BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO. Order/AN/SM/2024-25/30559

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

Raima Equities Private Limited

(*PAN: AABCE2177Q / SEBI Registration Number: INZ000263832*)

In the matter of Raima Equities Private Limited.

A. BRIEF BACKGROUND

1. Securities and Exchange Board of India (hereinafter also 'SEBI', in short) carried out Inspection of books of account and other documents of Raima Equities Private Limited, Stock Broker, SEBI Registration No. INZ000263832, (hereinafter also referred to as 'Noticee' / 'REPL'/ 'Stock Broker'/ 'Member' / 'Trading Member') for the Inspection period from April 2022 to July 2023 (hereinafter also referred to as 'Inspection Period' / 'IP'). Pursuant to the Inspection, the findings of the Inspection were communicated to the Noticee by SEBI vide its letter dated September 28, 2023 inter alia seeking comments/ explanations on the findings /irregularities / violations observed during the inspection. The Noticee submitted its comments to the findings observed during the Inspection vide letter dated October 06, 2023.

2. Pursuant to the said inspection, based on the analysis of response received and examination in the matter by SEBI, SEBI had initiated Adjudication Proceedings under Section 15 I of the SEBI Act, 1992 (hereinafter also referred as 'SEBI Act') in respect of Raima Equities Private Limited in the subject matter for the alleged violations of following provisions:

2.1. SEBI Circular No. CIR/MIRSD/15/2011 dated August 2, 2011, BSE Notice No. 20210401-53 dated April 01, 2021, 20210416-43 dated April 16, 2021, 20210503-41 dated May 03, 2021.

2.2. SEBI Circular CIR/MRD/DP/54/2017 dated June 13, 2017 Clause 2.6 of Annexure of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016. Clause 2(d) of SEBI Circular CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017.

2.3. SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018, BSE Notice No. 20180323-57 dated March 23, 2018.

B. APPOINTMENT OF ADJUDICATING OFFICER

3. Whereas, the Competent Authority was prima facie of the view that there were sufficient grounds to adjudicate upon the alleged violations by the Noticee, as stated above and therefore, in exercise of the powers conferred under Section 19 read with Section 15 I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter also referred as “Adjudication Rules”), the Competent Authority appointed the undersigned as Adjudicating Officer (“AO”) vide order dated March 22, 2024 to inquire into and adjudicate under Section 15HB of the SEBI Act, 1992 the alleged violations by the Noticee. The said proceeding of appointment was communicated to the undersigned vide Communique dated March 28, 2024.

C. SHOW CAUSE NOTICE, REPLY AND HEARING

4. A Show Cause Notice No. SEBI/EAD5/P/OW/2024/16115/1 dated May 07, 2024 (hereinafter also referred to as ‘SCN’ / ‘SCN dated May 07, 2024’ in short) was issued to Noticee in terms of Section 15-I of the SEBI Act, 1992, Rule 4 of SEBI Adjudication Rules, 1995 to show cause as to why an inquiry should not be held

against them and why penalty be not imposed under Section 15HB of SEBI Act, 1992 for the aforesaid alleged violations.

5. The allegations in respect of the Noticee inter alia brought out in the SCN are as under:

"…

5.1. Client Registration Process: KYC and KRA Process

On verification of the clients' Email ID and the Mobile Numbers, it is observed that 213 Mobile numbers are linked to 528 UCCs and 255 Email IDs are linked to 660 UCCs without obtaining "Family Declaration" from clients (Annexure 4.1 and 4.2)

5.1.1. Noticee in its reply to the findings of the Inspection submitted that 'We have already started the receiving the family declaration as per the relation parameter allowed as compliance and for relevant cases we have already received the declaration for same mail, mobile number. Also the clients who are inactive since long period and not complied with the observation, we have inactivated their accounts and we are in process for closing the untraceable clients' accounts. The observation is acknowledged to us and we are in process to comply with the same.'

5.1.2. In this regard, SEBI observed that 'Upon perusal of the member's reply vis a vis the findings of inspection it was observed that member itself has acknowledged the observation of the inspection team.'

5.1.3. In view thereof, it is alleged that Noticee has violated SEBI Circular No. CIR/MIRSD/15/2011 dated August 2, 2011, BSE Notice no. 20210401-53 dated April 01, 2021, 20210416-43 dated April 16, 2021, 20210503-41 dated 03 May 2021.

5.2. Client Funding

It is observed that in 46 clients out of 54 sample clients were granted exposure beyond T+2+5 days for amount ranging from Rs. 8769/- to Rs. 11,79,535 (Total Rs. 69,23,983).

5.2.1. On verification of the clients' ledger, it is observed that further exposure was given to clients after 5 days (from the 6th working day) from pay in date of securities i.e. T+2+5, in spite of non-recovery of debit balances. (Details of 46 clients regarding Client Funding are enclosed as Annexure 5).

5.2.2. 46 out of 54 sample clients were granted exposure beyond T+2+5 days for amount ranging from Rs. 8769/- to Rs. 1179535/-.

5.2.3. Noticee in its reply to the findings of the Inspection submitted that 'In the instance cases we clarify to the observation, the cheques were given by the clients to us. However, due to some or the other reasons the cheques in the instance cases were credited to our account after expiry of prescribed time limit. We assure you that in future case will be taken to regularise the payment / receipt schedule.'

5.2.4. In this regard, SEBI observed that member's reply cannot be accepted as member has not explained specific reasons for credit of cheques in its accounts.

5.2.5. In view thereof, it is alleged that Noticee has violated SEBI circular CIR/MRD/DP/54/2017 dated June 13, 2017 Clause 2.6 of Annexure of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016. Clause 2(d) of SEBI circular CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017.

5.3. Control System over Branch/AP

On verification of the AP office (Pratham Kanodia), it is observed that the AP does not have any call recording facility for client orders received through phone. Further Trading member was also unable to provide any call recording for the clients' orders received through phone on the following terminals (Annexure F).

Terminals operational at the time of inspection on 25/08/2023 where voice recording was not maintained as on that date	***Terminal Operator***
NSE - 700001003001 *BSE - 7000010004001*	*Suresh Kanodia (RM022) (AP Office)*
NSE - 700001003002 *BSE – 7000010004003*	*Subimal Goswami (RM023) (AP Office)*
BSE - 7000010001011	*Abhijit Guha (RM014) (TM own Office)*
NSE - 700001001008	*Ranjan Singha (RM013) (TM own Office)*

5.3.1. Noticee in its reply to the findings of the Inspection submitted that 'We clarify that for instance terminal operator- Abhijit Guha (RM014) & Ranjan Singha (RM013) the recording device was damaged and which was not replaced, though now replaced so for the reasons the call recordings was nit available at the time of inspection. For instance terminal operator at AP office- Suresh Kanodia (RM022) & Subimal Goswami (RM023) we have already informed AP to maintain the call recording facility at the earliest.'

5.3.2. In this regard, SEBI observed that member's reply cannot be accepted as damaged recording was replaced after the observation of the inspection team.

5.3.3. Moreover, for terminal operator at AP office- Suresh Kanodia (RM022) & Subimal Goswami (RM023) the instructions for maintaining call recording facility was given after the inspection observation.

5.3.4. In view thereof, it is alleged that Noticee has violated SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018, BSE Notice No. 20180323-57 dated 23 march 2018.

…"

6. The SCN was duly served on the Noticee through SPAD and Digitally Signed Email dated May 07, 2024. In this regard, copy of the Acknowledgment card dated May 11, 2024 and email delivery receipt dated May 07, 2024 has been placed in file. Noticee submitted its reply to the SCN vide its letter dated May 27, 2024.

7. Having regard to the principles of Natural Justice, vide Hearing Notice dated May 30, 2024, an opportunity of personal hearing was provided to the Noticee on June 05, 2024. On the Scheduled date of hearing, Noticee appeared through its Authorised Representative (AR) viz. Mr. Ravi Shankar Agarwal (Compliance Officer and Principal Officer of Noticee) for the hearing held through online mode viz., video conferencing. During the hearing, the AR for Noticee relied upon and reiterated the submissions made by Noticee vide letter dated May 27, 2024 and inter alia sought time till June 06, 2024 to make additional submissions as final and complete submissions in the matter and the same was allowed. Thereafter,

vide email dated June 06, 2024, Noticee made additional submissions as its complete and final submissions in the matter.

8. Key submissions of the Noticee as reply to the SCN are as under:

"..

This is with reference to your Notice No. ***<u>SEBI/EAD5/P/OW/2024/16115/1</u>*** *dated May 07, 2024 related to the findings on the Show Cause Notice by SEBI .We hereby submit our reply in the prescribed format:*

Sr.No.	***Page No. & Paragraph of Report***	***Findings of Inspection***	***Reply of Member***
1	*Paragraph No* ***5.1*** *of Show Cause Notice.*	*Same Email ID & Mobile Numbers linked without Obtaining Family Declaration*	*As per the inspection report, <u>528 UCCs and 660 UCCs</u> were found to have same mobile numbers and email ids respectively.* *We have, since, deactivated* ***<u>62 UCCs out of 528 UCCs (same mobile linked) and 71 UCCs out of 660 UCCs (same email linked).</u>*** *We have already obtained the* ***Declaration for Family*** *for the* ***<u>remaining 466 UCCs (same mobile linked) and 589 UCCs (same email linked).</u>***
2	*Paragraph No* ***5.2*** *of Show Cause Notice.*	*46 instances out of 54 instances exposure was granted beyond T+2+5 days.*	*In the said 46 instances, the number of parties involved is 4. We have taken the matter seriously and have also warned the parties for blocking their accounts, if any recurrence happens in future. The parties are being monitored directly by Compliance officer himself for all their transactions.*
3	*Paragraph No* ***5.3*** *of Show Cause Notice.*	*Call recording Facility not found on verification at the AP Office.* ***<u>AP OFFICE</u>*** *1. <u>Suresh Kanodia (RM022)</u>* *NSE-700001003001* *BSE-7000010004001* *2. <u>Subimal Goswami (RM023)</u>* *NSE:-700001003002* *BSE: 7000010004003*	*APs have been informed to install the system at the earliest.* *However, the installation process is pending as AP is out of Kolkata. The system will be installed as soon as they return.*
		<u>TM OWN OFFICE</u> *1.<u>Abhijit Guha (RM014)</u>* *BSE:7000010001011*	*We could not retrieve the back of call recordings of earlier calls inspite of our best effort.* *However, we assure you that for our all call recordings, we are*

		2.Ranjan Singha (RM013) *NSE:70001001008*	*taking proper care to preserve recordings in better system and devices.*

…"

D. CONSIDERATION OF ISSUES AND FINDINGS

9. The issues that arise for consideration in the instant matter are as following:

Issue No. I: Whether the Noticee has violated the provisions of SEBI Circulars and BSE Notices as alleged?

Issue No. II: If yes, whether the Noticee is liable for imposition of monetary penalty under Section 15HB of SEBI Act, 1992?

Issue No. III: If yes, what should be the monetary penalty that can be imposed upon the Noticee?

10. I will now proceed to deal with the matter having regard to the submissions of the Noticee on merits:

Issue No. I: Whether the Noticee has violated the provisions of SEBI Circulars and BSE Notices as alleged?

11. In this regard, the following was inter alia observed and /or alleged in respect of the Noticee:

11.1 **Client Registration Process: KYC and KRA Process**

In this regard, it was inter alia alleged that Noticee had violated SEBI Circular No. CIR/MIRSD/15/2011 dated August 02, 2011, BSE Notice No. 20210401-53 dated April 01, 2021, 20210416-43 dated April 16, 2021,

20210503-41 dated May 03, 2021.

11.1.1. In this regard, it was inter alia observed and alleged by SEBI that 213 Mobile numbers were linked to 528 UCCs and 255 Email IDs were linked to 660 UCCs without obtaining "Family Declaration" from clients.

11.1.2. The relevant text of provisions alleged to have been violated are reproduced below:

SEBI Circular No. CIR/MIRSD/15/2011 dated August 2, 2011

"…

B. Uploading of mobile number and E-mail address by stock brokers
i….
ii….
iii….
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.

…"

11.1.3. In this regard, I note from material available on record that Noticee has neither denied nor disputed the alleged violation on its part and instead Noticee's response to SEBI earlier wrt the finding of inspection and its submissions as reply to the SCN during the instant proceedings are in nature of admission save for being differently worded as detailed hereunder.

Noticee response dated October 06, 2023 to SEBI earlier:

11.1.4. *"We have already started the receiving the family declaration as per the relation parameter allowed as compliance and for relevant cases we have already received the declaration for same mail, mobile number. Also the* clients *who are inactive since long period and not complied with the observation, we have inactivated their accounts and we are in process for closing the untraceable clients' accounts. The observation is acknowledged to us and we are in process to comply with the same."*

Noticee's reply dated May 27, 2024 to the SCN during the instant proceedings:

11.1.5. *"We have, since, deactivated 62 UCCs out of 528 UCCs (same mobile linked) and 71 UCCs out of 660 UCCs (same email linked).*
We have already obtained the Declaration for Family for the remaining 466 UCCs (same mobile linked) and 589 UCCs (same email linked)."

11.1.6. I note that the Noticee was required to obtain specific written request of a client for *uploading* the same mobile number/E-mail address for more than one client where the clients belonged to one family. I note that the alleged violation in this regard has not been denied or disputed by the Noticee neither before SEBI in its response to the findings of inspection nor during the instant proceedings through its reply dated May 27, 2024 to the SCN.

11.1.7. In view thereof, the allegation as regards the Noticee that 213 Mobile numbers were linked to 528 UCCs and 255 Email IDs were linked to 660 UCCs without obtaining "Family Declaration" from clients, stands established. Accordingly, I hold that Noticee had violated SEBI Circular No. CIR/MIRSD/15/2011 dated August 02, 2011, BSE Notice No. 20210401-53 dated April 01, 2021, 20210416-43 dated April 16, 2021, 20210503-41 dated May 03, 2021.

11.2 **Client Funding**

In this regard, it was inter alia observed and alleged that Noticee had violated SEBI Circular CIR/MRD/DP/54/2017 dated June 13, 2017 Clause 2.6 of Annexure of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016. Clause 2(d) of SEBI Circular CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017.

11.2.1. In this regard, it was inter alia observed and alleged that in 46 clients out of 54 sample clients were granted exposure beyond T+2+5 days for amount ranging from Rs. 8769/- to Rs. 11,79,535 (Total Rs. 69,23,983). In this regard, on verification of the clients' ledger, it was observed that further exposure was given to clients after 5 days (from the 6th working day) from pay in date of securities i.e. T+2+5, in spite of non-recovery of debit balances.

11.2.2. The text of relevant provisions which are alleged to have been violated are reproduced below:

SEBI circular CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017

"…

2.SEBI has received further representations from the market participants regarding certain provisions of the aforesaid circular. Based on the discussions with different stakeholders, following clarifications are made:

d.Clause2.6 stands modified as, "Stock brokers shall not grant further exposure to the clients when debit balances arise out of client's failure to pay the required amount and such debit balances continues beyond the fifth trading day, as reckoned from date of pay-in,except,in accordance with the margin trading facility provided vide SEBI circular CIR/MRD/DP/54/2017 dated June 13, 2017 or as may be issued from time to time. "This clause would be effective from August 1, 2017.

…"

11.2.3. In this regard, I note from material available on record that Noticee earlier in its response dated October 06, 2023 to SEBI wrt the finding of inspection stated that "…*the cheques were given by the clients to us. However, due to some or the other reasons the cheques in the instance cases were credited to our account after expiry of prescribed time limit. We assure you that in future care will be taken to regularise the payment / receipt schedule…".*

11.2.4. The aforesaid response of the Noticee to the findings of Inspection was not accepted by SEBI as Noticee failed to explain specific reason for crediting cheques in its accounts after expiry of prescribed time limit.

11.2.5. In this regard, I note that as per the provisions of SEBI Circular dated June 22, 2017 inter alia stock brokers shall not grant further exposure to the clients when debit balances arise out of client's failure to pay the required amount and such debit balances continues beyond the fifth trading day, as reckoned from date of pay-in.

11.2.6. In this regard, I note that Noticee has neither denied nor disputed the alleged violation on its part during the instant proceedings and instead submissions of the Noticee are in nature of admission in so far as Noticee has vide reply dated May 27, 2024 to the SCN inter alia submitted that *"We have taken the matter seriously and have also warned the parties for blocking their accounts, if any recurrence happens in future. The parties are being monitored directly by Compliance officer himself for all their transactions."*

11.2.7. In view thereof, the allegation as regards the Noticee that 46 clients out of 54 sample clients were granted exposure beyond T+2+5 days for amount ranging from Rs. 8769/- to Rs. 11,79,535 (Total Rs. 69,23,983), stands established. Accordingly, I hold that Noticee had violated SEBI Circular CIR/MRD/DP/54/2017 dated June 13, 2017 Clause 2.6 of Annexure of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016. Clause 2(d) of SEBI Circular CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017.

11.3 **Control System over Branch /AP**

In this regard, it was inter alia observed and alleged that Noticee had violated SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018, BSE Notice No. 20180323-57 dated March 23, 2018.

11.3.1. In this regard, it was inter alia observed and alleged that the authorised persons pf the Noticee ('APs' in sort) did not have facility of call recording for the client orders received through phone. Further, trading member was also unable to provide any call recording for the clients orders received through phone on the following terminals:

Terminals operational at the time of inspection on 25/08/2023 where voice recording was not maintained as on that date	**Terminal Operator**
NSE - 700001003001 BSE - 7000010004001	Suxxxx Kaxxxxx (RM022) (AP Office)
NSE - 700001003002 BSE – 7000010004003	Suxxxxxl Goxxxxx (RM023) (AP Office)
BSE - 7000010001011	Abxxxxx Guxxx (RM014) (TM own Office)
NSE - 700001001008	Raxxxx Sixxxx (RM013) (TM own Office)

11.3.2. The text of relevant provisions which are alleged to have been violated are reproduced below:

SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018

"…
IV. Further, wherever the order instructions are received from clients through the telephone, the stock broker shall mandatorily use telephone recording system to record the instructions and maintain telephone recordings as part of its records
…"

11.3.3. In this regard, I note that as per the above mentioned provision of SEBI Circular, Noticee was required to use telephone recording system to record the instructions and maintain telephone recordings as part of its records for the order instructions which were received from clients through the telephone.

11.3.4. In this regard, I note from material available on record that Noticee has neither denied nor disputed the alleged violation wrt the concerned APs and in respect of Noticee itself on its part and instead Noticee's response to SEBI earlier wrt the finding of inspection and in its reply to the SCN during the instant proceedings are in nature of admission save for differently worded as detailed hereunder.

