

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA**

SETTLEMENT ORDER

(Application No. 6631/2021)

On the applications submitted by
Mr. Amit Mohan Jeswani (Proprietor of Stallion Asset) - Research Analyst
(PAN: AHYPJ4788K)

Settlement Order No: SO/GR/BM/2022-23/6631

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) had conducted the inspection of Mr. Amit Mohan Jeswani (Proprietor of Stallion Asset) (SEBI Research Analyst Registration no: INH000002582) (hereinafter referred to as the “**Applicant**”). The focus of the inspection was to look into the compliance with respect to the SEBI (Research Analysts) Regulations, 2014 and Circulars there under, on-boarding of clients, fees/charges, due diligence carried out by the Applicant, investor service/complaints redressal mechanism, Anti Money Laundering guidelines issued from time to time etc. The period of inspection was from April 01, 2018 to March 31, 2019 (hereinafter referred to as “**Inspection period**”). The said inspection was conducted during October 9, 2019 - October 11, 2019. The findings/ observations of the inspection report along with the relevant documents were communicated to the Applicant on January 21, 2020 and the Applicant replied to the said observations/ findings on January 30, 2020. Based on the aforesaid findings/observations and submissions of the Applicant, it was alleged that the Applicant violated the provisions of Regulation 2(u) and Regulation 24(2) read with clause 1, 2 & 8 of Schedule III of Code of Conduct prescribed under the SEBI (Research Analysts) Regulations, 2014 (hereinafter referred to as **RA Regulations**) and Regulation 3(1) of the SEBI (Investment Advisors) Regulations, 2013 read with Section 12(1) of the SEBI Act.

2. The undersigned was appointed as the Adjudicating Officer (hereinafter referred to as the "**AO**") vide order dated December 10, 2020 (communicated vide communiqué dated December 15, 2020) to adjudicate upon the violations committed by the Applicant prima facie observed during the inspection under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (**Adjudication Rules**) read with section 151 of the SEBI Act, 1992 and to impose penalty, if deemed fit, under the relevant provisions of the SEBI Act.
3. In this regard, a Show Cause Notice no. SEBI/HO/EAD/EAD4/P/OW/2021/0000009903/1 dated May 04, 2021 (hereinafter referred to as 'SCN') was issued to the applicant. Briefly, the following allegations were leveled against the applicant in the SCN:
 - a) It was observed that being a Research Analyst, the Applicant was selling model portfolio products to his clients / prospective clients which is against the defined responsibility of a Research Analyst as mentioned in RA Regulations and professional standards of Research Analyst. It was therefore alleged that the Applicant violated provisions of Regulation 2(u) read with clause 1, 2 & 8 of Schedule III of Code of Conduct prescribed under the RA Regulations, by selling model portfolio products to his clients / prospective clients, which is against the defined responsibility of Research Analyst. It was alleged that Applicant had not acted honestly and in good faith and had not ensured maintenance of appropriate standards of conduct and adherence to proper procedures.
 - b) Further, it was observed that the Applicant was not registered as an Investment Adviser with SEBI, however, from the call data records of the Applicant, wherein calls were made to client by the employees of the Applicant, it was observed that he was introduced to the clients as an entity providing 'Advisory Services'. It was therefore alleged that the Applicant violated provisions of Regulation 24(2) read with clause 1, 2 & 8 of Schedule III of Code of Conduct under RA Regulations by not acting honestly and good faith and by not ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures as well as Regulation 3(1) of the SEBI (Investment Advisors) Regulations, 2013 read with section 12(1) of the SEBI Act.

4. Pending Adjudication Proceedings commenced by the aforesaid SCN, the Applicant proposed to settle the instant proceedings initiated against him, without admitting or denying the findings of fact and conclusions of law, through a settlement order and filed the settlement applications with SEBI having ref. no. 6631/2021 dated October 27, 2021 in terms of the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as '**Settlement Regulations**').
5. Pursuant to the above mentioned settlement application filed by the Applicant, the meeting of the Internal Committee (hereinafter referred to as '**IC**') held on February 22, 2022. During the aforesaid meetings, the settlement terms of Rs.28,60,000/- (Rupees Twenty-Eight Lakh Sixty Thousand only) was formulated by the IC for the applicant as settlement amount towards the alleged violations stated above. Thereafter, the Applicant vide email dated March 05, 2022, submitted the Revised Settlement Terms (RST) along with the revised calculation of Rs.20,15,000/- as the proposed settlement amount.
6. The settlement application was placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**') on March 17, 2022, and the HPAC, after considering the facts and circumstances of the case, settlement terms offered by the applicant and also the material made available before it by SEBI, recommended that the aforesaid adjudication proceedings initiated against the applicant may be settled on payment of Rs.28,60,000 towards the settlement terms. The HPAC also recommended imposition of a non-monetary settlement term of restraining the Applicant from obtaining any other registration with SEBI for a period of 3 years from the date of the settlement order. The Panel of Whole Time Members of SEBI approved the said recommendation of HPAC on April 06, 2022 and the same was communicated to the applicant vide email dated April 13, 2022.
7. Subsequently, vide mail dated May 02, 2022, the applicant informed about the remittance of the respective settlement fees by way of online transfer, the receipt of which amount was confirmed by the concerned department of SEBI on May 04,

2022. Also, vide the said email, the Applicant has informed of his acceptance of the aforementioned non-monetary terms.

8. In view of the above and in terms of Regulation 23 (1) of the Settlement Regulations, it is hereby ordered to dispose of the aforesaid adjudication proceedings initiated against the Applicant, Amit Mohan Jeswani (Proprietor of Stallion Asset) vide SCN ref.no. SEBI/HO/EAD/EAD4/P/OW/2021/ 0000009903/1 dated May 04, 2021.
9. This order is without prejudice to the right of SEBI to take enforcement actions, in terms of Regulation 28 of the Settlement Regulations, including restoring or initiating the proceedings in respect to which the settlement order was passed against the applicant, if:
 - a. any representations made by the applicant in the settlement proceedings is subsequently found to be untrue; or
 - b. the applicant breaches any of the clauses / conditions of undertakings/ waivers filed during the current settlement proceedings.
10. This settlement order is passed on the **May 06, 2022** and shall come into force with immediate effect.
11. In terms of Regulation 25 of the Settlement Regulations, copies of this order are being sent to the applicant Amit Mohan Jeswani (Proprietor of Stallion Asset) and also to the Securities and Exchange Board of India.

Place: Mumbai

Date: May 06, 2022

G. RAMAR

ADJUDICATING OFFICER