BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

ADJUDICATION ORDER NO. Order/GG/AS/2022-23/16541

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 AND UNDER SECTION 23-I OF SECURITIES CONTRACTS (REGULATION) ACT, 1956 READ WITH RULE 5 OF SECURITIES CONTRACTS (REGULATION) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 2005

In respect of:

S No	Name of the Noticees	PAN
1	MPF Systems Limited	AADCM7896A
2	Ms Kirti Salvi	ADHPJ9221C
3	Anil Kothari	BZAPS5179J
4	Aakesh Chopra	AENPC7889Q
5	Ambrish Barsati Pal	APFPP2586L

In the matter of MPF Systems Limited
Pursuant to SAT Order dated March 24, 2022 (Appeal No. 133 of 2021)

A. BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as **“SEBI”**) received letter ref no. F. No. 03/73/2017-CL-II dated June 09, 2017 from the Ministry of Corporate Affairs (hereinafter referred to as **“MCA”**), in which MCA had annexed a list of 331 shell companies for initiating necessary action as per SEBI laws and regulations. Thereafter, SEBI vide letter dated August 07, 2017 directed Stock Exchanges viz. BSE, NSE and MSEI to identify the companies listed on their respective exchanges out of the said list, and initiate certain surveillance measures against them *interalia* including initiation of process of verification of the credentials/ fundamentals of the companies and appointment of an independent auditor to conduct audit of such companies, and conduct forensic audit if

necessary. Thereafter, BSE, NSE and MSEI, vide notices dated August 07, 2017 initiated action as envisaged in SEBI letter dated August 07, 2017 in respect of companies listed on respective exchanges. MPF Systems Limited was one of the 331 suspected shell companies, against which actions had been initiated by BSE *interalia* including the direction to conduct a Forensic Audit.

2. The Forensic Audit was carried out by Adukia & Associates (Chartered Accountants), and subsequently, report dated September 25, 2018 was submitted. Based on the findings of the said report, SEBI had initiated parallel proceedings under Section 11, 11(4), 11A and 11B of the SEBI Act (WTM proceedings) and under Section 15-I of the SEBI Act (AO proceedings) against MPF Systems Limited (**Noticee no: 1/ Company**), Ms Kirti Salvi (then Managing Director of MPFSL) (**Noticee no: 2**), Mr Anil Kothari (the then Independent Director) (**Noticee no: 3**), Mr Aakesh Chopra (the then Independent Director) (**Noticee no: 4**) and Mr Ambrish Barsati Pal (the then Chief Financial Officer) (**Noticee no: 5**) (hereinafter collectively referred to as **"Noticees/you"**).

3. In the aforesaid SCNs, it was alleged that:
   (i) Noticee no: 1 violated provisions of Section 12(A)(a)(b) and (c) and 11(2)(ia) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **"SEBI Act"**) and Regulation 3(b),(c) and (d) and Regulation 4(1) and 4(2)(f) and (r) of SEBI (Prohibition of Fraudulent and Trade Practices) Regulations, 2003 (hereinafter referred to as **"PFUTP Regulations"**), Regulation 4(1)(a),(b),(c),(e)and(g), Regulation 4(2)(f)(i)(2), 4(2)(f)(2)(6) and (7), 4(3)(f)(iii)(1),(3),(6) and (12), Regulation 16(1)(b)(iv), Regulation 17(1)(b), Regulation 18(1)(b), Regulation 19(1) (c) and Regulation 33(2) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **"LODR Regulations"**), Section 21 of the Securities Contract Regulations Act 1956 (hereinafter referred to as **"SCRA"**); and
   (ii) Noticee nos 2 to 5 violated provisions of Section 12(A)(a)(b) and (c) of SEBI Act, 1992 and Regulation 3(b),(c) and (d) and Regulation 4(1)

and 4(2)(f) and (r) of PFUTP Regulations, Regulation 4(1)(a),(b),(c), (e) and (g), Regulation 4(2) (f) (i)(2), 4(2)(f)(ii)(6) and (7),4(2)(f)(iii)(1),(3),(6)&(12), Regulation 16(1)(b)(iv), Regulation 17(1)(b), Regulation 18(1)(b), Regulation 19(1)(c) and Regulation 33(2)(a) of LODR Regulations, Section 21 of the SCRA and Section 11(2)(i) and 11(2)(ia) of the SEBI Act.

The chronology of events pursuant to issuance of SCNs is given hereunder.

