

SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER

In respect of :

Name of the Applicant	Settlement Application No.	PAN	Settlement Order No.
Motilal Oswal Financial Services Limited	8400/2025	AAECM2876P	SO/PSD/2025-26/8400

In the matter of Suspected Front Running of the trades of Big Client by the Chaturvedi Group

1. The Securities and Exchange Board of India (SEBI) had carried out investigation to ascertain as to whether the trades of an entity (i.e Big Client) was front run by certain entities i.e Chaturvedi Group during the period January 1, 2022 to December 8, 2023.
2. Pursuant to the investigation, a show cause notice (SCN) dated February 20, 2025 was issued to the Applicant, wherein it was alleged that the Applicant failed to exercise due skill and care of its conduct as a registered stock broker by not keeping evidence of the order instructions of the client and by trying to create the supporting documents at a later date i.e. post execution of the client's orders. The Applicant vide the SCN was called upon to show cause as to why an inquiry should not be held against him in terms of Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and suitable monetary penalty under Section 11B (2) read with Section 15HB and Section 15A (c) of the SEBI Act, 1992 and Regulations 26 (iii), (xv) and (xvi) of SEBI (Stock Brokers) Regulations 1992 be not imposed for the alleged violations.
3. Pending the proceedings, the Applicant vide letter dated March 13, 2025 proposed to settle the instant proceedings initiated against it, without admitting or denying the findings of facts and conclusions of law, through a settlement order. The Settlement Application

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bearing No.8400/2025 was registered by SEBI on March 25, 2025 in terms of the SEBI (Settlement Proceedings) Regulations, 2018, (**‘Settlement Regulations’**).

4. The Internal Committee (IC) of SEBI on May 9, 2025 deliberated the settlement terms with the Applicant and after considering the factors enumerated under Regulation 10 and Schedule II of the Settlement Regulations recommended the monetary amount of Rs.34,85,000/- (Rupees Thirty Four Lakhs Eighty Five Thousand only) as the settlement terms.
5. Accordingly, the Applicant vide letter dated May 16, 2025 filed Revised Settlement Terms (RST).
6. The High Powered Advisory Committee (HPAC) in its meeting held on July 3, 2025 considered the RST proposed by the Applicant and recommended the case for settlement, as per RST.
7. In terms of Regulation 14(3) of the Settlement Regulations, the recommendations of the HPAC were accepted and approved by the Panel of Whole Time Members on September 5, 2025. A notice of demand was issued to the Applicant on September 10, 2025 and vide email dated September 16, 2025 the Applicant confirmed the payment of settlement amount of Rs.34,85,000/- (Rupees Thirty Four Lakhs Eighty Five Thousand only).
8. The receipt of the settlement amount from the Applicant has been confirmed by concerned department of SEBI, on September 17, 2025.
9. On the basis of the aforesaid, in exercise of powers conferred under Section 15JB read with Section 19 of the SEBI Act, 1992 and in terms of Regulation 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the proceedings initiated against the Applicant vide SCN dated February 20, 2025 is disposed of in terms of above settlement terms and the following conditions:-

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9.1 SEBI shall not initiate any other enforcement action against the Applicant for the violations as alleged in the SCN.

9.2 This Order is without prejudice to the right of SEBI to initiate any enforcement action with regard to the alleged violations against the Applicant, if:-

9.2.1 Any representations made by the Applicant in the settlement proceedings are subsequently found to be untrue; or

9.2.2 The Applicant breaches any of the clauses / conditions of undertakings or waivers filed during the current settlement proceedings; or

9.2.3 There was a discrepancy while arriving at the settlement terms.

10. This Settlement Order shall come into force with immediate effect.

11. In terms of Regulation 25 of the Settlement Regulations, copies of this Order shall be sent to the Applicant and also to SEBI.

Date: September 18, 2025

Place: Mumbai

**SANTOSH SHUKLA
QUASI JUDICIAL AUTHORITY
SECURITIES AND EXCHANGE BOARD OF INDIA**

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