

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Section 11(4), 11(4A), 11B (1) and 11B (2) of the Securities and Exchange Board of India Act, 1992 read with Rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995

In respect of:

Name of the Noticee	PAN
M/s Ideal Equity (Proprietor: Anilkumar Talpada)	ARSPT6581G

In the matter of Unregistered Investment Advisory Activities by M/s Ideal Equity (Proprietor: Anilkumar Talpada)

BACKGROUND

1. The Hon'ble Securities Appellate Tribunal ("hereinafter referred to as '**SAT**') vide its order dated November 06, 2024, remanded the order passed against Mr. Anilkumar Talpada in the instant matter dated April 30, 2024 and Corrigendum dated May 02, 2024. The following observations were made in the order of Hon'ble SAT.

"...9. In view of the above, the following order:

- i) The appeal allowed in part.*
- ii) The matter is remitted to the SEBI to reconsider the entries mentioned in the tabular column in ground 'G' of the memorandum of appeal i.e. Rs. 6,70,312.00/- and reassess the quantum of money earned out of the investors advisory schemes. The remaining portion of the order remains undisturbed.*
- iii) The penalty is set aside with liberty to the appellant to make a prayer before the CGM for waiver of penalty."*

2. This aforesaid direction was passed in the Misc. Application No. 1013 of 2024 and Appeal No. 580 of 2024 filed by the Mr. Anilkumar Talpada (Proprietor Firm: M/s. Ideal Equity), (**Appellant/Noticee**) challenging that SEBI has erroneously come to the conclusion that the entire amount credited in the current account of the appellant as per the bank statement i.e. Rs. 17,65,690/- is earned out of the Investment Advisory Services. The appellant had contended that various amounts totaling to Rs. 6,70,312/- mentioned in the tabular column in ground 'G' of the appeal memo, were not received for the unregistered Investment Advisory services. The appellant further contended before the Hon'ble SAT that SEBI is only issuing warning in similar cases and no penalty is imposed. The appellant also prayed that liberty may be given to make a request for reconsideration of the penalty of Rs. 1,00,000/-. The present order is passed in compliance of the above mentioned remand by the Hon'ble SAT.
3. I note that the Hon'ble SAT in Misc. Appeal No. 1013 of 2024 and Appeal No. 580 of 2024 of the Noticee partly allowed the same and directed SEBI to reconsider the entries mentioned in the tabular column in ground 'G' of the memorandum of appeal i.e. Rs. 6,70,312/-, reassess the quantum of money earned out of the investors advisory schemes and to set aside the penalty with liberty to the appellant to make a prayer before the CGM for waiver of penalty. Accordingly, the impugned SEBI order dated April 30, 2024 and Corrigendum dated May 02, 2024, was set aside to the extent mentioned in para 2 above, by Hon'ble SAT vide an order dated November 06, 2024 and the matter was remitted back to SEBI for passing a fresh order on merits. I note in the SEBI order dated April 30, 2024 that Rs. 17,65,690.43 was considered as the refund amount.
4. Thus, pursuant to the remand, SEBI had advised the Noticee to appear on January 31, 2025 along with relevant documents in support of his claims mentioned in ground "G" of the memorandum of appeal vide letter dated January 25, 2025. However, since the Noticee appeared at SEBI on the relevant date without any documents in support of his claims, he was advised to submit the

relevant documents within three days. In response, vide email dated February 01, 2025, the Noticee submitted that he will be able to submit relevant documents only after February 15, 2025. Further, SEBI had once again reminded the Noticee to submit the relevant documents by February 16, 2025, vide its e-mail dated February 10, 2025.

5. Thereafter, in the interest of natural justice SEBI vide e-mail dated March 12, 2025, an opportunity of personal hearing was granted to the Noticee on April 03, 2025, however, vide e-mail dated March 31, 2025, the Noticee sought for an adjournment of the said personal hearing for reasons mentioned therein. Accordingly, vide e-mail dated April 03, 2025, another opportunity of personal hearing was granted to the Noticee on April 21, 2025. The same was availed by the Noticee on April 21, 2025 and sought time of three weeks to file his reply in the matter during the hearing and the same was granted. Next, vide e-mail dated May 13, 2025, the Noticee sought time till May 23, 2025 on account of travel, which was also granted. Thereafter, the Noticee vide e-mail dated May 23, 2025, sought additional time of 15 days to file his reply in the matter, for which time was granted to him till June 10, 2025 as a last and final opportunity. However, the Noticee has filed his reply belatedly vide his e-mail dated June 19, 2025.
6. With regard to the Noticee's right reserved for filing additional submissions in the matter, it may be noted that SEBI has granted sufficient time for the Noticee to file his reply in the matter. Therefore, no further time can be granted to the Noticee to file any more additional submissions.
7. In view of the same and on account of several opportunities of personal hearing and several opportunities to file reply, provided to the Noticee in the captioned matter, I presume that the Noticee has nothing further to submit and accordingly, I have decided to proceed on the basis of the material available on record.

CONSIDERATION OF ISSUES AND FINDINGS

8. I have carefully perused the submissions made by the Noticee and the documents available on record. Hon'ble SAT while not disturbing the findings on the merits of the matter for violation of Section 12(1) of the SEBI Act and Regulation 3(1) of the IA Regulations, has set aside the penalty imposed in the order dated April 30, 2024 and Corrigendum dated May 02, 2024. Hon'ble SAT also granted liberty to the appellant to make a prayer for waiver of penalty and remanded the matter to SEBI to reconsider the entries mentioned in the tabular column in ground 'G' of the memorandum of appeal i.e. Rs. 6,70,312/- for reassessing the quantum of money earned out of the investors advisory schemes. Therefore, the following issues require consideration;

- a. What is the quantum of money earned out of the investors advisory schemes on re-assessment of the entries mentioned in the tabular column in ground 'G' of the memorandum of appeal i.e. Rs. 6,70,312/- and***
- b. Whether penalty of Rs. 1,00,000/- imposed on the Noticee has to be waived?***

9. I now proceed to consider the above issues.

- a. What is the quantum of money earned out of the investors advisory schemes on re-assessment of the entries mentioned in the tabular column in ground 'G' of the memorandum of appeal i.e. Rs. 6,70,312/-***

9.1 The Noticee had submitted 9 instances to be excluded from the refund amount to the Hon'ble SAT through, the tabular column in ground 'G' of the memorandum of appeal. The details of which are as under;

Table – 1: Bifurcation of the amount of Rs. 6,70,312.

Sr. No.	Particular	Amount (Indian Rupees)
1	Self – deposit	82,334/-
2	Payment reversal due to technical error	1,59,374.78/-
3	Deposit from and on behalf of Kishan Ravji	76,840/-
4	Deposit from and on behalf of Akshay	58,624/-
5	Deposit from / and on behalf of Kamlesh	2,27,140/-
6	Earning from wheat business activity	35,000/-*
7	Earing from Bag – contract labor	15,000/-*
8	Other entries	16,000/-*
	Total	6,70,312/-

*This is Amount is approx., as per information and knowledge said figure mention.

9.2 I note that, ICICI bank account statement of Mr. Anilkumar Talpada (A/c No. 026005002925) along with Bank statements of Mr. Kishan Ravji, Mr. Akshay mentioned at S. Nos 3 and 4 of the table No.1 are on record.

9.3 I proceed to examine the details in the entries mentioned in the tabular column in ground 'G' of the memorandum of appeal i.e. Rs. 6,70,312/-.

i. Self – deposit and Payment reversal due to technical error :

9.3.1 The Noticee submitted with respect to Self deposit and Payment reversal due to technical error that Rs. 82,334/- and Rs. 1, 59,374.78, respectively, needs to be exempted from the total refund amount as these amounts were either deposited by him or were reversal of online payments that were made by him to certain entities for his personal use or for his other business activities.

9.3.2 In this regard, I note that the Noticee has not identified any transactions with respect to self deposit date wise either in the reply or his bank statement

However, it is observed from the examination of the bank statements of the Noticee i.e. ICICI bank account (A/c. No. 26005002925), there are certain transactions with the following narrations.

Table - 2

Sr. No.	Date	Amount	Narration
Transaction with respect to Self-Deposit			
1	03-08-2021	50,000/-	TRFR FROM:ANILKUMAR R TALPADA
Transaction with respect to Reversal due to technical error			
1	04-10-2021	10000/-	ATM/SPCND539/CASH WDL RVSL/04-10-21
2	17-03-2022	2024.78	NFS/IOBC3036/CASH WDL RVSL/17-03-22
3	05-04-2022	20000/-	CAM/25001ORY/CASH WDL RVSL/05-04-22
4	05-04-2022	20000/-	CAM/25001ORY/CASH WDL RVSL/05-04-22
	Total	52,024.78	

9.3.3 I note from the table above, that there was only one transaction of Rs. 50,000 with respect to transfer of non-cash in the bank account of the Noticee. Even though the Noticee had claimed that Rs. 82,334/- needs to be exempted from the total refund amount, for the remaining amount of Rs 32,334 claimed to be self-deposit, the Noticee was not able to provide any documentary proof in support of self-deposit, like deposit slip. Neither there are any indications coming from the narrations of the bank statement of the Noticee. Therefore, the Noticee's claim that Rs. 32,334/- was deposited by him was not established by him and accordingly, I observe that the said amount cannot be exempted from the total refund. Therefore, I observe that only one transaction of Rs. 50,000 established by the Noticee can be given exemption.

9.3.4 As regards the payment reversal due to technical error, it is observed that the Noticee has not identified any transactions with respect to the relevant reversal as claimed by him either in the bank statement or in his reply. However, I note from the examination of the Noticee's bank account narrations pertaining to reversal of transactions reflect "rvsl" in the Noticee

bank account. Thus, I note from the narration in the bank statement as reproduced in the table above that there are only four transactions which can be considered as reversal of money i.e. Rs. 10,000 on August 03, 2021, Rs. 2024.78 on March 17, 2022, including two transactions of Rs. 20,000 on April 05, 2022. The total of these four transactions add up to Rs. 52,024. Although the Noticee claimed that Rs. 1,59,374.78 needs to be exempted from the total refund amount, in the absence of Noticee not providing any documents in support of the remaining amount Rs.1,07,350/- (without even identifying those transactions in his reply or in bank statement the said amount cannot be exempted from the total refund.

ii. Deposit from and on behalf of Mr. Kishan Ravji Talpada (Mr. Kishan):

9.3.5 The Noticee had claimed that Rs. 76,840/- needs to be exempted from the total refund as the said amount was claimed to be deposited by Mr. Kishan.

9.3.6 In this regard, it is observed that Mr. Kishan had submitted a letter dated June 14, 2024 claiming that he had deposited Rs. 76,840/- to the Noticee for personal reasons and had also specified the specific amounts totaling to Rs. 76,840/-. Upon perusal of the bank account statement of Mr. Kishan, I note that the relevant transactions totaling an amount of Rs. 76,840/- are reflected in the bank statement. All of said transactions are matching with the ICICI bank account (A/c. No. 26005002925) statement of the Noticee. The details of which are as under;

Table - 3

S. No.	Date	Amount (Rs.)	Narration
1	10-03-2022	1000/-	UPI/206914281882/UPI/kishanmithapara/HDFC BANK LTD
2	14-03-2022	10000/-	UPI/207375900997/UPI/kishanmithapara/HDFC BANK LTD
3	14-03-2022	10000/-	UPI/207375894720/UPI/kishanmithapara/HDFC BANK LTD
4	14-03-2022	50000/-	UPI/207375905888/UPI/kishanmithapara/HDFC BANK LTD
5	14-03-2022	5000/-	UPI/207375907367/UPI/kishanmithapara/HDFC BANK LTD
6	05-04-2022	700/-	UPI/209565510744/UPI/kishanmithapara/HDFC BANK LTD

S. No.	Date	Amount (Rs.)	Narration
7	20-06-2022	140/-	UPI/217128904237/UPI/kishanmithapara/ICICI Bank/IC
	Total	76,840/-	

9.3.7 I note all of the transactions mentioned by the Noticee has been verified with the counter party bank account statement of Mr. Kishan. Further there is no material no record to indicate that the said amounts were towards the advisory fee contradicting the letter submitted by Mr. Kishan and substantiated by his banks statement. Thus, I find that the entire amount of Rs. 76,840/- can be exempted from the total refund amount.

iii. Deposit from and on behalf of Akshay D. Kavithiya (Mr. Akshay):

9.3.8 With respect to Mr. Akshay, the Noticee had claimed that Rs. 58,624/- needs to be exempted from the total refund.

9.3.9 In this regard, It is observed that Mr. Akshay had submitted a letter dated June 14, 2024 stating that he had deposited Rs. 58,624/- to the Noticee for personal reasons and had also specified the specific amounts which totals to Rs. 58,624/-. The copy of counterparty bank statement of Mr. Akshay is on record. The following is observed from the bank account statement of the Noticee;

Table - 4

S. No.	Date	Amount (Rs.)	Narration
1	10-03-2022	21000	UPI/206917239011/davaa/idealequity1@ok/State Bank
2	19-05-2022	5500	UPI/213977686508/UPI/niravdodiya40@o/Bank of Barod
3	05-07-2022	9624	UPI/218615866033/help/idealequity1@ok/State Bank O
4	11-10-2022	1	UPI/228412436971/UPI/idealequity1@ok/State Bank Of
5	11-10-2022	9999	UPI/228412507097/UPI/idealequity1@ok/State Bank Of
6	11-10-2022	2500	UPI/228414965751/UPI/idealequity1@ok/State Bank Of
7	13-10-2022	10000	UPI/228659128959/UPI/idealequity1@ok/State Bank Of
	Total	58,624/-	

9.3.10 Upon examination it is observed that only six transactions amounting Rs. 53,124/- reflected in the bank account of Mr. Akshay matched with entries in the Noticee's ICICI bank account statement. Further, there is no material to

indicate that the said amounts were towards the advisory fee contradicting the letter submitted by Mr. Akshay and substantiated by his bank statement. However, with respect to one transaction of Rs. 5,000 on May 19, 2022, at S. No.2 of the table above, it is observed that the narration of the SBI bank account of Mr. Akshay shows a debit of Rs. 5000 in the name of Prakash Valmiki on the said date (transaction number 213917337890) instead of Anil Kumar Talpada or Ideal Equity. Similarly, the narration for credit of Rs. 5,500/- on May 19, 2022, in the Noticee's account shows credit from one Mr. Nirav Dodiya, instead of Mr. Akshay. Therefore the said amount could not be reconciled. Further, the Noticee has not provided any documents in support of the said amount Rs.5500/-. Therefore, the Noticee has not established his claim of exemption with respect to the same. In view of the above discussion, I find that only Rs. 53,124/- is exempted from the total refund amount.

iv. Deposit from / and on behalf of Mr. Kamlesh K Mithapara (Mr. Kamlesh):

- 9.3.11 With respect to, Mr. Kamlesh, I note that the Noticee had claimed that Rs. 2, 27,140/- needs to be exempted from the total refund.
- 9.3.12 In this regard, it is observed that Mr. Kamlesh had submitted an undated letter stating that he had deposited Rs. 2, 27,140/- to the Noticee for bag fabric and had also specified the specific amounts totaling to Rs. 2, 27,140. However, SEBI reconciled the details of transactions mentioned in the purported (unsigned) letter of Mr. Kamlesh i.e. 'Exhibit-Q' of memorandum of appeal with bank account statement of the Noticee. The details of which are as under-

Table – 5

S. No.	Date	Amount (Rs.)	Identifier in narration of Anil Mithapara ICICI bank account transaction
1	04/10/2021	10,000/-	MMT/IMPS/127717986919/Kamlesh/Mithapara to IDEAL
2	12/10/2021	10,000/-	BIL/INFT/000230802737/Kamlesh/
3	15/10/2021	10,000/-	Transaction could not be identified

S. No.	Date	Amount (Rs.)	Identifier in narration of Anil Mithapara ICICI bank account transaction
4	12/10/2021	12,500/-	BIL/INFT/000230805664/Kamlesh/
5	14/10/2021	10,000/-	BIL/INFT/000232030956/Kamlesh/
6	15/10/2021	20,000/-*	BIL/INFT/000233011147/Kamlesh/
7	27/10/2021	4640/-	MMT/IMPS/130012943085/Mithaparak/Axis Bank
8	24/03/2022	5,000/-	NEFT-N083221887122443-NAVEEN SALES-203242942484-05
9	30/03/2022	5,000/-	NEFT-N089221894669374-NAVEEN SALES-20330138682-05
10	20/04/2022	5,000/-	NEFT-N110221924343515-NAVEEN SALES-2042023413378-05
11	20/04/2022	10,000/-	NEFT-N110221924351404-NAVEEN SALES-204202341337-05
12	21/04/2022	15,000/-	NEFT-N111221926220041-NAVEEN SALES-204214303059-05
13	21/04/2022	10,000/-	NEFT-N111221926240863-NAVEEN SALES-204214303060-05
14	25/04/2022	40,000/-	NEFT-N115221929851906-NAVEEN SALES-204258080640-05
15	25/04/2022	60,000/-	NEFT-N115221929851894-SHRI AJINATH TRADING COMPAN
	Total	2,27,140/-	

*The per letter of Kamlesh Mithapara, one credit transaction, dated October 15, 2021, amounting Rs. 20,000/- was wrongly mentioned as Rs. 2000/-.

9.3.13 I note from Mr. Kamlesh's undated letter that he had mentioned 15 transactions, amounting only to Rs. 2,09,140/-. However, upon perusal of the bank statements of the Noticee it is noted that Mr. Kamlesh appears to have inadvertently mentioned one transaction of Rs. 20,000/- on October 15, 2021, as Rs. 2,000/-. Therefore, the total amount taking into account changing the incorrect entry to correct one comes to Rs. 2,27,140/-. Further, it is observed that out of the abovementioned 15 transactions amounting to 2,27,140/-, only six transactions, amounting to Rs. 67,140/- i.e. transactions mentioned at S. No. 1, 2, 4, 5, 6 & 7 at the table mentioned above, carry the name of Mr. Kamlesh in the narrations. With regard to the remaining Rs. 1,60,000/- I note that there are nine transactions (i.e. at S. No.3 amounting to Rs. 10,000/- and S. No. 8 to 15 amounting to Rs.1,50,000/-), where one transaction (S. No.3) did not reflect in the bank statement of the Noticee and the other transactions (S. No. 8 to 15) contain narrations like Naveen Sales/Shri Ajinath Trading instead of Kamlesh or Mithapara. Neither the Noticee

has submitted the reason as to why the payment from Naveen Sales/Shri Ajinath Trading should be considered as payments from Mr. Kamlesh nor provided any documents in support of the same. Therefore, these entries cannot be considered as payment from Mr. Kamlesh. In view of the above, I find that the amount of Rs. 1,60,000/- which could not be established by the Noticee cannot be exempted from the total refund amount.

v. Earning from wheat business activity, earning from Bag – contract labor and other entries:

- 9.3.14 With respect to the claim of Noticee's earning from wheat business activity, earning from Bag and contract labor and other entries, I note that the Noticee claimed that Rs. 35,000/-, Rs. 15,000/- and Rs.16,000/-, respectively, needs to be exempted from the total refund amount. In this regard, I note that the Noticee has submitted copy of four bills from Mithapara lamination and bags with respect to the claimed earnings from bag contract. Firstly, it is observed that the earnings claimed to be from bag at S. No. 7 of the table in column 'G' is Rs. 15,000/- while bills have been provided only for Rs, 10, 960/- i.e., Rs. 5000/- Rs. 650/- Rs. 5000 and Rs. 310/-. Secondly, it is observed that out of the four bills, i.e. one bill of Rs. 5000/- is undated and two bills of Rs. 310 dated April 20, 2022 and Rs. 650 dated February 16, 2022, there are no corresponding entries in the Noticee's bank account, while for the last one bill of Rs. 5000/- dated February 11, 2022, there is a corresponding credit in the Noticee's bank account with the narration of UPI showing that the payment has been made through UPI. The the UPI ID mentioned there does not carry any semblance of payment from Mithapara lamination. Further the Noticee has not given explanation or documentary proof showing that the UPI ID belong to Mithapara Lamination. The Noticee has also not highlighted any transactions in this regard in his bank statement. In view of the same, I find that bill amount worth Rs. 10,960/- could not be established by Noticee for being exempted from the total refund amount. For the remaining claimed

transactions, the Noticee has not given even the date of receipt of payment, sender of the payment or any break up on the payment details such as whether it was received in one tranche or different tranches. The Noticee also has not highlighted in his bank statement the credit entries for which he is seeking exemption under the headings such as wheat business or other entries. Therefore, I find that Noticee has not established his claim of exemption of the abovementioned amounts of - Rs. 35,000/-, Rs. 15,000/- and Rs.16,000/-.

9.3.15 Subsequently, vide e-mail dated June 19, 2025, the Noticee filed his reply in the matter along with certain documents. The Noticee by virtue of the above mentioned reply has made submissions over and above the amounts the Noticee submitted before the Hon'ble SAT seeking reconsideration. The Noticee has submitted 14 entries in the abovementioned reply seeking exclusion of Rs. 11, 67, 828/- while the Hon'ble SAT had only remanded the entries mentioned in the tabular column in ground 'G' of the memorandum of appeal which were 8 in number, totaling credit of Rs. 6,70,312/- in Noticee's bank account.

9.3.16 I note that 6 entries i.e. S. No. 5 and S. Nos. 7 to 11, are new transactions, which are given for the first time. Secondly, with respect to the 8 entries mentioned in the tabular column in ground 'G' of the memorandum of appeal, Noticee added additional amount for reconsideration in respect of 4 entries. The depiction of new entry and additional amount is mentioned in the following table.

Table - 6

S. No.	Particular	Amount in Rs	Additional amount/New entry
1	Self-Deposit	82,334/-	N.A.
2	Payment Reversal due to technical error	1,59,374.78/-	N.A.

3	Deposit from and on behalf of Kishan Raviji	76,840/-	N.A.
4	Deposit from and on behalf of Akshya	58,640/-	Rs. 16/-
5	Deposit from and on behalf of Jitesh	61,500/-	New Entry
6	Deposit from and on behalf of Kamlesh	2,37,140/-	Rs.10,000/-
7	Deposit from and on behalf of Kalpesh	39,500/-	New Entry
8	Deposit from and on behalf of Shashank	1,30,000/-	New Entry
9	Deposit from and on behalf of Dilip Patel	1,41,600/-	New Entry
10	Deposit from and on behalf of Jatin Agrawal	41,400/-	New Entry
11	Deposit from and on behalf of Sandip Bansode	13,500/-	New Entry
12	Earning from wheat business activity	35,000/-	N.A.
13	Earning from Bag -Contract Labor	69,000/-	Rs. 54,000/-
14	Other Entries	22,000/-	Rs. 6000/-
	Total	11,67,828/-	

9.3.17 I find that the the difference mentioned in the table above and the reconsideration of the new entries and the additional amounts claimed is beyond the remit of this Authority as the scope of Hon'ble SAT's mandate of remand is limited to the entries mentioned in the tabular column in ground 'G' of the memorandum of appeal and therefore, the new/additional credit entries cannot be considered for exemption from the total refund amount.

9.3.18 Specifically, as regards the entry at 13 and 14, I note the Noticee has claimed an additional exemption for Rs. 54,000/- and Rs. 6000/- respectively. I note the equivalent entry in the ground 'G' of the memorandum of appeal is at serial number 7 and 8. Noticee has mentioned in the appeal memo only approximate amount in these two entries in the ground "G". In other words, it could be argued that no fixed amount was mentioned by Noticee before Hon'ble SAT regarding these two entries for re-assessment. Therefore, it could be considered that the remit of the Hon'ble SAT was to reconsider the approximate amount if the amount was not crystalised by Noticee before SEBI. Consequently, if the amount was later crystalised as done in these two entries by Noticee before SEBI, re assessment by SEBI can also be part

of the scope of remit. Accordingly, these two entries are looked into for consideration of exemption.

9.3.19 In respect of these two entries, I note, the Noticee has not given even the date of receipt of payment, sender of the payment or any break up on the payment details such as whether it was received in one tranche or different tranches. The Noticee also has not highlighted in his bank statement the additional credit entries for which he is seeking presently exemption of under the entries at serial number 7 and 8 of ground 'G' of the memorandum of appeal. Therefore, I find that Noticee has not even identified the transaction for verification and consideration of his claim. Therefore, his claim of exemption of the abovementioned additional amount (Rs. 54,000/- and Rs. 6000/-) is considered as not established by the Noticee.

9.3.20 In view of the above analysis, based on the material available on the record including the submissions of the Noticee, the figures which are established by the Noticee and not established by the Noticee are provided in summary finding format in the following table. From the given information only following amount in the tabular column in ground 'G' of the memorandum of appeal could be established by the Noticee.

Table – 7

S. No	Particular	Amount mentioned in appeal (Rs.)	Amount Established by Noticee	Amount which could not be established by Noticee (Rs.)
1	Self – deposit	82,334/-	50000/-	32,334/-
2	Payment reversal due to technical error	1,59,374.78/-	52,024.78	1,07,350/-
3	Deposit from and on behalf of Kishan Ravji	76,840/-	76,840/-	Nil
4	Deposit from and on behalf of Akshay	58,624/-	53,124/-	5,500/-
5	Deposit from / and on behalf of Kamlesh	2,27,140/-	67,140/-	1,60,000/-
6	Earning from wheat business activity	35,000/-	0	35,000/-
7		15,000/-		15,000/-

	<i>Earning from Bag – contract labor</i>			
8	<i>Other entries</i>	<i>16,000/-</i>		<i>16,000/-</i>
9	Total	6,70,312.	2,99,128.	3,71,184.

b. Whether penalty of Rs. 1,00,000/- imposed on the Noticee has to be waived?

9.4 With regard to the above mentioned allegation, firstly, I note that the Noticee has not submitted any request for waiver of the said penalty amount.

9.5 Secondly, I note SEBI had initiated proceedings against the Noticee and pursuant to adjudging the matter, gave a finding that the Noticee has acted as an Investment Adviser without obtaining certificate of registration from SEBI, has violated Regulation 3(1) of the IA Regulations and Section 12(1) of the SEBI Act, 1992. I also note that the said violation of the Noticee resulted in Noticee collecting fees for the advisory service provided by him, the total credit which has been identified as amounting to (Rs. 17,65,690.43 - Rs. 2,99,128.78) Rs. 14,66,561.65. In this regard, it is observed that the Hon'ble SAT confirmed finding of SEBI on the merits of the violation and partly allowed the appeal for the limited purpose of assessing the refund amount and the possible waiver of the penalty.

9.6 Further, I note that Section 15J of the SEBI Act provide for factors which are required to be considered for adjudging quantum of penalty. Section 15J of the SEBI Act reads as follows: -

“Factors to be taken into account while adjudging quantum of penalty.

15J. *While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: —*

- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
- (b) the amount of loss caused to an investor or group of investors as a result of the default;*
- (c) the repetitive nature of the default.”*

Explanation. —For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.”

10. In the instant case, the Noticee has gained as unfair advantage the fee collected from his clients without having certificate of registration from SEBI as investment advisor. There is nothing on record regarding the repetitive default of the Noticee. All these factors are taken into account for arriving at the penalty amount.
11. Further, I place reliance on the judgment of Hon'ble Supreme Court of India the matter of Chairman, **SEBI Vs Shriram Mutual Fund {[2006]5 SCC 361}** wherein Hon'ble Supreme Court held that *“In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant. A breach of civil obligation which attracts penalty in the nature of fine under the provisions of the Act and the Regulations would immediately attract the levy of penalty irrespective of the fact whether contravention made by the defaulter with guilty intention or not.”*
12. Thus, considering the fact that the Noticee has not made any request before the undersigned for waiver of the penalty and SEBI has already found the Noticee not having certificate of registration vide its order dated April 30, 2024, which has been upheld by SAT and only a minimum penalty of Rs. 1,00,000/- as required under Section 15EB of the SEBI Act, has been imposed already in the order dated April 30, 2024, I find that this is not a fit case for imposition of penalty below Rs. 1,00,000/- on the Noticee.
13. As observed above, I note that the Noticee received total credit of advisory fee to the tune of Rs. 14,66,561.65 in its bank account. These being the proceeds of an illegal activity, they are liable to be refunded to the respective clients of the Noticee.

DIRECTIONS

14. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11(4), 11(4A), 11B (1), 11B (2) and 19 of the SEBI Act and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, do hereby issue the following directions:

- (a) The Noticee shall refund all the money collected/received from any investors / complainants, as fees or consideration or in any other form, in respect of its unregistered investment advisory activities immediately, and in any case, within a period of three months from the date of receipt this order.
- (b) The Noticee shall issue public notice in all editions of two National Dailies one in English and one newspaper in vernacular language with wide circulation, detailing the modalities for refund, including the details of contact person such as name(s), address(es) and contact detail(s) of person(s) to be approached for refund, within 15 days from the date of receipt of this order;
- (c) The repayments to the investors shall be effected only through bank transfers electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments;
- (d) The Noticee is prohibited from selling its assets, properties including mutual funds/shares/securities held by it in demat and physical form except for the purpose of effecting refunds as directed above. Further, the concerned Depositories and RTAs shall in coordination with the banks are directed to ensure that the pay-outs and redemption/sale proceeds are debited from the bank accounts of the Noticees only for the purpose of compliance of this order.
- (e) After completing the aforesaid repayments, the Noticee shall file a report of such completion with SEBI addressed to the “*Division Chief, Division of Post-Inspection Enforcement Action, Market Intermediaries Regulation and Supervision Department, SEBI Bhavan II, Plot No. C7, G Block, Bandra Kurla*

Complex, Bandra (East) Mumbai –400051”, within a period of 15 days, after expiry of four months from the date of public notice, as directed above, duly certified by an independent Chartered Accountant and the direction at para 14 (a) above shall cease to operate upon filing of such report;

- (f) The remaining balance amount, if any, shall be deposited with SEBI which will be kept in an escrow account for a period of one year for distribution to clients/complainants/investors who had availed the investment advisory services from the Noticee. Thereafter, remaining amount, if any, will be deposited in the ‘Investors Protection and Education Fund’ maintained by SEBI;
- (g) The Noticee is hereby imposed with penalty of Rs. 1,00,000/- (Rupees One Lakh Only) under Section 15EB of the SEBI Act,1992;
- (h) The Noticee shall remit / pay the said amount of penalty, within a period of forty-five (45) days from the date of receipt of this order, through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT → Orders →Orders of EDs/CGMs → PAY NOW. In case of any difficulties in online payment of penalties, the Noticee may contact the support at portalhelp@sebi.gov.in.
- (i) The remaining part of directions of SEBI order No.QJA/GR/WRO/WRO/30311/2024 dated April 30, 2024 stands confirmed by Hon’ble SAT;
- (j) In case of failure of the Noticee to comply with the aforesaid directions in sub-paragraph (a) and (g), SEBI, on the expiry of the stipulated time period therein from the date of coming into force of this order, may recover such amounts, from the Noticee, in accordance with Section 28A of the SEBI Act, 1992 including such other provisions contained in securities laws,

15. For any non-compliance of this order, the Noticee shall be subject to strict action under the applicable provisions of the law, including prosecution.

16. This order shall come into force with immediate effect.

17. A copy of this order shall be sent to the Noticee, all the recognized Stock Exchanges, the relevant Banks, Depositories and Registrar, Transfer Agents of Mutual Funds, BSE Administration and Supervision Ltd., to ensure that the directions given above are strictly complied with.

Date: June 25, 2025

Place: Mumbai

N. MURUGAN

Quasi-Judicial Authority

SECURITIES AND EXCHANGE BOARD OF INDIA