BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

ADJUDICATION ORDER No.Order/AN/AK/2024-25/31093

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:
Motisons Commodities Private Limited
(PAN: AADCM7184M / SEBI Registration Number: INZ000086935)

In the matter of Motisons Commodities Private Limited

A. BRIEF BACKGROUND

1. Securities and Exchange Board of India (hereinafter also referred to as **'SEBI'**) conducted an Inspection of Motisons Commodities Private Limited (hereinafter also referred to as **'Noticee'/ 'entity'/ 'Broker'/ 'MCPL'/ 'Member'/ 'TM'/ 'You'**), jointly with Exchanges (i.e, MCX and NCDEX) from October 13, 2022 to October 24, 2022 for the Inspection period April 01, 2021 to August 31, 2022. The scope of the Inspection was inter alia to look into the compliance of KYC, PMLA, settlement of running accounts, segregation of client and own funds, client funding, margin, investor grievances handling mechanism etc.

2. Pursuant to the inspection, the findings were communicated to the Noticee by SEBI vide letter dated December 12, 2022 and comments of the Noticee were sought on the same. Noticee vide its letter dated December 22, 2022, submitted its reply to the findings and observations of SEBI.

3. Based on the analysis of replies received and examination in the matter by SEBI, briefly stated, it was inter alia observed by SEBI that Noticee had allegedly violated various provisions of Securities Contract (Regulation) Rules, 1957 (“SCR Rules/ SCR Rules, 1957”), Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 (“SEBI Stock Broker Regulations” / “SEBI Stock Broker Regulations, 1992”), and circulars issued by SEBI viz.,

3.1. Rule 8(3)(f) of Securities Contract (Regulation) Rules, 1957 (hereinafter referred as the ‘SCR Rules’)

3.2. Clause III of SEBI circular no. SEBI/ HO/MIRSD/DoP1/CIR/2018/54 dated March 22,2018

3.3. Clause A(5) of Schedule II read with Regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992, Explanation 1 to Schedule VI of SEBI (Stock Brokers) Regulations, 1992 read with NCDEX Circular NCDEX/ COMPLIANCE16/2016/239 dated September 27, 2016 (Clause 6.1.1 (j) of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016).

Accordingly, SEBI initiated Adjudication Proceedings against the Noticee under Section 15-I of SEBI Act, 1992 (“SEBI Act”) and under Section 23-I of the Securities Contract (Regulation) Act, 1956 (“SCR Act”/ ”SCR Act, 1956”) for the alleged violations of the provisions, as stated.

B. APPOINTMENT OF ADJUDICATING OFFICER

4. 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 and therefore, in exercise of the powers conferred under Section 19 of SEBI Act read with Section 15I (1) of the SEBI Act, and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter also referred as ‘Adjudication Rules’), and under Section 23I of the SCR Act, 1956 read with Rule

3 of the Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 ("SCR Rules, 2005"), the Competent Authority appointed the undersigned as Adjudicating Officer vide order dated January 03, 2024 to inquire into and adjudge under Section 15HB of the SEBI Act, and Section 23H of the SCR Act, for the aforesaid alleged violations by the Noticee. The said proceedings of appointment were communicated to the undersigned vide Communique dated January 08, 2024.

C. SHOW CAUSE NOTICE, REPLY OF THE NOTICEE AND PERSONAL HEARING

5. A Show Cause Notice No. SEBI/HO/EAD/EAD5/P/OW/2024/15277/1 dated April 26, 2024 along with Annexures ("SCN"), was served upon the Noticee under Rule 4 of the Adjudication Rules and under Rule 4 of the SCR Rules, 2005, to show cause as to why an inquiry should not be held and penalty not be imposed against the Noticee under Section 15HB of the SEBI Act, 1992, and under Section 23H of SCR Act, 1956, for the violations alleged to have been committed by the Noticee.

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

"….

4. Findings and Observations by SEBI and Alleged Violations thereto in respect of the Noticee are as under:

Based on the inspection in the matter, briefly summarized findings/allegations by SEBI are interalia given below:

4.1. ***Client order placement/ recording:***
Member has not submitted proof of client order recording of 7 trades pertaining to UCC- SMM04*.*

4.1.1. *Out of 20 trades, entity has provided call recording proof of 3 orders.*

4.1.2. *For 10 orders belonging to one client code MS11, broker has provided the scan copy of letter signed by the client authorizing dealers to place the order on their behalf. Further, broker was asked the trading terminals of authorized dealers. The trading terminal Ids of dealers provided by broker vide email dated December 02,2022 (**Annexure 6 of IR**) are not matching with the trading terminals from where the trades were executed. Therefore, the authorized dealers have placed the orders from other trading terminals (not from personal terminal) and hence they should have evidence of placing these orders, which is not provided by broker.*

4.1.3. *For remaining 7 trades belonging to UCC- SMM04, the broker could only provide the signature on visiting register, no order sheet was provided for order placed. Therefore, broker has not maintained the sufficient* *proof of order placed by client UCC- SMM04 as mandated by SEBI through SEBI circular no. SEBI/HO/MIRSD/DoP1/CIR/2018/54 dated March 22,2018.*

4.1.4. *In view of the above, out of 20 trades taken as sample, the broker has not maintained the sufficient order placement record for 17 trades.*

4.1.5. *The Noticee in its reply dated December 22, 2022 to the findings of Inspection report submitted that, we have provided you 3 CTCL ids on 02.12.22 by mail, which are the CTCL ID related to all MS11 trades. w.r.t. 10 orders belonging to client code MS11 where is mismatch in Trade file provided by you and Trade file provided by Exchange. We are providing trade files for the require dates reason being all 10 trades belongs the above 3 CTCL id's only. As of now we are not maintaining order book. But assure you we will comply with the same.*

4.1.6. *SEBI in this regard observed that, with respect to, 10 trades belonging to client code MS11, Member has submitted the terminal IDs of dealers from where order have been placed and they are matching with terminal IDs as per trade data file. Thus, Member's reply in this regard is acceptable. However, with respect to, 7 trades belonging to UCC- SMM04, Member has replied that they are not maintaining order book currently. Thus, Member has accepted the violation.*

In view of the above, it is alleged that the Noticee had violated the following provisions:

Clause III of SEBI circular no. SEBI/HO/MIRSD/ DoP1/CIR/2018/54 dated March 22, 2018.

4.2. ***Financial Statement Analysis and Networth Verification:***

Member has not deducted Advances given Rs.5.53 Crores which are overdue for more than three months in calculation of net worth dated March 31, 2022.

Reported Networth – Rs. 7.62 Crore

Revised networth – Rs. 2.09 Crore

Networth overstated- 265%

4.2.1. *National Commodity and Derivatives Exchange Limited (**'NCDEX'**) has observed that, Trading Member has reported a Net worth of INR 76,244.82 thousand as on 31-Mar-2022 as per LC Gupta method. We have verified the contents of the Net worth certificate.*

4.2.2. *It is observed that the broker did not deduct the Advance of INR 55326.72 thousand in calculation of net worth dated March 31,2022. As per LC Gupta Committee norms, Debts and Advances which are overdue for more than three months should be deducted. Revised Net Worth is INR 20918.09 thousand after deducting advance that is still comply with minimum required net-worth for trading member of INR One Crore.*

4.2.3. *Copy of Net worth Certificate and working are enclosed as **Annexure 7 and 7A to the IR.***

4.2.4. *Multi Commodity Exchange of India Limited (**'MCX'**) has observed the following-*

Particulars	*As per balance sheet*	*As per net worth certificate*	***Difference***
Capital	*3,500,000.00*	*3,500,000.00*	*-*
Reserves	*76,341,570.15*	*75,921,570.15*	***420,000.00***
	79,841,570.15	***79,421,570.15***	***420,000.00***

Less:			
Fixed Assets	*737,959.61*	*737,959.61*	**-**
Doubtful doubts and advances	-	-	**-**
Membership card	-	-	**-**
Prepaid expenses	*118,893.00*	*118,893.00*	**-**
Intangible Assets	*9,479.79*	*568,172.79*	***(558,693.00)***
30% of marketable securities	-	-	**-**
	866,332.40	***1,425,025.40***	***(558,693.00)***
Networth	***78,975,237.75***	***77,996,544.75***	***978,693.00***

4.2.5. *There is difference in the details as submitted in the net worth certificate and the details available in the audited balance sheet as on March 31, 2021.*

4.2.6. *Further, as per the data available, member has given loans and advances amounting to Rs. 5,42,29,730.12/-. Member has not taken any loans during the period.*

4.2.7. *The Noticee in its reply dated December 22, 2022 to the findings of Inspection report submitted that, An amount of Rs. 420000/- is Capital Reserve amount]. An amount of Rs. 558693/- is Defer tax amount.*

4.2.8. *SEBI in this regard observed that, Member's submission with respect to, Capital Reserve and deferred tax amount is acceptable.However, Member has not submitted any reply with respect to, NCDE observation of not deducting Rs.5.5 Crore loan given which was overdue for more than 3 months from networth. Thus, Member has accepted the violation.*

In view of the above, it is alleged that the Noticee had violated the following provisions:

Clause A(5) of Schedule II read with Regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992, Explanation 1 to Schedule VI of SEBI (Stock Brokers) Regulations, 1992 read with NCDEX Circular NCDEX/ COMPLIANCE16/2016/239 dated September 27, 2016 (Clause 6.1.1 (j) of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016).

4.3. ***Non-adherence to rules of membership***

Member has given Loan & Advances to parties to the tune of Rs.5.53 Crores as on March 31, 2022 and hence, indulged in business other than that of securities business.

4.3.1. *NCDEX has observed the following -*

The broker has given Loan & Advances to parties to the tune of INR 55,326.72 thousand as on March 31,2022 as per the audited balance sheet and hence, indulges in the activities other than the broking activities. Financial statement which is showing parties detail and undertaking from broker are attached as ***Annexure-9 & Annexure-9A to the IR*** *for your reference.*

4.3.2. *MCX has made No Observation.*

4.3.3. *It is observed that the broker has given Loan & Advances to parties to the tune of INR 5.53 Crores as on March 31,2022 as per the audited balance sheet and hence, indulges in the activities other than the broking activities.*

4.3.4. *Details of loans & advances given to parties outstanding as on March 31, 2022 are as below:*

Name	***Amount as on March 31, 2022 (Rs. In Crores)***
Girdhar Jewellers Pvt Limited	*3.04*
Gun Sagar Builders Private Limited	*0.93*
Munisuvrat Venture Private Limited	*0.03*
Om Metal Ratnakar Pvt Ltd	*1.53*
Total	***5.53***

4.3.5. *SEBI in this regard observed that, the Noticee in its reply to the findings of Inspection report submitted that, "we have given some loan amount to other entities as at that time our Net worth shows sufficient balance as we maintaining at that time. We assure you to non- repentance of such instances and we will fully comply with rules & regulations of Exchange."*

4.3.6. *Member has accepted that they have given loans during the inspection period. However, Member's submission that they have sufficient networth is not tenable, as the requirement for broker not indulging in activities other than broking activities is applicable regardless of compliance with networth requirement.*

In view of the above, it is alleged that the Noticee had violated the following provisions:

Rule 8(3)(f) of Securities Contract (Regulation) Rules, 1957.

…"

7. Noticee vide its letter dated April 30, 2024, had interalia sought inspection of documents in the matter, and the same availed by the Noticee on May 31, 2024. In the interest of principles of natural justice, vide Hearing Notice dated June 25, 2024, the Noticee was provided with an opportunity of hearing on July 03, 2024 and was interalia advised to submit its reply atleast 2 working days prior to the hearing scheduled on July 03, 2024. Vide its letter dated June 26, 2024, the Noticee submitted its reply to the SCN. Key submissions of the Noticee as reply to the SCN are as under:

"…..

1. *This is in reference SEBI's Show Cause Notice dated 26.04.2024 in the matter Motisons Commodities Private Limited (**"we/us/our Company/Motisons"**). The SCN is issued pursuant to Inspection conducted by SEBI for the period from 01.04.2021 to 31.08.2022 (**"Inspection Period"**) and reply submitted by us to the findings of the said Investigation (Ref. Para No. 3 on Page No. 3 of the SCN). The inspection of our Company was conducted between 13.10.2022 till 24.10.2022.*

2. *In the said SCN, the following adverse observations are alleged against us:*

    (i) *Client Order placement/recording – We have not submitted proof of client order recording of 7 trades pertaining to UCC – SMM04*

    (ii) *Financial Statement Analysis and Net worth verification – We have not deducted advances given Rs. 5.53 Crores which are overdue for more than 3 months in calculation of net worth dated 31.03.2022.*

(iii) Non-adherence to rules of membership – We have given loans and advances to parties to the tune of Rs. 5.53 Crores as on 31.03.2022 and hence, indulged in business other than that of securities business.

3. For the aforesaid adverse observations, it is alleged that we have violated the following:

(i) Clause III of SEBI Circular dated 22.03.2018 bearing reference no. SEBI/HO/MIRSD/DoP1/CIR/2018/54

(ii) Clause A(5) of Schedule II r.w. Regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992, Explanation 1 to Schedule VI of SEBI (Stock Brokers) Regulations, 1992 r.w. NCDEX Circular dated 27.09.2016 bearing reference no. NCDEX/COMPLIANCE16/2016/239 (Clause 6.1.1 (j) of SEBI Circular dated 26.09.2016 bearing reference no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95).

*(iii) Rule 8(3)(f) of Securities Contract (Regulation) Rules, 1957 (**"SCRR"**).*

4. At the outset and without prejudice to anything stated hereinafter, we deny all the allegations and findings made against us in the said SCN except to the extent specifically admitted by us. Nothing contained in the said SCN may be deemed to be admitted by us by reason of non-traverse or otherwise, save and except what is expressly admitted herein. We deny all the statements, submissions, contentions, allegations and averments contained in the said notice that are contrary to and/or inconsistent with what is stated herein below.

5. The present matter pertains to the comprehensive joint inspection of the operations of Motisons Commodities Private Limited conducted by SEBI and Exchanges for the Inspection Period. It is humbly submitted that we are a SEBI registered Broker bearing SEBI Registration Number INZ000086935. It is humbly submitted that we have always followed and worked in compliance with the Rules, Regulations, guidelines and framework as applicable to us from time to time. Further, we humbly submit that in respect of the alleged deficiencies, if any as mentioned in the SCN, corrective and remedial steps have been taken post Inspection.

6. At the outset, we submit as under:

*(i) We had by our letter dated 06.02.2023 had submitted our Application for Surrender of Membership with National Commodity & Derivatives Exchange Limited (**"NCDEX"**) and Multi Commodity Exchange of India Limited (**"MCX"**). A copy of our letter dated 06.02.2023 w.r.t. Surrender of Membership filed with NCDEX and MCX are hereto enclosed and marked as **Annexure – 1** and **Annexure – 2** respectively.*

*(ii) Pursuant to filing our Surrender Application and completion of various formalities as required by NCDEX, vide email dated 09.06.2023, NCDEX informed us that our application for surrender of membership has been approved by NCDEX. A copy of email dated 09.06.2023 sent by NCDEX is hereto enclosed and marked as **Annexure – 3***

Therefore, as on date we do not hold any membership with NCDEX

(iii) Further, w.r.t. our application for surrender of membership filed with MCX, we submit that we are in process of complying with the requirements as required by MCX. We are hopeful that our surrender application will be approved by MCX.

We shall submit the requisite communication received from MCX as and when received.

(iv) Therefore, we submit that once our Surrender Application is accepted by MCX, we will no longer hold any membership with NCDEX and MCX.

***Our reply to the allegations as alleged against us in the said SCN is as under**:-*

7. Submissions on the allegation of not submitting proof of client order recording of 7 trades pertaining to UCC – SMM04

(i) It is pertinent to note that at the time of inspection, we had provided visiting register which had signature of the client pertaining to UCC – SMM04. However, at the relevant time we were not maintaining order book. However, later we have started to maintain order book.

(ii) Further, the Ld. Adjudicating Officer, SEBI in the SCN has accepted some of our submissions w.r.t. present violation as observed during the said inspection. This shows that it was never our intention to violate any securities law, and the alleged violation is only technical in nature.

(iii) Additionally, none of our clients have disputed the trades so executed through us. This shows that the trades were executed on the instruction received by clients.

(iv) *Therefore, no adverse inference be drawn against me in this regard.*

8. *<u>Submissions on the allegation that we have not deducted advances given Rs. 5.53 Crores which are overdue for more than 3 months in calculation of net worth dated 31.03.2022</u>*

(i) *The Ld. Adjudicating Officer, SEBI in the SCN has accepted some of our submissions w.r.t. present violation as observed during the said inspection. This shows that it was never our intention to violate any securities law, and the alleged violation is only technical in nature.*

(ii) *The SCN itself states that even if the net worth as per SEBI is calculated, even then we are in compliance with minimum required net worth for trading member i.e. Rs. 1 Crore.*

(iii) *Even otherwise, we have submitted our balance sheet as on 31.03.2022, wherein we have included each and every detail. We have not concealed any information.*

(iv) *Therefore, no adverse inference be drawn against us in this regard.*

9. *<u>Submissions on the allegation that we have given Loans and Advances to parties to the tune of Rs. 5.53 Crores as on 31.03.2022 and hence indulged in business other than that of securities business</u>*

(i) *W.r.t. loans and advances given, we submit as under:*

(a) *We humbly submit that the loans/advances given to 4 entities were out of the surplus funds available with us.*

(b) *Loans given were highly liquid as compared to other types of investments.*

(c) *The funds given by us were out of our own surplus fund with intent to retain liquidity at any given point in time.*

(d) *There is no allegation of misutilization of client funds.*

(e) *The said loan transaction did not affect the client's dealings with us. The said loan was not given out of clients funds.*

(f) *The said loan given to 4 entities did not possess risk to our business as "Commodity Broker"*

(ii) *Further, we would like to rely on the following:*

(a) *We place reliance on an interpretive letter dated 14.02.2022 bearing reference no. SEBI/HO/MIRSD /DoP/P/OW/2022/6143/1 issued under SEBI (Informal Guidance) Scheme, 2003 in the matter of HDFC Securities Limited. Therein it is mentioned that interpretation of Rule 8(3) (f) of SCRR is that the Stock Brokers are not deemed to be engaged in business other than securities market as far as they do not incur any personal financial liability. A copy of SEBI's interpretive letter dated 14.02.2022 bearing reference no. SEBI/HO/MIRSD/DoP/P/OW/2022/ 6143/1 is enclosed herewith as* ***<u>Annexure – "4"</u>***

(b) *Further, we place reliance on Adjudication Order dated 31.10.2017 bearing reference no. EAD-12/AO/SM/95/2017-18 passed in the matter of inspection of Geojit BNP Paribas Financial Services Limited which states that "**14 .... For any activity to be classified as business activity there should be several activities with several clientele ....**" (Ref. Para No. 14 on Page No. 11, 7th and 8th Line of the Para of the Order dated 31.10.2017). Besides, extract from the said Order relevant to the present case is reproduced as under: (Ref. Para No. 18 on Page No. 12 of Order dated 31.10.2017):*

<u>Quote:</u>

"18. I note as per law there is no restriction on the inter corporate loans given by a SEBI registered intermediary. An inter-corporate loan given by a stock broker out of the surplus funds, which exceed the minimum networth requirement applicable to stock broker as well as the working capital requirement for its business, as a temporary financial accommodation would not pose the risk to the business of the stock broker and affect the clients dealing with them. The main purpose of rule 8(3) (f) of SCRR was

to prohibit the brokers to invest the clients' money in other businesses. However, in the present case, there is a clear demarcation of the clients' fund and its own fund. The loan that was advanced to GCPL was the excess fund of the Noticee. In no way was the fund of the client used to advance loan to the subsidiary. The clients' money was never exposed to any risk. The Noticee extended loans from its own excess funds".

Unquote:

*A copy of Order dated 31.10.2017 bearing reference no. EAD-12/AO/SM/95/2017-18 passed by the Ld. Adjudicating Officer; SEBI in the matter of Geojit BNP Paribas Financial Services Limited is enclosed herewith as **Annexure – "5"***

(c) Additionally, we crave to place reliance on the Order dated 29.11.2023 passed by Hon'ble Securities Appellate Tribunal in the matter of Magnum Equity Broking Limited Vs. NSE (Appeal No. 461 of 2022). Relevant extract of the said Order is mentioned herein under: (Ref. Para No. 9 and 10 on Page No. 7 and 8 of Order dated 29.11.2023)

Quote:

"9. A plain reading of the Rule 8(3)(f) of SCR Rules and Rule 5(b) of the Chapter II of the Rules of the Exchange would indicate that a trading member cannot engage as a principal or employee in any business involving any personal financial liability other than that of securities. SEBI's circular dated May 7, 1997 clarified that borrowing and lending funds by a trading member, in connection with or incidental to or consequential upon the securities business would not disqualify a trading member under Rule 8(3)(f) of the SCR Rules.

10. In our view, investment of surplus funds, generated as a consequence of securities business, with an NBFC registered with RBI cannot lead to an inference that the Appellant is engaged as a principal in business other than that of securities involving personal financial liability. The Respondent Committee given a clear finding that the funds were advanced from the account of the Appellant therefore there is no dispute that the funds were their own moneys. ………..."

Unquote

*A copy of Order dated 29.11.2023 passed by the Hon'ble Securities Appellate Tribunal in the matter of Magnum Equity Broking Limited Vs NSE (Appeal No. 461 of 2022) is enclosed hereto marked as **Annexure – "6"***

(iii) It is pertinent to note that, MCX has made no observation w.r.t. the aforesaid alleged violation.

(iv) Therefore, no adverse inference be drawn against us in this regard.

*10. **Legal Submissions**:*

*On the subject matter of the proceedings, i.e. Inspection of Books of Accounts and records, we would like to refer to and rely upon the Orders passed by Hon'ble Securities Appellate Tribunal **("Tribunal")**. The Gist is as under:*

(i) Order dated 16.06.2011 passed by Hon'ble Tribunal in the matter of Religare Securities Limited Vs. SEBI (Appeal No. 23 of 2011) wherein Hon'ble Tribunal held that:

Quote:

"5. It must be remembered that the purpose of carrying out inspection is not punitive and the object is to make the intermediary comply with the procedural requirements in regard to the maintenance of records. We also cannot lose sight of the fact that every minor discrepancy/ irregularity found

during the course of inspection is not culpable and the object of the inspection could well be achieved by pointing out the irregularities/deficiencies to the intermediary at the time of inspection and making it compliant. This will, of course, depend on the nature of the irregularity noticed and we hasten to add a caveat that it is not being suggested that if any serious lapse is found during the course of the inspection, the Board should not proceed against the delinquent.

For the reasons recorded above, the appeal is allowed and the impugned order set aside with no order as to costs."

Unquote

(ii) *Order dated 25.07.2011 passed by Hon'ble Tribunal in the matter of UPSE Securities Limited Vs. SEBI (Appeal No. 109 of 2011) wherein Hon'ble Tribunal held that:*

Quote:

"5. Before concluding we cannot resist observing that the object of carrying out inspection of the books of accounts and records of any intermediary including a stock exchange or its subsidiaries is to ensure compliance with the provisions of the Act, Rules, Regulations, By-laws and circulars issued from time to time which are meant to regulate the securities market. Every little irregularity / deficiency noticed during the course of the inspection is not culpable and does not call for initiation of penalty proceedings. The purpose of inspection in quite a few cases could be better achieved if the inspecting team at the time of the inspection were to advise the erring entity. However, if any serious lapse is discovered, it would always be open to the Board to take penal action in accordance with law. Having said this, we leave the matter at that.

In the result, the appeal is allowed and the impugned order set aside with no order as to costs."

Unquote:

(iii) *Order dated 11.09.2012 passed by Hon'ble Tribunal in the matter of M/s DSE Financial Services Limited Vs. SEBI (Appeal No. 153 of 2012) wherein Hon'ble Tribunal held that:*

Quote:

"3. ….. Under similar circumstances in one of the cases decided by us earlier (Religare Securities Limited vs. SEBI Appeal no. 23 of 2011 decided on 16.6.2011), we have observed that it must be remembered that the purpose of carrying out inspection is not punitive and the object is to make the intermediary comply with the procedural requirements in regard to the maintenance of records. We have also observed that every minor discrepancy/ irregularity found during the course of inspection is not culpable and the object of the inspection could well be achieved by pointing out the irregularities / deficiencies to the intermediary at the time of inspection and making it compliant. As per the observations made by the adjudicating officer himself, the violations committed by the appellant are mostly technical in nature; some of them are solitary instances and for others the appellant has mostly taken/initiated corrective measures. In view of this, we are of the view that the adjudicating officer was not justified in taking punitive action.

We, therefore, set aside the impugned order and allow the appeal with no order as to costs."

Unquote

We submit with humility before your honour to kindly consider our case on similar lines and exonerate us from the charges levelled against us in the present proceeding.

(iv) Further, we also rely on the following Order/Judgment of Akbar Badrudin Badrudin Jiwani V. Collector of Customs, Bombay AIR 1990 SC 1579

It is noteworthy to mention wherein the Hon'ble Court had stated that :-Para 61:"We refer in this connection the decision of Merck Spares v. Collector of Central Excise & Customs, New Delhi, 1983 ELT 1261, Shama Engine Valves Ltd.., Bombay v. Collector of Customs, Bombay (1984) 18 ELT 533 and Madhusudhan Gordhandas & Co. v. Collector of Customs, Bombay, (1987) 29 ELT 904, wherein it has been held that in imposing penalty the requisite mens rea has to be established.

11. In view of the aforesaid, we deny that we have violated the following as alleged in the SCN:

(i) Clause III of SEBI Circular dated 22.03.2018 bearing reference no. SEBI/HO/MIRSD/DoP1/CIR/2018/54

(ii) Clause A(5) of Schedule II r.w. Regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992, Explanation 1 to Schedule VI of SEBI (Stock Brokers) Regulations, 1992 r.w. NCDEX Circular dated 27.09.2016 bearing reference no. NCDEX/COMPLIANCE16/2016/239 (Clause 6.1.1 (j) of SEBI Circular dated 26.09.2016 bearing reference no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95).

(iii) Rule 8(3)(f) of Securities Contract (Regulation) Rules, 1957

12. We submit and say that we have always followed all the procedures as stipulated by any regulatory authority, followed all Rules/Regulations/instructions etc. issued by any government agency.

13. In view of the above circumstances, we submit as follows:

(a) We have never indulged in any action that could result in violation of securities laws and have adequately mitigated the risk as and when the need arose.

(b) Over a period of time, we have performed our duties in the best interest of our clients.

(c) We have never derived any unfair gain in any manner whatsoever while performing our duties as a commodity broker.

(d) Importantly, no loss is caused to any person due to our acts and omission, if any.

(e) Post inspection we had reviewed all our operations including the process and procedures followed by us and wherever required we had taken all remedial and corrective measures so as to ensure that lapses, if any, do not reoccur.

(f) It is humbly stated that alleged lapses, if any have occurred unintentionally.

(g) Violations, if any, are merely technical in nature.

(h) It is pertinent to note that our membership with NCDEX is already surrendered and the membership with MCX is in the process of being surrendered.

*14. **Conclusion***

We would like to submit that we are a law abiding company and we have always complied with Rules/Regulations governing securities market. In case penalty is imposed by a reputed and credible organization like SEBI, it shall cause loss of goodwill, credibility, market standing and reputation which has been built over past many years. Thus, we humbly request that we may be discharged from present proceedings at the earliest.

…."

8. On the scheduled date of hearing i.e. on July 03, 2024, the Noticee availed the hearing opportunity through its Authorized Representatives (ARs) viz., Dr. Keyur Shah, Advocate and Mr. Meit Shah, wherein the ARs appeared in person and *interalia* relied upon and reiterated the submissions made by the Noticee vide

letter dated June 26, 2024. Further, the ARs indicated that the written submissions dated June 26, 2024 were final and complete submissions in the matter and that there were no additional/further submissions to be made in respect of the Noticee.

D. CONSIDERATION OF ISSUES AND FINDINGS

9. I find that the following issues require consideration in the instant proceedings:

Issue No. I: Whether the Noticee had violated the provisions of SCR Rules, 1957, SEBI Stock Broker Regulations, 1992, and SEBI and NCDEX circulars, as alleged?

Issue No. II: If yes, whether the violations on the part of the Noticee would attract monetary penalty under Section 23H of SCR Act, 1956 , Section 15HB of the SEBI Act, 1992 ?

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

Issue No. I: Whether the Noticee had violated the provisions of SCR Rules, 1957, SEBI Stock Broker Regulations, 1992, SEBI and NCDEX Circulars as alleged?

10. In this regard, I note from the material available on record that, the following was interalia observed and alleged in respect of the Noticee:

10.1. Client order placement/ recording:

10.1.1. In this regard, it was observed and alleged that member had not submitted proof of client order recording of 7 trades pertaining to UCC-SMM04.

Accordingly, it was alleged that the Noticee had violated Clause III of SEBI circular no. SEBI/ HO/MIRSD/DoP1/CIR/2018/54 dated March 22,2018

10.1.2. In this regard, SEBI observed that for 7 trades belonging to UCC-SMM04, the broker could only provide the signature on visiting register, no order sheet was provided for order placed. Therefore, broker has not maintained the sufficient proof of order placed by client UCC-SMM04 as mandated by SEBI through SEBI circular no. SEBI/HO/MIRSD/DoP1/CIR/2018/ 54 dated March 22,2018.

10.1.3. In this regard, I note that Clause III of SEBI circular no. SEBI/HO/MIRSD/ DoP1/CIR/2018/54 dated March 22, 2018 interalia reads as under:

"…

To further strengthen regulatory provisions against un-authorized trades and also to harmonise the requirements across markets, it has now been decided that all brokers shall execute trades of clients only after keeping evidence of the client placing such order, which could be, inter alia, in the form of:
a.Physical record written & signed by client,
b.Telephone recording,
c.Email from authorized email id,
d.Log for internet transactions,
e.Record of messages through mobile phones,
f.Any other legally verifiable record.

When a dispute arises, the broker shall produce the above mentioned records for the disputed trades. However for exceptional cases such as technical failure etc. Where broker fails to produce order placing evidences, the broker shall justify with reasons for the same and depending upon merit of the same, other appropriate evidences like post trade confirmation by client, receipt/payment of funds/securities by client in respect of disputed trade, etc. shall also be considered.

…"

10.1.4. In this regard, I note from the material available on record that the submissions of the Noticee as reply to the SCN are in nature of admission in so far as the Noticee has submitted that, *"…we had provided visiting register which had signature of the client pertaining to UCC – SMM04. However, at the relevant time we were not maintaining order book…"*. I further note that, in this regard, the Noticee had interalia submitted to SEBI in response to the finding of inspection that, *" …as of now we are not maintaining order book. But assure you we will comply with the same..."*

10.1.5. I further note that, the contention of the Noticee that, *"..none of our clients have disputed the trades so executed through us. This shows that the trades were executed on the instruction received by clients…"* is devoid of merit and is not acceptable as the Noticee has failed to demonstrate with relevant details and documents that the Noticce had executed trades of clients only after keeping evidence of the client placing such order as mandated under Clause III of SEBI circular no. SEBI/HO/MIRSD/ DoP1/CIR/2018/54 dated March 22, 2018.

10.1.6. In view thereof, I find that the allegation that, member had not submitted proof of client order recording of 7 trades pertaining to UCC-SMM04, stands established. Accordingly, I hold that the Noticee had violated Clause III of SEBI circular no. SEBI/HO/MIRSD/ DoP1/CIR/2018/54 dated March 22, 2018.

10.2. Financial Statement Analysis and Networth Verification:

10.2.1. In this regard it was observed and alleged that member had not deducted advances given Rs.5.53 Crores which are overdue for more than three months in calculation of net worth dated March 31, 2022.

Reported Networth – Rs. 7.62 Crore

Revised networth – Rs. 2.09 Crore

Networth overstated- 265%

Accordingly, it was alleged that the Noticee had violated Clause A(5) of Schedule II read with Regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992 and NCDEX Circular NCDEX/ COMPLIANCE16/2016/239 dated September 27, 2016.

10.2.2. In this regard, I note from the material available on record that the broker did not deduct the advance of INR 5.53 Crores in calculation of net worth dated March 31,2022. As per LC Gupta Committee norms, Debts and Advances which are overdue for more than three months should be deducted. Revised Net Worth was INR 2.09 Crores after deducting advance.

10.2.3. In this regard, I note that, NCDEX Circular NCDEX/ COMPLIANCE16/2016/239 dated September 27, 2016 (Clause 6.1.1 (j) of Annexure to SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016) interalia reads as under:

"…
6.1.1. Monitoring criteria for Stock Brokers

(j) In case stock broker shares incomplete/wrong data or fails to submit data on time.

...."

10.2.4. In this regard, I note that Clause A(5) of Schedule II read with Regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992 interalia reads as under:

"...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 specifies in Schedule II;
...
SCHEDULE IICODE OF CONDUCT FOR STOCK BROKERS

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 ..."

10.2.5. In this regard, I note that the submissions of the Noticee are out of context in so far as the Noticee has submitted, *"…even if the net worth as per SEBI is calculated, even then we are in compliance with minimum required net worth for trading member i.e. Rs. 1 Crore…"* and *"…even otherwise, we have submitted our balance sheet as on 31.03.2022, wherein we have included each and every detail. We have not concealed any information…."* as the allegation is with respect to the not deducting the Advances given of Rs.5.53 Crores which are overdue for more than three months in calculation of net worth dated March 31, 2022, and not with respect to not maintaining minimum required networth. Therefore, the submission of the Noticee are devoid of merit and hence not acceptable.

10.2.6. In view thereof, I find that the allegation that the Noticee had not deducted Advances given Rs.5.53 Crores which are overdue for more than three months in calculation of net worth dated March 31, 2022, stands established. Accordingly, I hold that the Noticee had violated Clause A(5) of Schedule II read with Regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992 and NCDEX Circular NCDEX/ COMPLIANCE16/2016/239 dated September 27, 2016.

10.3. Non-adherence to rules of membership

10.3.1. In this regard it was observed and alleged that member had given Loan & Advances to parties to the tune of Rs.5.53 Crores as on March 31, 2022 and hence, indulged in business other than that of securities business.

Accordingly, it was alleged that the Noticee had violated Rule 8(3)(f) of Securities Contract (Regulation) Rules, 1957.

10.3.2. In this regard, I note from the material available on record that the details of loans & advances given to parties outstanding as on March 31, 2022 were as below:

Name	Amount as on March 31, 2022 (Rs. In Crores)
Girdhar Jewellers Pvt Limited	3.04
Gun Sagar Builders Private Limited	0.93
Munisuvrat Venture Private Limited	0.03
Om Metal Ratnakar Pvt Ltd	1.53
Total	**5.53**

10.3.3. In this regard, I note that, Rule 8(3)(f) of Securities Contract (Regulation) Rules, 1957, interalia reads as under:

"…..

Qualifications for membership of a recognised stock exchange.

8. *The rules relating to admission of members of a stock exchange seeking recognition shall inter alia provide that:*

….

(3) No person who is a member at the time of application for recognition or subsequently admitted as a member shall continue as such if—

…..

(f) he engages either as principal or employee in any business other than that of securities [15][or commodity derivatives] except as a broker or agent not involving any personal financial liability, provided that—

(i) the governing body may, for reasons, to be recorded in writing, permit a member to engage himself as principal or employee in any such business, if the member in question ceases to carry on business on the stock exchange either as an individual or as a partner in a firm,

(ii) in the case of those members who were under the rules in force at the time of such application permitted to engage in any such business and were actually so engaged on the date of such application, a period of three years from the date of the grant of recognition shall be allowed for severing their connection with any such business,

[16][(iii) nothing herein shall affect members of a recognised stock exchange which are corporations, bodies corporate, companies or institutions referred to in items [(a) to (n) of sub-rule (8)][17]

…."

10.3.4. In this regard, I note from the material available on record that, the Noticee has not denied or disputed giving Loan & Advances to parties to the tune of Rs.5.53 Crores as on March 31,2022.

Further in this regard, I note that the Noticees submission are in the nature of admission in so far as the Noticee in its submission as reply to the SCN has interalia submitted that "…*the loans/advances given to 4 entities were out of the surplus funds available with us…Loans given were highly liquid as compared to other types of investments…The funds given by us were out of our own surplus fund…The said loan transaction did not affect the client's dealings with us…"*

I further note from the material available on record that the Noticee in its reply to the findings of inspection had inter alia submitted that, "*we have given some loan amount to other entities as at that time our Net worth shows sufficient balance as we maintaining at that time. We assure you to non- repentance of such instances and we will fully comply with rules & regulations of Exchange*."

10.3.5. In this regard the Noticee has also inter alia submitted that, "*We place reliance on an interpretive letter dated 14.02.2022 bearing reference no. SEBI/HO/MIRSD /DoP/P/OW/2022/6143/1 issued under SEBI (Informal Guidance) Scheme, 2003 in the matter of HDFC Securities Limited. Therein it is mentioned that interpretation of Rule 8(3) (f) of SCRR is that the Stock Brokers are not deemed to be engaged in business other than securities market as far as they do not incur any personal financial liability. A copy of SEBI's interpretive letter dated 14.02.2022 bearing reference no. SEBI/HO/MIRSD/DoP/P/OW/2022/ 6143/1*…"

In this regard, the Noticee has placed reliance on order dated 29.11.2023 of the Hon'ble SAT in the matter of Magnum Equity Broking

Ltd vs. National Stock Exchange ("Magnum Case") and on the SEBI Adjudication Order dated October 31, 2017 in the matter of Geojit BNP Paribas Financial Services Ltd. ("Geojit Case") while contending that in the present case Noticee had not used clients' fund but had made investments from its profit.

10.3.6. In this regard, I note that each matter may be peculiar and /or unique in its facts and circumstances based on which the violations are ascertained. Though certain portion of the orders have been cited however the Noticee has neither demonstrated as to how these orders were applicable in the instant matter nor has it demonstrated as to what are the relied upon findings in the respective orders which had a bearing on the alleged violations against the Noticee. Accordingly, the submission of Noticee are observed to be generic in nature and hence not tenable.

10.3.7. Further in this regard, reliance is placed on Order dated November 17, 2020 of the Hon'ble Securities Appellate Tribunal in the matter of M/s. Jitendra Pukhraj Jain vs NSE, wherein, it was inter alia held that:

> *"...we note that Rule 8(3)(f) of the Securities Contracts (Regulation) Rules, 1957 imposes restrictions on the members of Exchange from conducting any business other than in securities. Hence the finding in the impugned order that by giving loans to other entities, including employees/family members of the appellant, the appellant has violated the said Rule 8(3) (f) of the Securities Contracts (Regulation) Rules, 1957. We also note that the intention behind the said provision is to prevent negative impact on the balance sheet of a broker and to maintain the safety and integrity of the securities trading eco system."*

10.3.8. I further note that the Noticee had extended loan and advances to multiple entities but has not demonstrated with relevant details and documents that how extension of these loans and advances were incidental to or consequential upon the securities business of the Noticee. In view thereof, the Noticee's submission are devoid of any merit and hence not acceptable.

10.3.9. In view thereof, I find that the allegation that the member had given Loan & Advances to parties to the tune of Rs.5.53 Crores as on March 31, 2022 and hence, indulged in business other than that of securities business, stands established. Accordingly, I hold that the Noticee had violated Rule 8(3)(f) of SCR Rules.

Issue No. II: If yes, whether the Noticee is liable for imposition of monetary penalty under Section 15HB of the SEBI Act, 1992, and Section 23H of SCR Act, 1956?

11. It has been established in the foregoing paragraphs that Noticee had violated various provisions of SCR Act, 1956, SEBI Stock Broker Regulations, 1992, and SEBI and NCDEX circulars as brought out and dealt with in the foregoing.

12. In this regard, the Noticee has cited the judgments of Hon'ble Securities Appellant Tribunal ("Hon'ble SAT") in the matter of Religare Securities Limited Vs. SEBI (Appeal No. 23 of 2011), Hon'ble SAT in the matter of UPSE Securities Limited Vs. SEBI (Appeal No. 109 of 2011), Hon'ble SAT in the matter of M/s DSE Financial Services Limited Vs. SEBI (Appeal No. 153 of 2012) and judgment of Hon'ble Bombay High court, in the matter of Akbar Badrudin Badrudin Jiwani V. Collector of Customs, Bombay AIR 1990 SC 1579.

    In this regard, in my opinion each case is peculiar in its facts and circumstances based on which the violations are ascertained. Whether adjudication proceedings are to be initiated in a case would depend on the facts and circumstances of each case. I also note that, initiation of Adjudication proceedings under the appropriate provisions of SEBI Act and SCR Act, 1956 is a prerogative of SEBI depending upon the outcome of such exercise viz., Inspection and findings thereof. It would also be relevant to state that the subject matter of instant proceedings are as per the Communique of appointment of AO, duly approved by the Competent Authority.

I also note from the text of judgement of Hon'ble SAT in the matter of Religare Securities Limited v. SEBI dated 16.06.2011 as relied upon by the Noticee itself that Hon'ble SAT had inter alia held that "… *This will, of course, depend on the nature of the irregularity noticed and we hasten to add a caveat that it is not being suggested that if any serious lapse is found during the course of the inspection, the Board should not proceed against the delinquent*…".

Further in this regard, I also note that the alleged violations in respect of the Noticee are of extant applicable provisions of law as are otherwise applicable to the entire category of intermediary viz., Stock broker in the instant case, and not just about minor procedural aspects specific to the Noticee. Accordingly, these contentions of the Noticee in this regard cannot be accepted.

13. In this regard, it is also 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 dealt with and brought out in the foregoing paragraphs, I find that the Noticee is liable for monetary penalty under Section 23H of SCR Act, 1956, and Section 15HB of SEBI Act, 1992 which read as under:

> "…
> **SEBI Act, 1992**
> ***PENALTIES AND ADJUDICATION***
>
> ***15HB: Penalty for contravention where no separate penalty has been provided***
> *Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be [104][liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.]*
> *…"*
> *"….*
> **SCR Act, 1956**
>
> ***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 orbye-laws 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 shall not be less than one lakh rupees but which may extend to one crore rupees.] …"

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

15. While determining the quantum of penalty under Section 23H of SCR Act, 1956; and Section 15HB of SEBI Act, it is important to consider the factors as stipulated in Section 23J of the SCR Act, 1956 and Section 15J of SEBI Act, 1992 respectively, which reads as under: -

SCR Act, 1956

"………..

Factors to be taken into account while adjudging quantum of penalty.

23J. While adjudging the quantum of penalty under [138][section 12A or section 23-I], the [139][the Securities and Exchange Board of India 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 of an adjudicating officer to adjudge the quantum of penalty under sections 23A to 23C shall be and shall always be deemed to have exercised under the provisions of this section

…………..."

SEBI Act, 1992

"………..

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. As regards the repetitive nature of default, I note from SEBI website that penalty had been imposed against the Noticee under Section 15HA of SEBI Act, vide order dated June 14, 2021. I further note that Noticee being a SEBI registered Stock Broker had failed to comply with the extant applicable provisions of securities law, as brought out in the foregoing which SEBI is duty bound to enforce compliance of. Such failure and non-compliances accordingly needs 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 r/w Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and section 23-I of the SCR Act, 1956 r/w Rule 5 of the Securities Contracts (Regulations) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005, I hereby impose a penalty of Rs.4,00,000 (Rupees Four Lakhs Only), as per Table below, on the Noticee, for the aforementioned violations, as discussed in this order. In my view, the said penalty will be commensurate with the violations committed by the Noticee in this case:

Name of the Noticee	Penalty under Section	Penalty (in Rs.)
Motisons Commodities Private Limited	Section 23H of SCR Act, 1956	2,00,000/- (Rupees Two Lakhs only)
	Section 15HB of SEBI Act	2,00,000/- (Rupees Two Lakhs only)

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, 1992 and Section 23JB of the SCR Act, 1956 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 and Rule 6 of the SCR Rules, a copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

DATE: December 31, 2024	**AMAR NAVLANI**
PLACE: MUMBAI	**ADJUDICATING OFFICER**