Conditions of registration.***

    ***9.*** *Any registration granted by the Board under regulation 6 shall be subject to the following conditions, namely, -*

    *(f) he shall at all times abide by the Code of Conduct as specified in Schedule II;*

***SCHEDULE II - CODE OF CONDUCT FOR STOCK BROKERS***

*A.* ***General****.*

*(2) Exercise of due skill and care: A stock-broker shall act with due skill, care and diligence in the conduct of all his business.*

*(5) Compliance with statutory requirements: A stock-broker shall abide by all the provisions of the Act and the rules, regulations issued by the Government, the Board and the Stock Exchange from time to time as may be applicable to him.*

***SEBI Circular MRD/DoP/SE/Cir- 11/2008 dated April 17, 2008***

*2. In continuation of earlier circulars and in order to reiterate the need for brokers to maintain proper records of client collateral and to prevent misuse of client collateral, it is advised that :-*

*2.3 The records should be periodically reconciled with the actual collateral deposited with the broker.*

***Annexure-A to SEBI Circular SEBI/MIRSD/SE/Cir-19/2009 dated December 03, 2009.***

***Running Account Authorization***

*12. Unless otherwise specifically agreed to by a Client, the settlement of funds/securities shall be done within 24 hours of the payout. However, a client may specifically authorize the stock broker to maintain a running account subject to the following conditions:*

*e) The actual settlement of funds and securities shall be done by the broker, at least once in a calendar quarter or month, depending on the preference of the client. While settling the account, the broker shall send to the client a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all receipts/deliveries of funds/securities. The* *statement shall also explain the retention of funds/securities and the details of the pledge, if any.*

***<u>Annexure to SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR /P/2016/95 dated September 26, 2016.</u>***

*2. Reporting of Bank and Demat accounts maintained by Stock Broker:*

*2.4.In line with the prevalent regulatory requirement, it is reiterated that*

*2.4.1 …*

*2.4.2 Transfer of funds between "Name of Stock Broker -Client Account" and "Name of Stock Broker -Settlement Account" and client's own bank accounts is permitted. Transfer of funds from "Name of Stock Broker -Client Account" to "Name of Stock Broker -Proprietary Account" is permitted only for legitimate purposes, such as, recovery of brokerage, statutory dues, funds shortfall of debit balance clients which has been met by the stock broker, etc. For such transfer of funds, stock broker shall maintain daily reconciliation statement clearly indicating the amount of funds transferred*

*8.1. In partial modification of circular on running account settlement, the stock broker shall ensure that;*

*8.1.1. There must be a gap of maximum 90/30 days (as per the choice of client viz. Quarterly/Monthly) between two running account settlements.*

*8.1.2. For the purpose of settlement of funds, the mode of transfer of funds shall be by way of electronic funds transfer viz., through National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc.*

*8.1.3. The required bank details for initiating electronic fund transfers shall be obtained from new clients and shall be updated for existing clients. Only in cases where electronic payment instructions have failed or have been rejected by the bank, then the stock broker may issue a physical payment instrument.*

*8.1.4. Statement of accounts containing an extract from client ledger for funds & securities along with a statement explaining the retention of funds/securities shall be sent within five days from the date when the account is considered to be settled.*

***SEBI Circular SEBI/HO/MIRSD/DOP/CIR/P/2019/139 dated, November 19, 2019***

*https://www.sebi.gov.in/legal/circulars/nov-2019/collection-and-reporting-of-margins-by-trading-member-tm-clearing-member-cm-in-cash-segment_45011.html*

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

*https://www.sebi.gov.in/legal/circulars/jun-2021/settlement-of-running-account-of-client-s-funds-lying-with-trading-member-tm-_50570.html*

***SEBI Circular No. CIR/MIRSD/15/2011 dated August 02, 2011 - SMS and E-mail alerts to investors by stock exchanges***

*2. As an additional measure, it has now been decided in consultation with the major stock exchanges and market participants that the stock exchanges shall send details of the transactions to the investors, by the end of trading day, through SMS and E-mail alerts. This would be subject to the following guidelines:*

*A. …*

*B. Uploading of mobile number and E-mail address by stock brokers*

*i. Stock exchanges shall provide a platform to stock brokers to upload the details of their clients, preferably, in sync with the UCC updation module.*

*ii. Stock brokers shall upload the details of clients, such as, name, mobile number, address for correspondence and E-mail address.*

*iii. Stock brokers shall ensure that the mobile numbers/E-mail addresses of their employees/sub-brokers/remisiers/authorized persons are not uploaded on behalf of clients.*

*iv. Stock Brokers shall ensure that separate mobile number/E-mail address is uploaded for each client. However, under exceptional circumstances, the stock broker may, at the specific written request of a client, upload the same mobile number/E-mail address for more than one client provided such clients belong to one family. 'Family' for this purpose would mean self, spouse, dependent children and dependent parents.*

***SEBI Circular No.: CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 - Handling of Clients' Securities by Trading Members/Clearing Members***

*https://www.sebi.gov.in/legal/circulars/jun-2019/handling-of-clients-securities-by-trading-members-clearing-members_43347.html*

***Mandatory Documents***

*4.The Client shall indicate the stock exchange as well as the market segment where he intends his trades to be executed. He shall do so in the KYC form in his own hand and sign against these.*

13. The findings in each of the alleged violations against the Noticee in the SCN dated April 26, 2024 and SSCN dated August 07, 2024 are given below.

14. **Segregation of client's funds and securities** –

14.1. It was observed that the Noticee had transferred funds from the Client bank account (account no. 00080340005042) to the proprietary bank account (account no. 00080140000538), through settlement bank account (account no. 00990610005991). The same was observed from bank statements and bank ledger book as maintained by the Noticee. Summary of the instances observed is provided below.

| **Date** | **Amount (₹)** |
|---|---|
| 13/04/2021 | 20,00,000 |

| Date | Amount (₹) |
|---|---|
| 17/07/2021 | 80,00,000 |
| 16/10/2021 | 20,00,000 |
| 23/10/2021 | 10,00,000 |
| 08/11/2021 | 60,00,000 |
| 19/11/2021 | 1,00,00,000 |
| 20/11/2021 | 1,00,00,000 |
| 04/12/2021 | 1,40,00,000 |
| 18/12/2021 | 1,14,00,000 |
| 18/12/2021 | 70,00,000 |
| 01/01/2022 | 20,00,000 |
| 22/01/2022 | 60,00,000 |
| 12/02/2022 | 45,00,000 |
| 01/03/2022 | 30,00,000 |
| 05/03/2022 | 80,00,000 |
| **Total** | **9,49,00,000** |

14.2. As seen from the table above, substantial amount of funds ranging from ₹10 Lakhs to ₹1.14 crores (total ₹ 9.49 Crores) have been transferred from Client Account to Proprietary Bank account via Settlement Account during 15 sample dates.

14.3. It was further observed that the Noticee was not maintaining proper daily reconciliation statement even though the Noitcee claimed to have collected ₹ 8.67 crores for various purpose such as brokerage, clearing charges, SEBI Fees, Transaction Charges, AMC, STT, Stamp Duty and GST during the relevant period as per its Pre-Inspection Questionnaire (PIQ) reply.

14.4. As per the provisions of Clause 2.4.2 of Annexure to the SEBI circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 on Enhanced supervision of Stock Brokers/DPs, transfer of funds from client account to proprietary account is permitted only for legitimate purposes, such as recovery of brokerage, statutory dues, funds shortfall of debit balance clients which has been met by the stock broker, etc. For such transfer of funds, the stock brokers shall maintain daily reconciliation statement clearly indicating the amount of funds transferred.

14.5. The Noticee has submitted that it has maintained proper segregation of clients' funds, and it has collected certain statutory dues from the client account through settlement account. Funds have also been transferred to self account via settlement account as because there is margin depsoit with CC/CM on behalf of clients. There has been no misutilisation of funds and all the payment to the clients have been honoured whenever requested by the clients. In totality the credit balance of clients are well intact with client/settlement bank balances along with deposit that are lying with CC/CM. Most of the funds have been transferred to self through settlement account on account of funds of clients lying with CC/CM which has been deposited by the Noticee as TM.

14.6. During the hearing, the Noticee had submitted that those funds pertained to the Noticee and hence, the same were transferred from the client account to the Settlement Account and thereafter transferred to the proprietary Account of the Noticee. The Noticee was also asked to submit documents in support of its submissions. However, no supporting documents have been submitted by the Noticee in this regard till the date of this Order. In view of the same, the Noticee's submissions are not tenable. Thus, the allegation of violation of provisions of Clause 2.4.2 of Annexure to the SEBI circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 on Enhanced supervision of Stock Brokers/DPs stands established.

15. **Monthly / Quarterly settlement of Funds and Securities –**

15.1. It was observed that the Noticee has not done settlement of client funds and securities in 9 instances (8 Clients) across 7 quarters amounting to ₹ 6,41,00,989.35/-. Also, retention statement was not sent to 37 clients in 60 instances. Further, with respect to 66 clients, there was a delay in settlement of clients funds and securities in 104 instances. The summary of aforesaid 9 instances of non-settlement is provided below.

| S. No. | Date of Settlement | Quarter | Client Code | Funds | Securities | Total funds/ Securities available | Total Funds / Securities to be retained | Shortfall in Actual Settlement of Funds / Securities |
|---|---|---|---|---|---|---|---|---|
| 1 | 12/06/2021 | Q1 (2021-22) | R029 | 5503.41 | 0 | 5503.41 | 0 | 5503.41 |
| 2 | 30/09/2021 | Q2 (2021-22) | S847 | 28478337.81 | 0 | 28478337.8 | 2013771.938 | 26464565.87 |
| 3 | 30/09/2021 | Q2 (2021-22) | A480 | 29850349.91 | 0 | 29850349.9 | 1478587.5 | 28371762.41 |
| 4 | 30/08/2021 | Q2 (2021-22) | B066 | 12826166.4 | 0 | 12826166.4 | 4772599.508 | 8053566.893 |
| 5 | 30/09/2021 | Q2 (2021-22) | A024 | 375918.69 | 0 | 375918.69 | 238220.73 | 137697.96 |
| 6 | 30/09/2021 | Q2 (2021-22) | R407 | 33837.58 | 1373727.58 | 1407565.16 | 1373727.58 | 33837.58 |
| 7 | 30/09/2021 | Q2 (2021-22) | A156 | 2213893.89 | 6825420 | 9039313.89 | 8453507.8 | 585806.09 |
| 8 | 31/01/2022 | Q4 (2021-22) | R251 | 734709.63 | 12553434 | 13288143.6 | 13053393.63 | 234750.005 |

| S. No. | Date of Settlement | Quarter | Client Code | Funds | Securities | Total funds/ Securities available | Total Funds / Securities to be retained | Shortfall in Actual Settlement of Funds / Securities |
|---|---|---|---|---|---|---|---|---|
| 9 | 08/02/ 2022 | Q4 (2021-22) | A024 | 250000 | 0 | 250000 | 36500.8725 | 213499.1275 |
| | | | | **74768717.32** | **20752581.58** | **95521298.9** | **31420309.55** | **64100989.35** |

15.2. As per the provisions of Clause 8.1 of Annexure of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 and clause 12 of Annexure of SEBI Circular SEBI/MIRSD/SE/Cir-19/2009 dated December 03, 2009 and SEBI Circular No. SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated June 16, 2021, running account settlements shall be made at least once in a calendar month or quarter, depending on the preference of the client, and while settling the account, the broker shall also send a statement in which the retention of funds / securities and the details of the pledge, if any, shall be explained.

15.3. Noticee has submitted that that due to technical glitch in the back office software, the system did not generate the codes for settlement. It has further submitted that it has taken corrective steps and has settled all the clients subsequently.

15.4. It is noted that the Noticee has admitted that the settlement could not be done in the 9 instances provided in the table above, due to technical glitch in its back office software. Further, the Noticee has not provided any explanation with respect to the not sending retention statement to 37 clients in 60 instances and delay in settlement of client funds and securities pertaining to 66 clients in 104 instances. In view of the same and upon considering the material available on record, it is concluded that the Noticee has violated the provisions of Clause 8.1 of Annexure of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, clause 12 of Annexure of SEBI Circular SEBI/MIRSD/SE/Cir-19/2009 dated December 03, 2009 and SEBI Circular No. SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated 16th June 2021.

16. **Reconciliation of Stock Mismatch alerts -**

16.1. From the submissions of the Noticee in response to the mismatch alerts sent to the Noticee for comments, it was observed that the Noticee had admitted uploading of wrong holding statements, and in some instances, the mismatches were due to transfer of shares to CUSA account due to non-realization of payment from the clients. It was also observed that the Noticee has not auctioned client shares after 7 days in CUSA account.

16.2. As per the provisions of Clause 2.3 of SEBI Circular MRD/DoP/SE/Cir-11/2008 dated April 17, 2008 read with Clause A(2) & A(5) of the code of conduct, read with Regulation 9(f) of the SEBI (Stock Brokers) Regulations, 1992, a stock broker shall maintain proper records of client collateral and the records should be periodically reconciled with the actual collateral deposited with the broker. A stock broker is required to act with due skill, care and diligence and abide by all the provisions of SEBI Act, 1992 and rules and regulations thereunder, as applicable to it. As per the provisions of Clause 4 of SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019, securities kept in the 'client unpaid securities account' shall either be transferred to the demat account of the respective client upon fulfilment of client's funds obligation or shall be disposed of in the market by TM/CM within five trading days after the pay-out. The unpaid securities shall be sold from the Unique Client Code (UCC) of the respective client. Profit/loss on the sale transaction of the unpaid securities, if any, shall be transferred to/adjusted from the respective client account.

16.3. It is noted from the inspection records that 23 instances of stock mismatch alerts were observed and communicated to the Noticee for clarifications. Out of these, the Noticee's clarifications for 14 instances were accepted, as the alerts were generated due to mismatch in balances of shares sold by the directors of the Noticee, which were earlier taken on loan by the Noticee; due to settlement holidays; and due to shares transferred from NSDL pool account and CDSL pool account, instead of the all shares being transferred from any one of these pool accounts.

16.4. With respect to remaining 9 instances, the Noticee submitted the following:

16.4.1. 2 instances – Incorrect holding statement was uploaded due to error attributable to the back office software.

16.4.2. 3 instances – The beneficiary account G082 pertained to GRD Commodities Limited, which is a same group company. Due to glitch in the back office software, it was reported as 'Own' Account.

16.4.3. 4 instances – the shares were transferred to Client Unpaid Securities Account (CUSA) due to non-realisation of payment from the clients.

16.5. With respect to the observation that the Noticee had not disposed of the shares within five trading days after the pay out, the Noticee, in its reply to the inspection findings, had submitted that as per its RMS policy, it did not auction the shares of the clients after 7 days in CUSA, but also did not allow the clients to trade till the debit balances were cleared by the clients.

16.6. It is noted that the Noticee has attributed 5 out of 9 instances to the error or glitch in back office software. However, there is no document on record in support of these submissions. Even if the mismatch was due to errors in the software, it was Noticee's responsibility to ensure that all the records are properly maintained and submitted to the Exchanges. It is observed that the Noticee did not have proper systems in place. The mismatch alerts were generated on the basis of the weekly data which was reported by the Noticee to the Exchanges. Thus, with respect to these instances, the Noticee has not maintained proper client records, and therefore, it is in violation of provisions of Clause 2.3 of SEBI Circular MRD/DoP/SE/Cir-11/2008 dated April 17, 2008.

16.7. In respect of remaining 4 instances, the mismatch alerts were generated as the shares lying in the CUSA were not considered by the system. Thus, there is no mismatch in the shares reported by the Noticee. However, it was observed that the Noticee had not disposed of the client shares within 5 days after the pay-out date, as required in terms of provisions of Clause 4 of SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019. From the Noticee's submissions to the inspection findings, it is observed that the Noticee's RMS policy, which permits it to not dispose of the shares for which payment has not been realised, is not in accordance with the requirements of the aforesaid Circular. Therefore, its submissions are not tenable. In view of the same, it is observed that the Noticee has violated the provisions of Clause 4 of SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019.

16.8. In view of the foregoing findings that the Noticee has violated the provisions of Clause 2.3 of SEBI Circular MRD/DoP/SE/Cir-11/2008 dated April 17, 2008 and Clause 4 of SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019, it is also observed that the Noticee has not acted with due skill, care and diligence in the conduct of its business and has not complied with the applicable statutory requirements. Thus, the Noticee is also in violation of the provisions of Clause A(2) & A(5) of the code of conduct, read with Regulation 9(f) of the SEBI (Stock Brokers) Regulations, 1992.

17. **Reporting and short collection of Margin -**

17.1. It was observed that the trading member has incorrectly reported EOD margin collection to the Exchange in 8 instances amounting to ₹25,14,377.22. The summary of the instances, along with clarifications provided by the Noticee are provided in the table below.

| Date | Client Code | Margin Shortfall | Clarifications provided by the Noticee |
|---|---|---|---|
| 09/04/2021 | C052 | 1,595.06 | It had reported short collection of margin of ₹ 1595.06 |
| 03/05/2021 | P279 | 9,58,953.61 | The EOD margin requirement of CM segment was ₹1524821.34. It had reported short margin collection ₹ 1271947.39 |
| 18/05/2021 | R143 | 1,50,363.85 | The fund balance was Rs, 229700.15 and Tday Pool stock was ₹ 124480. It had reported short margin collection of ₹ 25883.85 |
| 26/05/2021 | S820 | 6,25,070.25 | The EOD margin requirement of FO segment was ₹9030890.65, the fund balance was ₹ 2311515.74 and pledge balance was ₹ 4057905.81. It had reported short margin collection ₹ 2692867.44 |
| 06/07/2021 | S849 | 3,11,571.60 | It had reported short margin collection of ₹ 311896.88 |
| 22/10/2021 | J083 | 974.87 | It had reported short collection of margin of ₹ 94137.40 |
| 15/03/2022 | M318 | 4,63,916.98 | It had reported short collection of margin of ₹ 579114.25 |

| Date | Client Code | Margin Shortfall | Clarifications provided by the Noticee |
|---|---|---|---|
| 30/06/2022 | T056 | 1,931.00 | The EOD margin requirement of CD segment was 2773318, It had reported collateral of ₹ 1284777.80 and short margin collection 1488540.20 |

17.2. SEBI Circular No. CIR/HO/MIRSD/DOP/CIR/P/2019/139 dated November 19, 2019 provides the guidelines for collection and reporting of margins by Trading Member (TM) /Clearing Member (CM) in Cash Segment.

17.3. Noticee has provided explanations for the short collection and reporting of margin, while admitting to the same. In view of the same and upon considering the material available on record, it is concluded that the Noticee has violated the provisions of SEBI Circular No. CIR/HO/MIRSD/DOP/CIR/P/2019/139 dated November 19, 2019

18. **Stock reconciliation –**

18.1. It was observed that the Noitcee had not periodically reconciled its back-office holdings with stocks lying in client beneficiary account as on 30-Nov-2022. 1 instance was observed in which DP holding was more than Back Office securities holding amounting to Rs. 39,067.70/-.

18.2. As per the provisions of Clause 2.3 of SEBI Circular MRD/DoP/SE/Cir-11/2008 dated April 17, 2008, a stock broker shall maintain proper records of client collateral and the records should be periodically reconciled with the actual collateral deposited with the broker.

18.3. Noticee has submitted that there is a mismatch of 2278 qty of Yes Bank shares which is available in the Noticee's own beneficiary account. These shares were frozen due to regulatory action and were locked in for 3 years and were supposed to be released on 13th March 2023. It was not reported in the Holding statement because in holding statement, there are only two columns (Free Balance & Pledge Balance), and no column to report the frozen shares. So, these were not reported. There is no mismatch/misappropriation of shares but only a reporting issue.

18.4. From the DP Holding Statement and the material on record, following is observed:

| Yes Bank Equity Shares Scrip | No. of Shares as per DP Holding Statement | No. of Shares as per data submitted t Exchanges | |
|---|---|---|---|
| | | Free Balance | Pledge Balance |
| Client | 5000 (Free) | 5000 | 0 |
| Self / Proprietary | 2400 (Free)<br>134000 (Pledge) | 122 | 134000 |

18.5. It is noted from the table above, that as per the DP Holding Statement as on November 30, 2022, Free Balance of 7400 equity shares were held for the scrip of Yes Bank in the 'Free Balance' column. Out of these, 5000 shares pertained to the clients and 2400 shares pertained to the Noticee (proprietary). However, in its weekly submissions to the Exchanges, the Noticee had submitted 5122 shares, which included 5000 shares pertaining to the client and 122 shares pertaining to the Noticee (proprietary). Remaining 2278 shares were not reported by the Noticee in the weekly submissions. In this regard, the Noticee has submitted that these 2278 shares were frozen and as there was no separate column for reporting frozen shares, it had not reported those shares. These 2278 shares of Yes Bank amounted to Rs. 39,067.70/-

18.6. It is noted that in the weekly submissions report, two columns, viz. free balance and pledge balance, are available. All the quantities of shares which have been pledged are reported in the 'Pledge Balance' column and remaining shares are to be reported in the 'Free Balance' column. However, the Noticee did not report the frozen shares in any of the columns.

18.7. It is further observed that Clause 2.3 of SEBI Circular MRD/DoP/SE/Cir-11/2008 dated April 17, 2008 pertains to maintaining of proper records of client collateral. In the present case, the Noticee has correctly reported the client shares. The difference was due to frozen shares which pertained to the Noticee (proprietary account), which it had not reported in the weekly report. However, the reason for the differences in quantity of proprietary shares was identified and known to the Noticee. Thus, it is observed that there has not been misreporting of client figures in the weekly report to the Exchanges. Therefore, the allegation of violation of provisions of Clause 2.3 of SEBI Circular MRD/DoP/SE/Cir-11/2008 dated April 17, 2008 does not stand established.

19. **Client Registration Process (KYC and KRA Process) –**

19.1. Upon verification of client registration documents, following discrepancies were observed.

19.1.1. Running Account authorization for Securities taken by the stock broker and signed by all clients registered during inspection period.

19.1.2. Client signature taken on blank pages of client registration documents of the UCCs – A495, B187, B184, M318, N204, P305, S866 and Y010.

19.1.3. Client email ID and mobile No. were not captured in the client registration documents for the UCCs – L052, M318, N204, P306 and P305.

19.2. As per the provisions of SEBI Circular CIR/HO/MIRSD/DOP/ CIR/P/2019/75 dated June 20, 2019 and Clause A(2) & A(5) of the code of conduct, read with Regulation 9(f) of the SEBI (Stock Brokers) Regulations, 1992, a client may specifically authorize the stock broker to maintain a running account of 'funds' and 'securities'. A stock broker is required to act with due skill, care and diligence and abide by all the provisions of SEBI Act, 1992 and rules and regulations thereunder, as applicable to it.

19.3. Noticee has submitted the following-

19.3.1. With respect to Running Account authorization for Securities signed by all the clients, the forms were already modified and the team was instructed to use the updated forms, but due to some clerical errors, the old forms were still being used. Further, no client securities are lying in its account and all the shares/securities given by the clients are under Pledge/Unpledge mechanism, thus, misappropriation of the same does not arise. The Noticee has also taken steps to avoid any confusion in future.

19.3.2. The blank pages of client registration forms on which the clients had signed were supposed to be filled later, but due to error, they remained blank / unfilled, though the data was uploaded in the CKYC platform

19.3.3. Though, the mobile numbers and email IDs were not present in the client registration form, they were present in the UCC database and back office software. Noticee has also updated the registration forms now, after taking confirmations from the Noticee.

19.4. It is noted that the Noticee has admitted to the aforesaid allegations. In view of the same and upon considering the material available on record, it is concluded that the Noticee has not exercised due skill, care and diligence in capturing correct details in the client registration forms, while taking running account authorizations from all the clients and taking signatures of various clients on blank pages, and has thus, violated the provisions of SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 and Clause A(2) & A(5) of the code of conduct, read with Regulation 9(f) of the SEBI (Stock Brokers) Regulations, 1992.

20. **<u>Verification of Email ID & Mobile numbers / Unique Client Code (UCC) Verification –</u>**

20.1. Upon verification of the UCC details, following was observed.

20.1.1. Client PAN mismatch in one instance.

| UCC | PAN as per BSE UCC | PAN as per TM back office |
|---|---|---|
| H068 | ACTPC6754G | ACTPC6754C |

20.1.2. Client Email ID mismatch in 8 instances:

| UCC | Email as per BSE UCC | Email as per TM back office |
|---|---|---|
| S317 | apd_skepl@hotmail.com | saurav.parasrampuria@gmail.com |
| R370 | css_insulation@gmail.com | css_insulation@yahoo.com |
| P289 | arpitsaraf@gmail.com | priyamsaraf1@gmail.com |
| M004 | mahendrakchamria@gmail.com | mahendrachamria@gmail.com |
| P067 | prakash_navrang@rediffmail.com | banktesh@rediffmail.com |
| V080 | eee.inv@gmail.com | central@recuperators.in |
| R372 | rb171977@rediffmail.com | manyafastner@rediffmail.com |
| C049 | confirmrealbuild2014@rediffmail.com | arbindagarwal_2006@rediffmail.com |

20.1.3. Client Mobile No. mismatch in 7 instances:

| UCC | Mobile as per BSE UCC | Mobile as per TM back office |
|---|---|---|
| P180 | 92X05625XX | |
| K117 | 97X8768X87 | |
| S076 | 9XXX29XX06 | |
| P297 | 8X00020X5X | 98X00020X5X |

| UCC | Mobile as per BSE UCC | Mobile as per TM back office |
|---|---|---|
| K120 | 9XX97XXX5X | 98XX6XX2XX |
| C049 | 98X087272X | 905XX59977 |
| P012 | 98XXXXXX22 | |

20.2. As per the provisions of Clause 2(B) of SEBI Circular No. CIR/ MIRSD/15/2011 dated August 02, 2011, stock brokers shall update UCC details including name, mobile number, address and email address of all their clients in the UCC database.

20.3. The Noticee has submitted that the discrepancy in the PAN number has been rectified and correct PAN has been updated. In many cases, two email IDs and mobile numbers are available in the back office, whereas secondary email ID or mobile number is present in the UCC, which resulted in the mismatch. With respect to the instances where no mobile number was present, the Noticee submitted that the details were already present in the UCC and back office software. Vide e-mail dated September 25, 2024, the Noticee has submitted e-mail / phone number change request forms of 8 UCCs in which email ID mismatch was observed and the forms of 7 UCCs in which there was phone number mismatch.

20.4. With respect to one instance of discrepancy in PAN, the Noticee has submitted that the PAN is updated in the back office records. With respect to the 8 instances of email ID mismatch, the email / mobile change request forms have been perused and the email IDs which were updated in the UCC database were also mentioned in these forms. With respect to 7 instances of mobile number mismatch, the email / mobile change request forms have been perused, and it is observed that the mobile numbers provided in the UCC were present in these forms in 6 instances, and in one instance pertaining to UCC

P297, two mobile numbers were mentioned in the mobile number change request form, out of which the first mobile number was incorrect, but the second mobile number was same as that updated in the UCC database. Thus, Noticee’s submissions that these email IDs and mobile numbers were already present in its records are accepted.

21. To summarize the foregoing findings, Noticee has violated following provisions:

21.1. Clause 2.4.2 of Annexure to the SEBI circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 on Enhanced supervision of Stock Brokers/DPs

21.2. Clause 8.1 of Annexure of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, clause 12 of Annexure of SEBI Circular SEBI/MIRSD/SE/Cir-19/2009 dated December 03, 2009 and SEBI Circular No. SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated 16th June 2021

21.3. Clause 2.3 of SEBI Circular MRD/DoP/SE/Cir-11/2008 dated April 17, 2008 read with Clause A(2) & A(5) of the code of conduct, read with Regulation 9(f) of the SEBI (Stock Brokers) Regulations, 1992 and Clause 4 of SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019

21.4. SEBI Circular No. CIR/HO/MIRSD/DOP/CIR/P/2019/139 dated November 19, 2019

21.5. SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019

**ISSUE II - Do the violations, if any, attract penalty under section 23D of SC(R) Act, 1956 and Section 15HB of the SEBI Act, 1992?**

22. It is noted that the above violations make the Noticee liable for monetary penalty under section 23D of SC(R) Act, 1956 and Section 15HB of the SEBI Act, 1992, the text of which is reproduced hereunder:

***SC(R) Act, 1956***

***Penalty for failure to segregate securities or moneys of client or clients.***

***23D.*** *If any person, who is registered under section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) as a stock broker or sub-broker, fails to segregate securities or moneys of the client or clients or uses the securities or moneys of a client or clients for self or for any other client, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.*

***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.*

23. In context of the above, reference may be made to the observations of Hon'ble Supreme Court in the matter of Chairman, SEBI vs. Shriram Mutual Fund {[2006] 5 SCC 361} wherein the Hon'ble Court had observed: "*In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant A breach ofcivil obligation which attracts penalty in the nature of fine under the provisions of the Act and the Regulations would immediately attract the levy of penalty irrespective of the fact whether contravention must made by the defaulter with guilty intention or not.''*

**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 and section 23J of SC(R) Act, 1956?**

24. While determining the quantum of penalty under Section 15HB of the SEBI Act, 1992 and section 23D of SC(R) Act, 1956, it is important to consider the factors stipulated in Section 15J of the SEBI Act, 1992 and section 23J of the SC(R) Act, 1956 respectively, 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.*

***SC(R) Act, 1956***

<u>*Factors to be taken into account while adjudging quantum of penalty*</u>*.*

*23J. While adjudging the quantum of penalty under section 12A or section 23-I, the the Securities and Exchange Board of India or 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.*

*Explanation.—For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 23A to 23C* *shall be and shall always be deemed to have exercised under the provisions of this section.*

25. In the present matter, it is noted 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 may not be possible to ascertain the exact monetary loss to the investors /clients on account of default by Noticee. Further, as per the available records, it is observed that Noticee has not been penalised earlier for any of the aforesaid violations. Thus, violations are not repetitive in nature. However, the fact cannot be ignored that as a SEBI registered intermediary, Noticee was under statutory obligation to comply with the applicable circulars, rules and regulations. The very purpose of the said regulations is to deter wrong doing and promote ethical conduct in the securities market. Therefore, such non-compliance deserves and attracts imposition of suitable penalty.

**ORDER**

26. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticees and also the factors mentioned in Section 15J of the SEBI Act, 1992 and Section 23J of SC(R) Act, 1956, and also taking into account judgment of the Hon'ble Supreme Court in SEBI vs. Bhavesh Pabari (2019) 5 SCC 90, in exercise of power conferred upon me under Section 15-I of the SEBI Act,1992, Section 23-I of SC(R) Act, 1956 read with Rule 5 of the SEBI Adjudication Rules, 1995 and Rule 5 of SCRA Adjudication Rules, 2005, following penalty is hereby imposed upon the Noticee for the violations made hereunder.

| Name of Noticee | Violation provisions | Penal Provisions | Penalty |
|---|---|---|---|
| GRD SECURITIES LIMITED | • Clause 2.4.2 of Annexure to the SEBI circular; SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 on Enhanced supervision of Stock Brokers/DPs<br>• Clause 8.1 of Annexure of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, clause 12 of Annexure of SEBI Circular SEBI/MIRSD/SE/Cir-19/2009 dated December 03, 2009 and SEBI Circular No. SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated 16th June 2021<br>• Clause 2.3 of SEBI Circular MRD/DoP/SE/Cir-11/2008 dated April 17, 2008 read with Clause A(2) & A(5) of the code of conduct, read with Regulation 9(f) of the SEBI (Stock Brokers) Regulations, 1992 and Clause 4 of SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019<br>• SEBI Circular No. CIR/HO/MIRSD/DOP/CIR/P/2019/139 dated November 19, 2019<br>• SEBI Circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 | Section 23D of SC(R) Act, 1956, Section 15HB of SEBI Act, 1992 | ₹ 2,00,000/- (Rupees Two Lakh Only) under Section 23D of SC(R) Act, 1956; ₹ 7,00,000/- (Rupees Seven Lakh Only) under Section 15HB of SEBI Act, 1992 **TOTAL PENALTY AMOUNT ₹9,00,000 (Rupees Nine Lakh Only)** |

27. 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.**

28. 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.

29. In terms of Rule 6 of the SEBI Adjudication Rules, 1995 and Rule 6 of SCRA Adjudication Rules, 2005, copy of this order is sent to the Noticee and also to the Securities and Exchange Board of India.

| | |
|---|---|
| **DATE: SEPTEMBER 26, 2024** | **BARNALI MUKHERJEE** |
| **PLACE: MUMBAI** | **ADJUDICATING OFFICER** |