BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER: Order/VV/AK/2022-23/20858]

UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND SECTION 23-I OF THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 READ WITH RULE 5 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING INQUIRY & IMPOSING PENALTIES) RULES, 1995 AND RULE 5 OF THE SECURITIES CONTRACTS (REGULATION) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 2005

In respect of –

Balaji Equities Limited

(SEBI Regn. No. INZ000212839)

A. BACKGROUND

1. The Balaji Equities Limited (hereinafter referred to as “**Noticee**”) is a trading member registered with SEBI bearing registration no. INZ000212839. The registered officer of the Noticee is at Flat No.11, Chitturi Complex near Head Post Office, Vijayawada. The Noticee was dealing in the Cash, Futures & Options and Currency Derivatives segments of NSE, and Cash, Futures & Options segments of BSE and Currency Derivatives segments of MCXSX. The inspection was conducted on March 31, 2015 and the period covered under inspection was Financial Years 2012-13 and 2013-14 (hereinafter referred as “**Inspection Period**”). The focus/scope of the inspection was to examine whether the provisions of SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 03, 2009 (hereinafter referred to as “**SEBI Circular dated December 03, 2009**”) with reference to quarterly/monthly settlement of funds and securities of clients had been complied by the Noticee. The observations made during the course of inspection were recorded as inspection report and communicated to the Noticee vide SEBI letter

dated June 10, 2015. The Noticee had submitted its comments/ explanations on the aforesaid observations of the inspection vide its letter June 29, 2015.

2. Based on the findings of inspection and reply submitted by the Noticee to the inspection report, SEBI initiated adjudication proceedings with respect to the Noticee for violating the provisions of the following Regulations and Circulars –
   a) Clause 12(d), Clause 12(e) and Clause 18 of SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 03, 2009 read with NSE circular NSE/INSP/24849 dated October 29, 2013.
   b) Clause A(5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of SEBI (Stock Brokers & Sub-Brokers) Regulations, 1992 ('hereinafter referred to as **"Stock Brokers Regulation"**) read with Regulation 9(f) of Stock Broker Regulation as amended in September 2013.
   c) Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation.

B. APPOINTMENT OF ADJUDICATING OFFICER

3. Ms Asha Shetty was appointed as the Adjudicating Officer hereinafter referred as "**erstwhile AO**"), vide communiqué dated August 11, 2022, under Section 15-I (1) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **"SEBI Act"**) read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as **"SEBI Adjudication Rules"**) and under section 23-I of Securities Contract (Regulation) Act 1956 (hereinafter referred to as the "**SCRA**") read with rule 3 of the Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 (hereinafter referred to as the "**SCRA Adjudication Rules**") to inquire into and adjudge under the provisions of the Section 15HB of the SEBI Act, 1992 and Section 23H of SCRA, for the violations mentioned in the table no 1. Pursuant to the internal restructuring, undersigned has been appointed as Adjudicating Officer (AO) vide communiqué dated October 06, 2022. It has been advised that except for the change of the Adjudicating Officer the other terms and conditions of the original orders '*shall remain unchanged and shall be in full force and effect*' and that the "*Adjudicating Officer shall proceed in accordance with the terms of reference made in the original orders*."

C. SHOW CAUSE NOTICE, REPLY, HEARING

4. The Show Cause Notice (hereinafter referred to as "**SCN**") bearing no. EAD-8/AS/VNC/47450/2022 dated September 08, 2020 was served upon the Noticee under rule 4(1) of the SEBI Adjudication Rules to show cause as to why an inquiry should not be held and penalty not be imposed against it under section 23H of SCRA and 15HB of the SEBI Act for the violation alleged in the below table:

Table No 1

S.N.	Alleged violation	Statutory Provision
1	Non settlement of mandatory quarterly/ monthly settlement of accounts:	(i) Clause 12(e) of SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 03, 2009 read with NSE circular NSE/INSP/24849 dated October 29, 2013. (ii) Clause A (5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of Stock Broker Regulation read with Regulation 9(f) of Stock Broker Regulation as amended in September 2013. (iii) Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation
2	Non settlement of securities of clients owing to the balances less than the minimum retention amount:	(i) Clause 12(e) of SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 03, 2009 read with NSE circular NSE/INSP/24849 dated October 29, 2013. (ii) Clause A(5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of SEBI Stock Broker Regulation read with Regulation 9(f) of Stock Broker Regulation as amended in September 2013. (iii) Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation.
3	Non formulation of declared policy for return of assets and consequential non settlement of funds of inactive clients:	(i) Clause 18 read with clause 12(e) of SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 03, 2009 read with NSE circular NSE/INSP/24849 dated October 29, 2013. (ii) Clause A(5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of Stock Broker Regulation read with Regulation 9(f) of Stock Broker Regulation as amended in September 2013. (iii) Regulation 26(xvi) and Regulation 26(xx) of SEBI Stock Brokers Regulations.
4	Non settlement of securities of inactive clients having credit balances:	(i) Clause 12(e) of SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 03, 2009. (ii) Clause A(5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of SEBI Stock Brokers Regulations read with Regulation 9(f) of Stock Broker Regulation as amended in September 2013. (iii) Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation.

S.N.	Alleged violation	Statutory Provision
5	Non settlement of securities of inactive clients having debit balance or zero balance	(i) Clause 12(d) and clause 12(e) of SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 03, 2009. (ii) Clause A(5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of Stock Broker Regulation read with Regulation 9(f) of Stock Broker Regulation as amended in September 2013. (iii) Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation.
6	Retaining securities higher than the amount due from the clients:	(i) Clause 12(d) of SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 03, 2009. (ii) Clause A(5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of Stock Broker Regulation as amended in September 2013. (iii) Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation.
7	Deficiencies in Statement of Accounts issued to the clients:	(i) Clause 12(e) of SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 03, 2009. (ii) Clause A(5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of Stock Broker Regulation as amended in September 2013. (iii) Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation.

5. The SCN was issued through SPAD/email and duly delivered to the Noticee in terms of rule 7 of SEBI Adjudication Rules. Subsequently, Noticee filed its reply through letter dated October 14, 2022. The hearing was concluded on October 25, 2022. The hearing was scheduled through video conferencing on WebEx platform. On the scheduled date of hearing, the authorized representative of the Noticee appeared before me through video conference and reiterated the submission vide letter dated October 14, 2022 and request for the filing of post hearing submission which was acceded by me in the interest of principles of natural justice. Noticee filed the post hearing submission vide email dated October 27, 2022. The process of adjudication proceeding has been mentioned below:

<u>Table No 2</u>

Noticee	SCN	Reply	Hearing Concluded
Balaji Equities Limited	September 08, 2022	Letter October 14, 2022, and email dated October 27, 2022	October 25, 2022

6. Noticee in its reply dated October 14, 2022 and October 27, 2022 submitted that:

6.1. *Balaji Equities Limited (BEL) is a Member of NSE and BSE having SEBI Registration No.1NZ000212839. BEL has been offering Stock Broking services to its clients since 2000. BEL does not carry out Proprietary Trading. Over these 22 years of existence, BEL had the privilege of serving over 12000 clients in a transparent and compliant manner and have never had any instance of client dispute or complaints.*

6.2. *The inspection of our books of accounts in March 2015 for the period covering financial years 2012-13 and 2013-14. After a period of more than 8 to 9 years, we received SEBI letter dated September 8, 2022, which was received by us on September 15, 2022. Since the records are more than 9 years old, we are unable to generate data from our back-office systems in order to provide reply to SEBI. in terms of various Acts, Rules and Regulations of SEBI and Exchanges, the Stock Brokers are required to maintain the records for only 5 years. For this purpose, Noticee quoted the following provisions:*

6.2.1. 15(1) and 15(2) of Securities Contracts (Regulation) Rules, 1957,

6.2.2. regulation 17 of Securities and Exchange Board of India (Stock Brokers) Regulations, 1992,

6.2.3. NSE Capital Market Regulations specifies the maintenance of following books of accounts and records for the period of 5 and 7 years respectively:

6.2.3.1. Regulation 6.1.3A of NSE Capital Market Regulations

6.2.3.2. Regulation 6.1.3B of NSE Capital Market Regulations

6.2.3.3. Regulation 6.1.3D of NSE Capital Market Regulations

6.2.3.4. Regulation 6.1.3E of NSE Capital Market Regulations

6.3. *It may be noted that the time for maintenance of records in all the applicable regulations is only 5 years and the current SCN pertains to observations which relate to 8 and 9 years ago and hence we are unable to provide any response to the allegations in the SCN. For this purpose, Noticee placed reliance on following judgments of appellate tribunal/court:*

6.3.1. Securities Appellate Tribunal order in the matter of ***Ashlesh Gunvantbhai Shah vs Securities and Exchange Board of India*** *(Appeal No. 169 of 2019), decision dated January 31, 2020 in which Securities Appellate Tribunal (hereinafter referred to as "**SAT**") held that:*

> *"14. We also find that in the case of Ashok Shivlal Rupani (supra) the period of investigation was January 4, 2010 to January 10, 2011 in the scrip of M/S. Oregon Commercial Ltd. and the show cause notice issued on November 20, 2017 which this 'Tribunal held that there was an inordinate delay. In the instant case, the same scrip was investigated for the same period and there is a delay of 7 years in issuing the show cause notice. To this extent, the facts are common. Further, Civil Appeal No. 8444 - 8445 of 2019 Securities and Exchange Board of India vs.*

Ashok Shivlal Rupani & Anr, etc was dismissed by the Supreme Court on November 15, 2019 thus affirming the decision of this Tribunal.

15. *In the light of the aforesaid, we are of the opinion that there has been an inordinate delay in the issuance of the show cause notice. Even though there is no period limitations prescribed in the Act and Regulations in the issuance of a show cause notice or for completion of the adjudication proceedings the authority is required to exercise its powers within a reasonable period as held recently in Adjudicating Officer, Securities and Exchange Board of India vs. Bhavesh Pabari (2019) SCC On Line SC 294 In the instant case, we are of the opinion that the power to adjudicate has not been exercised within a reasonable period and therefore no penalty could be imposed.*

16. *As a result, without going into the merits of the case, we find that on account of the inordinate delay in the initiation of the proceedings by issuance of a show cause notice, the penalty order cannot be sustained. The impugned order passed by the AO is quashed. All the appeals are allowed. In the circumstances of the case, there shall be no order on costs."*

6.3.2. Supreme Court in ***Adjudicating Officer, Securities and Exchange Board of India vs. Bhavesh Pabari*** *{(2019) SCC On Line SC 294} wherein it was held that even though there is no period of limitation prescribed in the Act and Regulations in the issuance of a show cause notice or for completion of the adjudication proceedings the authority is required to exercise its powers within a reasonable period.*

6.4. *We therefore submit that the SCN should be dropped without any adverse inference on this ground alone.*

6.5. *Without prejudice to the above explanation, we would like to submit here that we are a small-scale Stock Broker, catering to around 3000 active clients as on date and we have not received any complaint from clients till date. As mentioned above, we do not carry out any proprietary trading and hence the question of using of client funds and securities for proprietary trading also does not arise.*

6.6. *Further, since the year 2020 as per SEBI guidelines, client securities are accepted as margin only through margin-pledge mechanism and from October 07, 2022 the funds settlement of every client is done either on a quarterly or monthly basis based on the preference •of the clients. The Member has complied with the requirement of recent Quarterly/monthly settlement of all the clients on 07th Oct, 2022.*

6.7. *Noticee submitted that out records has been inspected by SEBI along with BSE, NSE, MSEI. MCX and CDSL. SEBI found that the observations are trivial in nature and therefore transfereed the case to BSE. After considering, BSE levied a penalty of Rs 45,000/- as there was no substantial breach of laws, rules and regulation except for very few instances of non-settlement of accounts.*

D. RELEVANT PROVISION

7. **Circular: MIRSD/ SE /Cir-19/2009 dated December 3, 2009**
Running Account Authorization

Clause 12(d)

For the clients having outstanding obligations on the settlement date, the stock broker may retain the requisite securities/funds towards such obligations and may also retain the funds expected to be required to meet margin obligations for next 5 trading days, calculated in the manner specified by the exchanges.

Clause 12(e)

The actual settlement of funds and securities shall be done by the broker, at least once in a calendar quarter or month, depending on the preference of the client. While settling the account, the broker shall send to the client a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all receipts/deliveries of funds/securities. The statement shall also explain the retention of funds/securities and the details of the pledge, if any.

Clause 18

The stock broker shall frame the policy regarding treatment of inactive accounts which should, inter-alia, cover aspects of time period, return of client assets and procedure for reactivation of the same. It shall display the same on its web site, if any.

8. ***Stock Broker Regulation 1992 (before 2013 amendment)***
Stock broker to abide by Code of Conduct

7. *The stock broker holding a certificate shall at all times abide by the code of conduct as specified in schedule II.*

CODE OF CONDUCT FOR STOCK BROKERS
[Regulation 7]

A. General

(1)……………………

………………………………………………

(5) Compliance with statutory requirements: A stock-broker shall abide by all the provisions of the Act and the rules, regulations issued by the Government, the Board and the Stock Exchange from time to time as may be applicable to him.

Liability for monetary penalty.

26. A stock broker [1][****] shall be liable for monetary penalty in respect of the following violations, namely—

…………………………………..

(xvi) Failure to exercise due skill, care and diligence.

(xx) Violations for which no separate penalty has been provided under these regulations.

Stock Broker Regulation 1992 (as amended after SEBI (Stock Brokers and Sub-brokers) (Second Amendment) Regulations, 2013.

Conditions of registration.

9. Any registration granted by the Board under regulation 6 shall be subject to the following conditions, namely, -

………..

(f) he shall at all times abide by the Code of Conduct as specified in Schedule II.

SCHEDULE II

CODE OF CONDUCT FOR STOCK BROKERS

[Regulation 9]

A. General.

………….

(5) Compliance with statutory requirements: A stock-broker shall abide by all the provisions of the Act and the rules, regulations issued by the Government, the Board and the Stock Exchange from time to time as may be applicable to him.

Liability for monetary penalty.

26. A stock broker [2][****] shall be liable for monetary penalty in respect of the following violations, namely—

…………………………………..

(xvi) Failure to exercise due skill, care and diligence.

(xx) Violations for which no separate penalty has been provided under these regulations.

9. ***SCRA***

Penalty for contravention where no separate penalty has been provided.

23H. *Whoever fails to comply with any provision of this Act, the rules or articles or byelaws or the regulations of the recognised stock exchange or directions issued by the Securities and Exchange Board of India for which no separate penalty has been provided, shall be liable to a penalty which may extend to one crore rupees.*

Factors to be taken into account by adjudicating officer.

23J. While adjudging the quantum of penalty under section 23-I, the adjudicating officer shall have due regard to the following factors, namely:—

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[1] The words “or a sub-broker” omitted by SEBI (Stock Brokers and Sub-Brokers) (Second Amendment) Regulations, 2018 w.e.f 01-04-2019.or a sub-broker

[2] The words “or a sub-broker” omitted by SEBI (Stock Brokers and Sub-Brokers) (Second Amendment) Regulations, 2018 w.e.f 01-04-2019.or a sub-broker

(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.

10. ***<u>SEBI Act</u>***

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 liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.*

Factors to be taken into account by the adjudicating officer
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.

E. CONSIDERATION OF ISSUES AND FINDINGS

11. As the inquiry in the matter has been completed, I now proceed to decide the case on the basis of SCN issued, reply made by the Noticee and material available on record. The issues that arise for consideration in the present case are:

Issue No I Whether Noticee is in violation of provisions mentioned under table no 1.

Issue No. II If yes, whether the failure, on the part of the Noticee would attract monetary penalty under Section 15HB of the SEBI Act and Section 23H of SCRA?

Issue No. III If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act read with rule 5(2) of the SEBI Adjudication rules and 23J of SCRA read with rule 5(2) of the SCRA Adjudication Rules?

Issue No I Whether Noticee is in violation of provisions mentioned under table no 1.

12. Before moving forward, I find it appropriate to deal with the preliminary submission raised by the Noticee regarding delay. Noticee submitted that maintenance of records in all the applicable regulations is only 5 years and the current SCN pertains to observations which relate to 8 and 9 years ago and hence we are unable

to provide any response to the allegations in the SCN. For this purpose, Noticee relied upon various SEBI regulations (refer para 6.2) and appellate court orders (refer para 6.3). In this regard, I note the that, pursuant to Head office's (SEBI) inspection order dated October 25, 2014, the inspection was carried out on March 31, 2015 at the corporate office of the Noticee. During inspection of Noticee it was found that Noticee has not complied with the SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 03, 2009 read with NSE circular NSE/INSP/24849 dated October 29, 2013. The findings of the said inspection were communicated to Noticee vide letter dated June 10, 2015 and Noticee vide letter dated June 29, 2015 submitted its reply to inspection findings. Thereafter, adjudication proceedings in the matter was approved against the Noticee on December 28, 2015. Accordingly, erstwhile AO appointed as Adjudicating Officer vide communiqué dated August 11, 2022 under Section 15-I (1) of the Securities and Exchange Board of India Act, 1992. Pursuant to the internal restructuring, undersigned has been appointed as Adjudicating Officer (AO) vide communiqué dated October 06, 2022.

13. Further, it is highlighted that said regulations/circular prescribes for minimum period for preservation of specified book of accounts and other records by Stock broker. Further, Noticee placed reliance on SAT order in the matter of **Ashlesh Gunvantbhai Shah** (supra) and Supreme Court Order in the matter of **Bhavesh Pabari** (Supra). In this regard I am of the view that the present case, can be factually distinguishable from the aforementioned appellate court order. I note that it has been continuously reiterated by the appellate courts in the catena of cases that SCN would be issued within the reasonable time period and the reasonable time period depends on each case facts and circumstance and no hard and fast rule can be laid down in this regard. The same has been affirmed by the appellate courts in the aforementioned orders cited by the Noticee. The relevant para of the aforesaid orders are as follows:

   a) **Ashlesh Gunvantbhai Shah** (supra)
   "It is no doubt true that no period of limitation is prescribed in the Act or the Regulations for issuance of a show cause notice or for completion of the adjudication proceedings. The Supreme Court in Government of

India vs, Citedal Fine Pharmaceuticals, Madras and Others, [AIR (1989) SC 1771] held that in the absence of any period of limitation, the authority is required to exercise its powers within a reasonable period. What would be the reasonable period would depend on the facts of each case and that no hard and fast rule can be laid down in this regard as the determination of this question would depend on the facts of each case. This proposition of law has been consistently reiterated by the Supreme Court [..]. (emphasis applied)

b) **Adjudicating Officer, SEBI vs Bhavesh Pabari** (supra)
"There are judgments which hold that when the period of limitation is not prescribed, such power must be exercised within a reasonable time. What would be reasonable time, would depend upon the facts and circumstances of the case, nature of the default/statute, prejudice caused, whether the third-party rights had been created etc."

14. I further note that, initiating a proceeding under the appropriate provisions of SEBI Act is a regulatory prerogative of SEBI depending upon the outcome of the fact finding exercise, which is the investigation done in this case, and just because the alleged violation was committed in a distant past cannot be a ground to vitiate initiation of these proceeding. Notwithstanding the requirements mentioned in the different provision, in the present matter Noticee has already known that the inspection has been done which was communicated vide letter dated June 10, 2015 and accordingly, reply dated June 29, 2015 had been filed by the Noticee with reference to the inspection report finding. A copy of Noticee's reply along with the inspection finding has also been given to the Noticee along with the SCN. Thus, I am not inclined to take a view that Noticee has been prejudiced due to delay in the initiation of adjudication proceedings.

15. I note that Noticee in its reply to SCN has not submitted the reply on the allegations as mentioned in the SCN. However, I note that, Noticee *vide* letter dated June 29, 2015 has submitted its reply to findings of inspection. In the interest of principles of Natural Justice, I have also considered the same in my findings mentioned below.

16. **Non settlement of mandatory quarterly/ monthly settlement of accounts:**

16.1. I note from the record that it has been alleged that Noticee has not done settlement of mandatory quarterly/ monthly settlement of accounts**.** It was observed that mandatory quarterly/ monthly settlement of accounts both for funds and securities component was not carried out by the stock broker in respect of several clients in each quarter. I note that clause 12(e) of circular dated December 03, 2009 put an obligation on the member that when a client specifically authorise the stock broker to maintain a running account, it is the obligation on the part of broker that the actual settlement of funds and securities shall be done by the broker, at least once in a calendar quarter or month, depending on the preference of the client. Thus, it is the mandatory requirement. However, in the present case, funds amounting to a total of ₹ 787.54 lakhs were not settled by the Noticee during the Inspection Period. The following is the detail of number of clients whose accounts were not settled under mandatory quarterly settlement and the consequent credit balances of the clients retained by the broker:

Table No. 3

Quarter ended	**Total No. of clients traded in the quarter**	**Volume of business done (₹ in crore)**	**No. of accounts settled**	**Amount settled (₹ in lakh)**	**No. of accounts not settled**	**Amount retained (₹ in lakh)**
June, 2012	2075	1716.70	433	106.75	284	128.04
Sep, 2012	2196	1607.58	587	203.02	126	143.99
Dec, 2012	2278	1366.45	712	260.75	124	145.77
March, 2013	2080	1363.61	543	180.17	76	78.48
June, 2013	1703	1659.75	419	201.88	71	76.65
Sep, 2013	1707	1445.91	376	137.19	82	70.65
Dec, 2013	1750	1096.82	447	162.33	100	66.65
March, 2014	1698	1307.98	389	312.70	83	77.31
Total						**787.54**

16.2. Such non settlement includes various categories of clients' accounts as detailed below:

16.2.1. **Non settlement of new clients' account on the grounds of non-receipt of request for settlement:** The Noticee did not settle the accounts of several new clients who had joined in the quarter of inspection, on the grounds that no request was received from such clients. The following is the summary of such instances:

Table No. 4

Quarter ended	No. of clients traded	No. of new accounts where minimum retention of ₹ 10,000 and less considered as settled	No. of new accounts not settled excluding accounts with ₹ 10,000 and less	Actual No. of new accounts which should be considered as not settled	Amount retained (₹ in lakh)
June, 2012	25	7	6	6+7	10.04
Sep, 2012	37	10	10	10+10	4.15
Dec, 2012	43	6	11	6+11	6.08
March, 2013	38	15	6	15+6	2.32
June, 2013	18	8	3	8+3	2.50
Sep, 2013	28	11	8	11+8	13.72
Dec, 2013	31	11	8	11+8	4.35
March, 2014	46	8	21	8+21	3.90
Total					**47.06**

16.2.2. **Clients with credit balances less than and also above the minimum retention amount of ₹10,000/-:** The Noticee did not settle the accounts of clients where credit balances lying in the clients' account were less than the minimum retention amount of ₹10,000. The Noticee retained such amounts without any justification or specific consent from the clients. The quarter wise detail of the clients' account with credit balance up to ₹10,000 which were not settled and the amount so retained is stated as under the table:

Table No. 5

Quarter ended	No. of accounts with credit balance up to ₹10,000.00 were not settled	Amount retained (₹ in lakh)
June, 2012	194	2.85
Sep, 2012	211	3.22
Dec, 2012	239	3.65
March, 2013	180	3.07
June, 2013	172	2.70

Quarter ended	No. of accounts with credit balance up to ₹10,000.00 were not settled	Amount retained (₹ in lakh)
Sep, 2013	162	2.67
Dec, 2013	184	2.56
March, 2014	116	2.39
Total		**23.11**

In addition, the Noticee also did not settle the accounts of several clients where credit balances lying in the clients' account were over ₹10,000.00, for sample following table mention about instances of 2 quarters were credit balance lying in the clients' a/cs were over Rs 10,000/-

Table No. 6

Qtr ended June 2012		
Code	**Name**	**Closing Cr**
31009	Ranga Rao	53,102.85
31218	Pulavarthi Naga V	111026.69
31283	Krishna Thota	42,779.56
31337	Raja Rao Penugond	321959.72
Qtr ended March 2014		
Code	**Name**	**Closing Cr**
62241	Ram babu Batchu	10036.82
50141	Majesty Kishore	10178.67
50047	S Venkata	10411.55
59687	Haribabu Mandadi	11440.40

16.2.3. **Clients who had traded in Futures & Options segment but did not have net open position to retain to retain the margins:** The Noticee did not mandatorily fully settled several number of clients accounts who traded in Futures & Options segment and did not have any net open positions at the time of mandatory settlement, though the Noticee retained huge sum of funds by such non settlement. The following is the quarter wise detail of such non settlement and the amount so retained:

Table No. 7

Quarter ended	No. of clients traded	No. of clients who did not have open positions at the time of mandatory settlement	Amount retained by such non settlement (₹ in lakh)
June, 2012	280	153	62.89

Sep, 2012	275	153	60.97
Dec, 2012	266	158	99.58
March, 2013	274	182	87.28
June, 2013	242	149	79.65
Sep, 2013	255	155	54.35
Dec, 2013	235	145	68.67
March, 2014	237	142	28.29
Total			**541.68**

16.2.4. **Clients who had availed request pay out in the quarter and had credit balances at the end of the quarter:** It was observed that the account of the clients were settled only on receipt of requests from the clients and not otherwise. The Noticee released the pay-outs to the clients based on the requests received from clients and not by issuing the mandatory settlement of accounts. Such pay-outs were released only to the extent of amount requested by the clients and not more, whereby in several cases, residual balances were always retained in the clients account. For the purpose of illustration, the detail of quarter ended June, 2012, instances of non-settlement of accounts of clients who had availed request pay out in the quarter and had credit balances at the end of the quarter mentioned below:

Table No 8

FY 2012-13	**Client code**	**Client name**	**Date of request pay out**	**Amount paid on request pay out (INR)**	**Credit balances at the end of the quarter not settled mandatorily (INR)**
Quarter ended June, 2012	54513	Sigchi laboratories Ltd	03-May-12	133637	60578
	36462	Ch Venkateswara rao	29-Jun-12	327000	16570
	70015	Venna Srinivasulu reddy	09-Jun-12	600000	51543
	5882	GN Uday Kumar	18-June-12	50000	28234
	52030	Sakunthala Mattupalli	18-June-12	1470000	2221

16.3. I note that NSE circular NSE/INSP/24849 dated October 29, 2013 provides that "*c) The actual settlement of funds and securities* ***shall be done by the Member, at least once in a calendar quarter or month****, depending on the preference of the client, as per aforesaid circulars. To address the administrative/operational difficulties in settling the accounts of regular trading clients (active clients), the Member may retain an amount of up to*

Rs 10,000/- (net amount across segment and across stock exchanges), ***only after taking written consent of the client*****.**"

16.4. In the view of the above paras, it has been clear that broker has to do a compulsory settlement at least once in a calendar quarter or month. Further, a broker can retain amount across segment up to 10,000, only after taking written consent from their client. In the present case Noticee in its reply to the inspection report stated that it had done quarterly settlements, on the basis of request made by the clients. Thus, Noticee instead of taking steps to comply with the mandatory provisions of SEBI circular dated December 3, 2009, was continuously defaulting in its obligations to comply with the circular. It has been admitted position that Noticee is not settling the clients who are having credit balance of Rs 10,000 or less. Further, provision of retention upto a minimum of Rs 10,000/- during mandatory settlement had come into force only from October 2013 and that too, such amount can be retained only if the client had specifically authorised the stock broker to retain credit balance upto Rs10,000. However, Noticee failed to provide any consent letters for this purpose.

16.5. I find that SEBI circular dated Dec 03, 2009 came into force since June 30, 2010. Even after 4 years of its enforcement date, stock broker failed to complied with the provision of aforesaid circular. The act to not settle as per the said circular amounts to undue retention of client's assets and deprival of genuine dues to be provided to the clients. The objective behind issuance of the circular is to ensure that the stock broker should not retain the assets (fund and securities) of the clients which are genuinely due to them. Thus, I find that Noticee is liable for the violation of Clause 12(e) of SEBI circular dated December 03, 2009 read with NSE circular NSE/INSP/24849 dated October 29, 2013. Thereby, Noticee is liable for the violation of Clause A (5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of SEBI Stock Brokers Regulations read with Regulation 9(f) of SEBI Stock Brokers Regulations as amended in September 2013 and Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation as amended in September 2013.

17. **Non settlement of securities of clients owing to the balances less than the minimum retention amount**

17.1. It has been observed that in several cases, the securities component of the clients account was not settled on the grounds that the fund account was not settled owing to the balances less than the minimum retention amount of ₹10,000/- or zero balance or no dues to the clients. Securities valuing to a total of ₹234.76 lakhs in respect of 1001 clients were withheld by the stock broker even though clients did not have any dues to it. The quarter wise detail of which is summarised below in the table:

Table No. 9

Quarter ended	**Clients with Demat account with same DP**		**Clients with Demat account with different DP**	
	No. of clients	**Value of Securities held** (₹ in lakh)	**No. of clients**	**Value of Securities held** (₹ in lakh)
June, 2012	97	17.39	61	14.94
Sep, 2012	100	18.66	1	0.01
Dec, 2012	85	17.17	55	10.08
March, 2013	108	33.74	32	19.62
June, 2013	87	32.22	46	12.69
Sep, 2013	88	14.72	42	9.22
Dec, 2013	69	13.90	31	3.17
March, 2014	67	10.75	32	6.48
Total		**158.55**		**76.21**

17.2. In addition to this, in case of clients with dues to the Noticee, the securities of the clients were retained by the Noticee. The following is the detail of clients with debit balances and securities held by the Noticee, in cases where demat accounts of the clients were held with the Noticee DP:

Table No. 10

Cases where demat accounts of the clients were held with the Noticee DP				
Quarter ended	**No. of clients with debit balances/dues to the Noticee**	**Amount due to the Noticee (₹ in crore)**	**Total value of securities retained (₹ in crore)**	**No. of times the value of securities held to the debit balance**
June, 2012	3080	6.68	5.44	0.81
Sep, 2012	3055	6.65	6.16	0.93
Dec, 2012	3108	6.21	7.13	1.15
March, 2013	2617	5.74	4.24	0.74
June, 2013	2739	5.78	4.56	0.79

Sep, 2013	2670	5.97	4.23	0.71
Dec, 2013	2617	5.68	5.18	0.91
March, 2014	1690	4.71	1.56	0.33

17.3. Similarly, the following is the detail of clients with debit balances and securities held by the Noticee, in cases where demat accounts of the clients were held with different DP:

Table No 11

Cases where demat accounts of the clients were held with the Noticee DP				
Quarter ended	**No. of clients with debit balances/dues to the Noticee**	**Amount due to the Noticee (₹ in crore)**	**Total value of securities retained (₹ in crore)**	**No. of times the value of securities held to the debit balance**
June, 2012	295	33.12	152.89	4.62
Sep, 2012	312	51.97	238.48	4.59
Dec, 2012	292	44.68	225.19	5.04
March, 2013	231	26.95	99.29	3.68
June, 2013	255	31.67	133.95	4.23
Sep, 2013	229	28.06	112.44	4.01
Dec, 2013	194	39.62	169.89	4.29
March, 2014	130	10.82	37.79	3.49

17.4. In the view of the above paras, I note that Noticee has not complied with the mandatory obligation of mandatory settlement as prescribed under clause 12(e) of circular dated December 03, 2009. Further, I note that circular bearing reference no. MIRSD/ SE /Cir- 5/2010 dated March 31, 2010 stated that "*the stock brokers are now directed to ensure the full compliance of the said circular dated December 3, 2009 in respect of all clients-existing and new - latest by June 30, 2010*". Therefore, SEBI circular dated Dec 03, 2009 came into force since June 30, 2010. In the present case even after 4 years of its enforcement date, stock broker failed to complied with the provision of circular dated December 03, 2009. The act to not settle as per the said circular amounts to undue retention of client's assets and deprival of genuine dues to be provided to the clients. The objective behind issuance of the circular is to ensure that the stock broker should not retain the assets (fund and securities) of the clients which are genuinely due to them. Thus, I find that Noticee is liable for the violation of Clause 12(e) of SEBI circular dated December 03, 2009 read with NSE circular NSE/INSP/24849 dated October 29, 2013. Thereby, Noticee liable for the violation of Clause A (5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of Stock Broker Regulation read with Regulation 9(f) of Stock Broker Regulation as amended in September 2013 and Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation.

18. **Non formulation of declared policy for return of assets and consequential non settlement of funds of inactive clients:**

18.1. It was observed that several instances of clients remaining inactive for few years but having fund balance of up to ₹10,000.00 and more were not settled. The following is the detail of total number of such inactive clients excluded from mandatory settlement and the value of funds and securities retained by the Noticee:

Table No.12

Credit balances retained	**Total No.of clients**	**Amount retained (lakhs)**	**Value of securities retained((lakhs))**
Only fund credit balances up to ₹ 10,000/-.	534	4.76	Nil
Only fund credit balances above ₹ 10,000/-.	8	1.61	Nil
Both fund and securities credit balances	9	0.44	2.95

18.2. I highlight that it was a statutory obligation prescribed under the clause 18 of SEBI circular dated December 03, 2009 circular that it is a mandatory obligation on the stock broker to have a policy regarding treatment of inactive accounts which should, inter-alia, cover aspects of time period, return of client assets and procedure for reactivation of the same. In the present case, Noticee neither has a declared policy for considering an account as inactive and nor any policy for return of clients' assets such as funds and securities lying with the Noticee, time frame etc. in the event of the client becoming inactive. I am of the view that such non- compliance of 12(e) SEBI circular dated December 03, 2009 on mandatory settlement and retention of funds and securities of inactive clients directly attributable to the absence of internal policy for the stock broker.

18.3. In the view of the above facts and circumstances, I am of the view that Noticee is liable for the violation of clause 18 read with clause 12(e) of SEBI circular dated December 03, 2009. Thereby, Noticee is liable for the violation of Clause A (5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of Stock Broker Regulation read with Regulation 9(f) of Stock Broker Regulation as amended in September 2013 and Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation.

19. **Non settlement of securities of inactive clients having credit balances:**

19.1. It was observed that even the securities component of the inactive clients was not settled in spite of them having credit balances in their account. The detail of non-settlement of securities of inactive clients despite having credit balances in their account is indicated in table no 12.

19.2. I note that by not retaining the credit balances of both funds and securities of several client for several quarter without carrying out mandatory settlement, the stock broker has not complied with the clause 12(e) of SEBI circular dated December 3, 2009. Thus, I find that Noticee is liable for the violation of Clause 12(e) of SEBI circular dated December 03, 2009. Thereby, Noticee is liable for the violation of Clause A (5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of Stock Broker Regulation read with Regulation 9(f) of Stock Broker Regulation as amended in September 2013 and Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation.

20. **Non settlement of securities of inactive clients having debit balance or zero balance**

20.1. It was observed that in respect of few of the clients having debit balances, where the securities were held by the Noticee, such holdings continued even after the client become inactive for a very long time period. For a miniscule debit balance of the clients, the securities of the clients worth several thousands were retained by the Noticee, on the grounds of the clients having debit balance. The quantum of the retention was totally disproportionate to the amount of debit balance of the said clients. The following is the detail of 16 instances where the securities of the inactive clients were retained by the Noticee:

Table No.13

Client ID	Client Name	Last transaction date	Debit balance	Market value of securities	Period of retention (In Years)
4008	Venkatesshwar Rao Y	15/02/2005	3330.22	9425.00	>9
4074	Kirthi Phani Kishor Gajavalli	08/09/2005	466.38	1908.00	>9
4975	Nageshwar Rao Pamidi	24/11/2005	828.89	2175.00	>9
5052	P Rajesh Babu	25/01/2008	40262.00	42427.50	>6
5362	Pandiri Jagadeesh	31/08/2005	846.79	100.40	>9
7555	Swamy Suresh Kumar	10/01/2008	40037.30	1222.50	>6
7559	Vankayala Krishna Mohan Rao	02/09/2008	7564.20	26493.75	>6
39048	Gade Venkatappa Reddy	13/09/2006	4921.19	1175.00	>8
44318	Sambasiva Rao Mulpuru	12/03/2013	87683.08	17507.50	>1
45369	Rama Prasad Narkedimilli	21/05/2007	32569.26	626.22	>7
48225	Tammireddi Aruna Kumari	01/07/2011	792.04	172.80	>3
48289	Veera Venkata Satyanarayana Paluri	21/07/2011	2461.34	10625.00	>3
54651	Lakshmana Rao Singamsetty	21/10/2011	2353.15	13275.00	>3
55550	Gurram Ravinder	20/09/2005	571.00	192.00	>9
56921	Rafath Fatema	12/11/2009	444.28	700.00	>5
57619	Sreeram Subba Rayudu	03/01/2006	354.61	3050.00	>8

20.2. Similarly, in 10 other instances it was observed that even though the clients did not have any dues to the Noticee, but the Noticee had not returned the securities to the clients even after they had become inactive. The detail of such instances is given below in the table:

Table No.14

Client ID	Client Name	Last transaction date	Debit balance	Market value of securities
4720	T Raghuram	06/06/2006	0	113740.00
4974	Mutta Swarajya Lakshmi	18/04/2006	0	5760
5597	V Seeta Rami Reddy	21/12/2010	0	2878.75
5897	Jayalaxmi Kusuma	30/09/2010	0	15350.00
5979	Shaik Khaja Mouinddin	28/01/2009	0	782.24
32007	Chepuri Bhramaiah	27/10/2010	0	4340.00
32112	Are Narayana	16/01/2008	0	2333.24
38099	Sidde Rama Devi	10/11/2006	0	1087.50
50339	Bhimana Sudhakar	27/11/2007	0	579.60
65092	Kaza Padmaja	08/03/2010	0	4150.00

20.3. In the view of the above facts and circumstance, I note that stock broker could have carried out the exercise of liquidation/closure of clients' position for non-payment of margin or other amount, adjust the proceeds of such liquidation, if any, against the clients' liabilities and returned the excess securities, if any to the clients which would is in my view is the true compliance of SEBI circular dated December 03, 2009.

20.4. Thus, I find that by retaining scrip of inactive clients on grounds of clients having dues to the broker and where value of scrip held are higher than the amount due from the clients, the stock broker had contravened the provision of 12(d) and 12(e) SEBI circular dated December 03, 2009.

20.5. Further, I note that even after 4 years of its enforcement date, stock broker failed to comply with the provision of aforesaid circular. The act of not settling as per the said circular amounts to undue retention of client's assets and deprival of genuine dues to be provided to the clients. The objective behind issuance of the circular is to ensure that the stock broker should not retain the assest (funds and securities) of the clients which are genuinely due to them.

20.6. In the view of the above, I find that Noticee is liable for the violation of Clause 12(d) and 12(e) of SEBI circular dated December 03, 2009. Thereby, Noticee is liable for the violation of Clause A (5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of Stock Broker Regulation read with Regulation 9(f) of Stock Broker Regulation as amended in September 2013 and Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation as amended in September 2013.

21. **Retaining securities higher than the amount due from the clients:**

21.1. It has been observed that Noticee retained huge quantities of the scrip of the clients on the grounds of the clients having dues to the broker and where the value of scrip held were higher than the amount due from the clients were seen. I note that Clause 12(d) of SEBI circular dated December 03, 2009 prescribed that if broker has clients with outstanding obligation on the settlement date, the stock broker may withhold requisite securities/funds towards such obligations and broker may also retain the funds expected to be required to meet margin obligations for next 5 trading days. However, in the present case it was observed that, the value of the securities retained by the Noticee was not proportionate to the amount due from the clients. The details regarding the securities retained by the Noticee which was higher than the amount due from the clients are mentioned in table no 13 & 14.

21.2. In the view of the above, I am of the view that Noticee is liable for the violation of Clause 12(d) of SEBI circular dated December 03, 2009. Thereby, Noticee liable for the violation of Clause A (5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of Stock Broker Regulation read with Regulation 9(f) of Stock Broker Regulation as amended in September 2013 and Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation.

22. **Deficiencies in Statement of Accounts issued to the clients**

22.1. It was observed that Statement of Accounts had inherent deficiency as it contained only the transaction details of the clients for the quarter for which the settlement was being done. I note that clause 12(e) of SEBI circular dated December 3, 2009 prescribed that while doing the mandatory settlement, the broker has the obligation to send a “statement of accounts”, to the client. This statement of account would contain an extract from the client ledger for funds, receipts or deliveries of funds or securities. It would also explain the details retention of funds/securities. I find that during inspection period Noticee failed to the follow the aforementioned statutory obligation. At this point I highlight that SEBI circular dated Dec 03, 2009 came into force since June 30, 2010. Even after 4 years of its enforcement date, stock broker failed to comply with the provision of aforesaid circular.

22.2. In the view of the above, I am of the view that Noticee is liable for the violation of Clause 12(e) of SEBI circular dated December 03, 2009. Thereby, Noticee is liable for the violation of Clause A (5) of code of conduct prescribed for stock brokers in schedule II under Regulation 7 of SEBI Stock Brokers Regulations read with Regulation 9(f) of Stock Broker Regulation as amended in September 2013 and Regulation 26(xvi) and Regulation 26(xx) of Stock Broker Regulation.

Issue No. II: If yes, whether the failure, on the part of the Noticee would attract monetary penalty under Section 15HB of the SEBI Act and Section 23H of SCRA?

Issue No. II: If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act and 23J of SC(R)A read with Rule 5(2) of the SEBI Adjudication Rules and Rule 5(2) of the SCR Adjudication Rules?

23. I find it fit to deal with the both the issues together. In view of the violations as established above, I refer to the order of the Hon'ble Supreme Court of India in the matter of SEBI vs. ShriRam Mutual Fund [2006] 68 SCL 216(SC) which 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 and hence the intention of the parties committing such violation becomes wholly irrelevant..*."

24. While determining the quantum of penalty under sections 15HB SEBI Act and 23H of SCRA, I note the factors listed in section 15J of SEBI Act read with Rule 5(2) of the SEBI Adjudication Rules, and 23J of SCRA Act read with Rule 5(2) of the SCRA Adjudication Rules which provides that factors while adjudging quantum of penalty, it is noted that from the material available on record, any quantifiable gain or unfair advantage accrued to Noticee or the extent of loss suffered by the investors as a result of the default in this case cannot be computed.

25. Further, Hon'ble Supreme Court in its judgment **SEBI vs Bhavesh Pabari** (2019) 18 SCC 246 held that "*We, therefore, hold and take the view that conditions stipulated in clauses (a), (b) and (c) of Section 15-J are not exhaustive and in the given facts of a case, there can be circumstances beyond those enumerated by clauses (a), (b) and (c) of Section 15-J which can be taken note of by the Adjudicating Officer while determining the quantum of penalty*." Therefore, in the light of Bhavesh Pabri (Supra) judgment, I also take into consideration of the fact that, there has been substantial time has been lapsed in the present matter and the same has been taken into account as the mitigating factor. Noticee also

submitted that it is small-scale Stock Broker, catering to around 3000 active clients as on date and they have not received any complaint from clients till date. They further submitted that they have not carried out any proprietary trading and hence the question of using of client funds and securities for proprietary trading also does not arise. Noticee also submitted that as on date they accept clients' securities only through margin pledge and also ensure all accounts are settled on a majority/quarterly basis as per the preference of the clients.

26. I note that, in the view of the above facts and circumstances of the present case, any excessive penalty will not meet the purpose and ends of justice in the present matter. Therefore, taking into account the aforesaid factors, and considering the facts and circumstances of the case, I am of the view that a penalty of Rs. 50,000/- (Rupees Fifty Thousand Only) will be commensurate with the violations committed by the Noticee.

F. Order

27. After taking into consideration the nature and gravity of the violations established in the preceding paragraphs and in exercise of the powers conferred upon me under section 15-I of the SEBI Act read with rule 5 of the SEBI Adjudication Rules and section 23-I of the SCRA read with rule 5 of the SCRA Adjudication Rules, I hereby impose a penalty of Rs 50,000/- (Rupees Fifty Thousand Only) on the Noticee i.e., Balaji Equities Limited under section 15HB of the SEBI Act and section 23H of the SCRA. I am of the view that the penalty is commensurate with the violation committed by the Noticee.

28. The Noticee 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 SEBI website www.sebi.gov.in on the following path by clicking on the payment link.

    ENFORCEMENT → ORDERS → ORDERS OF AO → PAY NOW

29. 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.

30. The aforesaid Noticee shall forward said Demand Draft or the details/ confirmation of penalty so paid to “The Division Chief (Enforcement Department 1, DRA-3), 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:
    a) Name and PAN of the Noticee
    b) Name of the case / matter
    c) Purpose of Payment–Payment of penalty under AO proceedings
    d) Bank Name and Account Number
    e) Transaction Number

31. In terms of rule 6 of the SEBI Adjudication Rules, copy of this order is sent to the Noticee and also to SEBI.

Date: October 31, 2022 **Vijayant Kumar Verma**
Place: Mumbai **Adjudicating Officer**