



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

ADJUDICATING OFFICER

By Speed Post AD

20437/1
SEBI/EAD-8/PM/PA/ /2021

August 23, 2021

D.S. Capital Venture Private Ltd. a.) Plot No. 3141, Rahmat Nagar (behind Gangotri Hotel), Jamuna Talkies Road, Chitralalaya, Bhaiyapada, Boisar, Palghar, Maharashtra- 401501 b.) Office No. 402 A, 402B, 4th Floor, Prithviraj Silver Mall, Block A, Ravindranath Tagore Marg, South Tukoganj, Indore- 452001 PAN: AADCH8426M	Piyush Kumar Sharma a.) Plot No. 3141, Rahmat Nagar (behind Gangotri Hotel), Jamuna Talkies Road, Chitralalaya, Bhaiyapada, Boisar, Palghar, Maharashtra- 401501 b.) Office No. 402 A, 402B, 4th Floor, Prithviraj Silver Mall, Block A, Ravindranath Tagore Marg, South Tukoganj, Indore- 452001 PAN: CAVPS0431C
Deepali Sharma a.) Plot No. 3141, Rahmat Nagar (behind Gangotri Hotel), Jamuna Talkies Road, Chitralalaya, Bhaiyapada, Boisar, Palghar, Maharashtra- 401501 b.) Office No. 402 A, 402B, 4th Floor, Prithviraj Silver Mall, Block A, Ravindranath Tagore Marg, South Tukoganj, Indore- 452001 PAN: CTGPS9075L	Abhishek Tiwari a.) Plot No. 3141, Rahmat Nagar (behind Gangotri Hotel), Jamuna Talkies Road, Chitralalaya, Bhaiyapada, Boisar, Palghar, Maharashtra- 401501 b.) Office No. 402 A, 402B, 4th Floor, Prithviraj Silver Mall, Block A, Ravindranath Tagore Marg, South Tukoganj, Indore- 452001 DIN: 08251068
Sanjay Sheshmani Dwivedi/ Sanjay Kumar Dwivedi a.) Plot No. 3141, Rahmat Nagar (behind Gangotri Hotel), Jamuna Talkies Road, Chitralalaya, Bhaiyapada, Boisar, Palghar, Maharashtra- 401501 b.) Office No. 402 A, 402B, 4th Floor, Prithviraj Silver Mall, Block A, Ravindranath Tagore Marg, South Tukoganj, Indore- 452001 PAN: AJEPD3015F	





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**Notice under Rule 4 of the SEBI (Procedure of Holding Inquiry and Imposing Penalties)
Rules, 1995 read with Section 15-I of the Securities and Exchange Board of India Act, 1992
in the matter of "D.S. Capital Venture Private Ltd."**

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") appointed the undersigned as the Adjudicating Officer under Section 19 of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the "**SEBI Act**") read with Section 15-I(1) of the SEBI Act and Rule 3 of the SEBI (Procedure of Holding Inquiry and Imposing Penalties) Rules, 1995# (hereinafter referred to as the "**Adjudication Rules, 1995**") to inquire into and adjudge against D.S. Capital Venture Private Ltd. (hereinafter referred to as the "**Noticee 1/IA**") and its directors, namely, Piyush Kumar Sharma (hereinafter referred to as the "**Noticee 2**"), Deepali Sharma (hereinafter referred to as the "**Noticee 3**"), Abhishek Tiwari (hereinafter referred to as the "**Noticee 4**") and Sanjay Sheshmani Dwivedi/ Sanjay Kumar Dwivedi (hereinafter referred to as the "**Noticee 5**") (Noticees 1 to 5 are hereinafter collectively referred to as the "**Noticees**"), under Section 15EB of the SEBI Act, for the alleged violation of the provisions of Regulations 13 (b), 21, 25 (1) of the SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as the "**IA Regulations, 2013**"); under Section 15HA of the SEBI Act for the alleged violation of the provisions of Regulations 3(d) and 4(2)(s) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices), 2003 (hereinafter referred to as "**PFUTP Regulations, 2003**"); under Section 15C of the SEBI Act for the alleged violation of the provisions of Regulation 21 of the IA Regulations, 2013 and under Section 15A(a) of the SEBI Act for the alleged violation of the provisions of Regulation 25(1) of the IA Regulations, 2013, by the Noticees.

[# With effect from March 8, 2019, the SEBI (Procedure of Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 was amended to SEBI (Procedure of Holding Inquiry and Imposing Penalties) Rules, 1995]

2. The order appointing the undersigned as the Adjudicating Officer was communicated vide communique dated July 22, 2021. A copy of which is enclosed herewith as **Annexure 1**.





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3. The Noticee 1 is registered with SEBI as an Investment Adviser (IA) bearing registration no. INA000010511. As on December 09, 2020, there were 17 complaints on the SEBI Complaints Redress System (hereinafter referred to as “**SCORES**”) pending against the IA for more than 6 months. The details regarding the 17 pending complaints are stated as under:

S. No.	Complainant Name	Status	Date of Receipt	Date of Forwarding to DS Capital Venture	Last communication received from DS Capital Venture	Last Reminder Sent to IA
1	Rama Soujanya Marella	Pending	26/01/2020	29/01/2020	Not received	Not sent
2	Praveen Patil	Pending	16/12/2019	31/12/2019	Not received	06/02/2020
3	Deepak Kumar	Pending	09/12/2019	18/02/2020	Not received	27/08/2020
4	Atul Tamhane	Pending	30/11/2019	02/12/2019	Not received	06/02/2020
5	Praveen Patil	Pending	25/11/2019	31/12/2019	Not received	06/02/2020
6	Praveen Patil	Pending	25/11/2019	31/12/2019	Not received	06/02/2020
7	Praveen Patil	Pending	25/11/2019	31/12/2019	Not received	06/02/2020
8	Atul Tamhane	Pending	22/11/2019	31/12/2019	Not received	06/02/2020
9	Hrushikesh Sahoo	Pending	04/11/2019	18/11/2019	Not received	06/02/2020
10	Ankit Parsotambhai Busa	Pending	10/10/2019	21/11/2019	Not received	06/02/2020
11	Rakesh Vemula	Pending	24/09/2019	27/09/2019	Not received	30/06/2020
12	Nitika Kapoor	Pending	07/09/2019	24/02/2020	Not received	Not sent
13	Rohit Kumar	Pending	29/07/2019	03/08/2019	Not received	24/02/2020
14	A Bhavarlal	Pending	25/06/2019	28/06/2019	Not received	24/02/2020
15	Ajit Singh	Pending	21/06/2019	28/06/2019	17/09/2019	06/02/2020
16	Maj Vivekanand Shukla	Pending	11/06/2019	12/06/2019	05/11/2019	06/02/2020
17	Ajit Singh	Pending	28/05/2019	08/07/2019	17/09/2019	06/02/2020

4. From the SCORES action history, it was observed that all the complaints against the Noticee 1 indicated false assurances, assured returns, advisory services related grievances, loss of funds, cheating *etc.* The Noticee 1 had not redressed the complaints forwarded through SCORES despite reminders. In certain complaints, it was clearly stated that suitable regulatory actions may be initiated against the IA in the absence of receipt of reply.





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5. In view of the quantum of pending investor complaints against the IA, it was decided to conduct an inspection of the IA by SEBI. Inspection notice was sent by Speed Post A.D. to the following registered and correspondence addresses of the IA advising the IA to submit the information as per the inspection questionnaire –
- D.S. Capital Venture Private Limited, Shop no.28, Second Floor, Om Heera Panna Shopping Mall, Near Oshiwara Police Station, Andheri (W), Mumbai-400053 *vide* letter dated September 22, 2020.
 - D.S. Capital Venture Private Limited, Office No. 402 A, 402B, 4th floor, Prithviraj Silver Mall, Block A, Ravindranath Tagore Marg, South Tukoganj, Indore - 452001 *vide* letter dated November 23, 2020.
6. However, the above mentioned two letters sent by speed post to the Noticee 1, were returned undelivered. Additionally, a copy of the letter dated September 22, 2020 alongwith the pre inspection questionnaire was also sent to the following email addresses *i.e.*, spiyush3963@gmail.com and info.dscapitalventureltd@gmail.com on September 22, 2020. However, again no reply was received.
7. As per the information available from the website of the Ministry of Corporate Affairs (hereinafter referred to as “MCA”), the registered address of the IA was Plot No. 3141 Rahmat Nagar Behind Gangotri Hotel, Jamuna Talkie Road, Chitralalaya Bhaiyapada, Boisar, Palghar, Thane-401501, Maharashtra, which is different from the registered address stated in paragraph 5 (i) above. However, despite the change in the address, the IA has not filed any application for change in the registered or correspondence address with SEBI. A copy of the company master data extracted from the MCA website reflecting the changed registered address is enclosed herewith as **Annexure 2**.
8. Since there was a change of address of the IA, an inspection notice dated November 12, 2020 was sent to the new address of the IA for compliance (*i.e.*, the address reflected in the company master data on the MCA website enclosed as **Annexure 2**. However, the said letter was also returned undelivered.





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9. From the information available with SEBI, Piyush Sharma (Noticee 2), Sanjay Dwivedi (Noticee 5) and Deepali Sharma (Noticee 3) were the directors of the IA. However, it was observed that Abhishek Tiwari (Noticee 4) was also a director of the IA as per the information available on the MCA website. A copy of the company master data extracted from the MCA website reflecting the name of Abhishek Tiwari as a director is enclosed herewith as **Annexure 2**. From the records, it is observed that the IA has not filed any application for updation/ change of director with SEBI.
10. SEBI has been informed by the Economic Offences Wing (EOW), Indore, that based on the receipt of complaint by them for fraud/cheating, they are conducting an inquiry against the IA.
11. It is observed that there were two websites of Noticee 1 i.e., www.dscapitalventure.com and www.dscapital.com. However, as on date, both the websites are non-functional. It is also observed that certain bank accounts of the IA are active.
12. In view of the aforesaid paragraphs 3 to 11, the following is observed against the Noticees:
- 12.1 The Noticee 1 along with the Noticees 2 to 5 (Noticees 2 to 5 being directors of the IA who were responsible for the conduct of the business of the IA) have failed to redress investor grievances forwarded to them on the SCORES platform. As on December 09, 2020, there were 17 complaints against the IA which were pending on the SCORES platform for more than 6 months. Some complaints were pending for more than 1 year. The complaints made against the IA allege false assurances, assured returns, advisory services related grievances, loss of funds, cheating *etc.*, which are serious in nature.
- 12.2 The Noticees have failed to produce the documents sought for the purpose of inspection and were not traceable at any of the available addresses.
- 12.3 The Noticees also failed to inform change of its registered office address to SEBI.





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12.4 The Noticees neither informed nor obtained approval for change of its directors from SEBI.

12.5 The directors of the IA, being senior management of the IA, have failed to ensure the maintenance of appropriate standards of conduct and adherence to proper procedures by the body corporate/ registered intermediary.

Therefore, the Noticees are alleged to have violated the provisions of Regulations 13 (b), 21, 25 (1) of the IA Regulations, 2013 and Regulations 3(d) and 4(2)(s) of the PFUTP Regulations, 2003.

13. The relevant text of the aforesaid provisions of the IA Regulations, 2013 and the PFUTP Regulations, 2003 are reproduced below for ease of reference:

Regulations 13(b), 21 and 25 (1) of the SEBI (Investment Advisers) Regulations, 2013

Conditions of certificate

13. The certificate granted under regulation 9 shall, inter alia, be subject to the following conditions:-

(b) the investment adviser shall forthwith inform the Board in writing, if any information or particulars previously submitted to the Board are found to be false or misleading in any material particular or if there is any material change in the information already submitted;

Redressal of client grievances

21 (1) An investment adviser shall redress client grievances promptly.

(2) An investment adviser shall have adequate procedure for expeditious grievance redressal.

(3) Client grievances pertaining to financial products in which investments have been made based on investment advice, shall fall within the purview of the regulator of such financial product.

(4) Any dispute between the investment adviser and his client may be resolved through arbitration or through Ombudsman authorized or appointed for the purpose by any regulatory authority, as applicable.

Obligation of investment adviser on inspection

25. (1) It shall be the duty of every investment adviser in respect of whom an inspection has been ordered under the regulation 23 and any other associate person who is in possession of relevant information pertaining to conduct and affairs of such investment adviser, including partners, directors, principal officer and persons associated with





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investment advice], if any, to produce to the inspecting authority such books, accounts and other documents in his custody or control and furnish him with such statements and information as the inspecting authority may require for the purposes of inspection.

Regulation 3(d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003:

No person shall directly or indirectly—

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

Regulation 4(2)(s) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003:

Dealing in securities shall be deemed to be a manipulative fraudulent or an unfair trade practice if it involves any of the following:—

(s) mis-selling of securities or services relating to securities market;

Explanation- For the purpose of this clause, "mis-selling" means sale of securities or services relating to securities market by any person, directly or indirectly, by—

(i) knowingly making a false or misleading statement, or

(ii) knowingly concealing or omitting material facts, or

(iii) knowingly concealing the associated risk, or

(iv) not taking reasonable care to ensure suitability of the securities or service to the buyer;

14. Therefore, the Noticees are required to show cause as to why an inquiry should not be held against them under Rule 4 of the Adjudication Rules, 1995 and why penalty should not be imposed under Sections 15A(a), 15C, 15EB and 15HA of the SEBI Act for the aforesaid alleged violations.

15. The relevant text of the aforesaid provisions of the SEBI Act are reproduced below for ease of reference:

Section 15A(a) of the SEBI Act, 1992





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Penalty for failure to furnish information, return, etc.

"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;"*

Section 15C of the SEBI Act, 1992

Penalty for failure to redress investors' grievances

".... if any person who is registered as an intermediary, after having been called upon by the Board in writing, to redress the grievances of investors, fails to redress such grievances within the time specified by the Board, such intermediary 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."

Section 15EB of the SEBI Act, 1992

Penalty for default in case of investment adviser and research analyst

"Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to 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."

Section 15HA of the SEBI Act, 1992

Penalty for fraudulent and unfair trade practices

"If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher."





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16. The reply of the Noticees, if any, should reach the undersigned, at the address given below, as well as through email at “prasantam@sebi.gov.in” and “poojaa@sebi.gov.in” in MS Word/ MS Excel Format, within 14 days from the date of the receipt of this notice, failing which it shall be presumed that the Noticees have no reply to submit and the matter would further proceed ex-parte. The Noticees may also indicate whether they desire a personal hearing in the matter.

Securities and Exchange Board of India
4th Floor, Plot No. C-7, 'G' Block,
Bandra- Kurla Complex,
Bandra (E), Mumbai- 400 051

17. The Noticees are advised to provide a copy of their respective PAN and email id(s) and also to keep the undersigned informed about the change in their respective correspondence address, if any, till the proceedings are completed.

Prasanta Mahapatra
Adjudicating Officer



Enclosures:

Annexure 1- Copy of the communique dated July 22, 2021.

Annexure 2- Information on the registered address and directorship of DS Capital Venture Pvt. Ltd. as per the MCA website.