

SO//PSD/2024-25/8047
SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER

In respect of

Name of the Applicant	Settlement Application No.	PAN
Monarch Networth Capital Limited	8047/2024	AAACN1184F

**IN THE MATTER OF TRADING ACTIVITIES OF CERTAIN ENTITIES IN THE
SCRIP OF ATLANTAA LIMITED**

BACKGROUND

1. Securities and Exchange Board of India ('SEBI') had conducted an investigation into the trading activities in the scrip of Atlantaa Limited during the period August 01, 2022 to November 23, 2022 ('Investigation Period'/'IP'). The investigation was conducted to ascertain whether or not there was any violation of the provisions of the SEBI Act, 1992 ('the SEBI Act') and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 ('the PFUTP Regulations').
2. Pursuant to the investigation, a Show Cause Notice (SCN) dated June 27, 2024 was served on certain entities including Monarch Networth Capital Limited (hereinafter referred to as 'the Applicant'). The SCN, inter-alia, alleged as follows:
 - 2.1. That certain entities (excluding the Applicant) had colluded and engaged in a coordinated scheme to induce investors to acquire securities in the scrip of Atlantaa Limited by uploading false and misleading videos on certain YouTube channels. Further, some of these entities had bought shares at a lower price and subsequently sold a substantial portion of their holdings at inflated prices, thereby, making unlawful gains at the cost of new investors.
 - 2.2. The Applicant was the stock broker through which the alleged fraudulent trades were carried out by three entities, connected to the Applicant.
 - 2.3. The Applicant was also alleged to have not carried out necessary due diligence and to have not complied with the statutory requirements while dealing with clients.

3. In view of the above, it was alleged that the Applicant had violated Clause A(2) and (5) of Code of Conduct as specified in Schedule II under regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992.
4. Hence, the Applicant was called upon to show cause as to why proceedings under Section 11B(2) read with Section 15HB of the SEBI Act should not be initiated against it for the alleged violations.

APPLICATIONS FOR SETTLEMENT OF PROCEEDINGS

5. SEBI received settlement application numbered 8047/2024 dated August 23, 2024 in terms of SEBI (Settlement Proceedings) Regulations, 2018 ('the Settlement Regulations') wherein the Applicant proposed to settle the pending proceedings through a Settlement Order without admitting or denying the findings of fact and conclusions of law. While these settlement applications were pending, the Applicant was granted inspection of documents on September 26, 2024.
6. Pursuant to receipt of the Settlement Application, the Authorised Representatives of the Applicant had a meeting with the Internal Committee of SEBI ('IC') on October 15, 2024, wherein the terms of settlement were deliberated. The IC considered the factors enumerated under Regulation 10 and Schedule II of the Settlement Regulations and permitted the Applicant to submit Revised Settlement Terms. Accordingly, the Applicant filed Revised Settlement Terms vide its letter dated October 30, 2024.
7. The said settlement applications along with the Revised Settlement Terms were placed before the High Powered Advisory Committee ('HPAC') in its meeting held on December 24, 2024. HPAC considered the Revised Settlement Terms proposed by the Applicant and recommended the settlement amount of Rs. 11,37,500 (Rupees Eleven Lakh Thirty-Seven Thousand and Five Hundred) only for settlement of the pending proceedings commenced by the SCN.
8. The recommendations of the HPAC were placed before the Panel of Whole Time Members of SEBI who accepted and approved the recommendations of HPAC on February 05, 2025.

Subsequently, a Notice of Demand for the said amount was issued to the Applicant on February 06, 2025. On February 07, 2025, the Applicant informed about the remittance of the aforesaid settlement amount and SEBI has confirmed that the said settlement amount has been credited in the concerned account.

ORDER

9. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the SEBI Act, 1992 and in terms of Regulation 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the instant proceedings initiated against the Applicant, vide SCN dated June 27, 2024, are disposed of as per the above settlement terms and the following:
 - 9.1. SEBI shall not initiate any other enforcement action against the Applicant for the violations as alleged in the SCN; and
 - 9.2. This Order is without prejudice to the right of SEBI to take any enforcement action against the Applicant, if:
 - 9.2.1. Any representation made by the Applicant in the settlement proceedings is subsequently found to be untrue; or
 - 9.2.2. The Applicant breaches any of the clauses/conditions of undertakings/waivers filed during the current settlement proceedings; or
 - 9.2.3. There was a discrepancy while arriving at the settlement terms.
10. This settlement order shall come into force with immediate effect.
11. In terms of Regulation 25 of the Settlement Regulations, copies of this Order shall be served on the Applicant and also to SEBI.

Date: February 21, 2025

Place: Mumbai

Santosh Shukla
Quasi-judicial Authority
Securities and Exchange Board of India