Noticee response dated October 06, 2023 to SEBI earlier:

11.3.5. *"We clarify that* for *instance terminal operator- Abhijit Guha (RM014) & Ranjan Singha (RM013) the recording device was damaged and which was not replaced, though now replaced so for the reasons the call recordings was nit* available *at the time of inspection. For instance terminal operator at AP office- Suresh Kanodia (RM022) & Subimal Goswami (RM023) we have already informed AP to maintain the call recording facility at the earliest."*

Noticee's reply dated May 27, 2024 to the SCN during the instant proceedings:

11.3.6. "*APs have been informed to install the system at the earliest. However, the* installation *process is pending as AP is out of Kolkata. The system will be installed as soon as they return."* and "*We could not retrieve the back of call recordings of* earlier *calls inspite of our best effort. However, we assure you that for our all call recordings, we are taking proper care to preserve recordings in better system and devices."*, respectively.

11.3.7. In view thereof, the allegation as regards the Noticee that its concerned APs did not have any call recording facility for client orders received through phone and wrt itself it failed to provide any call recording for the clients' orders received through phone, stands established. Accordingly, I hold that the Noticee had violated SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018, BSE Notice No. 20180323-57 dated March 23, 2018.

Issue No. II: If yes, whether the Noticee is liable for imposition of monetary penalty under Section 15HB of SEBI Act, 1992?

12. It has been established in the foregoing paragraphs that Noticee had violated provisions of SEBI Circular No. CIR/MIRSD/15/2011 dated August 02, 2011, BSE Notice No. 20210401-53 dated April 01, 2021, 20210416-43 dated April 16, 2021, 20210503-41 dated May 03, 2021, SEBI Circular CIR/MRD/DP/54/2017 dated June 13, 2017 Clause 2.6 of Annexure of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016. Clause 2(d) of SEBI Circular CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017, SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018, BSE Notice No. 20180323-57 dated March 23, 2018.

13. In this regard, it is noted that the Hon'ble Supreme Court of India in the matter of SEBI v/s Shri Ram Mutual Fund [2006] 68 SCL 216(SC) inter alia 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 .... "*

14. Therefore, for the above violations, as brought out in the foregoing paragraphs, I find that the Noticee is liable for monetary penalty under Section 15HB of the SEBI Act, 1992, which reads as under:

Securities and Exchange Board of India Act, 1992
[62][CHAPTER VIA
PENALTIES AND ADJUDICATION

"….
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 [104][liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.]
…."

(Note: for detailed/ complete text of the provisions, relevant Acts etc., may please be referred.)

Issue No. III: If yes, what should be the monetary penalty that can be imposed upon the Noticee?

15. While determining the quantum of penalty, 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 while adjudging quantum of penalty.***
>
> ***15J.*** *While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board 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 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.*
>
> *…"*

16. In the instant case, I note that the material available on record does not quantify any disproportionate gain or unfair advantage or consequent loss caused to an investor or group of investors as a result of the violations committed by the Noticee. Further, there is nothing on record to show that the violation committed by the Noticee are repetitive in nature. I further note that the Noticee being a SEBI registered Stock Broker was required to comply with the extant applicable provisions of laws, which SEBI is duty bound to enforce. The Noticee failed to comply with the provisions of law, as brought out in the foregoing, and such non-compliances accordingly need to be dealt with suitable penalty.

E. ORDER

17. After taking into consideration the facts and circumstances of the case, material available on record, submissions made by the Noticee and also the factors mentioned in the preceding paragraphs, in exercise of the powers conferred

upon me under section 15-I of the SEBI Act, 1992 read with Rule 5 of the SEBI Adjudication Rules, I hereby impose penalty of Rs. 3,00,000/- (Three Lakhs only) under Section 15HB of SEBI Act,1992 for the aforementioned violations, as discussed in this order. In my view, the said penalty will be commensurate with the violation committed by the Noticee in this case.

18. 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

19. 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 for realization of the said amount of penalty along with interest thereon, *inter alia,* by attachment and sale of movable and immovable properties.

20. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

PLACE: MUMBAI **AMAR NAVLANI**
DATE: June 28, 2024 **ADJUDICATING OFICER**