B. CHRONOLOGY OF EVENTS

Table No: 1

S No	Date	Details of SCN/Reply/Order	Penalty/ Directions (if any)
1	April 22, 2019	SCN under Section 11, 11(4), 11A and 11B of the SEBI Act	-
2	August 09, 2019	SCN under Section 15-I of the SEBI Act issued by the erstwhile Adjudicating Officer (hereinafter referred to as **"AO SCN"**)	-
3	February 28, 2020	Adjudication Order (by erstwhile AO)	Noticee no: 1- Rs 6,00,000/- Noticee no:2 Noticee no:3 Noticee no:4 Noticee no:5 Rs 4,00,000/- each **Total penalty – Rs 22,00,000/-**
4	April 20, 2020	Order under Section 11, 11(4), 11A and 11B of the SEBI Act (hereinafter referred to as **"WTM Order I"**)	The Noticees were restrained from accessing the securities market and trading for a period of **six months**.
5	May 05, 2020	Review SCN under Section 15-I(3) of the SEBI Act	-
6	May 21, 2020	Reply filed by the Noticees	-
7	August 06, 2020	Personal Hearing conducted before WTM (In Review) pursuant to the SCN dated May 05, 2020	-

S No	Date	Details of SCN/Reply/Order	Penalty/ Directions (if any)
8	September 11, 2020	Order of the Hon'ble Securities Appellate Tribunal (hereinafter referred to as **"SAT"**) in Appeal No. 237 of 2020 (hereinafter referred to as **"SAT Order I"**)	Period of debarment, as directed by WTM Order I was ended, reducing 40 days from 6 months.
9	December 22, 2020	Order under Section 15-I(3) of the SEBI Act (hereinafter referred to as **"WTM Order II"**)	Noticee no: 1- Rs 10,00,000/- Noticee no:2 Noticee no:3 Noticee no:4 Noticee no:5 Rs 6,00,000/- each **Total Penalty- Rs 34,00,000/-**
10	March 24, 2022	SAT order in Appeal No.133/2021 (hereinafter referred to as **"SAT Order II"**)	The matter was remitted to the AO to decide afresh in light of the observations made by the Hon'ble Tribunal after giving an opportunity of hearing. The AO was directed to consider WTM Order I while passing the fresh Order.

C. ENTITY-WISE PENALTY LEVIED IN AO ORDER versus ENHANCED PENALTY IN WTM ORDER II

Table no: 2

S No	Noticees	Penalty imposed vide AO Order dated February 28, 2020	Penalty imposed vide WTM Order II
1	MPF Systems Ltd	Rs 6,00,000/- (Rupees Six Lakh Only)	Rs 10,00,000/- (Rupees Ten Lakh Only)
2	Ms Kirti Salvi	Rs 4,00,000/- (Rupees Four Lakh Only)	Rs 6,00,000/- (Rupees Six Lakh Only)
3	Anil Kothari	Rs 4,00,000/- (Rupees Four Lakh Only)	Rs 6,00,000/- (Rupees Six Lakh Only)
4	Aakesh Chopra	Rs 4,00,000/- (Rupees Four Lakh Only)	Rs 6,00,000/- (Rupees Six Lakh Only)
5	Ambrish Barsati Pal	Rs 4,00,000/- (Rupees Four Lakh Only)	Rs 6,00,000/- (Rupees Six Lakh Only)
Total		**Rs 22,00,000/- (Rupees Twenty Two Lakh Only)**	**Rs 34,00,000/- (Rupees Thirty Four Lakh Only)**

4. The aforesaid two orders viz. AO Order dated February 28, 2020 and WTM Order II were challenged in the Hon'ble SAT vide Appeal No. 133 of 2021 mainly on the following grounds:
   - The issuance of SCN under Section 15-I(3) of the SEBI Act by the WTM was illegal, as the AO has the discretion to impose penalty below the minimum penalty prescribed under the statute.
   - The WTM Order I on the same subject had given a categorical finding that the appellants had not violated Regulation 16(1)(b)(iv), 17(1)(b), 18(1)(b) and 19(1)(c) of the LODR Regulations pertaining to the charge of the directors providing loan to the Company. It was contended that in view of the said finding by WTM, the penalty imposed by WTM should have been reduced instead of being enhanced.

5. The Hon'ble SAT allowed Appeal No. 133/2021 vide Order dated March 24, 2022 (SAT Order II) and the relevant part of the said judgement is extracted below:

   "8. ………. The appeal is allowed. The matter is remitted to the AO to decide the matter afresh in the light of the observation made above after given an opportunity of hearing. The AO will consider the order of the WTM dated April 20, 2020 while passing a fresh order. In the circumstances of the case, parties shall bear their own costs."

D. APPOINTMENT OF ADJUDICATING OFFICER

6. Pursuant to the aforesaid directions of the Hon'ble SAT, SEBI appointed me as the Adjudicating Officer under Section 23-I of the SCRA read with Rule 3 of the SCR(R) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 (hereinafter referred to as the "**Adjudication Rules, 2005**"), and Section 15-I of the SEBI Act, 1992 read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as the "**Adjudication Rules, 1995**"), vide communication dated April 06, 2022 to inquire into and

adjudge the alleged violation of provisions as stated in paragraph 2, by the Noticees.

E. REPLY AND PERSONAL HEARING

7. Personal hearing in the matter was held on April 21, 2022. During the course of the hearing, Mr Saurabh Bachhawat, Advocate and Mr Pulkit Sharma, Advocate represented the Noticees and submitted as below:
   - The charges in the SCN pertained to 5 issues, viz. (a) 'Loan from independent directors'; (b) 'Verification of Sundry debtors / receivables'; (c) 'Recording of Sundry creditors as Trade payables'; (d) 'Proof of other Transaction' and (e) 'Failure to file Affidavit & Details with respect to employees of the Company'.
   - The AO Order dated February 18, 2020 and subsequent review Order under Section 15-I(3) of the SEBI Act by WTM dated December 22, 2020, had upheld the charges pertaining to 3 issues (*S No (a), (b) and (c) above*). However, WTM Order dated April 20, 2020 had upheld the charges pertaining to 2 issues (*S no (b) and (c) above*) only.
   - Further, ARs placed reliance on the judgement of the Hon'ble SAT dated September 11, 2020 (Appeal No. 237 of 2020), wherein the following was *interalia* held,

     "We also make it clear that it is open to the appellants to raise all issues before the AO and the findings given by the WTM in the impugned order will not come in the way".

     Based on the findings of the Hon'ble SAT, as extracted above, the lawyers for the Noticees contended that the 2 issues in which the charges were upheld vide WTM Order dated April 20, 2020, were also open for consideration and adjudication afresh.

8. At this juncture, it was conveyed to the lawyers representing the Noticees that the remand is based on the latest order of the Hon'ble SAT dated March 24, 2022 (SAT Order II) quoted in paragraph 6 above, and that the said Order bears no reference to the Order dated September 11, 2020 of the Hon'ble Tribunal. It was

further informed to the Noticees that the earlier order no longer occupies the field as it stands merged with the subsequent order of the Hon'ble Tribunal. Therefore, the charges pertaining to the said two issues viz. 'Verification of Sundry debtors / receivables' and 'Recording of Sundry creditors as Trade payables', in which charges levelled against the Noticees were upheld by **WTM Order I** are now not open for fresh consideration and adjudication in the present proceedings. Moreover, in the current proceedings, the WTM Order I has been directed to be taken into consideration by the AO.

9. Further, the ARs conveyed that the submissions made in the matter vide letter dated January 15, 2020, during proceedings before the erstwhile AO in the matter may be treated as their submissions in the current proceedings as well. Vide email dated April 21, 2022, the Advocates forwarded the Appeal Memo (Appeal no 133 of 2021), which *interalia* contained the following documents:
    - Reply dated 15th January, 2020 filed in response to the SCN dated August 09, 2019, issued by erstwhile AO;
    - Reply dated 22nd November, 2019 filed in response to the WTM SCN;
    - Order dated 20th April, 2020 passed by the WTM;
    - Order dated 11th September, 2020 passed by the Hon'ble SAT;
    - SCN dated 05th May, 2020 under Section 15-I(3) of SEBI Act, 1992;
    - Reply dated 21st May, 2020 to SCN under Section 15-I(3) of the SEBI Act, 1992.

    The Noticees were granted time till April 30, 2022 to make additional submissions, if any. As there are no submissions received in this regard from the Noticees till date, it is decided to proceed in the matter and pass Orders.

F. CONSIDERATION

(i) <u>SAT Order I</u>

10. From the chronology of events contained in Table no: 1, it is seen that the Hon'ble SAT has passed two orders in two separate Appeals filed by the Noticees. The first SAT order dated September 11, 2020 (SAT Order I) was passed in Appeal

No 237 of 2020, which was filed challenging the directions of debarment passed vide the WTM Order I, wherein the WTM had found the Noticees to be in violation of certain provisions of the LODR Regulations and the PFUTP Regulations. In the said order, the Hon'ble Tribunal has granted relief to the Appellants by reducing the period of debarment from six months when 40 days were still left to be completed. It is relevant to note that the findings of the WTM with respect to the alleged violations as contained in **WTM Order I** were not interfered with by the Hon'ble Tribunal.

11. Incidentally, it is seen from paras 3 and 4 of the said SAT order I, in response to the submission of the Counsel for the Appellants that for the same violations SEBI has initiated penalty proceedings before the AO, the Hon'ble SAT held as below:

    "We also make it clear that it is open to the appellants to raise all issues before the AO and the findings given by the WTM in the impugned order will not come in the way."

12. I note that actually there were no penalty proceedings before the AO pending as on September 11, 2020, i.e. the date of **SAT Order I**. In the circumstances, the submission made by the Counsel for the Appellants that *"…for the same violations penalty proceedings have been initiated before the Adjudicating Officer"* does not appear to be factually correct. By such point in time, the adjudication proceedings were concluded imposing separate penalties on each entity as shown in Table no: 2 and what was pending within SEBI was the passing of the order in the Review Proceedings for enhancement of penalty.

(ii) <u>SAT Order II</u>

13. The second SAT Order dated March 24, 2022 (**SAT Order II**) was passed in Appeal No. 133/2021 which was filed on 2 February, 2021, after the WTM passed the review order enhancing the penalty of each of the Noticees as shown in Table No: 2 above. I note from **SAT Order II** that the enhancement made by the WTM in its order of December 22, 2020 is quashed.

14. In the said circumstances, the specific directions that are binding on me of the Hon'ble Tribunal are extracted below:

    "8. In the instant case we find that one of the charges leveled against the appellants was in relation to the loan given by the Independent Directors to the Company which was found to be in violation of Regulation 16, 17, 18 and 19 of the LODR Regulations by the AO. On the other hand, the WTM while exercising the powers under Section 11 and 11B in its order dated April 20, 2020 has found that such loan given by the Independent Directors to the Company does not violate the provision of Regulation 16, 17, 18 and 19 of LODR Regulations in view Regulation 15(2) of the LODR Regulations. Thus, on this short ground, the imposition of penalty by the AO cannot be sustained and consequently the enhancement made by the WTM in its order of December 22, 2020 also cannot be sustained and are quashed. The appeal is allowed. ***The matter is remitted to the AO to decide the matter afresh in the light of the observation made above after given an opportunity of hearing. The AO will consider the order of the WTM dated April 20, 2020 while passing a fresh order.*** *In the circumstances of the case, parties shall bear their own costs."*

15. Further, as regards imposition of minimum penalty, the Hon'ble Tribunal observed as below:

    "9. Since we have set aside the order of the WTM enhancing the penalty, it is not necessary to go into the question as to whether the WTM could have initiated the proceedings under Section 15-I(3) on the ground that the AO had imposed a penalty which was lower than the minimum penalty prescribed, nor it is essential for us to go into the question that the AO had the discretion to levy the penalty below the minimum prescribed penalty. Such question is left open and is also open to the appellant to plead before the AO concerned."

    In the present remand proceedings, the Noticees chose not to make any submission with respect to AO's discretion to levy a penalty below the minimum penalty and hence this question is not being taken up for consideration herein.

16. It is seen that the Hon'ble Tribunal by setting aside the WTM Order II and by directing the AO to consider the **WTM Order I,** has certainly called for a remission of the penalty amount, by reducing the alleged violations of Regulations 16 to 19 of the LODR Regulations from the whole set of other violations, found against the entities by the earlier AO. I also note the fact that the five entities/ Noticees are still acting jointly by filing appeals jointly and entering appearance in all enforcement proceedings before SEBI and conducting the legal proceedings before the Hon'ble Appellate Tribunal through common representatives. Accordingly, I am taking a relook at the penalty imposed by the AO.

17. In terms of the SAT order II, as the AO, I am bound to consider the findings in **WTM order I** dated April 20, 2022. Accordingly, I proceed to consider whether the loan given by the independent directors to the company can be said to be a violation of the provisions of Regulation 16,17,18 and 19 of the LODR Regulations or not. While deciding this issue, I will also take into consideration the observations/findings contained in this respect in WTM order I, which are as extracted below:

"7. *First allegation in the SCN is that Noticee no. 3 and 4 (Mr Anil Kothari and Mr Aakesh Chopra), who were designated as independent directors of MPFSL, had provided loan to MPFSL to the extent of Rs. 15,000/-and Rs. 5,15,000/- respectively. Thus, the said independent directors were having pecuniary relationship with MPFSL which is not in accordance with Regulation 16(1)(b)(iv) of LODR Regulations. Further, as the said independent directors were not independent, SCN alleged that MPFSL is in violation of Regulations 17(1)(b), 18(1)(b) and 19(1)(c) of LODR Regulations. In this regard, before dealing with the contentions made by the Noticees in respect of this allegation, I note that Regulation 15(2) of LODR Regulations provide that the provisions of Chapter IV of LODR Regulations pertaining to corporate governance which includes Regulations 17, 18 and 19 of LODR Regulations, shall not apply in case of the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year. I note that paid up equity share capital of MPFSL during* *financial years 2014-15 and 2015-16 was Rs.3.4 Crores and net worth was negative and during the Financial Year 2016-17 was Rs. 17.01 Lacs and net worth was negative. Therefore, in terms of Regulation 15(2) of LODR Regulations, provisions of Regulations 17, 18 and 19 of LODR Regulations shall not apply in case of MPFSL. Regarding the violation of Regulation 16(1)(b), as alleged in the SCN, I note that Regulation 16 lays down certain definition for the purposes of Chapter IV of LODR Regulations. Regulation 16(1)(b) lays the definition of "independent director" and it is not a charging provision. Therefore, violation of Regulation 16(1)(b)(iv), as alleged in the SCN, is not maintainable. In view of the aforesaid discussions <u>I find that violations of Regulations 16(1)(b)(iv),17(1)(b), 18(1)(b) and 19(1)(c) of LODR Regulations, as alleged in the SCN, are not maintainable in view of Regulation 15(2) of LODR Regulations.</u> Since, no violation of these provisions, as alleged in the SCN, is maintainable in view of Regulation 15(2) of LODR Regulations, therefore, I do not find it necessary to deal with the contentions raised by the Noticees regarding the merits of these violation".*

18. From the above, it is seen that the provisions of eligibility to officiate as independent directors, and in turn to meet the requirements related to constitution of the Board of Directors/ Audit Committee and Nomination and Remuneration Committee, as per the provisions contained in Regulations 16 to 19 of the LODR Regulations, do not apply to Noticee No: 1, as it does not meet the threshold paid up equity share capital as prescribed therein. Hence, I find that the allegation in the AO's SCN fails on that ground against the company as well as its directors and the benefit of dropping the allegations should result in reduction of the penalty imposed on the Noticees.

19. I also note that besides the said allegations relating to the non-compliances/violations of provisions of Regulations 16 to 19 of the LODR Regulation, there are certain other provisions of the LODR Regulations that were alleged against the Noticees and found against them under **WTM Order I**. These violations arise out of the misrepresentation/wrongful indication in the financial

statement with respect to making 100% provision for sundry debtors(non-existent) to the extent of Rs. 5.97 crore; incorrect classification of creditors as "Trade payables" and misclassification of sundry creditors (ref: paras 10 and 12 of WTM Order I). In para 13 and 14 of **WTM order I**, it has been held as below:

"13. I note that such entries, as discussed in paras 9 to 12 above, in the books of accounts of MPFSL must also be looked in the light of the fact that the proceedings against MPFSL were initiated on the premise that MPFSL is a shell company having only investments and no business operations. <u>When so looked, these entries pertaining to sundry debtors and creditors in the books of accounts of MPFSL, can be said to be misrepresentation of financial statements to that extent.</u>

14. I note that financial statements are important document of a listed company which are critical for the investors and other stakeholders to take an informed decision regarding investment/dealings in/with the listed company. Therefore, law requires that such financial statements contains true and fair information, in accordance with the applicable accounting standards. A company being juristic person acts through its board of directors. <u>Thus, the obligations imposed upon the listed company regarding the preparation and disclosure of financial statement, in accordance with applicable legal provisions, casts duty on the board of directors of the listed company and on the CFO of such company, to ensure discharge of such obligation of listed company in true letter and spirit</u>."

(Underline supplied for emphasis.)

20. The violations held against the Noticees vide **WTM Order I** are summed up as below:

    i. the Company and its directors and CFO have been found to be in violation of –provisions of Section 12A(a), (b) and (c) of SEBI Act read with provisions of Regulation 3(b), (c) and (d) and Regulation 4(1) and 4(2) (f) and (r) of PFUTP Regulations;

    ii. the Company and directors i.e. Noticee no: 2 to 4 have been found to be in violation of Regulation 4(1)(a),(b,)(c),(e) and (g), Regulation 4(2)(f),(i) (2), Regulation 4(2)(f),(iii) (6) & (7), Regulation 4(2) (f) (iii) (1), (3), (6) & (12) and Regulation 33(2)(a) of the LODR Regulations;

iii. Noticee No.5 as the CFO was found to be in violation of Regulation 4(1)(a),(b,)(c),(e) and (g) and Regulation 33(2)(a) of the LODR Regulations; and

iv. Noticee No.1 was additionally found to be in violation of Section 21 of SCRA as it had violated conditions of listing by violation of the LODR Regulations.

21. In short, in terms of **WTM Order I**, the Noticees viz. the Company, its directors and the CFO are liable on two counts: violation of PFUTP Regulations along with corresponding or relatable provisions in LODR Regulations and violation of Listing Conditions. This would justify the adjudication for penalty under Section 15HA of the SEBI Act for the Noticees for violations pertaining to the PFUTP Regulations, and further, under Section 23E for the Company and Section 23H for Noticee Nos 2 to 5, for violations pertaining to the LODR Regulations and the Listing Conditions. Therefore, for the purpose of reassessment of penalty on the Noticees, I would like to categorize the violations pertaining to the PFUTP Regulations as one, and those pertaining to the LODR Regulations and the Listing Conditions as another. As Noticee Nos. 2 to 4 and 5 were the directors and CFO of the Company during the same period and since they acted on behalf of the Company, I would like to treat these violations to have been jointly committed by the Noticees. Accordingly, I am making a fresh assessment of penalty as elaborated hereinafter.

Continued on next page

G. ORDER

22. I hereby hold the Noticees liable for penalty as shown below:

Table no: 3

S No	Noticees	Violation of provisions	Actions Recommended	Penalties
1.	MPF Systems Ltd (Noticee no: 1) Ms Kirti Salvi (Noticee no: 2) Anil Kothari (Noticee no: 3) Aakesh Chopra (Noticee no: 4) Ambrish Barsati Pal (Noticee no: 5)	Regulation 12(A)(a)(b) and (c) of the SEBI Act, 1992 and Regulation 3(b),(c) and (d) and Regulation 4(1) and 4(2)(f) and (r) of the PFUTP Regulations;	Section 15HA of the SEBI Act	Rs 5,00,000/- (Rupees Five Lakh Only) To be paid jointly and severally by the Noticees
2.	MPF Systems Ltd (Noticee no: 1) Ms Kirti Salvi (Noticee no: 2) Anil Kothari (Noticee no: 3) Aakesh Chopra (Noticee no: 4) Ambrish Barsati Pal (Noticee no: 5)	Regulation 4(1)(a),(b),(c),(e) and (g), 4(2)(f) (i)(2), 4(2)(f)(2)(6) and (7), 4(3)(f)(iii)(1),(3),(6) and (12), Regulation 33(2) (a) of the LODR Regulations, Section 21 of the SCRA	Section 23E of the SCRA Section 23H of the SCRA	Rs 5,00,000/- (Rupees Five Lakh Only) To be paid jointly and severally by the Noticees
	Total			**Rs 10,00,000/- (Rupees Ten Lakh Only)**

Thus the remand in terms of the mandate contained in SAT Order II stands concluded as above.

23. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favor of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR 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

24. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid to “The Division Chief (Enforcement Department-1 DRA-1), Securities and Exchange Board of India, SEBI Bhavan, Plot No. C – 4 A, “G” Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.”. The Noticee shall also provide the following details while forwarding DD / payment information:
    - Name and PAN of the Noticee
    - Name of the case / matter
    - Purpose of Payment – Payment of penalty under AO proceedings
    - Bank Name and Account Number
    - Transaction Number

25. 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.

26. In terms of the provisions of Rule 6 of the Adjudication Rules, 1995 and Rule 6 of the Adjudication Rules, 2005, a copy of this order is being sent to the Noticees and also to the SEBI.

Date: May 26, 2022 **GEETHA G**

Place: Mumbai **ADJUDICATING OFFICER**