

investigation report that one Mr. Rohit Singh (Proprietor: M/s. Rohit Solutions) (hereinafter referred to as '**Noticee**') failed to furnish the information sought and also failed to comply with the summon and reminder summons issued under Sections 11C (3) and 11C (5) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**'). Therefore, it is alleged that the Noticee violated the provisions of Sections 11C (3) and 11C (5) of the SEBI Act.

Appointment of Adjudicating Officer

2. In view of the above, SEBI initiated adjudication proceedings and appointed the undersigned as the Adjudicating Officer vide communique dated January 08, 2024 (enclosed as **Annexure 1**) under Section 15-I of SEBI Act read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**'), to enquire and adjudge under Section 15A(a) of the SEBI Act for the alleged contravention of the Sections 11C (3) and 11C (5) of the SEBI Act by the Noticee.

Facts of the case

3. SEBI received complaints pertaining to SMSs being received from SMS headers viz. BH-DGFINS, BZ-DGFINS, MD-DGFINS and through website – www.dgfins.com giving 'buy' recommendation in the scrip of PSL during the period from August 06, 2018 to September 03, 2018. Thereafter, the aforementioned complaints were sent to BSE for further examination. Subsequently, BSE vide letter dated October 10, 2018 submitted an examination report (covering the period from June 26, 2018 to September 03, 2018) and SEBI conducted further investigation in the matter.



Findings made in SEBI Investigation Report

4. The following observations/findings were made in SEBI Investigation Report (Relevant extracts of the Investigation Report enclosed as **Annexure 2**):

Regarding SMS sender ID –MD-DGFINS

- 4.1 The name of Telecom Service Provider of sender ID *MD-DGFINS* was identified as Mahanagar Telephone Nigam Limited (MTNL). Vide e-mail dated January 02, 2019, MTNL was requested to provide details of the telemarketer(s) and their registration details, copy of agreement with such telemarketer(s), Customer Application Forms (CAF)/ Know Your Customer (KYC) form, client agreement for end customer and SMSs records/ data of the sender ID – MD-DGFINS. In response, MTNL vide e-mail dated November 20, 2019 replied that SMSs were sent by M/s. Pinnacle Teleservices for M/s. Smart Technology (ST) (SMS aggregator). E-mail correspondence between MTNL and SEBI enclosed as **Annexure 3**.
- 4.2 Accordingly, information was sought vide e-mail dated November 26, 2019 from ST to provide the details of CAF, KYC or identity details for the senders who used said ID i.e. MD-DGFINS and details of payment made by the said sender entity/entities to ST for sending SMS during the said period i.e. August 06, 2018 to September 03, 2018. In response, ST submitted that the client viz. Noticee has sent the SMSs relating to PSL and also provided the PAN of Noticee, Telecom Regulatory Authority of India (TRAI) Registration of Noticee and agreement of Noticee with ST. E-mail correspondence between ST and SEBI enclosed as **Annexure 4**.



4.3 On further investigation, it was observed that Noticee was registered as telemarketer with TRAI since August 03, 2016 having registration no. R22139554. Further, information pertaining to circulation of bulk SMSs recommending to 'buy' shares of PSL, was sought from Noticee through summon and reminder summons. The details of summon and reminder summons issued to the Noticee as mentioned in the Investigation Report are given below:

Table 1: Details of summon and reminder summons issued to Noticee				
Sl. No.	Summon No.	Date of issuance of Summon	Address/ e-mail id	Delivery Status
1.	SEBI/HO/IVD/ID10/P/OW/2023/22647/1	02/06/2023	H No. 4, Betiyahata Dakshni Thana Kaint, Teh – Gorakhpur Sadar, Gorakhpur, UP – 273 016	Returned undelivered with remark "Insufficient Address".
2.	SEBI/HO/IVD/ID10/P/OW/2023/30475/1	28/07/2023	on e-mail ids - rohitsolutions@outlook.com; duggu2015@gmail.com; Mukesh@gmail.com and kalmani.akash@gmail.com	Through digitally signed e-mail on 28/07/2023
3.	SEBI/HO/IVD/ID10/P/OW/2023/33349/1	18/08/2023	on e-mail ids - rohitsolutions@outlook.com; duggu2015@gmail.com; Mukesh@gmail.com and kalmani.akash@gmail.com	Through digitally signed e-mail on 21/08/2023

Summon and reminder summons issued and delivery receipts of the digitally signed e-mails as stated above are enclosed as **Annexure 5**.

4.4 It is alleged in the investigation report that no reply was received from the Noticee in response to the said summons. It is further alleged that the Noticee failed to furnish the information sought and also failed to comply with the summon and reminder summons issued under Sections 11C (3) and 11C (5) of the SEBI Act.

- 4.5 In this context, it was stated in the investigation report that the information sought from the Noticee was crucial information for further investigation to determine his/other entities' role with regard to the issue of circulation of SMSs in the scrip of PSL through sender ID – MD-DGFINS and connection, if any, with other entities.
5. In view of the above, it is alleged in the investigation report that failure to furnish the information sought and failure to comply with the summon and reminder summons issued under Sections 11C (3) and 11C (5) of the SEBI Act by the Noticee has hampered the investigation in the instant case. Therefore, it is alleged that the Noticee has failed to comply with the summons of SEBI and thereby violated the provisions of Sections 11C (3) and 11C (5) of the SEBI Act.
6. To summarise, the following allegation has been made against the Noticee:

Table 2

Charge	Violation
Failed to furnish the information as sought and failed to comply with the summon and reminder summons issued under Sections 11C (3) and 11C (5) of the SEBI Act.	Sections 11C (3) and 11C (5) of the SEBI Act.





7. The text of the aforementioned alleged violations, *inter-alia*, are read as under:

SEBI Act

11C.

.....
(3) *The Investigating Authority may require any intermediary or any person associated with securities market in any manner to furnish such information to, or produce such books, or registers, or other documents, or record before him or any person authorised by it in this behalf as it may consider necessary if the furnishing of such information or the production of such books, or registers, or other documents, or record is relevant or necessary for the purposes of its investigation.*
.....

(5) *Any person, directed to make an investigation under sub-section (1), may examine on oath, any manager, managing director, officer and other employee of any intermediary or any person associated with securities market in any manner, in relation to the affairs of his business and may administer an oath accordingly and for that purpose may require any of those persons to appear before it personally.*

8. In view of the above, the Noticee is required to show cause as to why an inquiry should not be held against him in terms of Rule 4 of the Adjudication Rules read with Section 15-I of the SEBI Act and why penalty, if any, should not be imposed on him under the provisions of Section 15A(a) of the SEBI Act. The text of the aforementioned Section 15A(a) of the SEBI Act is given below:

SEBI Act

PENALTIES AND ADJUDICATION

Penalty for failure to furnish information, return, etc.

15A. *If any person, who is required under this Act or any rules or regulations made thereunder, —*

(a) *to furnish any document, return or report to the Board, fails to furnish the same or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a penalty which shall not be less than*



one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;

9. The reply of the Noticee to this SCN, along with the supporting enclosures and documents, should reach the undersigned at the address mentioned below as well as through e-mail at hariharan@sebi.gov.in and yashk@sebi.gov.in in pdf and MS Word format, within 15 (fifteen) days from the date of receipt of this notice, failing which it shall be presumed that the Noticee has no submissions to make, in which case, the matter shall be proceeded with on the basis of material / facts on record. The Noticee may also indicate in his reply if he desires a personal hearing in the matter.
10. The Noticee is also advised to furnish the following information through e-mail:

Table 3

Sl. No.	Particulars
1.	Present address for communication
2.	Mobile numbers
3.	E-mail IDs
4.	Scan copy of PAN card

11. The Noticee is also advised to keep the undersigned informed about the change in correspondence address, if any, till the conclusion of the proceedings.
12. The Noticee may also note that a settlement mechanism is provided under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. If the Noticee wishes to avail the benefit of the settlement process, he may also apply for the same in the manner provided in the said regulations under intimation to the undersigned.



13. Further, the material/documents available on record and relied upon in the instant matter, based on which the aforementioned allegations have been made against the Noticee, are mentioned below and enclosed as Annexures.

Enclosures:

Annexure 1	Communique of Appointment of Adjudicating Officer dated January 08, 2024
Annexure 2	Relevant extracts of Investigation Report
Annexure 3	E-mail correspondence between MTNL and SEBI
Annexure 4	E-mail correspondence between ST and SEBI
Annexure 5	Copies of summon and reminder summons issued and delivery receipts


09/02/2024

N HARIHARAN



CHIEF GENERAL MANAGER AND ADJUDICATING OFFICER

HARIHARAN Digitally signed by
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IYER NEELAKANTA IYER
Date: 2024.02.09
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