

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/BM/GN/2024-25/30707]

**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;**

In respect of

Noticee No.	Name of the Noticee	PAN
1	Anand Rathi Share and Stock Broker Limited	AAACN3405F

In the matter of

Anand Rathi Share and Stock Broker Limited

Background

- 1) Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted a thematic inspection of Anand Rathi Share and Stock Broker Limited (hereinafter referred to as **Noticee**) for the theme 'Control over Authorized Persons', on December 27, 2023, for the period from April 01, 2022 to December 27, 2023 (hereinafter referred to as **Inspection Period**).
- 2) The Noticee is a SEBI registered stock broker of BSE, NSE, MCX and NCDEX with SEBI Registration No. INZ000170832.
- 3) Based on the findings of inspection and reply dated March 22, 2024 received from the Noticee, certain alleged non-compliances were observed of SEBI (Stock Brokers) Regulations, 1992 (hereinafter referred to as **Stock Brokers regulation**) and circulars issued by SEBI and NSE.

APPOINTMENT OF ADJUDICATING OFFICER

- 4) SEBI, vide communiqué dated May 13, 2024, appointed the undersigned as the Adjudicating Officer to inquire into and adjudge under the provisions of Section 15HB of Adjudication Order in the matter of Anand Rathi Share and Stock Broker Limited Page 1 of 15

the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **SEBI Act**), for the following violations alleged to have been committed by the Noticee-

Table 1

Sr. No.	Alleged Violations (summarized)	Regulatory provisions
1	The trading terminal were not found at the location reported by the Noticee to exchange.	NSE Exchange circular no. NSE/MEMB/7400 dated April 20, 2006 and Clause d) of "Trading Member" of Chapter 2(D) and Clause a) of "Trading terminals" of Chapter 2(D) of NSE Exchange circular no. NSE/MA/22732 dated February 13, 2013 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992.
2	Noticee has not conducted proper inspection of Authorized Persons	<ol style="list-style-type: none"> 1. Clause 7 (e) of Annexure 1 of SEBI Circular no. MIRSD/DR-1/Cir-16/09 dated November 06, 2009 read with SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/71 dated May 17, 2023 2. Clause 2 and 6 of Annexure A of NSE Exchange circular no. NSE/INSP/42448 dated October 18, 2019 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992

SHOW CAUSE NOTICE, REPLY AND HEARING

- 5) Show Cause Notice (hereinafter being referred to as the "**SCN**") dated June 14, 2024 was issued to Noticee in terms Rule 4(1) of Adjudication Rules to show cause as to why an inquiry should not be initiated against Noticee and why penalty, if any, should not be imposed upon Noticee under Section 15HB of SEBI Act for the aforesaid alleged violations.

6) Following are allegations made against the Noticee in the SCN-

I. The trading terminal were not found at the location reported by the Noticee to exchange

- a) During inspection of Noticee's AP - RATHI SHARAD SHANKARLAL it was observed that terminal allotted to the said AP was not found at inspection location (Nashik) and the said terminal is operated by the AP himself from UK. For AP Suyog Securities Pvt Ltd. it was observed that there were two terminals allotted to the said AP which were not found at inspection location (i.e. 101, Apollo Avenue, 30-B, old Palasia, Indore) and according to the AP the aforesaid terminal was at Bhopal Branch. Further, as per Exchange record, another one terminal of AP was found at non-reported location.
- b) In view of the above instances, it is alleged that the Noticee allegedly violated NSE Exchange circular no. NSE/MEMB/7400 dated April 20, 2006 and Clause d) of "Trading Member" of Chapter 2(D) and Clause a) of "Trading terminals" of Chapter 2(D) of NSE Exchange circular no. NSE/MA/22732 dated February 13, 2013 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992.

II. Noticee has not conducted proper inspection of Authorized Persons

- a) Noticee has undertaken inspection of the AP Rathi Sharad Shankarlal and AP Suyog Securities Pvt Ltd. and did not found any violation in its Inspection Report of the said AP. However, SEBI during inspection of the said APs observed violations as mentioned at para 6(a) above and also observed that aforesaid APs did not maintain adequate systems for recording of order placement.
- b) In view of the above instances, it is alleged that the Noticee has not conducted proper inspection of its APs and thereby allegedly violated Clause 7 (e) of Annexure 1 of SEBI Circular no. MIRSD/DR-1/Cir-16/09 dated November 06, 2009 read with SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/71 dated May 17, 2023, Clause 2 and 6 of Annexure A of NSE Exchange circular no. NSE/INSP/42448 dated October 18, 2019 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992

7) The SCN was sent to Noticee through Speed Post AD and via digitally signed Email on June 14, 2024 and was duly served upon Noticee. Vide email dated July 05, 2024, Noticee submitted its reply. The Noticee's reply is summarised below:

A. For the trading terminal were not found at the location reported by the Noticee to exchange

a) AP – Rathi Sharad Shankarlal - Noticee submitted that the AP has executed trades for client codes NR001, NR007, NR010 and NS379. The details are as below:-

Sr. No.	Client Code	Client Name	Relation
1	NR001	Sharad Rathi	Self
2	NR007	Nilima Rathi	Wife
3	NR010	Sharad Rathi HUF	Self
4	NS379	Shamal Rathi	Daughter in law

b) Noticee submitted that the trades executed by the AP were for his family. Mr. Sharad Rathi went out of India and verbally communicated to its concerned team member that he will be travelling to UK.

c) For AP Suyog Securities Pvt Ltd. Noticee submitted that it has taken necessary corrective action by updating the location as per the CTCL id.

B. Noticee has not conducted proper inspection of AP

a) For AP Rathi Sharad Shankarlal Noticee submitted that trades done by him for his own family and there was no misuse of clients funds and securities.

b) For AP Suyog Securities Noticee submitted that conclusions should not solely rely on call recordings even SMS, e-mail, contract notes and deal sheets should also be considered.

c) Noticee further submitted that SEBI inspection team has closed this matter in an order dated April 5th 2024.

8) In the interest of natural justice, an opportunity of personal hearing was granted to Noticee on August 07, 2024 vide hearing notice dated July 30, 2024. The said hearing notice was

sent to Noticee through SPAD and digitally signed email dated July 31, 2024 and was duly served upon Noticee. The Authorised Representative (ARs), appointed vide Noticee's letter dated August 05, 2024, appeared for the hearing scheduled on August 07, 2024 through zoom platform and made submissions on the lines of written reply submitted by Noticee.

CONSIDERATION FOR ISSUES, EVIDENCE AND FINDINGS

9) I have taken into consideration the facts and circumstances of the case and the material available on record. The issues that arise for consideration in the present case are:

ISSUE I: Whether Noticee has violated the following provisions of securities law-

(a) NSE Exchange circular no. NSE/MEMB/7400 dated April 20, 2006 and Clause d) of "Trading Member" of Chapter 2(D) and Clause a) of "Trading terminals" of Chapter 2(D) of NSE Exchange circular no. NSE/MA/22732 dated February 13, 2013 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992.

(b) Clause 7 (e) of Annexure 1 of SEBI Circular no. MIRSD/DR-1/Cir-16/09 dated November 06, 2009 read with SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/71 dated May 17, 2023, Clause 2 and 6 of Annexure A of NSE Exchange circular no. NSE/INSP/42448 dated October 18, 2019 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992

ISSUE II- Does the violation, if any, attract monetary penalty under Section 15HB of the SEBI Act, 1992 for Noticee?

ISSUE III- If so, how much penalty should be imposed taking into consideration the factors mentioned in Section 15J of the SEBI Act?

10) Before proceeding further, it will be appropriate to refer to the relevant provisions.

NSE Exchange circular no. NSE/MEMB/7400 dated April 20, 2006

<https://nsearchives.nseindia.com/content/circulars/memb7400.htm>

NSE Exchange circular no. NSE/MA/22732 dated February 13, 2013

<https://nsearchives.nseindia.com/content/circulars/MA22732.pdf>

Securities and Exchange Board of India (Stock Brokers) Regulations, 1992

Conditions of registration.

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

(b) he shall abide by the rules, regulations and bye-laws of the stock exchange which are applicable to him;

Schedule II – Code of Conduct for Stock Brokers

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.

SEBI Circular no. MIRSD/DR-1/Cir-16/09 dated November 06, 2009

Clause 7 (e) of Annexure 1 - Obligations of Stock Broker

Stock broker shall conduct periodic inspection of branches assigned to authorised persons and records of the operations carried out by them.

SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/71 dated May 17, 2023

https://www.sebi.gov.in/legal/master-circulars/may-2023/master-circular-for-stock-brokers_71265.html

NSE Exchange circular no. NSE/INSP/42448 dated October 18, 2019

<https://nsearchives.nseindia.com/content/circulars/INSP42448.pdf>

FINDINGS

- 11) Before proceeding with the matter on merits, the undersigned would first deal with the preliminary submission of the Noticee that SEBI inspection team has closed this matter in an order dated April 05th, 2024. In this regard, it is noted from the material available that vide letter April 05, 2024 SEBI issued administrative warning to Noticee for not maintaining appropriate evidence in respect of the order placed by their clients and Mismatch in UCC details in exchange UCC database & Noticee's Back office.
- 12) However, the present adjudication proceedings is initiated against the Noticee for a violations as mentioned above at table 1. Therefore, the contention of the Noticee that the present matter is closed vide order dated April 05, 2024 lacks merit.
- 13) The undersigned would now proceed to deal with the merits of the case in respect of the alleged contraventions by the Noticee.

ISSUE I: Whether Noticee has violated the following provisions of securities law-

(a) NSE Exchange circular no. NSE/MEMB/7400 dated April 20, 2006 and Clause d) of "Trading Member" of Chapter 2(D) and Clause a) of "Trading terminals" of Chapter 2(D) of NSE Exchange circular no. NSE/MA/22732 dated February 13, 2013 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992.

- 14) During inspection it was observed that trading terminals of AP – Rathi Sharad Shankarlal and AP Suyog Securities Pvt Ltd. was not available at the location reported by the Noticee to exchange. For AP Rathi Sharad Shankarlal trades were executed from the UK. Therefore it was alleged that the Noticee violated NSE Exchange circular no. NSE/MEMB/7400 dated April 20, 2006 and Clause d) of "Trading Member" of Chapter 2(D) and Clause a) of "Trading terminals" of Chapter 2(D) of NSE Exchange circular no. NSE/MA/22732 dated February 13, 2013 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992.

15) In reply to the SCN Noticee admitted that the AP Sharad Rathi executed trades for his family members from the UK and for AP Suyog Securities Pvt Ltd. no submission on merits has been made by the Noticee.

16) It is noted that as per NSE Exchange circular no. NSE/MEMB/7400 dated April 20, 2006 and Clause d) of "Trading Member" of Chapter 2(D) and Clause a) of "Trading terminals" of Chapter 2(D) of NSE Exchange circular no. NSE/MA/22732 dated February 13, 2013 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992 the location of the trading terminal is required to be only in the main/branch offices or in the office of the approved AP and if terminal is found located at a place other than what is declared to the Exchange, penalty shall be levied and the trading member shall continue to be responsible for all obligations arising out of their terminals. The stock broker shall abide by the provisions of the stock exchange.

17) It is noted that Rathi Sharad Shankarlal and Suyog Securities Pvt Ltd are the Authorized Persons (APs) of the Noticee. From the material available, following is observed:

a) **AP - RATHI SHARAD SHANKARLAL** – It is noted that there was one terminal (2 Unique CTCL Ids) allotted to the aforesaid AP. However, the terminal was not found at inspection location (i.e. Nashik). As per the person in charge at the AP location (Mr. Sunit Dhage) the terminal is operated by the AP himself i.e. Mr. Sharad Kumar from UK. It is noted that there were trades placed through this terminals for below mentioned client codes:-

Sr. No.	Client Code	Client Name	Relation
1	NR001	Sharad Rathi	Self
2	NR007	Nilima Rathi	Wife
3	NR010	Sharad Rathi HUF	Self
4	NS379	Shamal Rathi	Daughter in law

b) Noticee admitted that the AP Mr. Sharad Kumar executed the aforesaid trades from a different location and verbally confirmed to its team members Noticee that he will be travelling to the UK. As per the NSE Exchange circular no. NSE/MA/22732 dated February 13, 2013 AP can trade only from the terminal which is located in the office of

the approved AP and not otherwise. However, the trades executed by the AP Rathi Sharad Shankarlal was from a different location and was not reported to the exchange.

- c) **AP - SUYOG SECURITIES PVT. LTD** – It is noted that there were two terminals (4 Unique CTCL Ids) allotted to the said AP, however these terminals were not found at inspection location (101, Apollo Avenue,30-B, old Palasia, Indore) and according to the AP this terminal was at Bhopal Branch. Further, as per Exchange record, another one terminal of AP was reported at location – ‘1106, Raja Ram Mohan Roy Complex, Indore’, however, during visit this terminal was found to be located at location - ‘101, Apollo Avenue, 30-B, Old Palasia, Indore’. Thus, AP was using the three terminals from a different location not reported to the exchange as required under NSE Exchange circular no. NSE/MA/22732 dated February 13, 2013.
- d) In this regard, the Noticee submitted that it has taken corrective actions by updating the location as per the CTCL id. Therefore the Noticee has accepted that during inspection terminals of its AP Suyog Securities Pvt Ltd were not available at the location reported to the exchange. Further, it is noted that the corrective actions was taken by the Noticee after the inspection.

18) In view of the above instances and the admission of the Noticee, it is observed that the trading terminals were not available at the location reported by the Noticee to exchange and thereby Noticee violated NSE Exchange circular no. NSE/MEMB/7400 dated April 20, 2006 and Clause d) of “Trading Member” of Chapter 2(D) and Clause a) of “Trading terminals” of Chapter 2(D) of NSE Exchange circular no. NSE/MA/22732 dated February 13, 2013 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992.

(b) Clause 7 (e) of Annexure 1 of SEBI Circular no. MIRSD/DR-1/Cir-16/09 dated November 06, 2009 read with SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/71 dated May 17, 2023, Clause 2 and 6 of Annexure A of NSE Exchange circular no. NSE/INSP/42448 dated October 18, 2019 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992

19) During SEBI inspection it was observed that Noticee has not conducted proper inspection of its APs and thereby violated Clause 7 (e) of Annexure 1 of SEBI Circular no. MIRSD/DR-1/Cir-16/09 dated November 06, 2009 read with SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/71 dated May 17, 2023, Clause 2 and 6 of Annexure A of NSE Exchange circular no. NSE/INSP/42448 dated October 18, 2019 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992.

20) As per Clause 7 (e) of Annexure 1 of SEBI Circular no. MIRSD/DR-1/Cir-16/09 dated November 06, 2009 read with SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/71 dated May 17, 2023, Clause 2 and 6 of Annexure A of NSE Exchange circular no. NSE/INSP/42448 dated October 18, 2019 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992 the stock broker shall conduct periodic inspection of branches assigned to authorised persons and records of the operations carried out by them. The Members undertaking the inspection of AP offices shall examine that there it has adequate system including voice recording and all terminals observed at the inspection location is as per the information reported to the Exchange.

21) On examination of inspection reports of the following APs as prepared by the Noticee, the following is noted-

- a) **AP - RATHI SHARAD SHANKARLAL:** - It is noted that the Noticee has undertaken inspection of the said AP on 30th January 2023. With respect to trading terminals verification, the undersigned observes that the Noticee has not found any violation in its Inspection Report of the said AP. However, as noted at para 17(a) above, the terminal of the aforesaid AP was not found at the location reported to the exchange.

- b) With respect to maintenance of adequate systems for recording of order placement by clients, it is noted that Noticee has not found any violation in its Inspection Report by the said AP. However, during SEBI inspection it was observed that at 1 instance (Client code NK125 date December 26, 2023), aforesaid AP has not maintained voice recording in respect of the order placed by their client.
- c) **AP - SUYOG SECURITIES PVT LTD:** - It is noted that the Noticee has undertaken inspection of the said AP on 19th December 2023. With respect to trading terminals verification, Noticee has not found any violation in its Inspection Report of the said AP. However, as observed at para 17(c) above, three terminals of the aforesaid AP was not found at the location reported to the exchange.
- d) With respect to maintenance of voice recording of order placement by clients, it is noted that the Noticee has not found any violation in its Inspection Report of the said AP. However, during SEBI inspection it was observed that AP has not maintained voice recording (pre-trade confirmation) at 42 instances of the following client codes.

Date	Client Code
26-Dec-23	INJ329
26-Dec-23	INSG607
26-Dec-23	INBH299
26-Dec-23	INBH299
26-Dec-23	INBH47
26-Dec-23	INBH47
26-Dec-23	INBH47
26-Dec-23	INBHS101
26-Dec-23	INM1106
26-Dec-23	INM1106
26-Dec-23	INM1115
26-Dec-23	INM1115
26-Dec-23	INN1190
26-Dec-23	INS1355
26-Dec-23	INS1970
26-Dec-23	INS1970
21-Dec-23	INK1189
21-Dec-23	INV627
21-Dec-23	INK1096

21-Dec-23	INK1096
21-Dec-23	INM1107
21-Dec-23	INJ335
21-Dec-23	INJ335
21-Dec-23	INP641
21-Dec-23	INP641
21-Dec-23	INR1114
21-Dec-23	INV633
21-Dec-23	INP641
21-Dec-23	INR1114
21-Dec-23	INY148
21-Dec-23	INY148
21-Dec-23	INP781
21-Dec-23	INP781
21-Dec-23	INN1110
21-Dec-23	INN1110
22-Dec-23	INQF33
22-Dec-23	INBH53
22-Dec-23	INBHS101
22-Dec-23	INBHS101
22-Dec-23	INN1190
22-Dec-23	INK1180
20-Dec-23	INQF33

22) Noticee submitted that conclusions should not be based solely on call recordings. However, it is observed that as per clause 2 of Annexure A of NSE Exchange circular no. NSE/INSP/42448 dated October 18, 2019 AP offices should have adequate systems for voice recording. Further, it is observed that for the above 42 clients, Noticee has not provided the pre order confirmation in any form. Therefore, the abovementioned contention of the Noticee is not tenable.

23) In view of the above instances, it is observed that the Noticee has not conducted proper inspection of its APs as it did not bring out in its inspection report that the terminals of the aforesaid APs were not found at location reported to the exchange and the aforesaid APs does not have adequate voice recording system for pre-trade confirmation in place.

24) Therefore, it is observed that Noticee has violated Clause 7 (e) of Annexure 1 of SEBI Circular no. MIRSD/DR-1/Cir-16/09 dated November 06, 2009 read with SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/71 dated May 17, 2023, Clause 2 and 6 of Annexure A of NSE Exchange circular no. NSE/INSP/42448 dated October 18, 2019 read with Regulation 9 (b) and Clause A (5) of Code of Conduct for Stock Brokers under Schedule II of SEBI (Stock Brokers) Regulations, 1992.

ISSUE II: Does the violation, if any, on part of the Noticees attract penalty under Section 15HB of SEBI Act?

25) In view of the violations as established, the undersigned would refer to Judgment of the Hon'ble Supreme Court of India in the matter of Chairman, SEBI Vs Shriram Mutual Fund {[2006]5 SCC 361}, in which Hon'ble Supreme Court has 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.....”

26) Thus, the undersigned is of the view that it is a fit case for penalty under section 15HB of the SEBI Act, which reads as given below:

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.*

ISSUE III: If so, how much penalty should be imposed on the Noticees taking into consideration the factors mentioned in Section 15J of the SEBI Act?

27) While determining the quantum of penalty under sections 15HB of the SEBI Act, it is important to consider the factors stipulated in section 15J of SEBI Act, which reads as under:-

15J - Factors to be taken into account by the adjudicating officer

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.”

28) In the present matter, it is noted that no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of the defaults by Noticee. Further, from the material available on record, it may not be possible to ascertain the exact monetary loss to the investors /clients on account of default by the Noticee. Further, as per the available records, it is observed that Noticee has been penalised earlier for failing to upload the CTCL ID of terminals with exchange, failed to report the correct active/ Inactive status of 3 terminals to Exchange and certain discrepancies in the status of CTCL IDs of Noticee at Exchange record and at Noticee record. Thus, violations are repetitive in nature. Also as a SEBI registered intermediary, Noticee was under statutory obligation to comply with the applicable circulars, rules and regulations. The very purpose of the said regulations is to deter wrong doing and promote ethical conduct in the securities market. Therefore, such non-compliance deserves and attracts suitable penalty.

ORDER

29) Having considered the facts and circumstances of the case, the material available on record, the submissions made by the Noticee, the factors mentioned in Section 15J of the SEBI Act, and also taking into account judgment of the Hon'ble Supreme Court in *SEBI vs. Bhavesh Pabari (2019) 5 SCC 90* and in exercise of power conferred upon the undersigned under section 15-I of the SEBI Act, 1992 read with rule 5 of the Adjudication Rules, 1995, the following penalty is imposed under section 15HB of the SEBI Act, 1992 on the Noticee:

Noticee No.	Name of entity	Penalty Provisions	Penalty (Rs.)
1	Anand Rathi Share and Stock Broker Limited (PAN-AAACN3405F)	Section 15HB of SEBI Act, 1992	₹ 7,00,000/- (Rupees Seven lakh only)

- 30) I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticee.
- 31) 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. In case of any difficulties in payment of penalties, Noticee may contact the support at portalhelp@sebi.gov.in.
- 32) 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.
- 33) In terms of the provisions of rule 6 of the SEBI Rules, a copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

Place: Mumbai

Date: August 23, 2024

**BARNALI MUKHERJEE
ADJUDICATING OFFICER**