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National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/53834	Date: September 26, 2022
Circular Ref. No: 130/2022	

To All NSE Members,

Sub: **Final Order in respect of Vivek Mahendragiri Ramdati – Proprietor of Vinayak Tradelink**

This is with reference to NSE Circular No. NSE/INVG/46682 dated December 16, 2020, in respect of SEBI Order No. WTM/MPB/IMD/WRO/158/2020 dated December 16, 2020.

SEBI now vide Order No. WTM/ASB/WRO/WRO/19665/2022–23 dated September 26, 2022, has hereby debarred the below mentioned entity from accessing the securities market, directly or indirectly and is prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of ten (10) years from the date of the Order or till the expiry of ten (10) years from the date of completion of refunds to clients/ investors as directed in paragraph 20 (a) of the Order, whichever is later.

Sr. no.	Name of the entity	PAN
1.	Vivek Mahendragiri Ramdati – Proprietor of Vinayak Tradelink	BQVPR8043L

The order comes into force with immediate effect.

The detailed order is available on SEBI website (http://www.sebi.gov.in).

Further, the consolidated list of such entities is available on the Exchange website http://www.nseindia.com home page under "Home-Regulation-Members-Action against Members-Regulatory Actions".

Members are advised to take note of the above and ensure compliance.

National Stock Exchange of India

In case of any further queries, members are requested to contact the following officials:

Mr. Souradeep Ghosh (Extension: 23345), Mr. Sumit Loya (Extension: 22374)
Direct No: 022-26598417/18 Fax: 022-26598195

For and on behalf of
National Stock Exchange of India Limited

Sumit Loya
Senior Manager

ANNEXURE: Final Order in Respect of Vivek Mahendragiri Ramdati – Proprietor of Vinayak Tradelink

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

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

In the Matter of Vinayak Tradelink.

In Respect of –

Noticee	PAN
Vivek Mahendragiri Ramdati – Proprietor of Vinayak Tradelink	BQVPR8043L

Background –

1. Securities and Exchange Board of India ("**SEBI**") received a complaint dated September 14, 2020, against Vivek Mahendragiri Ramdati -- Proprietor of Vinayak Tradelink (the "**Noticee**") from one, Mehul Vinod ("**Complainant**"), wherein it was *inter alia* alleged that the Noticee was offering financial investment plans to the Complainant; as a result, the complainant had paid an amount of ₹5499 as subscription fee to the Noticee.

2. Pursuant to receipt of the above mentioned complaint, SEBI referred the matter to the Economic Offence Wing, CID Crime, Gandhinagar – Gujarat. At the same time, SEBI conducted an examination in the matter and thereafter, issued an *Ad Interim Ex Parte Order cum Show Cause Notice bearing no. WTM/MPB/IMD/WRO/158/2020 dated December 16,*

2020 ("**Interim Order cum SCN**"), against the Noticee on the basis of findings contained in the examination report, *inter alia* alleging that:

a. the Noticee had carried out investment advisory activities and held itself out as an *'investment adviser'* without obtaining a Certificate of registration from SEBI in violation of the provisions of Section 12(1) of the SEBI Act, 1992 ("**SEBI Act**") read with Regulation 3(1) of SEBI (Investment Advisers) Regulations, 2013 ("**IA Regulations**"); and

b. the Noticee's unregistered investment advisory activities coupled with the promise of assured returns on investments for luring /inducing the public/invetsors to deal in securities, was in violation of Sections 12A(a), (b) and (c) of the SEBI Act read with Regulations 3(a), (b), (c) and (d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ("**PFUTP Regulations**").

3. Vide the Interim Order cum SCN, SEBI *inter alia* issued the following directions against the Noticee:

"Vinayak Tradelink and its Proprietor–Vivek Mahendragiri Ramdati, shall –

a. cease and desist from holding out as registered intermediaries to deal in the securities market 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;

b. cease and desist from holding out / acting as an Investment Advisor 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;

c. not access the securities market and buy, sell or otherwise deal in securities in any manner whatsoever, directly or indirectly, until further orders;

d. not divert any funds raised from investors, kept an in bank account(s) and / or in their custody until further orders;

e. immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, websites, communications, etc. in relation to their services in securities market, *investment advisory activity and research analyst activity or any other unregistered activity in the securities market until further orders; …"*

4. By way of the Interim Order cum SCN, the Noticee was also called upon to show cause as to why suitable directions under Sections 11(1), 11(4), 11B and 11D of the SEBI Act and relevant SEBI Rules /Regulations including directions to continue the prohibition on them from buying, selling or otherwise dealing in securities market, for a particular period, refund the amount collected by the Noticee from the investors /clients, should not be issued /imposed against them for the violations alleged in the Interim Order cum SCN. It is in this background that the present proceeding, which is to consider the allegations made in the Interim Order cum SCN, is before me.

Service of SCN, Personal Hearing and Reply from the Noticee –

5. As already stated an Interim Order cum SCN was passed with respect to the Noticee on December 16, 2020. In this regard, the details with regard to the service of the Interim Order cum SCN (effected through newspaper publications on October 7, 2021) are provided as under:

Table- I

NOTICEE	DOCUMENT	MODE	ADDRESS	DELIVERY STATUS
VIVEK MAHENDRAGIRI RAMDATI (PROPRIETOR	INTERIM ORDER CUM SCN	SPEED POST	3RD FLOOR, OFFICE NO. 304, COSMO COMPLEX, MAHILA COLLEGE CHOWK, RAJKOT–360001.	RETURNED TO SEBI AS UNDELIVERED

OF VINAYAK TRADELINK)		EMAIL	vinayaktradelink3603@gmail.com	DELIVERED
		PUBLIC NOTICE THROUGH NEWSPAPERS	ENGLISH – TIMES OF INDIA (AHMEDABAD EDITION) HINDI – GUJARAT VAIBHAV (AHMEDABAD EDITION) GUJARATI – SANDESH (AHMEDABAD EDITION)	PUBLISHED

6. Thereafter, a Supplementary SCN dated March 7, 2022 ("**Supplementary SCN**"), was issued to the Noticee asking it to show cause as to why a direction to refund to investors, clients, etc. the amount collected as fee for unregistered investment advisory services (as quantified in the Supplementary SCN), should not be issued against it. The details with regard to service of the Supplementary SCN (effected through newspaper publications on April 22 and 23, 2022) are provided as under:

Table-II

NOTICEE	DOCUMENT	MODE	ADDRESS	DELIVERY STATUS
VIVEK MAHENDRA GIRI RAMDATI (PROPRIETOR OF VINAYAK TRADELINK)	SUPPLEMENTARY SCN	SPEED POST	3RD FLOOR, OFFICE NO. 304, COSMO COMPLEX, MAHILA COLLEGE CHOWK, RAJKOT–360001.	RETURNED TO SEBI AS UNDELIVERED
		EMAIL	vinayaktradelink3603@gmail.com	DELIVERED
		PUBLIC NOTICE THROUGH NEWSPAPERS	ENGLISH – TIMES OF INDIA (AHMEDABAD EDITION) HINDI – GUJARAT VAIBHAV (AHMEDABAD EDITION) GUJARATI – SANDESH (AHMEDABAD EDITION)	PUBLISHED

7. Pursuant to service of the Interim Order cum SCN and Supplementary SCN, an opportunity of hearing was granted to the Noticee on July 29, 2022; however, the Noticee did not appear for the hearing nor was any request for adjournment received. It is also stated that no reply has been received from the Noticee in response to the Interim Order cum SCN or the Supplementary SCN.

8. In this regard, the details with respect to the service of the Hearing Notice and Hearing Link are provided hereunder:

Table- III

NOTICEE	**DOCUMENT**	**MODE**	**ADDRESS**	**DELIVERY STATUS**
VIVEK MAHENDRAGIRI RAMDATI (PROPRIETOR OF VINAYAK TRADELINK)	WEBEX LINK	SPEED POST (ON JULY 26, 2022)	3RD FLOOR, OFFICE NO. 304, COSMO COMPLEX, MAHILA COLLEGE CHOWK, RAJKOT–360001.	DELIVERED
		EMAIL (ON JULY 26, 2022)	vinayaktradelink3603@gmail.com	DELIVERED
VIVEK MAHENDRAGIRI RAMDATI (PROPRIETOR OF VINAYAK TRADELINK)	HEARING NOTICE DATED JUNE 20, 2022	EMAIL (ON JUNE 20, 2022)	vinayaktradelink3603@gmail.com	DELIVERED
		SPEED POST (ON JUNE 20, 2022)	3RD FLOOR, OFFICE NO. 304, COSMO COMPLEX, MAHILA COLLEGE CHOWK, RAJKOT–360001.	RETURNED TO SEBI AS UNDELIVERED

Consideration and Findings –

9. I have considered the Interim Order cum SCN and Supplementary SCN along with all the material available on record. I note that the Noticee has not filed any reply to the Interim Order cum SCN/Supplementary SCN or made any submission for consideration during the course of these proceedings despite the opportunities granted to him. In this context, I rely upon the observations of the Hon'ble SAT in ***Sanjay Kumar Tayal & Ors. vs. SEBI (Order dated February 11, 2014 in Appeal no. 68 of 2013)***, wherein it was observed: *"… Appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices."* Accordingly, I find that the Noticee is not interested in participating in the present proceeding before me. Even though the Noticee has remained *ex parte*, I nonetheless find it relevant that I should be guided by the documents available on record as laid down by the Hon'ble SAT in ***Shri B. Ramalinga Raju vs. SEBI (Order dated May 12, 2017 in Appeal No. 286 of 2014)***.

10. The Interim Order cum SCN/ Supplementary SCN have alleged that the Noticee had held itself out as an *'investment adviser'* without obtaining registration from SEBI in violation of the provisions of Section 12(1) of the SEBI Act read with Regulation 3(1) of the IA Regulations. The aforementioned provisions of law read as under:

Provisions of the SEBI Act:

*"**Section 12 of the SEBI Act – Registration of stock brokers, sub-brokers, share transfer agents, etc.***

12. (1) 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:

Provided that a person buying or selling securities or otherwise dealing with the securities market as a 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 immediately before the establishment of the Board for which no registration certificate was necessary prior to such establishment, may continue to do so for a period of three months from such establishment or, if he has made an application for such registration within the said period of three months, till the disposal of such application:*

Provided further that any certificate of registration, obtained immediately before the commencement of the Securities Laws (Amendment) Act, 1995, shall be deemed to have been obtained from the Board in accordance with the regulations providing for such registration."

Provisions of the IA Regulations:

*"**Regulation 3 of the IA Regulations – Application for grant of certificate.***

3.(1) 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:"

11. From the material available on record, I note the following:

a. During the period from May 30, 2020 to December 9, 2020, the Noticee had collected ₹233,90,31,161 [Punjab National Bank A/c no. 4637002100003176 ("**PNB bank account**")]. The aforesaid amount *inter alia* included fees collected by Vinayak Tradelink, from the Complainant and two other clients /investors, viz. Arjunsingh Shankar and Anil Poonia, as evident from the following screenshots obtained by SEBI of communications exchanged between the investors and the Noticee, through WhatsApp and SMS:

Table - IV

Details of communications exchanged between the investors and Vinayak Tradelink	
MEHUL VINOD PATEL – THE COMPLAINANT HAD PAID AN AMOUNT OF ₹5499 TO VINAYAK TRADELINK	1. "DEAR CUSTOMER, THANK U FOR YOUR OPTIONS SERVICE. UR SERVICE IS VALID TILL 2.5 YEAR FROM 13.09.2020 TO 12.03.2023. KINDLY TRADE WITH TGTNSL."

(THROUGH A CASH DEPOSIT IN THE PNB BANK ACCOUNT OF VINAYAK TRADELINK ON 12.09.2020)	2. "NSE/MCX GET NEXT DAY PROFIT 2.30 LAKH YOUR 101 DAY FREE DEMO FINISHED NOW PLZ NO MORE FREE DEMO PAY 5,499/- FOR SMS SERVICE (FROM TOMORROW 25555/-) WE PROVIDE ABOVE 95% ACCURACY PAY 34444/- FOR AUTO TRADE DMAT HANDLE SERVICE PAYTM GPAY BANK CREDIT CARD AVAILABLE" 3. "NSE/MCX DAY UPDATE BN PE 22700 HIGH 744 BUY 300 PROFIT 3.24 LAC DOST FREE DEMO OVER DON'T WASTE TIME NOW LAST CHANCE"
ARJUNSINGH SHANKAR – THE CLIENT HAD PAID AN AMOUNT OF ₹5499 TO VINAYAK TRADELINK (THROUGH A CASH DEPOSIT IN THE PNB BANK ACCOUNT OF VINAYAK TRADELINK ON 7.09.2020)	*1.* <u>SMS RECEIVED ON 10.09.2020</u> "IF YOU ARE INTERESTED TO ROBO TRADE SERVICE U CAN JOIN PLAN-1- PAY 11999/- FOR SOFTWARE CHARGE DAILY (30% SHARING ON PROFIT) PLAN-2 PAY 14999/- MONTHLY SERVICE. 60000 INVESTMENT REQUIRED DAILY 5-10% GUARANTEE PROFIT." *2.* <u>SMS RECEIVED ON 14.09.2020</u> "OPTION INTRADAY BUY BANKNIFTY 22800 CALL ABV 262 TGT 322/424 SL 192 CMP 245" *3.* <u>SMS RECEIVED ON 23.09.2020</u> "OPTIDX: BUY BANK NIFTY 21300 CALL AROUND 167 TGT 225, 290 SL 100 (WORK WITH 1 LOT)

	Optidx: close bank nifty 21300 call around 122 made high of 184.65 as mkt seems to be weak wait for 2nd call Good news traders Launched our new dmat handle robo trade service Plan-1 pay 79999/- for annual service charge" 4. Similar kinds of tips were received by Arjunsingh Shankar on 29.09.2020, 30.09.2020, 01.10.2020, 05.10.2020, 06.10.2020, 07.10.2020, 08.10.2020 and 09.10.2020.
Anil Poonia – The client had paid an amount of ₹5499 to Vinayak Tradelink (through a cash deposit in the PNB bank account of Vinayak Tradelink on 13.09.2020)	1. <u>SMS received on 13.09.2020</u> Vinayak Tradelink: Payment done sir? Client: transaction details of payment made "transfer to 4597881162096-INB IMPS/P2A/025714658775/XXXXXXX17 LT1309144821298M Rs. 5499/-" 2. <u>SMS received on 16.09.2020</u> "Option intraday: Buy nifty 11450 call around 102 tgt 124, 160 sl 77 (work with 1 lot) Option intraday: 1st tgt hit in nifty 11450 call made high of 124 book full profit Hello dear paid Anyone joining dmat account handle service monthly 25% minimum fix return. Only interested client contact me. All trade buy sell fully automatic its algo trading software. Capital: 50000 Charge: 50000 Software charge 3500 For 1 year" 3. <u>SMS received on 18.09.2020</u>

	"OPTIDX: BUY NIFTY 11500 CALL AROUND 138 TGT, 185 SL 115 (WORK WITH 1 LOT) STOP LOSS HIT EXIT ALL" *4.* <u>SMS RECEIVED ON 21.09.2020</u> "OPTIDX: BUY BANK NIFTY 22300 CALL AROUND 170 TGT 235, 290 SL 115 (WORK WITH 1 LOT) OPTIDX: 1ST TCT HIT IN BANK NIFTY 22300 CALL MADE HIGH OF 235 BOOK FULL PROFIT." *5.* SIMILAR KINDS OF TIPS WERE RECEIVED BY ANIL POONIA ON 24.09.2020, 25.09.2020 AND 30.09.2020.

b. In addition to the payment of ₹5499 made by the Complainant, Arjunsingh Shankar and Anil Poonia, the bank statements also reflected various other payments by individuals to Vinayak Tradelink's PNB bank account for amounts of ₹5499, ₹11999 and ₹14999, which indicates that the Noticee was providing various subscription plans for its investment advisory services (see also the SMS received by Arjunsingh Shankar on September 10, 2020, as reproduced in Table- IV).

12. It is pertinent to note that the PNB account used for receiving consideration, in respect of the investment advisory services offered by the Noticee, was opened on May 30, 2020, in the name of Vinayak Tradelink and the said bank account was operated by Vivek Mahendragiri Ramdati, as he was the authorised signatory, thereby indicating that the beneficiary was indeed only him. In this context, it is also noted that earlier, vide SEBI letters dated January 4, 2022 and January 11, 2022, the Noticee was advised to provide information in respect of all the investors who had availed advisory services (since the date of creation of Vinayak Tradelink), amount collected from each investor as fees, date of collection of amount, etc. However, even at that stage, the Noticee had not cooperated with SEBI in submitting the required information. Considering the conduct of the Noticee in the instant proceedings, I find that the amount of ₹233,90,31,161, which was received

in the Noticee's PNB bank account, was nothing but consideration /fees received from investors /clients for the investment advisory services offered to them.

13. The definition of an '*Investment Adviser*' as given in Regulation 2(m) of the IA Regulations states that *'Investment Adviser'* shall mean *"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, Regulation 2(l) of the IA Regulations 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."* The aforementioned definitions when viewed in light of the observations contained in the preceding paragraphs lead me to conclude that the Noticee had indeed held itself out as an *'Investment Adviser'* by offering to investors/clients *'Investment Advice'* related to investing in, purchasing and selling of securities for consideration.

14. Section 12(1) of the SEBI Act *inter alia* provides that no investment adviser shall buy, sell or deal in securities except under, and in accordance with, the conditions of a Certificate of registration obtained from the Board. Further, Regulation 3(1) of the IA Regulations provides that 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. It is pertinent to mention that the Noticee was never registered with SEBI, in any capacity as an intermediary. By operating as an *'Investment Adviser'* as defined under Regulation 2(m) of the IA Regulations, without obtaining registration from SEBI, I find that the Noticee has violated Section 12(1) of SEBI Act read with Regulation 3(1) of the IA Regulations.

15. The Interim Order cum SCN and the Supplementary SCN have also alleged that the Noticee's unregistered investment advisory activities coupled with the promise of assured returns on investments for luring /inducing the public to deal in securities, was in violation of Sections 12A(a), (b) and (c) of the SEBI Act read with Regulations 3(a), (b), (c) and (d) of the PFUTP Regulations. The aforementioned provisions of law read as under:

"Provisions of the SEBI Act:

12A. No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

Provisions of the PFUTP Regulations:

Regulation 2(1)(c) of the PFUTP Regulations:

"fraud" includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include--

(1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;

(2) a suggestion as to a fact which is not true by one who does not believe it to be true;

(3) an active concealment of a fact by a person having knowledge or belief of the fact;

(4) a promise made without any intention of performing it;

(5) a representation made in a reckless and careless manner whether it be true or false;

(6) any such act or omission as any other law specifically declares to be fraudulent;

(7) deceptive behaviour by a person depriving another of informed consent or full participation;

(8) a false statement made without reasonable ground for believing it to be true;

(9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

And "fraudulent" shall be construed accordingly; …"

Regulation 3 of the PFUTP Regulations:

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(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."

16. The Noticee by actively holding itself out as an *'Investment Adviser'*, despite not having been granted a valid Certificate of registration by SEBI, has knowingly misrepresented itself to the investors /clients. In addition to that it has been alleged in the Interim Order cum SCN that the Noticee was guaranteeing assured returns to the investors. In this regard, reference is made to Table –IV of this Order, which has extracted some of the communications exchanged between the investors and the Noticee. I take specific note of the exchange between the Noticee and Mehul Vinod Patel, which reads,

"*NSE/MCX*

<u>Get next day profit 2.30 lakh</u> your 101 day free demo finished

Now plz no more free demo

Pay 5,499/- for sms service (from tomorrow 25555/-)

We provide above 95% accuracy

Pay 34444/- for auto trade dmat handle service

Paytm gpay bank credit card available" (emphasis supplied).

Similarly, I also take note of the exchange between the Noticee and Arjunsingh Shankar, which reads,

"*if you are interested to robo trade service u can join*

Plan-1- pay 11999/- for software charge daily (30% sharing on profit)

Plan-2 pay 14999/- monthly service.
60000 investment required
<u>Daily 5-10% guarantee profit.</u>" (emphasis supplied).

17. From the above conversations between the investors and the investors, it is quite clear that the Noticee was promising assured returns to the investors with the intention of inducing them to buy various investment products/services offered by it. It is emphasised that the guaranteeing of assured returns and profits is inherently misleading as it runs contrary to the fundamental attribute of the securities market i.e., investments are subject to market risks. Such misleading promises might have induced the clients to invest in the schemes and packages floated by the Noticee.

18. I am, therefore, of the considered view that the above activities of the Noticee amount to acts, practices, courses of business which operate as *'fraud'* (as defined under Regulation 2(1)(c) of the PFUTP Regulations) upon the public in connection with dealing in securities. Further, reference is made to Section 12 A (a), (b), (c) of the SEBI Act and Regulation 3 (a), (b), (c), (d) and Regulations 4(1) and 4(2)(k) of the PFUTP Regulations. The above provisions prohibit deceptive and misleading practices in the securities market. It is also prohibited by the PFUTP Regulations to disseminate knowingly information or advice which is false or misleading with an intent of influencing the decision of investors to deal in securities. So, the promise of assured profits in any manner is a dissemination of false and misleading information with an intent to deceive the investor into subscribing to the products and schemes floated by the Noticee. Accordingly, I find that the investment advisory activities carried out by the Noticee were in violation of the provisions of Section 12 A (a), (b), (c) of the SEBI Act and Regulation 3 (a), (b), (c), (d) and Regulation 4(1) and 4(2)(k) of the PFUTP Regulations.

19. The Interim Order cum SCN and the Supplementary SCN have *inter alia* called upon the Noticee to show cause as to why suitable directions under Sections 11(1), 11(4), 11B(1) and 11D of the SEBI Act, should not be issued against them. In the instant proceedings, the amount of fees /consideration collected by the Noticee as a result of providing unregistered *'Investment Advice'* to investors, amounted to ₹233,90,31,161. In light of the

findings in the preceding paragraphs, I am of the considered view that the Noticee is liable to refund the aforementioned amount collected as fees from clients /investors by offering unregistered *'Investment Advice'* , and accordingly, a direction to refund such amount will be in the interest of the investors in the securities market. I also note that the amount mobilised by the Noticee from investors is an exceptionally large amount, even though the Noticee was not a registered Investment Adviser. Thus, in view of the gravity of the violations that have been perpetrated by the Noticee, I am of the considered opinion that stern measures need to be taken against him, so as to keep such elements away from the securities market. Accordingly, commensurate directions are being passed against the Noticee, as may be seen from the following paragraphs.

Directions –

20. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11(1), 11(4), 11B(1) and 11D read with of Section 19 of the SEBI Act, hereby direct that:

a. The Noticee, **Vivek Mahendragiri Ramdati – Proprietor of Vinayak Tradelink**, shall within a period of three months from the date of coming into force of this Order refund the money received from the investors /clients, as fees /consideration or in any other form, in respect of its unregistered investment advisory activities.

b. The Noticee shall cause to effect a public notice in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, inviting claims from investors/clients within a period of fifteen (15) days from the date of this Order. The said public notice shall detail the modalities for refund, including the details of contact person such as names, addresses and contact details. A period of two (2) months from the date of the publication of the public notice shall be provided to the investors/clients for submitting their claims.

c. The repayments to the clients /investors shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments.

d. The Noticee is prevented from selling its assets, properties and holding of mutual funds /shares /securities held by it in demat and physical form except for the sole purpose of making the refunds as directed above. Further, the banks are directed to allow debit from the bank accounts of the Noticee, only for the purpose of making refunds to the clients /investors who were availing the unregistered investment advisory services from the Noticee.

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 completion of three months from the coming into force of the directions at para 20 (a) above, duly certified by an independent Chartered Accountant and the direction at paragraph 20 (d) above shall cease to operate upon filing of such report on completion of refunds to clients /investors.

f. The Noticee is debarred from accessing the securities market, directly or indirectly and is prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of **ten (10) years** from the date of this Order or till the expiry of **ten (10) years** from the date of completion of refunds to clients/ investors as directed in paragraph 20 (a) above, whichever is later.

21. The above direction for refunds /repayment to clients /investors as given in paragraph 20 (a) above, does not preclude the investors /clients to pursue other legal remedies available to them under any other law against the Noticee for refund of money or deficiency in service.

22. This Order shall come into force with immediate effect.

23. A copy of this Order shall be served upon the Noticee. A copy of this Order shall also be forwarded to:

  a. all the recognised Stock Exchanges, Depositories, Banks and Registrar and Transfer Agents for necessary compliance with the above directions; and
  b. the Government of Gujarat for its information.

Place: Mumbai **ASHWANI BHATIA**

Date: September 26, 2022 **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA