

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On Settlement Application No. 3669 of 2018

filed by Freedom Wealth Solutions Private Limited [PAN : AABCF3377P]

1. Freedom Wealth Solutions Private Limited (hereinafter referred to as the “applicant”) had filed a *suo motu* settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as the “Settlement Regulations”) proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, the probable enforcement proceedings for the alleged violation of Regulation 15(11) of the SEBI (Investment Advisors) Regulations, 2013 (hereinafter referred to as ‘the Investment Advisors Regulations’).
2. In August 2016, Anand Rathi Group had acquired majority shares of the applicant through its entity Anand Rathi Wealth Management Private Limited. The said acquisition required prior approval of SEBI in terms of Regulation 15(11) of the Investment Advisors Regulations.
3. It was found that the applicant had not obtained prior approval of SEBI in accordance with Regulation 15(11) of the Investment Advisors Regulations for the transfer of control in August 2016.
4. Pursuant to the application, during the meeting with the Internal Committee of SEBI on December 17, 2019, the authorized representatives of the applicant deliberated upon the

settlement terms. Thereafter, the applicant vide e-mail dated December 18, 2019, proposed the revised settlement terms to settle the proceedings that may be initiated for the said defaults.

5. The High Powered Advisory Committee (hereinafter referred to as the “HPAC”) in its meeting held on January 22, 2020 considered the proposed settlement terms by the applicant and recommended the case for settlement upon payment of Rs. 14,62,500/- (Rupees Fourteen Lakh Sixty-Two Thousand Five Hundred only) towards the settlement terms.
6. The applicant vide NEFT UTR No. N032201051519304 dated February 01, 2020 remitted Rs. 14,62,500/- (Rupees Fourteen Lakh Sixty-Two Thousand Five Hundred only) towards the settlement terms as proposed by them for the settlement of the aforesaid default and intimated the same to SEBI vide their e-mail dated February 03, 2020.
7. In view of the above, in exercise of the powers conferred under Section 15JB of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the proposed proceedings that may have been initiated for the defaults as discussed in paragraph 1 above are settled *qua* the applicant as per the following terms;
 - i. SEBI shall not initiate any enforcement action against the applicant for the said defaults;
 - ii. this order disposes of the proceedings that may be initiated for the defaults as mentioned above, in respect of the applicant; and
 - iii. passing of this Order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicant, if SEBI finds that:

- a. any representation made by the applicant in the present settlement proceedings is subsequently found to be untrue;
 - b. the applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
8. This settlement order is passed on this 12th day of March, 2020 and shall come into force with immediate effect.
9. In terms of Regulation 25 of the Settlement Regulations, a copy of this order shall be sent to the applicant and also be published on the website of SEBI.

Sd/-

S.K. MOHANTY
WHOLE TIME MEMBER

Sd/-

ANANTA BARUA
WHOLE TIME MEMBER