

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER

INTERIM ORDER

Under Sections 11, 11(4), 11B (1) and 11D of the Securities and Exchange Board of India Act, 1992

In Re: Violation of provisions of Securities and Exchange Board of India (Investment Advisers) Regulations, 2013

In respect of:

Sr. No.	Name of the Entities	PAN
1	VRP Capital & Derivative Market Services and its proprietor Mr. Vaibhav Ramachandra Patil	BAYPP4608L

1. VRP Capital & Derivative market services ("VRP Capital") is a sole proprietorship concern of Mr. Vaibhav Ramachandra Patil, having its registered address at 1st Floor, 31No, School Ramdev Gali, Datagaon, Belgaum, Karnantaka – 590 001.
2. Securities and Exchange Board of India ("SEBI") received complaints against VRP Capital alleging that it is involved in unauthorized Investment Advisory activities.
3. In view of the complaints received, SEBI carried out a preliminary examination to ascertain whether unregistered investment advisory activities are being carried out by VRP Capital. To that end the website of www.vrpcapital.com and particulars of its bank accounts and payment gateway were perused to gather information. It is noted that above website is



active as on date and the print out of the web pages of website are taken and have been placed on record.

3.1 SEBI's preliminary examination found as follows:

3.1.1 Neither the entity nor the proprietor are registered with SEBI. VRP Capital on its website also stated that they are not SEBI registered investment advisors or brokers.

3.1.2 The entity is providing advisory services to the investors who subscribe to their packages mentioned on the website.

3.1.3 A total of 1,009 credits were made from different sources into the accounts of VRP Capital with ICICI Bank and HDFC Bank since April 23, 2014. The total credits received in the aforesaid accounts are Rs.1.83 crores.

CONSIDERATION & PRIMA FACIE FINDINGS

4. I have perused the material available on record such as investor complaint, information available on the website www.vrpcapital.com and information obtained from ICICI Bank, HDFC Bank and Payment gateways. A preliminary examination of the material available on record was made in order to verify whether VRP Capital and its Proprietor Vaibhav Patil have offered investment advisory services and collected money from various investors without registration from SEBI. In this context, *prima facie*, the following issues arise for determination in the instant matter:

- 1) *Whether VRP Capital is holding itself out and/or acting as an investment adviser?*
- 2) *If answer to the aforesaid issue is in affirmative, whether VRP Capital has, prima facie, violated any provisions of SEBI Act, 1992 ("SEBI Act") read with SEBI (Investment Advisers) Regulations, 2013 ("IA Regulations")?*
- 3) *If answers to Issue Nos. (1) & (2) are affirmative, who is responsible for the violations?*
- 4) *If answer to Issue No. (2) is in affirmative, whether urgent directions, if any should be issued against those who are responsible for the violations?*

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Issue No. 1: Whether VRP Capital is holding itself out and/or acting as an investment adviser?

5. As regards the first issue, I note the following from the material available on record:

5.1 As per the information gathered from the website of VRP Capital, which is active as on date, the following claims are noted:

- a) *"Sure Shot Target Achievement Tips: VRP Capital & Derivative market services- is a financial market advisory firm specialising in Derivative segment of National stock exchange of India. We provide stock market commentary along with technical chart analysis on derivative markets of India and major global indices.*
- b) *VRP Capital has been promoted by a team of Experienced Technical Analysts, providing clients advice and handcrafted trading ideas on Derivative segment of national stock exchange. Our analysts on a consistent basis scan the options segment stocks in real-time with advanced indicators and software's which at an early stage forecast the future movement of the underlined securities. It is a trading portal providing Stock Market Analysis, Advisory and mentorship services.*
- c) *We will be writing market analysis and commentary, providing important website links which are needed to be monitored.*
- d) *Unlike most other Trading websites, our goal is not to just provide trading ideas and tips. But we teach traders how to be an efficient independent trader with proper knowledge.*
- e) *We have 9 years of Past Performance. We have Past Performance since 2009...".*

5.2 The website also mentioned the examples of the tips provided. The same is reproduced as under:

Nifty Option Option Tips: Intraday: Buy 150 Qty NIFTY 31-Mar-2016 PE 7600 at 168 Targets 188 stop loss 151 Intraday Target achieved in NIFTY 31-Mar-2016 PE 7600 at 188 Profit 3000,Buy Given 150Qty
Stock OPTION Option Tips: Intraday: Buy BPCL 31-Mar-2016 CE 860 at 11 Targets 13.50/16.00/19.40 stop loss 8.50

