BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/SM/DD/2021-22/15644]

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

In respect of

M/s. Fast Track Finsec Private Limited
(PAN: AABCF4818P)

In the matter of Spaceage Products Ltd. & Specular Marketing Finance Ltd.

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), was in receipt of Draft of Letter of Offer (hereinafter referred to as '**DLOO1**') for open offer of Spaceage Products Limited (hereinafter referred to as '**Spaceage'**) and Draft of Letter of Offer (hereinafter referred to as '**DLOO2**') for open offer Specular Marketing and Financing Ltd (hereinafter referred to as '**Specular'**), submitted by Manager to the offers, M/s Fast Track Finsec Private Limited (hereinafter referred to as '**Merchant Banker/Manager to the offers/Noticee/Fast Track').** While processing the aforesaid Draft of Letters of Offer, SEBI observed certain instances of non-compliances of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as '**SAST Regulations**') by acquirer/directors of Spaceage and Specular (collectively referred to as **'Target Companies')**. Therefore, SEBI initiated adjudication proceedings against Noticee under provisions of Section 15HB of Securities and Exchange Board of India Act, 1992 (herein after referred to as '**SEBI Act'**) for the alleged violations of Regulation 27(5) of SAST Regulations by Noticee. The shares of the Target Companies are listed at BSE Ltd.

APPOINTMENT OF ADJUDICATING OFFICER

2. Vide order dated July 01, 2021, SEBI appointed the undersigned as the Adjudicating Officer under Section 15(I) of SEBI Act and Rule 3 of 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, the alleged violation of provisions of Regulation 27(2) of SAST Regulations by Noticee.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

3. A show-cause notice dated August 31, 2021(hereinafter referred to as '**SCN**') was issued to Noticee under Rule 4 of the Adjudication Rules to show-cause as to why an inquiry should not be initiated against Noticee and penalty, if any, not be imposed upon them under the provisions of Section 15HB of SEBI Act, for the aforesaid violation alleged to have been committed by them.

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

A. VIOLATION OF SAST REGULATIONS IN MATTER OF SPACEAGE

a) "*It was observed that Spaceage had appointed Mr. Venkateshwarlu Tati, who was also a Person Acting in Concert ('**PAC**') in the open offer, as its Additional Director. SEBI sought clarification from Noticee in this regard. Vide emails dated May 8, 2021, (Annexure-III) and May10, 2021 (Annexure –IV), Noticee furnished the requisite information to SEBI. From the aforesaid reply of Noticee, it was observed that Mr. Venkateshwarlu Tati, who was also a PAC in the open offer, was appointed as Additional Director of Spaceage on March 10, 2021. Thus, it is alleged that such appointment was in not in compliance with Regulation 24 of SAST Regulations which inter alia states "that during the offer period, no person representing the acquirer or any person acting in concert with him shall be appointed as director on the board of directors of the target company as an additional director"*

b) *It was also observed from the reply dated May 8, 2021 furnished by Noticee that the Detailed Public Statement (hereinafter referred to as 'DPS') of the open offer for acquiring shares of Spaceage was published on March 17, 2021 and the* *escrow account was opened only on March 17, 2021. Further, it was observed that the escrow amount as security under open offer was deposited by acquirer on March 18, 2021, i.e. one day after the date of DPS. Regulation 17(1) of SAST Regulations, inter-alia, states that "Not later than two working days prior to the date of the detailed public statement of the open offer for acquiring shares, the acquirer shall create an escrow account and deposit escrow amount towards security for performance of his obligations under SAST regulations".*

c) *In the instant case, it was observed that the escrow amount was deposited by acquirer after the DPS was published. Thus, it is alleged that acquirer of Spaceage violated Regulation 17(1) of SAST Regulations.*

d) *It was noted that aforementioned non-compliances w.r.t. open offer of Spaceage i.e. appointment of PAC as additional director in Spaceage and delay in creation of an escrow account towards security under open offer and depositing the requisite amount in escrow account by acquirer were not disclosed by Noticee in the due-diligence certificate furnished by it."*

B. VIOLATION OF SAST REGULATIONS IN MATTER OF SPECULAR

a) "*It was observed that the DPS was published on April 15, 2021 and the escrow account was opened on the same day, i.e. on April 15, 2021. It was also observed that the escrow amount as security under open offer was deposited by acquirer on April 16, 2021, i.e. one day after the date of DPS. Regulation 17(1) of SAST Regulations inter-alia, states "Not later than two working days prior to the date of the detailed public statement of the open offer for acquiring shares, the acquirer shall create an escrow account and deposit escrow amount towards security for performance of his obligations under SAST regulations.*

b) *In the instant case, it was observed that the escrow amount was deposited by acquirer after the DPS was published. Thus, it is alleged that acquirer of Specular violated Regulation 17(1) of SAST Regulations.*

c) *Upon perusal of the DLOO2, it was observed that Noticee had not considered the expanded voting share capital while calculating the offer size. Thereafter,* *the Noticee filed corrigendum to Public Announcement, DPS and Draft Letter of Offer on June 7, 2021 revising the offer size and the subsequent increase in amount to be transferred to Escrow Account. Thus, it is alleged that the open offer size calculated by Noticee was not in accordance with Regulation 7(1) of SAST Regulations.*

d) *It was observed that the aforementioned non-compliances w.r.t. delay in creation of escrow account and wrong calculation of offer size was not informed by Noticee in its due diligence certificate report submitted to SEBI.*

C. *In terms of Regulation 27(5) of SAST Regulations, the manager to the open offer shall exercise diligence, care and professional judgment to ensure compliance with SAST regulations. In the instant case, It was observed that Noticee did not inform SEBI about the non-compliances as mentioned in the paras 3(a), (b), & (c) and 5(a), (b) & (c) above.*

D. *Hence, it is alleged that Noticee failed to carry out proper due diligence to ensure compliance with SAST Regulations and thereby violated Regulation 27(5) of SAST Regulations*."

5. The SCN was sent to Noticee through Speed Post Acknowledgement due (herein after referred to as '**SPAD**') and digitally signed email dated August 31, 2021, and was duly served on Noticee. Noticee was given fifteen (15) days' time to make its submissions in respect of the allegations made in the SCN. Noticee, vide letter dated December 06, 2021, submitted its reply to the SCN.

6. In the interest of natural justice, vide hearing notice dated November 16, 2021, Noticee was granted an opportunity of personal hearing before the undersigned on December 13, 2021. The aforesaid hearing notice was sent to Noticee through SPAD and also through digitally signed email on November 16, 2021 and was duly served upon it. Noticee availed the opportunity of hearing granted to it on December 13, 2021. During the hearing, Noticee made its submissions, reiterating its earlier reply filed in the matter on December 06, 2021. In view of the difficulties posed due to Covid-19 pandemic, hearing proceedings were conducted online through videoconferencing on the Webex platform.

7. The relevant extracts of the reply submitted by Noticee vide letter dated December 06, 2021 are given hereunder:-

1. <u>Submission regarding the Violation of SAST Regulations in matter of Spaceage</u>

A. "Appointment of Mr. Venkatehwarlu Tati, as an Additional Director in Spaceage Products Limited:-

i *We have been appointed as a manager to the Open Offer dated 10/03/2021 and on behalf of Acquirer we have announced Public Announcement on the same day.*

ii *That on the date of Public Announcement, following was the Directors of the Company as provided by the Company and as per the MCA website, the same was also mentioned in Public Announcement dated 10/03/2021:*

Name of Director	***DIN***	***Date of Appointment***
Mr. Bhavesh Prabhudas Vora	*06814823*	*28/08/2013*
Mr. Satish Kumar Phoolchand Rajbhar	*06798717*	*18/02/2014*
Ms. Alpesh Bhavesh Vora	*06814833*	*07/03/2015*
Mr. Rajni Jethalal Shah	*07008158*	*22/04/2019*

iii *As we were the Manager to the Offer, neither the Acquirer nor the Target Company has informed to us regarding the appointment of Mr. Venkatehwarlu Tati in Spaceage Products Limited, further at the time of filling Detailed Published Statement("DPS"), Target Company has provided us the Composition of Board of Director of the Company as on dated 15th March 2021 in which details of Mr. Venkatehwarlu Tati have not mentioned therefore on the basis of such declaration we have mentioned all the details in DPS as same. Enclosed copy of declaration as Annexure-1 for your reference.*

iv *That we prepared our Due Diligence Report dated 20th March 2021 on the basis of information and declaration provided by the Company and as per the records available on the portal of Ministry of Corporate Affairs at that time as per our best knowledge.*

v *That after knowing the fact about the appointment of Mr. Venkatehwarlu Tati as Additional Director and he is related to the Acquirer, we have informed to the Acquirer that the appointment of Mr. Venkatehwarlu Tati is not as per Regulation 24 of SAST Regulations, 2011. Subsequently, Mr. Venkatehwarlu Tati has given his resignation w.e.f date of appointment i.e. 10/03/2021. Further, Target Company also acknowledge the inadvertently such appointment and file a consent to SEBI for the non-compliance.*

vi *Further, at the time of filing of Draft Letter of Offer ("DLOF") we informed the Board in respect to the appointment of Mr. Venkatehwarlu Tati at Page No. 9 point 3.1.9 of DLOF and also mentioned the same in checklist as prescribed by the Board. Enclosed copy of Page 9 of DLOF and Checklist as "Annexure -2".*

B. Delay in creation of an escrow account towards security under open offer:-

i *That we have appointed as a manager to the Open Offer dated 10/03/2021 and after the public announcement, we have appointed ICICI Bank Limited as an Escrow Bank for said open offer. As the appointment of us as Manager to offer is made on the same date of PA there was very short span of time for opening of Escrow Account.*

ii *Further, we have provide the signed documents including escrow agreement to the Escrow Bank on 12th March 2021 but due to the Bank holiday on 13th and 14th March 2021 the bank account couldn't process for opening of account and due to technical issue account was opened on 17th March 2021 at 13:38 P.M. Enclosed Copy of E-mail as "Annexure-3".*

iii *As there was delaying in opening of escrow account, we have taken the cheque from the Acquirer dated 16th March 2021 for the 25% of the total Consideration of the value of Maximum Consideration for ensuring that he has the sufficient amount in his bank account for fulfilment of his commitment towards open offer. Enclosed Cheque copy as "Annexure — 4".*

iv *After opening of account on the very next day, the Acquirer had deposited the 25% of the total Consideration of the value of Maximum Consideration in the Escrow account and informed to us. Escrow Statement for same enclosed.*

v *Further, we drive your kind attention on that this was the procedural issue which is beyond to control and there is no financial loss to any public shareholders of the Target Company. Further, we have also mentioned the detailed about delay in opening of Escrow account in our Due Diligence Certificate in Point 3(b) dated 20th March 2021. Enclosed Due Diligence Certificate enclosed…."*

2. ***Submission regarding the Violation of SAST Regulations in matter of Specular***

A. ***Delay in creation of an escrow account towards security under open offer:-***

i *That we have appointed as a manager to the Open Offer dated 08/04/2021 and on behalf of Acquirer we have announced Public Announcement on the same day.*

ii *Further, we have provide the signed documents including escrow agreement to the Escrow Bank on 09th April 2021 but due to the Bank holiday on 10th and 11th April 2021 the bank account couldn't process for opening of account.*

iii *As due to covid-19 pandemic and lockdown situation in the country, Company was not able to provide the further signed documents easily therefore the account was delay in opening the account. The same opened on 15th April 2021. Enclosed Copy of E-mail as "Annexure-7".*

iv *As you must be aware that during April 2021, the entire nation was hit by the pandemic and just like everyone, the families of Manager to offer, Acquirers and Target Company were also affected by it.*

v *After opening of account on the very next day, the Acquirers had deposited the 25% of the total Consideration of the value of Maximum Consideration in the Escrow account and informed to us. Escrow Statement for same enclosed…. .*

vi *Further, we would like to inform you that we have also mentioned the detailed about delay in opening of Escrow account in our Due Diligence Certificate in Point 3(b) dated 26th April 2021. Enclosed Due Diligence Certificate enclosed ….*

B. Expanded Voting Share Capital while Calculating the Offer Size

i *That in respect to the expanded voting share capital we would like to inform you that, open offer was triggered on the basis of the proposed Preferential Issue and through the Share Purchase Agreement between Acquirers and the Target Company, Also there was only 2 proposed allottee in proposed preferential allotment who were the Acquirers of the Target Company.*

ii *That at the time of filing PA, DPS and DLOF proposed allotment was subject to the approval of Shareholders and Extra-Ordinary General Meeting of the company was held on June 07, 2021.*

iii *We would like to take your attention on that, Public Shareholder were the same in pre and post preferential issue, as there were no public shareholders were participated in the proposed preferential issue also the proposed shares doesn't existed at the time of making PA and the said allotment also being subject to approval of shareholders, we interpreted in a manner to give open offer to the existing shareholders of the company i.e 26% of existing shares.*

iv *That, after the SEBI Instruction, We Manager to the Offer have also given the corrigendum to the PA, DPS and DLOF dated 07th June 2021 and subsequently increase the amount in Escrow Account as accordance to the expanded offer size.*

C. In keeping the view of same, we would like to inform you that we have completed our both the assignment in our best knowledge and in prescribed time. Further, any violation of SAST Regulations was done unintentionally, we also oblige for the same. Also, there was no loss to any public shareholders in respect of open offers therefore, we request you to please take the same in your consideration and we will ensure and hereby confirm that we will take care the same for the future assignments and there will be no non- compliance in the future at our end."

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

8. I have carefully perused the charges levelled against Noticee, replies/submissions filed by Noticee and other documents/ evidence available on record. The issues that arise for consideration in the present case are:

1) Whether Noticee has violated Regulation 27(5) of SAST Regulations?

2) Does the violation, if any, attract monetary penalty under Section 15HB of SEBI Act?

3) If the answer to issue no. 2 is in affirmative, then what should be the quantum of monetary penalty?

9. The relevant provision of the SAST Regulations, which was in force at the time of impugned transactions, is reproduced as under:

"Regulation 7(1)

The open offer for acquiring shares to be made by the acquirer and persons acting in concert with him under regulation 3 and regulation 4 shall be for at least twenty six percent of total shares of the target company, as of tenth working day from the closure of the tendering period:

Provided that the total shares of the target company as of tenth working day from the closure of the tendering period shall take into account all potential increases in the number of outstanding shares during the offer period contemplated as of the date of the public announcement.

Regulation 17(1):

Not later than two working days prior to the date of the detailed public statement of the open offer for acquiring shares, the acquirer shall create an escrow account towards security for performance of his obligations under these regulations, and deposit in escrow account such aggregate amount as per the following scale:

Sl. No	***Consideration payable under the Open Offer***	***Escrow Amount***
1.	*On the first five hundred crore rupees*	*an amount equal to twenty-five per cent of the consideration*
2.	*On the balance consideration*	*an additional amount equal to ten per cent of the balance consideration*

where an open offer is made conditional upon minimum level of acceptance, hundred percent of the consideration payable in respect of minimum level of acceptance or fifty per *cent of the consideration payable under the open offer, whichever is higher, shall be deposited in cash in the escrow account.*

Provided further that in case of indirect acquisitions where public announcement has been made in terms of clause (e) of sub-regulation (2) of regulation 13 of these regulations, an amount equivalent to hundred per cent of the consideration payable in the open offer shall be deposited in the escrow account.

***Regulation 24(1)**:*

During the offer period, no person representing the acquirer or any person acting in concert with him shall be appointed as director on the board of directors of the target company as an additional director.

***Regulation 27(5)**:*

The manager to the open offer shall exercise diligence, care and professional judgment to ensure compliance with these regulations.

Issue No.1- Whether Noticee has violated Regulation 27(5) of SAST Regulations?

10. Before moving forward, I find it pertinent here to discuss the role of a Merchant Banker, i.e., the Manager to the open offer, as enshrined in the SAST Regulations. In terms of Regulation 12 of SAST Regulations, acquirers are required to appoint a SEBI registered Merchant Banker as the manager to open offer prior to the public announcement and the public announcement of open offer is to be made by the acquirers through such manager to the open offer. Similarly, Regulation 16(1) requires the acquirer to file with SEBI, a draft of the letter of offer containing requisite information, through the manager to the open offer. Therefore, I find that the open offer process is carried out by the acquirer through the Merchant Banker. In this regard, I observe that Regulation 27 of SAST Regulations lays down the obligations of the Manager to the offer which includes ensuring that the contents of the public announcement, detailed public statement, letter of offer and post-offer advertisement are true, fair and adequate in all material aspects. SAST Regulations have also carved out a specific provision under Regulation 27(5) which makes it obligatory on the part of the Merchant Banker to exercise due skill, care and diligence in the discharge of professional duties cast on it to ensure that there is due compliance with the requirements of SAST Regulations in the open offer process.

11. Against this background, I now proceed to deal with the merits of the case in respect of the alleged contraventions of SAST Regulations by Noticee.

<u>VIOLATION OF SAST REGULATIONS IN MATTER OF OPEN OFFER OF SPACEAGE</u>

12. It has been alleged that the appointment of Mr. Venkateshwarlu Tati, who is shown as Person Acting in Concert with the acquirer in the open offer of Spaceage, as an Additional Director of Spaceage, was not in compliance with Regulation 24 of SAST Regulations. In this regard, I note the following chronology of events with respect to open offer of Spaceage from the material available on record:-

    i. **Date of appointment of Noticee as Merchant Banker**:- March 10, 2021
    ii. **Date of entering into share swap agreement by acquirer**:- March 10, 2021
    iii. **Date of Public Announcement (PA1)**:- March 10, 2021
    iv. **Date of Detailed Public Statement (DPS1):-** March 17, 2021
    v. **Date of publication of DPS1**:- March 18, 2021
    vi. **Date of submission of DLOO1 with SEBI**:- March 25, 2021
    vii. **Last date of communicating the rejection/acceptance and completion of payment of consideration or refund of Equity shares to the Public Shareholders**: - June 04, 2021 (As per Tentative Schedule of activities mentioned in the DLOO1).

13. I note that the following persons were shown as a directors of Target Company in the DLOO1 submitted to SEBI:-

<table>
<tr><th>Sr. No.</th><th>Name of Director</th><th>Designation</th><th>Date of appointment</th></tr>
<tr><td>1</td><td>Mr. Bhavesh Prabhudas Vora</td><td>Managing Director</td><td>20.08.2016</td></tr>
<tr><td>2</td><td>Mr. Satishkumar Phoolchand Rajbhar</td><td rowspan="3">Director</td><td>18.02.2014</td></tr>
<tr><td>3</td><td>Ms. Alpa Bhavesh Vora</td><td>07.03.2015</td></tr>
<tr><td>4</td><td>Mr. Rajni Jethalal Shah</td><td>22.04.2019</td></tr>
<tr><td>5</td><td>Mr. Venkateshwarlu Tati</td><td>Additional Director</td><td>10.03.2021</td></tr>
</table>

14. In its submissions, Noticee has contended that on the date of PA1, the directors of Target Company, as provided by Spaceage and as per the website of Ministry of Corporate Affairs (**MCA**), were as under:

Sr. No.	Name of Director	DIN	Date of Appointment
1	Mr. Bhavesh Prabhudas Vora	06814823	20.08.2016
2	Mr. Satish Kumar Phoolchand Rajbhar	06798717	18.02.2014
3	Ms. Alpesh Bhavesh Vora	06814833	07.03.2015
4	Mr. Rajni Jethalal Shah	07008158	22.04.2019

15. Noticee in its reply has further contended that neither the Acquirer nor Spaceage had informed them regarding the appointment of Mr. Venkateshwarlu Tati as an Additional Director, nor did Spaceage provide the details of Mr. Venkateshwarlu Tati to Noticee in the Composition of Board of Directors of Spaceage, at the time of filing of DPS1. I note that Noticee has submitted a copy of a document issued by Spaceage listing out its directors as on March 15, 2021, in support of its aforesaid contention that Mr. Venkateshwarlu Tati was not included in the list of directors by Noticee on the basis of such declaration by Spaceage. Noticee has further stated that the details of directors of Spaceage, as appearing on the MCA website on the date of PA1, did not include Mr. Venkateshwarlu Tati.

16. In this regard, I note that Noticee was appointed as Merchant Banker on March 10, 2021 and PA1 was announced on the same date. From the submissions made by Noticee, I note that Noticee has submitted a copy of a document issued by Spaceage listing out its directors as on March 15, 2021 which did not the name of Mr. Venkateshwarlu Tati. However, I note from the MCA website that Mr. Venkateshwarlu Tati was appointed as a director in Spaceage on March 10, 2021, i.e., the date of appointment of Noticee as Merchant Banker to the open offer of Spaceage which was also the date of PA1.

17. At this juncture, I find it pertinent to refer to the provisions of Regulation 24(1) of SAST Regulations which states that *"during the offer period, no person representing the acquirer or any person acting in concert with him shall be appointed as director on the board of directors of the target company as an additional director*." Offer period has been defined in terms of Regulation 2(p) of SAST Regulations which states that *"Offer period means the period between the date of entering into an agreement, formal or informal, to acquire shares, voting rights in, or control over a target company requiring a public announcement, or the date of the public announcement, as the case may be, and the date on which the payment of consideration to shareholders who have accepted the open offer is made, or the date on which open offer is withdrawn, as the case may be".*

18. From the above definition of offer period, I observe that the offer period in the open offer of Spaceage, as stated in the DLOO1, was from March 10, 2021, i.e., the date of PA1 agreement till June 15, 2021. I also note that Mr. Venkateshwarlu Tati, who was a Person Acting in Concert (**PAC**) with the acquirer in the open offer of Spaceage, had been appointed as an Additional Director of Spaceage during the offer period, in breach of the aforesaid provision of SAST Regulations. Further, it is Noticee's own case that it became aware of the fact that Mr. Venkateshwarlu Tati, who was a PAC with the acquirer in the open offer of Spaceage, had been appointed as an Additional Director of Spaceage in violation of Regulation 24(1) of SAST Regulations. Noticee, in its submissions, has admitted that after they became aware of one of the PACs, Mr. Venkateshwarlu Tati, as an additional director in Sapceage, they informed the acquirer that this appointment was in breach of the provisions of Regulation 24(1) of SAST Regulations. I find that since Mr. Venkateshwarlu Tati was appointed as a director in Spaceage on March 10, 2021, i.e., the same day on which Noticee was appointed as the Manager to the open offer, Noticee was supposed to ascertain the details of directors of Spaceage through all verifiable sources as part of its due-diligence process as a Manager to the open offer to ensure that provisions of Regulation 24(1) of SAST Regulations were complied with. Further, on perusal of Noticee's email dated May 08, 2021 and May 10, 2021 sent to SEBI, I note that Noticee has accepted that appointment of Mr. Venkateshwarlu Tati as an Additional Director was done inadvertently and was not in compliance with Regulation 24(1) of SAST Regulations, for which it had obtained an undertaking from Spaceage for filing of application for compounding of the same.

19. I note that apart from a mere statement in its submissions, Noticee has not shown or provided any evidence to demonstrate that it had exercised sufficient diligence and care to ensure that there was no non-compliance with Regulation 24(1) of SAST Regulations. In this regard, I place reliance on the order dated February 19, 2014 of Hon'ble Securities Appellate Tribunal (**SAT**) in the matter of M/s. Keynote Corporate Services Ltd. Vs. SEBI where it had been held as under:

" Due diligence on part of Merchant Banker does not mean passively reporting whatever is reported to it but to find out everything that is worth finding out. It is about making an active effort to find out material developments that would affect interest of investors. It is on faith that intermediary has conducted due diligence with utmost sincerity that investing public goes forward and decides to invest in a particular company."

20. Therefore, it is clear that Noticee, as manager to the open offer of Spaceage, failed to carry out its responsibility with due care and diligence to ensure that the appointment of the aforesaid director in Spaceage during the offer period was not in violation of Regulation 24(1) of SAST Regulations.

21. From the checklist submitted as part of DLOO1 of Spaceage, I note that Noticee has mentioned about the appointment of Mr. Venkateshwarlu Tati, as an Additional Director of Spaceage. On perusal of the DLOO1, I note that in para 4.5.c on page 12, it is stated that "*as on the date of the DLOF, PAC4, i.e., Mr. Venkateshwarlu Tati is an Additional Director of target company w.e.f. March 10, 2021."* However, as noted earlier, the aforesaid appointment was in contravention of Regulation 24(1) of SAST Regulations.

22. From the perusal of the Due-Diligence certificate dated March 20, 2021 (**Certificate 1**), submitted by Noticee to SEBI in respect of the open offer of Spaceage, I observe that there is no mention of the contravention of the aforesaid SAST Regulation. On the contrary, in Certificate 1, Noticee has given an undertaking that the PA1, DPS1 and DLOO1 were in conformity with the SAST Regulations. In view of the finding that DLOO1 was not in compliance with Regulation 24(1) of SAST Regulations, I find that Noticee has furnished an incorrect undertaking in its Due-Diligence certificate to SEBI.

23. W.r.t. allegation regarding delay in opening Escrow Account and delay in depositing escrow money in Escrow Account, I note from the chronology of events enumerated in the preceding paragraphs that the date of the DPS1 in the open offer of Spaceage was March 17, 2021. Thus, in terms of Regulation 17(1) of SAST Regulations, Escrow Account needed to be opened not later than two working days prior to the date of DPS. Since the date of DPS was March 17, 2021, Escrow Account needed to be opened latest by March 12, 2021 (March 13, 2021 and March 14, 2021 being a holidays on account of Second Saturday and Sunday respectively).

24. In this regard, Noticee, in its reply, has contended that they had provided signed documents including escrow agreement to the Escrow Bank, i.e., ICICI Bank, on March 12, 2021 and due to bank holidays on March 13, 2021 and March 14, 2021, the Escrow Bank was not able to process the account opening. Noticee has also placed on record a series of emails exchanged between them and ICICI Bank for opening of the Escrow Account. On perusal of the email correspondence exchanged with ICICI Bank as furnished by the Noticee, I note the following chronology of events:-

Date of email and (day)	Gist of email
March 12, 2021 at 12: 29 p.m. (Friday)	Forwarding Escrow Agreement for opening Escrow Account by Noticee and also informed that KYC of Acquirer would be sent in due course of time
March 12, 2021 at 13:23(Friday)	Escrow Bank requested to provide LEI number
March 12, 2021 at 13:30(Friday)	Noticee informed Escrow Bank that LEI will not be applicable
March 14, 2021 at 17:02(Sunday)	Aadhar and PAN card of Acquirer were forwarded to Escrow Bank by Noticee
March 15, 2021 at 16:08(Monday)	COI and PAN card of Target Company forwarded to Escrow Bank by Noticee
March 16, 2021 at 12:46 p.m. (Tuesday)	Follow-up done by Noticee with Escrow Bank for account opening
March 17, 2021 at 11:21 p.m.(Wednesday)	Follow-up done by Noticee with Escrow Bank for account opening
March 17, 2021 at 11:48 a.m.(Wednesday)	Email from Escrow Bank w.r.t follow-up with its team
March 17, 2021 at 13:38 p.m.	Email from Escrow Bank w.r.t. providing account number and account status.

25. In its submissions, Noticee has also contended that due to technical issue, the Escrow Account was opened only on March 17, 2021 at 13:38 p.m. I note from the above chronology of events that Noticee was coordinating with ICICI Bank on behalf of acquirer in this regard and had forwarded the Escrow Agreement to ICICI Bank, only on March 12, 2021, which was the last/due date for opening of Escrow Account in the present matter. From perusal of the emails submitted by Noticee, I note that even on March 12, 2021, complete documents were not forwarded by Noticee to ICICI Bank and some of the documents were forwarded by Noticee only on March 15, 2021. Therefore, I am not inclined to accept this contention of Noticee that the delay in opening of Escrow Account was on account of technical glitch since the delay occurred due to non-furnishing of documents by Noticee itself. Therefore, I find that Noticee, acting on behalf of acquirer, failed to provide complete set of documentation, as required for opening of Escrow Account, within the specified timelines.

26. It has been further alleged in the SCN that the acquirer deposited the escrow amount after publication of DPS1. From the chronology of events detailed in the preceding paragraphs, I note that the date of DPS1 in the open offer of Spaceage was March 17, 2021. Noticee, in its reply, has submitted that on March 16, 2021, they had obtained a cheque from the acquirer for 25% of the total consideration of the value of Maximum consideration for ensuring that Acquirer had sufficient bank account for fulfillment of his commitment towards open offer. In this regard, I note that as per Regulation 17(1) of SAST Regulations, the acquirer in the open offer of Spaceage should have deposited 25% of the consideration

value in the Escrow Account latest by March 12, 2021. However, I note from Noticee's submissions that Noticee, acting on behalf of the acquirer, had obtained the consideration amount from the acquirer on March 16, 2021 and had deposited the same in the Escrow Account only on March 18, 2021.

27. Therefore, in view of the above findings that the creation of escrow account and deposit of the escrow amount in the escrow account under the open offer of Spaceage was not in accordance with the timelines specified under Regulation17 (1) of SAST Regulations, it is established that there has been a non-compliance of the aforesaid provision.

28. As noted earlier, Regulation 27 of the SAST Regulations lays down the obligations of the manager to the open offer. Sub-regulation (5) of Regulation 27 of SAST Regulations states that *"The manager to the open offer shall exercise diligence, care and professional judgment to ensure compliance with these regulations."* I further note that the acquirers in the open offers act through the merchant banker so that the compliance requirements prescribed under the SAST Regulations are effectively met in the process of the open offers. Therefore, the merchant banker, acting on behalf of acquirers, is expected to ensure that there is compliance with the requirements under the SAST Regulations in respect of the open offers.

29. I find that in terms of Regulation 27(5) of SAST Regulations, Noticee, being a Manager to the open offer of Spaceage and acting on behalf of acquirer, should have ensured that there was no violation of Regulation 17(1) of SAST Regulations, which it failed to do.

30. On perusal of DLOO1, I note that it is stated at para 6.2.3 on page 20 that "*Pursuant to Escrow Agreement and in compliance with Regulation 17(1) of the Takeover Regulations, the Acquirers have opened an Escrow Account in the name and style of 'SPACEAGE-OPEN OFFER ESCROW ACCOUNT'….."* However, since it has been established that there was a breach of Regulation 17(1) of SAST Regulations, I find that this statement in the DLOO1 to be an incorrect statement.

31. From the perusal of Certificate 1 in this regard, I note that Noticee has, *inter-alia,* stated as under:

…

b) *Due to technical error in the system of bank the Escrow Account was created on March 17, 2021.However the account is created one day prior to the Detailed Public Statement.*

Further, the Acquirer has maintained and deposit an amount equal to twenty-five percent of the consideration (i.e. INR 40, 62,110) on March 18, 2021 in the account…..

32. In the above certificate, Noticee has also stated the following:

"The PA, DPS and the DLOF forwarded to SEBI is in conformity with Takeover Regulations and the disclosures made in the PA, DPS and DLOF are true fair and adequate to enable investors to take a well informed decision."

33. Therefore, I find that Noticee did not inform SEBI about the aforementioned non-compliances w.r.t. Spaceage. Further, I find that the above statements made in Certificate 1 that 'the disclosures in DLOO1 are true' as well as the undertaking given therein by Noticee that 'the DLOO1 forwarded to SEBI are in conformity with SAST Regulations' are also incorrect. Therefore, I conclude that Noticee by not disclosing the non-compliances of SAST Regulations w.r.t. Spaceage had furnished an incorrect undertaking in its Due-Diligence certificate to SEBI.

VIOLATION OF SAST REGULATIONS IN MATTER OF OPEN OFFER OF SPECULAR

34. I note the following chronology of events with respect to open offer of Specular from the material available on record:-

   i. **Date of appointment of Merchant Banker**:- April 08, 2021
   ii. **Date of entering into Business Succession Agreement**:- April 08, 2021
   iii. **Date of Public Announcement (PA2)**:- April 08, 2021
   iv. **Date of Detailed Public Statement (DPS2):-** April 15, 2021
   v. **Date of publication of DPS2**:- April 16, 2021
   vi. **Date of submission of Draft Letter of Offer(DLOO2) with SEBI**:- April 26, 2021

35. W.r.t. allegation regarding delay in opening Escrow Account and depositing the cheque in Escrow Account, Noticee has contended that they were appointed as Manager to the open offer on April 08, 2021 and Escrow Agreement was submitted to Escrow Bank, i.e., ICICI Bank, on April 09, 2021 and April 10, 2021 and April 11, 2021 being bank holidays, ICICI Bank was not able to process the opening of Escrow account. Further, Noticee has contended that due to lock down situation in Mumbai due to Covid 19 pandemic, Specular was not able to provide the complete documents required for opening of Escrow Account.

I note that Noticee has also provided copies of correspondence exchanged with ICICI Bank in this regard.

36. I note from the chronology of events enumerated above in respect of open offer of Specular that the date of the DPS2 was April 15, 2021. Thus, in terms of the Regulation 17(1) of SAST Regulations, Escrow Account needed to be opened not later than two working days prior to the date of DPS2. i.e., the Escrow Account had to be opened latest by **April 08, 2021** (April 13, 2021 and April 14, 2021 being holiday at SEBI on account of Gudi Pawa and Dr. Babasaheb Ambedkar Jayanti respectively) and April 10, 2021 and April 11, 2021 being a second Saturday and Sunday respectively.)

37. In this regard, Noticee in its reply has contended that they had provided signed documents including escrow agreement to the Escrow Bank, i.e., ICICI Bank, on April 09, 2021 and due to bank holidays on April 10 and 11, 2021, the bank account could not be processed for account opening. Noticee has also placed on record a series of emails exchanged between them and ICICI Bank for opening of the Escrow Account. On perusal of the email correspondence exchanged with ICICI Bank, I note the following chronology of events :-

Date of email and (day)	**Gist of email**
April 09, 2021 at 06:44 pm.(Friday)	Forwarded Escrow Agreement and other documents to Escrow Bank for opening of account
April 09, 2021 at 07:47 pm(Friday)	Escrow Bank requested Noticee to provide Target Company documents such as COI,PAN card and LEI number
April 12,2021 at 03:06 p.m. (Monday)	Noticee forwarded PAN card of Target Company and informed that LEI no. is not applicable and requested to open the account at the earliest
April 14, 2021 at 13:25 p.m. (Wednesday).	Escrow Bank requested Noticee to provide Company stamp & sign on COI and PAN card of Specular
April 14, 2021 at 1:58 p.m.(Wednesday).	Noticee informed Escrow Bank that due to lockdown situation, company was not able to provide signed copy of documents
April 14, 2021 at 14: p.m.(Wednesday).	Escrow Bank expressed its inability to open account without company stamp and sign
April 15, 2021 at 11:25 a.m.(Thursday)	Noticee forwarded signed COI and PAN card of Specular
April 15, 2021 at 11:25 a.m.(Thursday)	Escrow Bank informed Noticee about missing of Company stamp on COI and PAN card
April 15, 2021 at 12:03 a.m.(Thursday)	Noticee forwarded the documents after affixing the necessary stamp
April 16, 2021 at 11:38 a.m. (Friday)	Noticee followed up with Escrow Bank for opening of Escrow Account
April 22, 2021 at 13:02 p.m.	Escrow Bank requested Noticee to provide Escrow Agreement

38. I note from the above table that Noticee was coordinating with ICICI Bank, which was the Escrow Bank, on behalf of acquirer and had forwarded the Escrow Agreement to ICICI Bank only April 09, 2021, i.e. after the last/due of opening Escrow Account in terms of

Regulation 17(1) of SAST Regulations. From the emails submitted by Noticee, I observe that even on April 09, 2021, complete documents were not forwarded by Noticee to ICICI Bank and some of the documents were forwarded by Noticee on April 12, 2021 and April 15, 2021. Therefore, I find that Noticee, acting on behalf of acquirer, failed to provide complete set of documentation, as required for opening of Escrow Account.

39. In its submissions, Noticee has taken a plea that delay in account opening was on account of the fact Specular was not able to provide signed documents due to Covid-19 Pandemic and lockdown in the country. However, Noticee has not provided any documents to substantiate the aforesaid claim or to demonstrate that they had taken all steps to ensure that there was no delay in opening the Escrow Account. Mere reference to the pandemic situation cannot be considered a sufficient ground for not complying with the stipulated timelines under SAST Regulations. Therefore, I am not inclined to accept this contention of Noticee.

40. Further, it has been alleged in the SCN that Noticee deposited the escrow amount after publication of DPS2. Noticee, in its reply, has submitted that on the very next day of opening of Escrow Account, the acquirers had deposited the 25% of the total consideration of the value of maximum consideration in the Escrow Account and informed them accordingly. In this regard, I note that since the date of DPS2 was April 15, 2021, as per Regulation 17(1) of SAST Regulations, the escrow amount i.e., 25% of the consideration value, should have been deposited in the Escrow Account latest by April 08, 2021. However, I note from the statement of escrow account in the ICICI Bank that the required escrow amount was deposited in the Escrow Account on April 16, 2021, which was much later than the timeline stipulated in Regulation 17(1) of SAST Regulations.

41. Therefore, in view of the above findings that the creation of escrow account and deposit of the escrow amount in the escrow account under the open offer of Specular was not in accordance with the timelines specified under Regulation17 (1) of SAST Regulations, it is established that there has been a non-compliance of the aforesaid provision. I find that in terms of Regulation 27(5) of SAST Regulations, Noticee, being a Merchant Banker to the open offer of Spaceage and acting on behalf of acquirer, should have ensured that there was no violation of Regulation 17(1) of SAST Regulations, which it failed to do.

42. On perusal of DLOO2, I note that at para 6.2.3 on page 16, it is stated that "*Pursuant to Escrow Agreement and in compliance with Regulation 17(1) of the Takeover Regulations,*

the Acquirers have opened an Escrow Account in the name and style of 'SPECULAR-OPEN OFFER ESCROW ACCOUNT'….." which is an incorrect statement since it has been established that there was a breach of Regulation 17(1) of SAST Regulations.

43. From the perusal of the Due-Diligence certificate dated April 26, 2021 (**Certificate 2**), submitted by Noticee to SEBI in this regard, I note that Noticee has *inter-alia* stated as under:-

    " …. In this regard, we, the Manager to the Offer, have examined various relevant documents and state to the best of our knowledge and based on the information furnished to us that:-

    a) ….
    b) The Escrow Account in terms of Regulation was created as on dated April 21, 2021 due to the pandemic situation going in the Country.
    c) …..
    d) ….
    e) …..

44. From the aforesaid due-diligence certificate, I note that Noticee has disclosed about the opening of the Escrow Account and depositing the escrow amount as security under the open offer of Specular in the Escrow Account. From the perusal of Certificate 2 in this regard, I further note that Noticee has, *inter-alia,* stated as under:

    "The PA, DPS and the DLOF forwarded to SEBI is in conformity with Takeover Regulations and the disclosures made in the PA, DPS and DLOF are true fair and adequate to enable investors to take a well informed decision."

45. I find that the above statements made in Certificate 2 that 'the disclosures in DLOO2 are true' as well as the undertaking given therein by Noticee that 'the DLOO2 forwarded to SEBI are in conformity with SAST Regulations' are also incorrect. I find that Noticee did not inform SEBI about the aforementioned non-compliances w.r.t. Specular. Therefore, I conclude that Noticee by not disclosing the non-compliances of SAST Regulations w.r.t. Specular had furnished an incorrect undertaking in its Due-Diligence certificate to SEBI.

46. It has been alleged that Noticee, as Manager to the open offer of Specular, had not considered the expanded voting share capital while calculating the offer size. In this regard, in its submissions, Noticee has contended that the open offer was triggered on the

basis of the proposed Preferential Issue and through the Share Purchase Agreement between acquirers and Specular and at the time of filing of PA2, DPS2 and DLOO2, the proposed allotment was subject to approval of Shareholders and Extra-Ordinary General Meeting of Specular which was going to be held on June 07, 2021. Noticee has further stated that as the public shareholders were the same in pre-and post-preferential issue and as the proposed shares did not exist at the time of making PA, they had interpreted to give open offer to existing shareholders of the company, i.e., 26% of existing shares.

47. I note from records that the requirement for making the open offer was triggered due to a Business Succession Agreement, by way of which the acquirers were to be allotted shares of Specular through preferential allotment. With regard to calculation of offer size, I note that proviso to Regulation 7(1) of SAST Regulations envisages that the minimum size of the offer needs to be calculated after taking into account any contemplated increase in the total shareholding, after the public announcement. Therefore, in accordance with the provisions of Regulation 7(1) of SAST Regulations, the offer size should have been calculated on the expanded capital of Specular taking into account the proposed preferential allotment of shares. It is, however, noted that in the case of Specular, Noticee determined the size of the open offer on the basis of the pre-preferential issue paid up capital, i.e., the actual existing shareholding, which resulted in the open offer being made for lesser number of shares than what was mandated under the aforesaid Regulation.

48. From a perusal of the DLOO2, I note that offer size calculated by Noticee was significantly lower than the offer size mandated under the aforesaid provision of SAST Regulations. Further, from the email dated June 03, 2021, sent by Noticee to SEBI, I note that Noticee had acknowledged that on account of the error in calculating the offer size, corrective action would be taken by issuing corrigendum for increase in the open size in PA2 and DPS2 and they would instruct the acquirers to deposit the differential amount in Escrow Account. I also note from Noticee's submission that additional escrow amount was subsequently deposited in the Escrow Account due to the revision in the offer size. Thus, on account of aforesaid findings and Noticee's own admission, it is established that there was a non-compliance with the provisions of Regulation 7(1) of SAST Regulations. It is clear that Noticee, acting on behalf of the acquirers in the open offer of Specular, failed to ensure compliance with the provisions of Regulation 7(1) of SAST Regulations.

49. I further note that Noticee has, *inter-alia,* stated in Certificate 2 as under:

"The PA, DPS and the DLOF forwarded to SEBI is in conformity with Takeover Regulations and the disclosures made in the PA, DPS and DLOF are true fair and adequate to enable investors to take a well informed decision."

50. I find that Noticee did not inform SEBI about the aforementioned non-compliances w.r.t. Specular. Further, I find that the above statements made in Certificate 2 that 'the disclosures in DLOO 2 are true' as well as the undertaking given therein by Noticee that 'the DLOO2 forwarded to SEBI are in conformity with SAST Regulations' are also incorrect.

51. Since it is established that the offer size mentioned in DLOO2 was based on incorrect calculation and was in breach of Regulation 7(1) of SAST Regulations, the above undertaking furnished to SEBI by Noticee in Certificate 2 is false and misleading.

52. The above findings relating to violations of various provisions of SAST Regulations in the open offers, where Noticee was appointed as the Manager to the open offers of Spaceage and Specular and was acting on behalf of the acquirers, demonstrate the lapses on the part of Noticee in ensuring compliance with the aforesaid provisions of the SAST Regulations. It is also seen that Noticee filed incorrect and misleading Due-diligence certificates to SEBI in respect of the open offers of Spaceage and Specular. In light of the above findings, I am of the view that Noticee failed to exercise due-diligence, care and professional judgment to ensure compliance with SAST Regulations, as cast upon it under Regulation 27(5) of the Takeover Regulations. Therefore, I find that the allegation against Noticee regarding violation of Regulation 27(5) of SAST Regulations stands established.

<u>Issue No. 2- Does the violation attract monetary penalty under Section 15HB of SEBI Act?</u>

53. It has been established in the foregoing paragraphs that the Noticee has violated Regulation 27(5) of SAST Regulations. In context of the above, I refer 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 held that: "*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...….*"

54. Therefore, in view of the findings that Noticee has violated Regulation 27(5) of SAST Regulations and placing reliance on the above judgment of Hon'ble Supreme Court, I find that the aforesaid violation committed by the Noticee will attract monetary penalty under Section 15HB of the SEBI Act which read as follows:

Section 15HB of SEBI Act: -

***Penalty for contravention where no separate penalty has been provided**:*

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 may extend to one crore rupees.

<u>Issue No.3 - What should be the quantum of monetary penalty</u>?

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

<u>SEBI Act</u>

Factors to be taken into account by the adjudicating officer.

***Section 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.

Explanation- For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.

56. In the instant case, it is not possible from the material on record to quantify the amount of disproportionate gain or unfair advantage resulting from the default of Noticee in making disclosures or the consequent loss caused to investors as a result of the default. However, in view of the facts and circumstances of the case and the charge established, I note that Noticee has demonstrated complete disregard to the time line stipulated under SAST Regulations as well as failed to adhere to the responsibility cast upon it to ensure compliance to the SAST Regulations, in its function as Manager to the open offers. In my view, such miscalculations and non-adherence to mandatory provisions of the SAST Regulations leading to misleading disclosures in the Draft Letter of Offer would hamper the ability of investors to take well-informed decisions in open offers of the Target Companies. I also note that SEBI had initiated adjudication proceedings against Noticee in the open offer matter of Orient Trade Links Limited, for failure to exercise diligence, care and professional judgement to ensure compliance with Regulation 17(1) read with Regulation 27(5) of SAST Regulations. In the aforesaid matter, the Ld. Adjudicating Officer had imposed a penalty of Rs. 2,00,000/-on the Noticee, vide an Order dated January 27, 2021.

57. I find that the Noticee being a registered intermediary i.e. Category-I, Merchant Banker is required to comply with the provisions of various Regulations issued by SEBI for safeguarding the interest of investors. The careless conduct of the Noticee is clearly evident from the repetitive nature of violations committed by the Noticee. In my view, such a cavalier approach by a SEBI registered intermediary, as seen in the conduct of Noticee, would adversely affect the interest of public shareholders and such infractions need to be dealt with appropriate penalty which would act as a deterrent for Noticee.

ORDER

58. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticee and also the factors mentioned in Section 15J of the SEBI Act, as enumerated above, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, hereby impose a penalty of Rs.6,00,000/-(Rupees Six Lakh only) on Noticee i.e. M/s. Fast Track Finsec Pvt. Ltd., under the provisions of Section 15HB of SEBI Act. I am of the view that the said penalty is commensurate with the lapse/omission on the part of Noticee.

59. 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. In case of any difficulties in payment of penalties, Noticee may contact the support at portalhelp@sebi.gov.in.

60. The said confirmation of e-payment made in the format as given in table below should be sent to "The Division Chief, EFD – DRA - I, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in

1. Case Name:	
2. Name of payee:	
3. Date of payment:	
4. Amount paid:	
5. Transaction no.:	
6. Bank details in which payment is made:	
7. Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount and legal charges along with order details)	

61. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under Section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties of Noticee.

62. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to Noticee viz. M/s. Fast Track Finsec Pvt. Ltd. and also to SEBI.

Place: Mumbai **SOMA MAJUMDER**
Date: March 28, 2022 **ADJUDICATING OFFICER**