

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

**SETTLEMENT ORDER  
[SETTLEMENT ORDER NO.: SO/SM/KS/2025-26/8267]**

**In respect of:**

<b>Settlement Application No.</b>	<b>Name of Applicant</b>	<b>PAN</b>
8267/2024	SBICAP Trustee Company Limited	AAJCS8105J

**In the matter of SBICAP Trustee Company Limited**

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") initiated adjudication proceedings, under Section 15-I of the SEBI Act, 1992 in respect of SBICAP Trustee Company Limited (hereinafter also referred as 'Noticee'/ 'STCL'/ 'Entity'/ 'Trustee'/ 'Applicant'), registered with SEBI as a Debenture Trustee ('DT') under the SEBI (Debenture Trustees) Regulations, 1993 ('DT Regulations') with the registration number IND000000536, for the alleged violation of inter alia the following provisions of securities laws:
  - 1.1. Regulation 16 of SEBI (Debenture Trustee) Regulations, 1993, read with Clause 1 and 4 of Code of Conduct mentioned in Schedule III.
  - 1.2. Clause 2.1(g) of Master Circular for Debenture Trustees (DTs).
  - 1.3. Clause 2.4 of Master Circular for Debenture Trustees (DTs).
2. Vide communique dated August 06, 2024, SEBI appointed Shri Amar Navlani, General Manager, SEBI as the Adjudicating Officer ("erstwhile AO") under Section 15 I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (SEBI Adjudication Rules' in short), read with Section 19 of the SEBI Act, 1992, to inquire into and adjudge under section 15HB of the SEBI Act, 1992, the alleged violations in respect of the

Noticee. Pursuant to the transfer of Shri Amar Navlani, the undersigned was appointed as Adjudicating Officer (“AO”) in this matter vide communiqué dated September 19, 2025.

3. A Show Cause Notice No. SEBI/HO/EAD/EAD5/P/OW/2024/31588/1 dated October 08, 2024 (“SCN”) was issued by erstwhile AO to the Noticee in terms of provisions of Rule 4 of the SEBI Rules, calling upon to show cause why an inquiry should not be held and penalty not be imposed, under Section 15HB of SEBI Act, for the alleged violation of aforesaid provisions.
4. Briefly stated, following was inter alia observed and alleged, in respect of the Noticee:

**4.1. Failure to create encumbrance on securities offered as security through depository system**

- In case of two NCD issuances of JM Financial Asset Reconstruction Company Limited (“JMFARCL”) with ISINs INE265J07555 and INE265J07449 respectively, wherein the Noticee had acted as Debenture Trustee, it was observed that for the purpose of securing NCDs, hypothecation had been created on the security receipts of the issuer, however only a deed of hypothecation had been executed and encumbrance had not been created through depository system on the Security Receipts.
  - Further, STCL did not obtain any holding statement from the depository participant as required under clause 2.1(g) of DT Master Circular.
  - STCL had failed to exercise due diligence with respect to obtaining necessary documents and creation of encumbrance as required through depository system for the Security Receipts offered as security by JMFARCL.
5. Pending the Adjudication Proceedings, the Noticee filed Settlement Application, bearing Settlement Application No. 8267/2024 (hereinafter also referred to “said

application” / “subject application”) with SEBI, proposing to settle the instant proceedings initiated against it vide SCN dated October 08, 2024, without admission or denial of the findings of fact and conclusions of law, having regard to the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter also referred to as “Settlement Regulations”).

6. In this regard, I note from the material available on record that the said application was inter alia placed before the Internal Committee (“IC”) of SEBI in its meeting held on January 15, 2025 wherein the IC advised the authorised representatives (“ARs”) of the applicant to submit the action taken report against the officers-in-default and recommended ₹23,45,000/- (Rupees Twenty Three Lakhs Forty Five Thousand only) as the indicative amount in terms of Regulation 10 of SEBI (Settlement Proceedings) Regulations, 2018.
7. Pursuant to the IC meeting, vide emails dated January 28, 2025 and January 31, 2025, the applicant submitted the Revised Settlement Terms (RST) proposing to pay ₹23,45,000/- (Rupees Twenty Three Lakhs Forty Five Thousand only) as the settlement amount and made certain submissions with respect to action taken against the officers-in-default. Subsequently, considering that the settlement amount proposed by applicant was in line with the settlement terms formulated as per the SEBI (Settlement Proceedings) Regulations, 2018, communicated during the IC and the applicant had taken action against the officers-in-default, the IC recommended the application may be considered for settlement.
8. Thereafter, the matter was placed before the High Powered Advisory Committee (“HPAC”) on February 06, 2025, wherein the HPAC inter alia agreed with the recommendations of the IC and recommended acceptance of the terms of settlement.
9. Thereafter, the matter was placed for the consideration of the Panel of Whole Time Members, SEBI, in terms of Regulation 14(3) of the Settlement Regulations. The recommendations of the HPAC were approved by the Panel

of Whole Time Members on January 08, 2026 and the notice of demand was issued to the applicant on January 12, 2026. Subsequently, the applicant made the payment of the settlement amount on January 19, 2026, the receipt of which was confirmed as per the material available on record.

10. In view of the receipt of settlement amount by SEBI, the instant Adjudication Proceedings initiated against the Noticee viz., SBICAP Trustee Company Limited, vide aforesaid Show Cause Notice No. SEBI/HO/EAD/EAD5/P/OW/2024/31588/1 dated October 08, 2024, are hereby disposed of in terms of Section 15JB of the SEBI Act, 1992 read with Regulation 23(1) of SEBI (Settlement Proceedings) Regulations, 2018.

11. The passing of this Settlement Order shall however be without prejudice to the rights of SEBI under Regulation 28 and 31 of the SEBI (Settlement Proceedings) Regulations, 2018, to initiate appropriate actions, including restoring or initiating the proceedings in respect of which this settlement order is passed against the Applicant, if:

- 12.1. it comes to the notice of the Board that the applicant has not made full and true disclosure;
- 12.2. applicant has violated the undertakings or waivers;
- 12.3. there was a discrepancy while arriving at the settlement terms.

12. This Settlement Order shall come into force with immediate effect.

13. In terms of Regulation 25 of SEBI (Settlement Proceedings) Regulations, 2018, a copy of this Order shall be sent to the Applicant and shall also be published on the website of SEBI.

**DATE: March 27, 2026**  
**PLACE: MUMBAI**

**SUDEEP**  
**MISHRA**  
**SUDEEP MISHRA**  
**ADJUDICATING OFFICER**

Digitally signed  
by SUDEEP  
MISHRA  
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