

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER No.: Order/GR/BM/2022-23/20394]

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 (HEREINAFTER REFERRED TO AS 'SEBI ACT') READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995 (HEREINAFTER REFERRED TO AS 'ADJUDICATION RULES'), IN RESPECT OF:

Name of the Noticee	Registration Number	PAN
24 Carat Financial Services	INH000003358	AABFZ6175

In the matter of 24 Carat Financial Services

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') initiated adjudication proceedings under Sections 15EB, 15HA and 15HB of the SEBI Act, 1992 (hereinafter referred to as '**SEBI Act**') against 24 Carat Financial Services, (hereinafter referred to as '**Noticee / 24 Carat**') for violation of the provisions of Regulations 25(1)(iii), Reg. 7(2) read with Reg. 24(5) of SEBI (Research Analyst) Regulations, 2014 (hereinafter referred to as '**RA Regulations**'), Regulation 3(a), (b), (c) and (d), 4(1) and 4(2)(k), (s) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**') and Clauses 1 and 7

under Code of Conduct for Research Analysts read with Regulation 24(2) of RA Regulations.

2. The Noticee is a SEBI registered Research Analyst ("**RA**") under the RA Regulations, 2014 having SEBI Registration No. INH000003358, from August 16, 2016. The Noticee has its registered address at "24, *Kanchan Bagh, Indore, Madhya Pradesh, 452001*". The Noticee is also having a website with the address *24cfinancial@gmail.com*. The inspection was conducted on November 13-15, 2019 and the period covered under inspection was from April 01, 2018 to October 01, 2019 (**'Inspection Period / IP'**)

APPOINTMENT OF ADJUDICATING OFFICER

3. In this regard, the undersigned has been appointed as the Adjudicating Officer ("**AO**") by SEBI, vide order dated June 18, 2021, under Subsection 1 of Section 15-I of the SEBI Act read with Rule 3 of Adjudication Rules to inquire into and adjudge under Sections 15EB, 15HA and 15HB of the SEBI Act for the aforesaid alleged violations against the Noticee.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. Show Cause Notice No. EAD-2/AP-SKS/OW/6184/1/2021 dated March 15, 2021 (hereinafter referred to as "**SCN**") was issued to the Noticee under Rule 4 of the Adjudication Rules, to show cause as to why an

inquiry should not be held and penalty be not imposed under Sections 15EB, 15HA and 15HB of the SEBI Act for the aforesaid alleged violation.

5. The SCN was issued through email dated June 30, 2022 on mail ID 24cfinancial@gmail.com (belonging to the Noticee and registered with SEBI) and was duly delivered.
6. It was mentioned in the SCN that SEBI had conducted an inspection of the Noticee to verify the compliance of Rules, Regulations, Circulars and Guidelines issued by SEBI which are applicable to research analysts on November 13-15, 2019. The period covered under inspection was from April 01, 2018 to October 01, 2019. The observations made during the course of inspection were communicated to the Noticee *vide* SEBI letter No. WRO/IMD/NM/VJ/493/1/2020 dated March 06, 2020. The Noticee had submitted its comments/ explanations on the observations of the inspection *vide* its letter dated March 21, 2020.
7. The comments/ explanation provided by the Noticee was not found to be satisfactory with regard to the following irregularities:
 - a. The Noticee has not maintained the rationales of all the recommendations. Further, the rationales behind the recommendations maintained were incomplete and did not capture the supporting data mentioned in the rationale.

- b. None of the employees working with Noticee as RA had obtained NISM certification of Research Analyst.
 - c. The representatives of Noticee had not acted with honesty, diligence and professional standards while dealing with the clients as they were providing profit commitment to their clients.
8. In view of the above, since the Noticee failed to provide proper response to the irregularities observed during inspection, it was alleged to have violated Regulation 25(1)(iii), Reg. 7(2) read with Reg. 24(5) of RA Regulations, Reg. 3(a), (b), (c) and (d), 4(1) and 4(2)(k), (s) of PFUTP Regulations and Clauses 1 and 7 under Code of Conduct for Research Analysts read with regulation 24(2) of the RA Regulations.
9. The Noticee has submitted its reply to the SCN dated July 14, 2022. The summary of the reply is provided herein:
- a. Noticee requested to observe lenient view as there was no malice on its part and the Noticee accepted its mistake. Due to misunderstanding of interpretation certain non-compliance took place but immediate steps were also undertaken to rectify such mistakes.
 - b. The Noticee was maintaining the record of rationales for only those recommendations that were acted upon by the client. It mentioned that during the previous inspection by SEBI in 2017 no objection

was made for such practice and the records were maintained in electronic format.

- c. The recommendations regarding Reliance, Raymond and Edelweiss were never acted upon by any of the client of Noticee and hence no rationale for such recommendation was maintained.
 - d. Employees of Noticee who were found during inspection not having NISM certification as Research Analyst, were neither Research Analyst nor Partners in Noticee Firm and hence there was no requirement of certification. They were only employed for sales, marketing, IT & Backoffice purpose and had no role in preparation of research analyst reports.
 - e. The Noticee had robust mechanism whereby they undertake constant evaluation of the work of the employees who are dealing with the clients. Employees who were found to be transgressing the virtues of honesty, diligence, credibility and professional standards were immediately taken off from active duty and were given few weeks' time to improve on working standards.
10. In the interest of natural justice and in order to conduct an inquiry in terms of Rule 4 (3) of the Adjudication Rules, the Noticee was granted an opportunity of personal hearing on August 29, 2022, through video conferencing on the Webex platform, vide e-mail dated August 19, 2022, which was duly delivered. The Noticee requested adjournment for

hearing, accepting the said request the Noticee was given another hearing date i.e., September 02, 2022. The hearing was conducted through video conferencing on the Webex platform. The Noticee appeared through its Authorized Representative and reiterated the written submission.

11. Considering the above, I am of the view that the principles of natural justice have been adhered to, as the SCN and the Hearing Notice were duly served upon the Noticee and sufficient opportunity was granted to it to reply to the SCN and appear for the personal hearing.

CONSIDERATION OF ISSUES

12. I have carefully perused the charges levelled against the Noticee and the documents / material available on record. The issues that arise for consideration in the present case are:

I. Whether Noticee is in violation of Regulation 25(1)(iii), Reg. 7(2) read with Reg. 24(5) of RA Regulations, Reg. 3(a), (b), (c) and (d), 4(1) and 4(2)(k), (s) of PFUTP Regulations and Clauses 1 and 7 under Code of Conduct for Research Analysts read with Regulation 24(2) of the RA Regulations?

II. If yes, does the violation, on the part of the Noticee would attract monetary penalty under Sections 15EB, 15HA and 15HB of the SEBI Act?

III. If so, 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?

13. Before I proceed further with the matter, it is pertinent to mention the relevant provisions of the RA Regulations and PFUTP Regulations, alleged to have been violated by the Noticee. The same are reproduced below:

RA Regulations

“Maintenance of records.

25. (1) *Research analyst or research entity shall maintain the following records:*

- (i) ...
- (ii)...
- (iii) *rationale for arriving at research recommendation;*
- (iv)...”

“Qualification and certification requirement.

7. (1) ...

(2) *An individual registered as research analyst under these regulations, individuals employed as research analyst and partners of a research analyst, if any, shall have, at all times, a NISM certification for research analysts as specified by the Board or other certification recognized by the Board from time to time.”*

“General responsibility.

24. (1) ...

(5) *It shall be the responsibility of the research analyst or research entity to ensure that its employees or partners, as may be applicable, comply with the certification and qualification requirements under regulation 7 at all times.”*

PFUTP Regulations

“3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

- (a) buy, sell or otherwise deal in securities in a fraudulent manner;*
- (b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*
- (c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;*
- (d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.”*

“4. Prohibition of manipulative, fraudulent and unfair trade practices

- (1) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets.*

Explanation.—For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.

- (2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves any of the following:*

(a) ...

(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading and which is designed or likely to influence the decision of investors dealing in securities; (w.e.f. February 01, 2019)

and

(k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors; (prior to February 01, 2019)

(s) mis-selling of securities or services relating to securities market;

Explanation-For the purpose of this clause, “mis-selling” means sale of securities or services relating to securities market by any person, directly or indirectly, by –

(i) knowingly making a false or misleading statement, or

(ii) knowingly concealing or omitting material facts, or

(iii) knowingly concealing the associated risk, or

(iv) not taking reasonable care to ensure suitability of the securities or service to the buyer;”

RA Regulations

General responsibility.

24(1) ...

(2) Research analyst or research entity shall abide by Code of Conduct as specified in Third Schedule.

THIRD SCHEDULE

1. Honesty and Good Faith

Research analyst or research entity shall act honestly and in good faith.

7. Compliance

Research analyst or research entity shall comply with all regulatory requirements applicable to the conduct of its business activities.

I. Whether Noticee is in violation of Regulation 25(1)(iii), Reg. 7(2) read with Reg. 24(5) of RA Regulations, Reg. 3(a), (b), (c) and (d), 4(1) and 4(2)(k), (s) of PFUTP Regulations and Clauses 1 and 7 under Code of Conduct for Research Analysts read with Regulation 24(2) of the RA Regulations?

For violation of Regulation 25(1)(iii) of RA Regulation-

14. During Inspection it was observed that 24 Carat was not maintaining the rationales of all the recommendations as per the provisions of RA Regulations. It was also observed that the rationales behind the recommendations made were incomplete and did not capture the supporting data mentioned in the rationale. The alleged violation for non-maintenance of rationale is with regard to the following recommendations-
 - a. 'Sell' recommendation in Reliance under its 'Stock Cash HNI' product on October 23, 2018, and 'Sell' recommendation in Raymond and 'Buy' recommendation in Edelweiss under its 'Stock Cash Privilege' product on July 03, 2018.
 - b. 'Buy' recommendation in 'CEATLTD' on April 15, 2019.
15. The Noticee in its reply has submitted that 24 Carat maintains rationale only for Executed Calls. Executed Calls has been defined by the Noticee as the call in which the customer is in a position of taking any action. If the recommended stock fails to reach the position where the customer would have executed the Call and Purchase or Sell the Stock, the Noticee considers it as an Unexecuted Call, for which rationales are not maintained.
16. Further, it was submitted that since the recommendations regarding Reliance, Raymond and Edelweiss were never acted upon by any of the

clients of 24 Carat, therefore no rationale for these recommendations was maintained as per the procedure followed by the Noticee. The Noticee was also following the similar procedure during previous inspection process by SEBI in 2017, however no adverse remark was made at that time.

17. With regards to the charges and submission made by the Noticee above, I note that the RA Regulations explicitly stipulates under Regulation 25 that a Research Analyst shall maintain the record of 'rationale for arriving at research recommendation'. No distinction is made in the RA Regulation between recommendations which were acted upon or not acted upon, irrespective of which, rationales need to be maintained for all the recommendations. The Noticee cannot seek relief on the ground that in previous inspection the aforesaid violation went unnoticed, as the provision is clearly worded and needs to be adhered to. Hence, the practice of Noticee for maintaining record of selective recommendations establishes that it has violated regulation 25(1)(iii) of RA Regulations, 2014.

For violation of Reg. 7(2) read with Reg. 24(5) of RA Regulations-

18. With regards to the aforesaid alleged violation, inspection report mentions that the Noticee provided a list of 15 employees employed by it during the IP as Research Analyst out of which only 1 had NISM certification, that is required to operate as Research Analyst. Further,

out of the aforesaid 15 employees, only 2 employees, namely Dharmendra Singh Saloniya and Akash Sharma were found to be in active employment during the inspection undertaken by SEBI and were working in the Research Department of Noticee without the necessary certification.

19. In this regard the Noticee has submitted that none of the aforesaid 15 employees were research analysts or partners of 24 Carat. They were only office team deployed for sales, marketing, IT & Back office purpose and had no role in preparation of research analyst reports. Hence, as per the regulation they were not required to acquire NISM certification. The partners of 24 Carat i.e. Mr. Sanjay Vaidya and Ms. Swati Vaidya were primarily engaged in the research recommendation and journal preparation, and they both are NISM certified Research Analyst.
20. In view of the above, I note that 2 of the active employees of Noticee were posted in their Research Department. Those two employees were not found to have acquired the NISM certification required for carrying out the research activities. The fact that those two were employees of the Noticee and were without the certification is not disputed by the Noticee. However, in order to determine whether they were required to acquire certification the definition of 'Research Analyst' provided under RA Regulation is perused. The said provision is reproduced herein:

Regulation 2(u) of RA Regulations define '*Research Analyst*' as:

(u) “research analyst” means a person who is primarily responsible for,

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i. preparation or publication of the content of the research report; or

ii. providing research report; or

iii. making 'buy/sell/hold' recommendation; or

iv. giving price target; or

v. offering an opinion concerning public offer,

with respect to securities that are listed or to be listed in a stock exchange, whether or not any such person has the job title of 'research analyst' and includes any other entities engaged in issuance of research report or research analysis.

Explanation. -The term also includes any associated person who reports directly or indirectly to such a research analyst in connection with activities provided above (emphasis supplied);

21. From the above definition, I note that, any person who directly or indirectly reports to a research analyst in connection with the activities mentioned in the defining provision [Reg. 2(u)] shall be considered a 'Research Analyst' for the purpose of RA Regulations. Hence, I am of the view that merely because the aforesaid two employees were working in the research department does not qualify them as research analysts unless they are shown to be assisting the research analysts of the Noticee. Nothing has been brought on record to show that they were engaged in any of the activity related to research analysis or they were reporting directly or indirectly to the partners of the Noticee in connection

with any research related activity. There alleged appointment as research analyst is also not supported by any documentary evidence.

22. Further, as submitted by the Noticee, these employees were involved in other miscellaneous activities also needs consideration as it is understood that in every working space people divide their responsibilities and are employed in various departments, having diverse work profile. No such activity undertaken by said employees is brought forward to suggest that they were involved in such activities which require them to possess NISM certification for Research Analyst. Hence, the aforesaid provision needs to be interpreted liberally and employees who are neither directly nor indirectly involved in the research related activity in any form may not be compelled with the requirement of certification.
23. In view of the above, the violation of Reg. 7(2) read with Reg. 24(5) of RA Regulations against Noticee, is not established.

For violation of Reg. 3(a), (b), (c) and (d), 4(1) and 4(2)(k), (s) of PFUTP Regulations and Clauses 1 and 7 under Code of Conduct for Research Analysts read with Regulation 24(2) of the RA Regulations –

24. As observed from the inspection report, call records of all the employees of Noticee interacting with the clients of 24 Carat were sought. Call

recordings of November 12, 13 and 14, 2019 were provided by the Noticee. Following was observed, during inspection, from the recordings provided:

a) 12/11/2019 – Representative of Noticee, Mr. Jeetendra heard saying to a prospective client Mr. M.K. Verma- *“Aap daily basis pe roz ka 4 se 5000 kama sakte ho, 20,000 lagane par.”* Further he said, *“Main aapko mahine ka 30 se 40,000 kama ke de sakta hun sirf 10,000 ki investment par.”*

b) 12/11/2019 - Representative of Noticee, Mr. Mrityunja Tiwari heard saying to a prospective client Mr. Harsh Kumar- *“1 choti si investment se bhi, aap apni investment ka 6-8% return daily basis pe, safe and secure nikal sakte ho. Jo bhi paisa aap lagaoge market me, roz ka 6 se 8% ka profit nikal ke aa sakta hai.”*

c) 13/11/2019 – Representative of Noticee was heard asking for more payment from a client despite no interest of the client. The client is repeatedly asking to opt out of the service, but the representative is coercing the client to pay a total of Rs. 2.2 lakh for the service to earn Rs. 7-8 lakh from the market. The client is telling the representative that he was told to pay only 30% for the entire service.

d) 13/11/2019 – Representative of Noticee, Mr. Sachin, was heard asking a prospective client to open trading account with Angel Broking

as it is a government firm. He is also advising client to trade with five to forty times margin in a trade irrespective of the client's risk taking ability.

25. From the above, I note that the representatives of Noticee in Para 24 (a) and (b) were promising guaranteed returns to the prospective clients on investment of certain amount. Also, these guaranteed returns were promised quoting profit percentage or certain amount either monthly or on daily basis. In Para 24 (c), I therefore note that the client of the Noticee was not allowed an easy exit from the services of Noticee and was coerced to invest more amount with the Noticee. In Para 24 (d) the prospective client was asked to open trading account with certain broker and to invest above and over the trading capacity of the client, i.e. without any prior risk profiling.
26. The Noticee, at the outset has submitted that it has a robust monitoring process at 24 Carat. The work of the employees, who are dealing with clients, is constantly evaluated by the Human Resources Department (HRD) and supervisors. In case of any irregularity or breach of professional standards, swift action is taken. The defaulted employee is immediately taken off from active duty and given time to improve. On subsequent default the employment is terminated. Further, it was mentioned that no financial gain was made by 24 Carat from these calls and the calls were only informative in nature as the prospective investors were only explained how an investment based on proper and informed advice can help in elevating the returns.

27. From the above, I note that the conversation between representatives of Noticee and the investors is not being disputed by the Noticee and only the interpretation brought out in the inspection report is questioned. From the transcript of the conversations in question, it is clear that they were in fact manipulative as the representatives were promising guaranteed returns which is patently against the principles of securities markets.
28. Further, it is understood from the inspection report that these were only recordings from 3 days (November 12, 13 and 14, 2019). As submitted by the Noticee, had the HRD was proactive in its duties, as claimed in the submission, these instances would not have occurred. These acts are not in line with the responsibilities of a Research Analyst as envisaged under RA regulations. From these calls, it is therefore evident that the acts of the representatives of 24 Carat i.e., luring the investors by making assured profit commitment, presenting misleading information to clients to influence their decision to invest and making false commitment of profits to their clients are clearly in violation of Reg. 3(a), (b), (c) and (d), 4(1) and 4(2)(k), (s) of PFUTP Regulations and Clauses 1 and 7 under Code of Conduct for Research Analysts read with Regulation 24(2) of the RA Regulations.

II. If yes, does the violation, on the part of the Noticee would attract monetary penalty under Sections 15EB, 15HA and 15HB of the SEBI Act?

29. As it has been established that the Noticee has violated the provisions of Regulation 25(1)(iii), Reg. 3(a), (b), (c) and (d), 4(1) and 4(2)(k), (s) of PFUTP Regulations and Clauses 1 and 7 under Code of Conduct for Research Analysts read with Regulation 24(2) of the RA Regulations, I am of the view that the Noticee is liable for imposition of monetary penalty only under Sections 15EB and 15HA of the SEBI Act, which are reproduced hereunder:

SEBI Act, 1992:

Penalty for default in case of investment adviser and research analyst.

“15EB. Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.”

Penalty for fraudulent and unfair trade practices.

“15HA. If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to

twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.”

III. If so, 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?

30. While determining the quantum of penalty under Sections 15EB and 15HA of the SEBI Act, 1992, it is important to consider the factors stipulated in Section 15J of the SEBI Act, 1992 which reads as under:

SEBI Act, 1992

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.*

31. I observe, that the material available on record does not quantify any disproportionate gains or unfair advantage, if any, made by the Noticee and the losses, if any, suffered by the investors due to such violations on the part of the said Noticee. From the document available on record,

it is not assessable whether the acts of the Noticee are repetitive in nature. However, it is pertinent to note that the role of research analyst is crucial as he is primarily responsible for preparation/ publication of research report or making buy/sell hold recommendations or giving price target or offering an opinion concerning public offer, with respect to securities that are listed or to be listed on the stock exchange. I find it pertinent to mention here that registration is with the objective of protecting the interests of the investors, as it casts accountability and responsibility upon the registered Research Analyst to comply with all regulatory requirements applicable to the conduct of its business activity, so as to promote the best interests of clients and the integrity of the market. The misconduct of the Noticee as brought out in the preceding paragraphs clearly shows that he has failed in his fiduciary duties owed to his clients.

ORDER

32. Accordingly, taking into account the aforesaid observations and in exercise of power conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, 1995, I hereby impose following penalty under Sections 15EB and 15HA of the SEBI Act, 1992 on Noticee for violation of the provisions of Regulation 25(1)(iii), Reg. 3(a), (b), (c) and (d), 4(1) and 4(2)(k), (s) of PFUTP Regulations and Clauses 1 and 7 under Code of Conduct for Research Analysts read with Regulation 24(2) of the RA Regulations.

Name of Noticee	Penal provisions	Penalty
24 Carat Financial Services (PAN: AABFZ6175)	Section 15EB of the SEBI Act, 1992	Rs. 1,00,000/- (Rupees One Lakh only)
	Section 15HA of the SEBI Act, 1992	Rs. 5,00,000/- (Rupees Five Lakhs only)

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 favour of “SEBI - Penalties Remittable to Government of India”, payable at Mumbai, OR through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT →Orders →Orders of AO →PAY NOW

29. The said demand draft or forwarding details and confirmations of e-payments made (in the format as given in table below) should be forwarded to “The Division Chief, Enforcement Department (EFD1 – DRA IV), Securities and Exchange Board of India, SEBI Bhavan, Plot No. C –4 A, “G” Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

1. Case Name:	
2. Name of the Noticee:	
3. PAN No. of the Noticee	
3. Date of payment:	
4. Amount paid:	
5. Transaction no.:	
6. Bank details in which payment is made:	

7. Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount etc.)	
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30. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under Section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

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

Date: October 18, 2022

G RAMAR

Place: Mumbai

ADJUDICATING OFFICER