Intraday Target achieved in BPCL 31-Mar-2016 CE 860 at 13.50 Profit 1500,Buy Given Today At11
NIFTY FUTURES Future Tips: Intraday: Buy NIFTY Mar at 7632 Targets 7657/7692/7732 stop loss 7597 Intraday Target achieved in NIFTY Mar at 7657 Profit 1500,Buy Given Today At7632
Stock FUTURES Future Tips: Intraday: Buy JUSTDIAL 31 Mar 2016 at 720.00 Targets 723.20/726.40/730.40 stop loss 717.00 Intraday Target achieved in JUSTDIAL 31 Mar 2016 at 723.20 Profit 1600,Buy Given Today At720.00
MCX Tips: Intraday/ Positional: Sell GOLD Mar at 28000 TARGETS 27985/27970/27950 stop loss 28020 Intraday 1st Target achieved in GOLD Mar at 27985 Profit 1500 Rs per 1 lot ,Sell given 2day Intraday 2nd Target achieved in GOLD Mar at 27970 Profit 3000 Rs per 1 lot ,Sell given 2day Positional 3rd Target achieved in GOLD Mar at 27950 Profit 5000 Rs per 1 lot ,Sell given Yesterday

5.3 The website further states that “We also Send Tips on Yahoo ! Messenger Id, you need to add our below mentioned yahoo Id to your messenger list. Our messenger Id is vrpcapital@yahoo.com. We also send tips on Whatsapp. Our whatsapp contact number is +91 8197542085. You will receive Tips between 9:15 AM to 10:30 AM. WE PROVIDE daily 1 or 2 calls, keep stop loss as mentioned in the Tips.”

5.4 The pricing for the products mentioned on its website is as under:

Trading Plans	2 Months in Rs.	4 Months in Rs.	12 Months in Rs.
Nifty Option Most popular	12,990	14,990	19,990
Stock Option	14,990	19,990	29,990
Banknifty option	14,990	19,990	29,990
Nifty Future	14,990	19,990	29,990
Stocks Future	14,990	19,990	29,990
Banknifty Futures	14,990	19,990	29,990
Stocks cash	14,990	19,990	29,990
Commodity MCX	14,990	19,990	29,990

Trading Plans	2 Months in Rs.	4 Months in Rs.	12 Months in Rs.
Forex	14,990	19,990	29,990
Stocks Cash delivery			19,990

6. It is further observed from an internet search of the particulars of hosting of the website of the firm based on its domain name that *prima facie* the website of www.vrpcapital.com was hosted for the first time on June 29, 2011 as available on www.whoisrequest.com.
7. The following information is gathered from the Banks mentioned on the website and linked to the payment gateway viz., ICICI Bank and HDFC Bank, KYC and Account opening forms and bank account statements:
- 7.1 The nature of business mentioned in the account opening form was "service provider".
- 7.2 Mr. Vaibhav Patil is the sole proprietor of VRP Capital.
- 7.3 The address mentioned in the account opening form is House No.21, Suraj Building 2nd Cross, Anand Nagar, Vadagaon, Belgaum – 590 095.

Account No. & Bank	Statement Period	Total Credits	No. of Credit Transactions	Last credit transaction during examination	Closing Balance
017601531622 - ICICI Bank	10/09/2014 to 09/12/2020	77,90,508	304	01/12/2020	2,45,792.30
50100111023689 - HDFC Bank	01/07/2015 to 07/12/2020	50,01,850	88	03/10/2020	34,343.29
50200019685664 - HDFC Bank	01/05/2016 to 07/12/2020	85,67,096	478	07/12/2020	1,86,991.09

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Account No. & Bank	Statement Period	Total Credits	No. of Credit Transactions	Last credit transaction during examination	Closing Balance
Payu Money - Linked to HDFC Bank account No.50200019685664	23/04/2014 to 09/12/2020	44,46,120	484	12/10/2019	NA
	Total	2,58,05,574	1354		

*Payumoney merchant account is linked to its HDFC Bank account No.50200019685664 and the credits received in the said bank account from payumoney is excluded from amount and total no of credit transactions to avoid double counting.

7.4 As per the Bank Statement of ICICI Bank account number 017601531622, an amount of Rs. 77,90,508/- is credited to his account from the period September 10, 2014 to December 09, 2020.

7.5 As per the Bank statement of HDFC Bank account number 50100111023689, an amount of Rs. 50,01,850/- is credited to his account from the period July 01, 2015 to December 07, 2020.

7.6 As per the Bank statement of HDFC Bank account number 50200019685664, an amount of Rs. 85,67,096/- is credited to his account from the period May 01, 2016 to December 07, 2020.

7.7 As per the details of Payu Money linked to the HDFC Bank account No.50200019685664, an amount of Rs. 44,46,120/- is credited to his account from the period April 23, 2014 to December 09, 2020.

7.8 The total credit received in the aforesaid accounts is approximately Rs. 2.58 crores.

7.9 It is observed that there are numerous credit transactions / large number of payments received in various bank accounts and through the payment gateway. From the narrative of the transactions, it appears that the payments have, *prima facie*, come from various investors / clients.

8. In light of the aforesaid discussions, I *prima facie* observe, from the contents of VRP Capital's website wherein various services offered by VRP Capital has been described, that it is *prima facie* holding itself out as an investment adviser. As per the website of VRP Capital which is active as on date, and from the investor complaints, it is noted that VRP Capital offered various tips / services to its clients in the securities market through emails, SMSs. Further, VRP Capital is also providing services through Yahoo Messenger and WhatsApp. Considering the above facts and circumstances, especially the content of the website of VRP Capital coupled with the credit transactions in the bank accounts and through the payment gateway, *prima facie*, it is inferred that the fees / funds credited to the bank accounts and by payment gateway, were for the purpose of availing the services indicated on the website of VRP Capital.
- 8.1 In this factual context, I have perused the definition of Investment Adviser as given in Regulation 2(m) of the IA Regulations, which states that Investment Adviser means "*any person, who for consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called*". Further, I have perused Regulation 2(l) of the IA Regulations which defines Investment Advice as "*advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning.*"
- 8.2 In light of the aforesaid definitions, it is observed from the contents of the website of the VRP Capital that it is holding itself out as an investment adviser by *prima facie* offering to provide investment advice as defined under regulation 2(l) of IA Regulations by offering to give advice related to investing in, purchasing and selling in securities and is also offering various investment packages for subscription. Further, as noted from the bank accounts there are multiple credit entries which when seen together with the contents of the websites lead to a *prima facie* conclusion that the credit entries in the bank accounts are consideration for the investment advice given by VRP Capital to its clients. Thus, *prima*



facie the VRP Capital is an investment adviser as defined under regulation 2 (m) of IA Regulations.

- 8.3 Therefore, the activity of VRP Capital by virtue of its website contents amounts to holding itself to be giving trading tips, stock specific recommendations, etc., to the investors and general public. The fact of the receipt of money in the bank statements, *prima facie*, shows, on preponderance of probability basis, that the credit for payment of fees is in fact meant for the advisory services actually rendered by VRP Capital. Therefore, VRP Capital has not only held itself out as an investment adviser but also is acting as an investment adviser for consideration.

Issue No.2: If answer to the aforesaid issue is in affirmative, whether VRP Capital has, *prima facie*, violated any provisions of SEBI Act, 1992 ("SEBI Act") read with IA Regulations?

9. In order to ensure that the investors who receive investment advice are protected, it is imperative that any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of SEBI Regulations. Section 12(1) of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") reads as under:

"No stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market shall buy, sell or deal in securities except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the regulations made under this Act."

Further, as per Regulation 3(1) of the SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as the IA Regulations), the registration of the investment advisers is mandatory. It provides that, ***"On and from the commencement of these regulations, no***



person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board under these regulations”.

10. The activities of VRP Capital, as brought out from the various materials described above, seen in the backdrop of the aforesaid provisions show that VRP Capital is holding itself out and acting as an investment adviser. However, no material is available on record to indicate that VRP Capital or its proprietor Mr. Vaibhav Ramachandra Patil are holding a certificate of registration as an investment adviser. In this context, it is noted that VRP Capital or its proprietor Mr. Vaibhav Ramachandra Patil in their individual capacity are not registered with SEBI in any capacity. The characteristics and features of the business activity carried out by VRP Capital, as discussed in the preceding issue, *prima facie*, coupled with its own admission on the website that they are not registered as an investment adviser leads to the conclusion that VRP Capital is holding itself out and acting as an investment adviser without a certificate of registration.
11. In my view, these activities/ representations without holding the certificate of registration as investment adviser is *prima facie*, in violation of Section 12(1) of SEBI Act read with Regulation 3(1) of the IA Regulations.

Issue No. 3: If answers to Issue Nos. (1) & (2) are affirmative, who is responsible for the violations?

12. I note that Mr. Vaibhav Ramachandra Patil is the sole proprietor of VRP Capital. I note the legal status of the proprietary firm from the judgment of the Hon'ble Supreme court in *Ashok Transport Agency v. Awadhesh Kumar & another*, [(1998) 5 SCC 567] that “...A proprietary concern is only the business name in which the proprietor of the business carries on the business. . A suit by or against a proprietary concern is by or against the proprietor of the business...”. Therefore, I find that Mr. Vaibhav Ramachandra Patil is liable for the acts of VRP Capital.

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Issue No. 4: If answer to Issue No. (2) is affirmative, whether urgent directions, if any should be issued against those responsible for the violations?

13. SEBI has a statutory duty to protect the interests of investors in securities and promote the development of, and to regulate, the securities market. Section 11 of the SEBI Act has empowered it to take such measures as it thinks fit for fulfilling its legislative mandate. The IA Regulations have been formulated with the main objective of regulating Investment Advisory Services to safeguard the interests of investors and hence registration of such activities with SEBI has been made mandatory. The IA Regulations, *inter alia*, seek to create a structure within which investment advisers will operate and also make them duly accountable for their investment advice by requiring investment advisers to comply with the criteria set out in the relevant provisions of the IA Regulations. The same is imperative for the protection of interests of investors and to safeguard the integrity of the securities market.
14. In the instant case, VRP Capital, its Proprietor Vaibhav Patil is soliciting and inducing the investors to deal in securities market on the basis of investment advice, stock tips etc., *prima facie*, without having the requisite registration/certification as mandated under the IA Regulations. Further, it is noted from material available on record of that, the website is active as on date and money has been credited to the Bank accounts of VRP Capital even as recent as December 2020. Thus, the account is active and can continue to be used to collect fees from unsuspecting investors.
15. Considering the facts and circumstances of the present matter and on the basis of the *prima facie* findings, it is necessary to take urgent preventive action in this matter and to take immediate steps to prevent VRP Capital, its Proprietor Vaibhav Patil from collecting any more fees from the public and indulging in unauthorized investment advisory activities. I note that the website is active as on date and the investors can also reach VRP Capital through telephone, Yahoo Messenger, WhatsApp also. Therefore, the threat of investors getting lured towards the unregistered activity of VRP Capital, its Proprietor Vaibhav Patil in the securities market is still in existence and imminent. The amount of

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money, prima facie, observed to have been collected by VRP Capital is Rs. 2,58,05,574 /- and the same indicates the magnitude of the prospective threat to the investors.

16. It is noted that permitting the investors to receive an investment advisory service from an unregistered entity, in effect means, the same is received from the unqualified person without following the safeguards mentioned in the IA Regulations. An investor receiving a service from registered investment advisor in consonance with the IA Regulations vis-a-vis an investor who receives such service from unregistered investment adviser stands at a disadvantageous position in respect of his protection as an investor as envisaged under the IA regulations. An unregistered investment adviser has not satisfied the Regulator that he is a fit and proper person to hold the certificate of registration as investment adviser. Availing of service from such persons is detrimental to investors and such unqualified services results in irreparable detriment as the investors' money is invested based on unqualified and un-regulated service. Exposing investors to such service also has the effect of interfering with the development of securities market, as victim of such services tend to lose faith in the securities market. Such an injury/detriment to the development of the securities market also qualifies as an "irreparable injury". The objective of SEBI as enshrined in the SEBI Act is not only the protection of investors but also orderly development of securities market.
17. Further if an ex-parte order is not passed, many prospective investors may have to part away with large fees and investments resulting into irreparable injury to themselves as discussed earlier. However, if an ex-parte order is passed, what is at stake is right of the current entity herein vis-a-vis multitude of prospective and current clients of the entity. It may be noted that one of the underlying differences between the ex-parte orders in the case of private suits and ex-parte public enforcement actions, is the identification of the injured party. In private damage suits, the injured individual, as "whole", is identifiable whereas ex-parte public enforcement actions, seeks to protect the floating multitude of investing public by preventing, continuous and imminent violations of the securities laws. Though, it can be argued that a final remedy by way of refund is available, as against the step of passing an ex-parte interim order, the potential loss of investment by the investors by

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following the advice from an unqualified person and resultant loss of investor's confidence and reliability of securities market, cannot be retrieved, if, *prima facie*, unregistered investment advice is permitted to be extended to the investors by not passing an ex-parte interim order at this stage. Therefore, I consider the balance of convenience is also not in favour of the entity.

18. Considering the facts and circumstances of the present matter and on the basis of the *prima facie* findings, it is necessary to take urgent preventive action in this matter and to take immediate steps to prevent VRP Capital, its Proprietor Vaibhav Patil from collecting any more fees from the public and from indulging in unauthorized investment advisory activities. As noted in the preceding paragraphs, at least till the examination period, monies were being received in the bank account of VRP Capital and bank account is still active. Moreover, the website of VRP Capital is still active. The aforesaid *prima facie* demonstrates that VRP Capital, its Proprietor Vaibhav Patil can still lure investors to deal in the securities market while acting on its advice and probability of investors reaching it is still high. Therefore, the threat of investors getting lured towards the unregistered activity of VRP Capital, its Proprietor Vaibhav Patil in the securities market is still in existence and imminent.
19. The amount of money, *prima facie*, observed to have been collected by VRP Capital, its Proprietor Vaibhav Patil is Rs. 2,58,05,574/- and indicates the magnitude of the prospective threat to the investors. In light of the same, I find that there is no other alternative but to take recourse through an interim ex-parte order against VRP Capital/ its Proprietor Vaibhav Patil for preventing it from collecting funds by indulging in unauthorized investment advisory services without obtaining the mandatory registrations from SEBI in accordance with the law. As the website and bank accounts of VRP Capital/ its Proprietor Vaibhav Patil is active and the investors can reach them through telephone/Yahoo Messenger/WhatsApp also, the balance of convenience demands the preventive measure of stopping the collection of money in the bank account of the VRP Capital/ its Proprietor Vaibhav Patil from investors. The same can be effectively achieved by an appropriate

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direction of stopping the credit into the bank account of VRP Capital/ its Proprietor Vaibhav Patil. As VRP Capital, its Proprietor Vaibhav Patil has already evaded the jurisdiction of SEBI by *prima facie*, acting as unregistered investment adviser, the balance of convenience also demands that VRP Capital, its Proprietor Vaibhav Patil needs to be prevented from diverting the funds collected from the investors through the unauthorized investment advisory activity. Accordingly, an appropriate direction stopping the debit from the bank account of VRP Capital, its Proprietor Vaibhav Patil has been incorporated.

20. With the initiation of quasi-judicial proceedings, VRP Capital and its Proprietor Vaibhav Patil have already evaded the jurisdiction of SEBI by *prima facie*, acting as unregistered investment adviser, it is imminent that the Noticee may divert the money collected from the subscribers / clients. The same may result in defeating the effective implementation of the direction of refund, if any, to be passed after deciding the matter on merits. It therefore becomes necessary for SEBI to take urgent steps to prevent Noticee from diverting the money collected from the subscribers / clients. It is also essential to take urgent steps to prevent them from alienating any assets, whether movable or immovable, or any interest or investment or charge in any of such assets, so that the final remedies, if any, do not become infructuous. In view of the facts and circumstances discussed hereinabove, and considering the interests of already existing clients of these Noticee and also the interests of those who may fall prey to the unregistered investment advisory by reaching it through the website or telephone/Yahoo Messenger/WhatsApp the balance of convenience lies against the Noticee, and requires immediate action against it including not to divert the money collected from the subscribers / clients / investors.

Order

21. In view of the above, pending detailed examination, I, in exercise of the powers conferred upon me by virtue of Section 19 read with Sections 11, 11(4), 11B(1) and 11D read with Section 19 of the SEBI Act, 1992, hereby issue by way of this *interim ex-parte order*, the following directions:

21.1 VRP Capital and its sole Proprietor Vaibhav Patil are directed to:



- i. *Cease and desist from acting as an investment advisor including the activity of acting and representing through any media (physical or digital) as an investment advisor, directly or indirectly, and cease to solicit or undertake such activity or any other activities in the securities market, directly or indirectly, in any matter whatsoever, until further orders.*
- ii. *Not to divert any funds raised from investors, kept in bank account(s) and/or in their custody until further orders.*
- iii. *Not to dispose of or alienate any assets, whether movable or immovable, or any interest or investment or charge on any of such assets held in their name, including money lying in bank accounts except with the prior permission of SEBI.*
- iv. *Immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, communications etc., physical or digital in relation to their investment advisory activity or any other unregistered activity in the securities market until further orders.*
- v. *Not to access the securities market and buy, sell or otherwise deal in securities in any manner whatsoever, directly or indirectly, until further orders.*
- vi. *To provide a full inventory of all assets held in their name, whether movable or immovable, or any interest or investment or charge on any of such assets, including details of all bank accounts, demat accounts and mutual fund investments, immediately but not later than 5 working days from the date of receipt of this order.*
- vii. *To submit the number and details of clients who have availed their investment advisory services and to submit details of fees collected from each such client, immediately but not later than 5 working days from the date of receipt of this order.*

21.2 If VRP Capital or its sole Proprietor Vaibhav Patil has any open positions in any exchange traded derivative contracts, as on the date of the order, they can close out/square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. VRP Capital, its Proprietor Vaibhav Patil is

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permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order.

21.3 ICICI Bank (Account Number 017601531622) and HDFC Bank (Account numbers 50100111023689 and 50200019685664) wherein VRP Capital/ its Proprietor Vaibhav Patil is holding bank accounts, are directed not to allow any debits/ withdrawals from and not to allow any credits to the said account, without the permission of SEBI. The payment gateway PayU money wherein VRP Capital/ its Proprietor Vaibhav Patil is holding an account shall be deactivated till further orders. The Banks and payment gateway are directed to ensure that all the above directions are strictly enforced.

21.4 The Depositories are directed to ensure, till further directions, that they neither permit any debits nor any credits in the demat account held by:

➤ Vaibhav Patil either individually or jointly.

27.1 The Registrar and Transfer Agents are directed to ensure, till further directions, that they neither permit any transfer nor redemption of the securities, including Mutual Fund units, held by:

➤ VRP Capital,

➤ Vaibhav Patil, either individually or jointly.

22. This Order shall also be treated as a Show Cause Notice and VRP Capital/ its sole Proprietor Vaibhav Patil is show caused as to why the investment advisory plans floated by VRP Capital through its website in securities market should not be held as "Investment Advisory Services" in terms of the IA Regulations and thereby the activity of VRP Capital, its Proprietor Vaibhav Patil be treated as unregistered activity under the SEBI Act and relevant Regulations.

23. VRP Capital and its Proprietor Vaibhav Patil is also show caused as to why appropriate directions, under Sections 11, 11(4), 11B(1) and 11D of the SEBI Act and relevant SEBI Rules/Regulations, including appropriate directions for the prohibition on it from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for a particular period, and directions not to be associated with any listed

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public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI for a particular period should not be passed against them. VRP Capital and its Proprietor Vaibhav Patil are also show caused as to why directions to refund, jointly and severally, the fees collected from the investors/clients for its unregistered IA activities under Sections 11 and 11B (1) of SEBI Act, should not be issued against them.

24. The *prima facie* observations contained in this Order are made on the basis of the material available on record. In this context, VRP Capital, its Proprietor Vaibhav Patil may file its objections, if any, within 21 (twenty-one) days from the date of service of this Order and, if so desire, avail an opportunity of personal hearing before SEBI, on a date and time to be fixed on a specific request to be made in that regard.
25. This order shall come into force with immediate effect and shall be in force until further orders. This order is without prejudice to the right of SEBI to take any other action that may be initiated against the aforementioned entity in accordance with law.
26. A copy of the order shall be served upon the entity, ICICI Bank and HDFC Bank, PayU money, Stock Exchanges, Depositories and Registrar and Transfer Agents for necessary action and compliance with the above directions.

Date: December 15, 2020

Place: Mumbai



madhabi puri buch

MADHABI PURI BUCH

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA