WTM/GM/NRO/NRO/12473/2021-22

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Section 12 (3) of SEBI Act, 1992 read with Regulation 27 of SEBI (Intermediaries) Regulations, 2008 in the matter of Shri Parasram Holdings Private Limited.

NOTICEE	SEBI REGISTRATION NO.
Shri Parasram Holdings Private Limited	**INB010814037 (BSE), INB230814036 (NSE) AND INE260814037 (MSE)**

BACKGROUND

1. Shri Parasram Holdings Private Limited ('SPHL'/ 'Noticee'/ 'Broker') is a stock broker registered with the Securities and Exchange Board of India (SEBI) and is a member of the National Stock Exchange Ltd. (NSE), BSE Ltd. (BSE), Metropolitan Stock Exchange (MSE) and United Stock Exchange (USE). The registered office of the Noticee is *Gupta Chamber, B-7 Nimri Shopping Centre, Bharat Nagar, Delhi- 110052.*

2. SEBI conducted an inspection of books of accounts and other records of the Noticee for the period April 1, 2012 to January 20, 2014, to verify whether it had complied with SEBI's Circular dated November 18, 1993, which deals with segregation of funds and securities, and whether there was any utilization of assets of clients for purposes other than those mentioned therein. During inspection, it was observed that the Noticee was availing a facility of loan against pledge of

shares/ securities from two banks namely, Indusind Bank (Loan account No. 606000586091) and Citibank (Loan account No. 0007606222). In this regard, the Noticee had stated that as on June 05, 2013 (*i.e.* the cut-off date for inspection/ examination), the loan facility was being availed against the shares/ securities of clients and not its own shares. The Noticee also stated that it provided margin trading facility to its clients, and the shares of only those clients who are availing margin trading facility were pledged with the banks. In respect of the same, the inspection team of SEBI sought the following information from the Noticee:

a. Bank-wise, client-wise details of the securities pledged by the Noticee as on June 05, 2013.
b. Value of the loan availed by the Noticee against the securities of the clients.
c. Financial balance of the clients as on June 05, 2013 (fixed deposit/ margin/ money, if any, being taken from the clients to be quoted separately) etc.
d. Copy of the agreement with the banks from where facility of Loan against Securities was availed by the Broker.
e. Bank-wise, securities-wise details of pledged securities duly certified by the bank.

3. The inspection team analysed the documents and submissions of the Noticee and observed certain lapses/ contraventions, including non-segregation of client funds and securities, pledge of securities of clients without their knowledge, using the funds for personal gain and failure to provide documents and correct information.

4. Accordingly, SEBI initiated enquiry proceedings against the Noticee under Chapter V of the SEBI (Intermediaries) Regulations, 2008 ("Intermediaries Regulations") and appointed a Designated Authority ("DA") to enquire into whether the alleged violations by the Noticee warranted cancellation or suspension of the certificate of registration granted by SEBI or any other action provided in Chapter V of the Intermediaries Regulations.

5. On completion of the proceedings, the DA submitted a report on February 6, 2019 (DA's Report) recommending that the Noticee's certificate of registration as a stock broker be suspended for a period of 6 months. Pursuant to this, a post enquiry SCN dated February 18, 2019 was issued to the Noticee, under Regulation 28 (1) of Intermediaries Regulations, 2008 (as it stood at the relevant time), to show cause as to why action, as recommended by the DA or any other action as considered appropriate by the Designated Member, should not be taken against the Noticee. A copy of the DA's Report was also forwarded to the Noticee along with an advice to file reply, if any, within 21 days from the date of receipt of the notice. The Noticee filed a reply dated April 25, 2019. An opportunity of personal hearing was granted to the Noticee on May 20, 2021. On the date of the hearing, the Authorised Representatives (AR) of the Noticee, Mr. Gaurav Joshi, Senior Advocate and Shri Aditya Bhansali, Advocate appeared on behalf of the Noticee and made submissions. The submissions of the Noticee, *inter alia,* are given below:

I. Misutilisation of client funds for personal gain

a. There is no credible evidence that the Noticee was charging interest from clients on outstanding amount without adjusting for credit balance.

b. There is no rule that disallows a broker from charging interest from its clients as per the agreed rate.

c. The Broker is running a commercial organization which is providing funds to clients who are availing margin trading facility, and every business will charge for the service provided by them.

d. The interest charged in any account is not a hidden charge but debited in clients account on a daily basis and reported to them.

II. Lack of due care in maintenance of records

a. The Agreement with Citibank was executed in 2006 and misplacing of the same was an inadvertent error.

b. Important terms of the loan were provided vide letter of Citibank dated March 24, 2014

c. Noticee was unable to obtain a copy of the agreement despite its best efforts.

d. Noticee had asked SEBI to procure a copy of the agreement with Citibank directly.

e. There was no intention to conceal information.

III. Concealment of facts and providing incorrect information

a. With respect to the mismatch in the data on pledged securities, the Noticee stated there is no fixed valuation method for shares. While the Noticee had

taken closing price of the scrips on June 4, 2013, Citibank had considered the prices on June 5, 2013. The Noticee has also stated that the difference also stems from the fact that prices on different exchanges were considered by the bank and the Noticee. The Noticee has also pointed out some differences in the number of shares of certain scrips considered by Citibank.

b. The method of valuation adopted by the Noticee is in compliance with SEBI's Circular No. SEBI/MRD/SE/SU/Cir-15/04 dated March 19, 2004.

c. The Noticee submitted a reconciliation statement with respect to the difference in the value of pledged securities.

IV. Non-inclusion of a clause on pledge of securities in the Model Agreement

a. The Noticee executed separate, specific agreements regarding pledge with its clients.

b. There is no restriction on the broker pledging shares of its clients to any third party as long as it does not dilute the provisions of the Model Agreement. There is no breach of any particular provision the Model Agreement.

V. Non-reflection of the true and fair financial position of clients:

a. SEBI's Circular No. SEBI/MRD/SE/SU/Cir-15/04 dated March 19, 2004 allows a broker to borrow funds to extend margin funding facility to clients. No entity will provide loan to any person without taking any security for the loan extended by him. Shares of clients who availed margin funding are kept as a security for the loan taken by the Noticee from banks.

b. The Noticee was making disclosure to the exchanges regarding securities that are pledged. There was no requirement for a trading member to inform its clients regarding pledge of securities to a third party.

c. The liability of a client cannot be reduced if the broker borrows funds to fund clients' transactions. The obligation of repaying the loan is of the Noticee and not the clients, and as such the funds are also to the credit of the Noticee.

d. If the bank invokes the pledge vis-à-vis any security, it would not exempt the Noticee from returning the securities to the client.

e. The amount loaned by the Noticee is far in excess of the loans taken by the Noticee.

f. If such borrowings are credited to the clients' accounts, the account of the client will never show the true and correct picture. Guidelines also do not require brokers to do the same, and doing so would result in anomalies.

VI. Misutilization of client funds for various purposes other than margin trading facility.

a. The loans were taken for funding clients availing margin trading facility and for clients who fail to meet their fund pay-in obligations.

b. There is no instance where the loan was availed for any other purpose.

VII. In addition to the above, the Noticee stated that:

a. There was a delay in the matter.

b. Violations, if any, are technical in nature.

c. No complaints were received from clients.

d. Suspension of six months, as recommended was very harsh.

ISSUES FOR CONSIDERATION

6. I have considered the Report submitted by the DA, the Post-Enquiry SCN issued to the Noticee, written submissions made by the Noticee and other material available on record.

7. The scope of the present proceedings before me is restricted to the enquiry initiated against the Noticee under Chapter V of the Intermediaries Regulations, 2008 to determine whether the following alleged violations by the Noticee warrants cancellation or suspension of the certificate of registration granted by SEBI or any other action provided under Regulation 27 (as it stood at the relevant time) of the Intermediaries Regulation:

   a. The Broker failed to provide documents sought i.e., copy of loan agreement with Citibank.

   b. The Broker provided incorrect information as there are discrepancies in the data of the pledged securities provided by the Noticee.

   c. The Broker failed to maintain proper segregation of clients' funds and securities.

   d. The Broker pledged clients' securities with third parties without authorization by clients.

e. The broker did not reflect the true and fair financial position of its clients. Further, the broker made a personal gain by charging additional interest.

f. The Broker failed to provide confirmation that the clients, whose securities/ shares had been pledged were the clients who availed Margin Trading Facility.

8. The above acts are alleged to be in violation of the provisions of

a. SEBI Circular No. SMD/SED/CIR/93/23321 dated 18 November, 1993;

b. SEBI's Circular No. MRD/DoP/SE/Cir-11/2008 dated 17 April, 2008;

c. SEBI Circular No. SEBI/MRD/SE/SU/Cir-15/04 dated 19 March, 2004; and

d. Clause A(1), (2), (3) and (5) of Code of Conduct prescribed for the Stock Brokers under Regulation 9 of SEBI (Stock Brokers) Regulations, 1992. (hereinafter referred to as 'Broker Regulations')

9. Before moving forward, it will be appropriate to refer to the relevant provisions of the Broker Regulations and the SEBI circulars alleged to have been violated by the Noticee:

SEBI (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,

…

(e) he shall take adequate steps for redressal of grievances, of the investors within one month of the date of receipt of the complaint and inform the Board as and when required by the Board;

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

SCHEDULE II

CODE OF CONDUCT FOR STOCK BROKERS

[Regulation 9]

A. General.

(1) Integrity: A stock-broker, shall maintain high standards of integrity, promptitude and fairness in the conduct of all his business.

(2) Exercise of due skill and care: A stock-broker shall act with due skill, care and diligence in the conduct of all his business.

(3) Manipulation: A stock-broker shall not indulge in manipulative, fraudulent or deceptive transactions or schemes or spread rumours with a view to distorting market equilibrium or making personal gains.

(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. SMD/SED/CIR/93/23321 dated 18 November, 1993

Regulation of Transactions Between Clients and Brokers

2. It shall be compulsory for all Member brokers to keep separate accounts for client's securities and to keep such books of accounts, as may be necessary, to distinguish such securities from his/their own securities. Such accounts for client's securities shall, inter-alia provide for the following:-

a. Securities received for sale or kept pending delivery in the market;

b. Securities fully paid for, pending delivery to clients;

c. Securities received for transfer or sent for transfer by the Member, in the name of client or his nominee(s);

d. Securities that are fully paid for and are held in custody by the Member as security/margin etc. Proper authorization from client for the same shall be obtained by Member;

e. Fully paid for client's securities registered in the name of Member, if any, towards margin requirements etc.;

SEBI's Circular No. MRD/DoP/SE/Cir-11/2008 dated 17 April, 2008

2. In continuation of earlier circulars and in order to reiterate the need for brokers to maintain proper records of client collateral and to prevent misuse of client collateral, it is advised that:-

2.1 Brokers should have adequate systems and procedures in place to ensure that client collateral is not used for any purposes other than meeting the respective client's margin requirements / pay-ins. Brokers should also maintain records to ensure proper audit trail of use of client collateral.

2.2 Brokers should further be able to produce the aforesaid records during inspection. The records should include details of :-

a. Receipt of collateral from client and acknowledgement issued to client on receipt of collateral

b. Client authorization for deposit of collateral with the exchange / clearing corporation / clearing house towards margin

c. Record of deposit of collateral with exchange / clearing corporation / clearing house

d. Record of return of collateral to client

e. Credit of corporate action benefits to clients

…

4. In case client collateral is found to be mis-utilised, the broker would attract appropriate deterrent penalty for violation of norms provided under Securities Contract Regulation Act, SEBI Act, SEBI Regulations and circulars, Exchange Byelaws, Rules, Regulations and circulars.

SEBI Circular No. SEBI/MRD/SE/SU/Cir-15/04 dated 19 March, 2004

1.4 ***Agreement***

1.4.1 The broker shall enter into an agreement with his client for providing the margin trading facility, on the lines of the model agreement, enclosed as Annexure 1. The broker/exchange may modify the agreement only for stipulating any additional or more stringent conditions, provided that no such modification shall have the effect of diluting any of the conditions laid down in the circular or in the model agreement.

CONSIDERATION

10. At the outset, I note that the Noticee has contended that there has been a long unexplained delay in the matter. I note that the inspection was carried out in December, 2013 – January, 2014. Subsequent to the inspection, a few additional details were sought from the Noticee. The preliminary findings of the inspection were communicated to the Broker on April 23, 2014. After seeking extensions, the Broker submitted its reply on June 9, 2014. Upon analysis of the reply of the Broker, certain information such as details of bank accounts and demat accounts used for pledging, copies of approvals from Exchanges for providing margin trading facility and complete bank-wise, client-wise data for pledged securities were sought from the Noticee. The complete documents were provided by the Noticee by December 26, 2014. The Noticee was also asked to provide details of corrective action taken by it with respect to the observation regarding pledging of clients' securities, which were provided by January 19, 2015. Subsequently, after analysis of the replies of the Broker *vis-a-vis* the findings of the inspection, enquiry proceedings were initiated, and a DA was appointed in January 2016. However, due to administrative exigencies, the matter was transferred to another DA, and an SCN was issued in 2018. Thereafter, the Noticee submitted its reply and appeared for hearing before the DA. Adjournments/ extensions sought by the Noticee were also duly granted by the DA. Subsequently, after considering the submissions of the Noticee, the DA submitted its report on February 6, 2019, and a post-enquiry SCN was issued on February 18, 2019. The Noticee submitted its reply to the SCN on April 25, 2019,

following which personal hearings were scheduled but had to be adjourned due to official exigencies. Request(s) for adjournment from the Noticee were also considered and acceded to. Finally, the personal hearing was conducted on May 20, 2021 and the Noticee submitted its reply on June 14, 2021. In view of the same, I do not find any substantial delay in the matter which would vitiate the proceedings against the Noticee. Further, the Noticee has not demonstrated in any way what prejudice has been caused to the Noticee in defending itself against the charges levelled against it in the matter, on account of the contended delay. I note that the Noticee has filed detailed replies and written submissions.

11. In this regard, reference is drawn to the order of the Hon'ble Securities Appellate Tribunal (SAT) in the matter of *Pooja Vinay Jain Vs. SEBI* (Date of decision: March 17, 2020) where the appellant challenged the imposition of penalty for the violation of the provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. One of the grounds of appeal was that there had been an inordinate delay in initiating the proceedings and, therefore, on this sole ground the appellant was entitled for exoneration. However, the Hon'ble SAT held that in the absence of any prejudice, the proceedings cannot be quashed simply on grounds of delay. I am of the view that the judgment in the cited matter would apply to the matter at hand. In view of the same, I now proceed to deal with the other issues in the matter.

The Broker failed to provide documents sought *i.e.,* copy of loan agreement with Citibank.

12. As noted above, during the inspection, the Noticee was advised to submit copies of its loan agreements with IndusInd Bank and Citibank. In this regard, the Noticee submitted a letter dated March 24, 2014 from Citibank. It was alleged that the letter of Citibank dated March 24, 2014 did not have the terms and conditions of the loan agreement of the Noticee with the Citibank. The said letter was a confirmation of specific details with respect to its account number 0007606222. Hence, it was alleged that the Noticee failed to provide a copy of the loan agreement with Citibank on the basis of which the facility of loan against securities was being availed.

13. In this regard, the Noticee has stated that the loan agreement was entered into with Citibank way back in 2006, and the copy of the said agreement has been misplaced by the Noticee by an inadvertent error. The Noticee has stated that despite its best efforts to locate the agreement, the same could not be provided. Further, the Noticee has stated that it tried to obtain a copy of the agreement from Citibank. However, the operations of Loan Against Securities Department of Citibank have been discontinued and hence a copy of the loan agreement could not be procured even from Citibank. The Noticee also provided a letter dated March 13, 2014 from Citibank regarding the discontinuation of its loan against securities operations.

14. The Noticee has also stated that it had requested SEBI to procure the loan agreement directly from Citibank, and that it had no intention to conceal any information from SEBI.

15. In this regard, I note that the letter of Citibank dated March 24, 2014 contained details like sanctioned amount of loan, overdraft facility, percentage of minimum margin to be maintained, rate of interest and limit expiry date. I also note that the account had been closed by the bank on April 30, 2014. Moreover, as submitted by the Noticee, the Loan Against Securities Department of Citibank has been discontinued. Furthermore, the document itself was around 8 years old. In view of the same, I find merit in the submissions of the Noticee and I am inclined to take a lenient view. Accordingly, I do not find any serious lapse in maintenance of records in this regard by the Noticee.

The Broker provided incorrect information as there are discrepancies in the data of the pledged securities provided by the Noticee.

16. Discrepancies were observed in the data of pledged securities provided by Noticee. While as per Citibank's letter dated September 10, 2014, the Noticee had pledged a portfolio of Rs 67,17,84,892 as on June 5, 2013, the total value of pledged securities as per the submissions made by Noticee is Rs 66,83,15,744. In this regard, the Noticee has stated that the difference was due to the fact that the Broker and the bank had considered different dates to calculate the value of the pledged securities. The Noticee had considered the closing price of a scrip on June 4, 2013 on NSE, and if the scrip was not listed on NSE, the closing price of the scrip on June 4, 2013 on BSE was taken. On the other hand, the bank considered the price of scrips on BSE on June 5, 2013, and if the scrip was not listed on BSE then the price on NSE

on June 5, 2013 was taken. The Noticee submitted that as a result, there was a difference in valuation of these scrips by Citibank and the Noticee. The Noticee also stated that the bank had considered incorrect number of shares pledged for a few scrips and provided details of the same. The Noticee also submitted a reconciliation statement in respect of the same. I note that as per the reconciliation statement, using the method of valuation adopted by Citibank, the value of securities pledged is 67,17,84,890 (Citibank's letter dated September 10, 2014 mentioned the value as Rs. 67,17,84,892). Further, the value of shares using the method adopted by the Noticee is now shown as Rs.67,04,25,205, whereas it was earlier stated to be Rs 66,83,15,744. Thus, I note that the data submitted by the Noticee still appears to have some minor discrepancies with respect to the pledged securities. However, I note that the discrepancy is not substantial enough to warrant any action against the Noticee.

The Broker failed to maintain proper segregation of clients' funds and securities.

17. I note that it was alleged that the broker the Broker failed to maintain proper segregation of clients' funds and securities. In this regard, the DA has noted that there is no evidence available on record that the Noticee actually provided margin trading facility to the clients out of the funds of other clients. I am inclined to agree with the DA, and hence find that the violation is not established as there is no actual instance brought out where margin trading facility was provided to some clients out of the funds of other clients.

The Broker pledged clients' securities with third parties without authorization by clients.

18. As noted above, the Noticee was availing loan against securities of clients and providing "Margin Trading Facility" to its clients. It was noted that SEBI's Circular No. SEBI/MRD/SE/SU/Cir-15/04 dated 19 March, 2004 relating to Margin Trading specifies the Model Agreement to be followed by the broker and client, in case "Margin Trading Facility" is allowed to the clients. It was observed from the Model Agreement that there is no clause mentioned in the Model Agreement adopted by the Noticee which authorises it to pledge the securities/ shares of the clients to third party. Hence, it was alleged that the Broker was pledging clients' securities without their knowledge and in contravention of the agreement with the clients prescribed under SEBI Circular No. SEBI/MRD/SE/SU/Cir-15/04 dated 19 March, 2004 related to Margin Trading.

19. In this regard, I note that the Broker has stated that it used Pledge Authorisation separately from clients for providing margin funding facility to its clients. The Noticee has also submitted a copy of one such authorization. I note that the said document is dated May 22, 2014, *i.e.* after the inspection period. The Noticee has not submitted any document that shows that such agreement was entered into at the relevant period. Furthermore, the Pledge Authorization submitted by the Noticee clearly states pledging 'to the extent of my debit balance' was authorised by the client. However, I note that the Noticee had pledged securities worth Rs 39.25

crore (appx.) of 6774 clients with credit balance or zero balance in their financial ledgers.

20. In view of the same, I am unable to accept the submission of the Noticee. Accordingly, I find that the Noticee was pledging the securities of clients without their knowledge and in contravention of the agreement with the clients prescribed under SEBI Circular No. SEBI/MRD/SE/SU/Cir-15/04 dated 19 March, 2004. I am also of the view that since the Broker failed to abide by the aforesaid circular, it was also in violation of clause A(1), (2), (3) and A(5) of the Code of Conduct prescribed for the Stock Brokers under Regulation 9 of the Broker Regulations.

The broker did not reflect the true and fair financial position of its clients. Further, the broker made a personal gain by charging additional interest.

21. A sample of twenty clients whose securities were pledged by the Noticee was selected by the inspection team and the list of such clients was provided to the Noticee. Margin Trading agreements of such clients and their respective financial ledgers for the inspection period were analysed by the inspection team and the following was observed on perusal of the financial ledgers:

    a) The Noticee was not crediting the funds raised out of the pledged securities of the clients (which are actually client's funds) to their financial ledgers. Thus, broker was not reflecting the true and fair financial position of its clients.

b) The Noticee was charging interest/ delayed payment charges on the debit created (on the securities market transactions of the clients) in the financial ledgers of the clients, which actually is not the true and fair financial position as the broker is pledging the securities/ shares of the clients. The Broker was charging interest at 18% p.a. on the funding being provided to the clients. However, it was observed that the Broker was paying 10.50% and 12% respectively to the said banks on the loan raised against the securities. Thus, it was alleged that the broker was making a personal gain of 7.50% in case of loan raised from Citibank and 6% in the case of Loan raised from Indusind bank by not crediting the loan proceeds to the clients and charging 18% interest on them.

22. In this regard, the Noticee has stated that it raised funds by pledging securities for funding margin trading and to finance the interim shortfall in the funds caused by failure of its clients to pay on time. The Broker has stated that the liability for repayment thereof rests with the Broker itself. If the funds so raised by the Noticee were to be adjusted against the clients' accounts, it would result in wrongly projecting reduced dues from the clients. I do not find anything illegal in the practice of not adjusting the amount raised by pledging their securities against the balance due from them as even otherwise, the clients are obliged to pay up the gross amount due to the Noticee. I also do not find anything irregular in charging interest on the entire amount due from clients as the client continues to owe full amount of dues to the Noticee. I note that the delayed payment charges are levied on the total

dues of the clients as per the covenants of the agreement and may not bear a necessary correlation to the actual cost incurred by the Noticee to raise funds by pledging the clients' securities.

The Broker failed to provide confirmation that the clients, whose securities/ shares had been pledged were the clients who availed Margin Trading Facility.

23. I note that the Noticee was asked whether all the clients, whose securities / shares had been pledged as on June 5, 2013 are the clients who avail Margin Trading Facility. The Noticee failed to provide any confirmation regarding the same.

24. In this regard, I note that the Noticee has stated that it was not in a position to provide a specific confirmation that shares of only those clients were pledged who had availed margin funding facility from the Noticee since there would be securities of those clients which have a debit balance or the shares from their proprietary account. In this regard, it is submitted that since the Noticee did not want to make any statement which was not factually correct to the Inspection Team, the Noticee refrained from confirming the statement.

25. I note that whereas on the one hand the Noticee has stated that it maintained proper segregation, on the other hand it was unable to provide confirmation as sought above. However, the inspection has not brought out any actual of misuse of client funds or securities. In view of the same, I am of the view that though the Noticee failed to provide information as sought, in the absence of evidence of actual misuse, I am inclined to take a lenient view.

CONCLUSION

26. In view of the above, I agree with the findings of the DA to the extent mentioned in the paras above. Accordingly, I find that Noticee has violated the provisions of SEBI Circular No. SEBI/MRD/SE/SU/Cir-15/04 dated 19 March, 2004 and clauses A(1), (2), (3) and A(5) of the Code of Conduct prescribed for the Stock Brokers under Regulation 9 of the Broker Regulations as detailed in para 20 above.

27. I note that the Noticee was pledging securities of credit balance clients, which was not authorised by them and is a serious violation. However, the charge of making personal gains from money raised out of pledged securities does not stand established. Further, in the absence of any specific instance, the charge against the Noticee of providing margin trading facility to some clients out of the funds of other clients is also not established. In addition, I am inclined to take a lenient view regarding the allegation of providing incorrect information regarding pledged shares and not providing the loan agreement with Citibank.

28. I note that the DA has recommended that the certificate of Registration of the Noticee as a stock broker be suspended for a period of six months for the aforementioned violations. However, as discussed above, I note while one major violation stands established against the Noticee, the other violations are not serious enough to warrant stringent action under the extant proceedings. Hence, I am inclined to modify the action recommended by the DA in the extant matter, as given below:

ORDER

29. I, in exercise of powers conferred under Section 19 of the Securities and Exchange Board of India Act, 1992 read with Regulation 27 of the SEBI (Intermediaries) Regulations, 2008, hereby warn the Noticee, *i.e.* Shri Parasram Holdings Pvt. Ltd. to exercise caution, care and due diligence in its future conduct as a stock broker in all its dealing with its clients and to ensure compliance with the applicable laws at all times in future.

Place: Mumbai
Date: July 06, 2021

G. MAHALINGAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA