

National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/55659	Date: February 17, 2023
Circular Ref. No: 43/2023	

To All NSE Members,

Sub: SEBI Order in the matter of M/s VS Investment Solutions and its Proprietor: Mr. Vipul Namdev

SEBI vide its Order No. WTM/SM/WRO/WRO/23844/2022-23 dated February 17, 2023 has hereby restrained the entity M/s VS Investment Solutions Proprietor: Mr. Vipul Namdev (PAN : AUEPN8510C) 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 02 (two) years from the date of this Order or till the expiry of 02 (two) years from the date of completion of refunds to complainants/ investors along with depositing of balance amounts, if any, with SEBI as directed in sub-paragraph (i) and (v) of the SEBI order, whichever is later.

Further, all open positions, if any, of the above entity in the F&O segment of the stock exchange, are permitted to be squared off, irrespective of the restraint/prohibition imposed by this Order.

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 at the below mentioned link:

<https://www.nseindia.com/regulations/member-sebi-debarred-entities>

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. Rishabh Goyal (Extension: 25508), Mr. Anand Jangir (Extension: 22385)
Direct No: 022-26598417/18 Fax: 022-26598195

For and on behalf of
National Stock Exchange of India Limited

Anand Jangir
Manager

National Stock Exchange of India

Annexure: SEBI Order in the matter of M/s VS Investment Solutions and its Proprietor: Mr. Vipul Namdev

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: S. K. MOHANTY, WHOLE TIME MEMBER

ORDER

UNDER SECTIONS 11(1), 11(4), 11(4A), 11B (1), 11B (2) AND 11D OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995 IN THE MATTER OF M/S VS INVESTMENT SOLUTIONS, PROPRIETOR – MR. VIPUL NAMDEV

In respect of:

Sr. No.	Name of the Noticee	PAN
1.	M/s VS Investment Solutions Proprietor: Mr. Vipul Namdev	AUEPN8510C

Background

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) received complaint dated December 29, 2020 from one complainant against M/s. VS Investment Solutions (for short “VSIS”) and its Proprietor Mr. Vipul Namdev (for short “Vipul”) (hereinafter collectively referred to as the “Noticee”). Complainant has also shared copy of a complaint filed with Madhya Pradesh police against the Noticee. It is observed from the aforementioned complaints, that an assurance was given to the complainant by the Noticee that if he invests INR 1,00,000 in the stock market through the Noticee, he will get return upto 5 times on the invested amount within 60 to 90 days. Accordingly, the complainant transferred INR 1,00,000 to the bank account of Vipul. Taking into cognizance the aforesaid complaint, SEBI initiated an examination into the matter, which, *inter alia*, revealed the following facts with respect to the activities of the Noticee:

- a) That VSIS was hosting a website, viz: <https://www.vsinvestmentsolution.in> which, *inter alia*, proclaimed that “Vs Investment Solution is India's one of the best stock advisory who caters & delivers best stock recommendation in Equity Market, Commodity Market & Forex Market. We give the most reliable advices for letting your money to flow in right direction.” It was further noticed that VSIS was claiming to be involved in providing tips in Stock Cash, Stock Future, Stock Option, Nifty Index and Commodity Segments
- b) That a payment of INR 1,00,000 as stated by the complainant was noticed to have been credited to a Bank account number 1721XXXXXX3631 opened with AU Small Finance Bank (For short “AU Bank). The said Bank Account has received the above amount for availing services from VSIS. From the Know Your Customer (KYC) and Account Opening Form (AOF) documents as provided by the AU Bank, it was revealed that the aforementioned bank account was held in the name of the *Vipul*.
- c) From the analysis of the account statements of the aforementioned bank account, it was observed that the total amount mobilized by the *Noticee* in the above bank account stood at INR 34,82,571.13/- during the period commencing from August 9, 2019 till February 21, 2022, which included the payment of INR 1 lac as claimed to have been made by the complainant.
- d) From the examination of the afore-stated Bank account statement of the proprietor of VSIS and the website of VSIS, it is observed that the *Noticee* has held itself out as Investment Advisers and has apparently received fees from the investors against providing recommendation pertaining to trade in stock and other product related to the securities market.
- e) It has also been revealed that for rendering the investment advisory services, the *Noticee* has not been registered with SEBI, which suggests that the above stated investment advisory services rendered by the *Noticee* were rendered without obtaining a registration as mandatorily required under

SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as “IA Regulations, 2013”) read with relevant provision of the *SEBI Act, 1992*.

Show Cause Notice, Reply and Hearing

2. On the basis of the aforesaid factual observations, the evidence gathered during the examination and considering the prima facie illegal nature of the activities undertaken by the *Noticee*, a Show Cause Notice dated June 09, 2022 (hereinafter referred to as “SCN”) was issued by SEBI against the *Noticee*. It is alleged in the SCN that the *Noticee* has carried out investment advisory activities without obtaining necessary registration from SEBI and consequently, the *Noticee* has acted in violation of the provisions of Section 12(1) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred as ‘*SEBI Act, 1992*’) read with regulation 3(1) of *IA Regulations, 2013*. The SCN further calls upon the *Noticee* to show cause as to why inquiry should not be held against him in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and why penalty be not imposed upon them under Sections 11 (4A), 11B (2) read with Section 15HB of the *SEBI Act, 1992* for the aforesaid violations.

3. I note from the records available before me that the SCN was attempted to be served upon the *Noticee* on its address available with SEBI i.e. “*Makan No. 81, Ward No. 20, Ram Nagar, Dewas, Madhya Pradesh – 455001*” however, as the SCN returned undelivered, it had to be serviced through Newspaper Publication in Times of India, Indore edition on July 07, 2022 and Nai Duniya, Indore edition on July 07, 2022. However, the *Noticee* has neither filed any reply/objections to the SCN nor has sought any personal hearing. Nevertheless, in conformity with the principles of natural justice, an opportunity of personal hearing was provided to the *Noticee* while scheduling the hearing on November 17, 2022. I note that the hearing notice was delivered upon the *Noticee* through Newspaper Publication in Times of India, Indore edition on September 10, 2022 and Nai Duniya, Indore edition on September 10, 2022. I note that no one appeared before me on the scheduled date of hearing on behalf of the *Noticee*. Under the circumstances, I

observe that principles of natural justice have been adequately complied with in the present matter, and as the *Noticee* has preferred not to participate in the present proceedings before me for reasons best known to it, I am constrained to deal with the matter on merit, based on the materials available on record.

Consideration of Issues and Findings

4. Considering the factual findings from the examination, the allegations levelled against the *Noticee* in the SCN based on such findings, I find that the following issue requires consideration:

Whether acts of the Noticee as imputed in the SCN, have resulted in the violation of the provisions of SEBI Act, 1992 read with IA Regulations, 2013 while providing the services related to Investment Advisory without having proper registration.

5. Before advertizing to the facts of the case to deal with the aforesaid issue, it is apposite to refer to the relevant provisions of law, the violations of which have been alleged against the *Noticee* in the SCN. Such provisions are reproduced herein for ready reference:

SEBI Act, 1992

Section 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:"

SEBI (Investment Adviser) Regulations, 2013

Regulation 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".

6. As stated in the beginning, SEBI had received a complaint *inter alia* alleging that the *Noticee* is involved in collecting money from investors under the garb of

engaging in activities of providing investment advisory and through the said activities, the *Noticee* has also floated various investment plans for offering to prospective clients. The SCN accordingly has alleged that the *Noticee* was involved in unregistered Investment Advisory activities. In this regard, from further scrutiny, it has emerged that the *Noticee* was hosting a website called <https://www.vsinvestmentsolution.in>. As per the information gathered from the above mentioned website of the *Noticee*, it was observed that the *Noticee*, *inter alia*, has made the following proclamations through its website:

“Vs Investment Solution is India's one of the best stock advisory who caters & delivers best stock recommendation in Equity Market, Commodity Market & Forex Market. We give the most reliable advices for letting your money to flow in right direction.

We understand the uncertainty & every moves of stock market & all our highly skilled team who always keep updates to our clients by that they are able to take advantage of each of their trade & make more & more profit from stock market.”

7. The records before me further show that the *Noticee*, for the purpose of rendering of the alleged investment advisory services, had published / declared a schedule of fees that would be charged from the investors in lieu of providing its advisory services. In this respect, I note that the website of the *VSIS* contained following pricing details for rendering various types of services:

<i>Name of Service</i>	<i>Price (in INR)</i>	<i>Details</i>
<i>STOCK CASH</i>	<i>12000/Monthly 24000/Quarterly</i>	<i>Number of Calls: 2 calls per day Type- Intraday / Delivery Delivery via- SMS</i>
<i>STOCK FUTURE</i>	<i>18000/Monthly 30000/Quarterly</i>	<i>Number of Calls: 1-2 calls per day Type- Intraday / Positional Delivery via- SMS</i>
<i>NIFTY BANK NIFTY INDEX</i>	<i>12000/Monthly 24000/Quarterly</i>	<i>Number of Calls: 2-3 calls weekly Type- Positional Delivery via- SMS</i>

BLUE CHIP	25000 / Monthly 45000/ Quarterly	Number of Calls: 1-2 calls per day Type- Intraday / Delivery / Positional Delivery via- SMS
CUSTOMIZED PACK	1,00,000/Quarterly	Number of Calls: 1-2 calls per day Type- Intraday / Delivery / Positional Delivery via- SMS Real Time Update - YEs
WEALTH Management	1,50,000/Quarterly	Number of Calls: 1-2 calls per day Type- Intraday / Delivery / Positional Delivery via- SMS Real Time Update - YEs

8. From the aforesaid facts, it is evident that VSIS, which is the proprietorship concern of Vipul was engaged in activities related to securities market. The perusal of the fees as mentioned in the above table which was declared on its website shows that the Noticee has classified or categorised the fees into different slabs depending upon the nature of services to be availed by the respective investors. The nature of the services *inter alia*, contains names like 'STOCK CASH' 'STOCK FUTURE', 'NIFTY BANK NIFTY INDEX' etc. which on its face are sufficient enough to hold that the Noticee was engaged in activities of rendering advisory activities relating to securities market to clients/investors against monetary consideration and such activities of providing advisory services relating to investing in, purchasing, selling or otherwise dealing in securities and various other investment products of securities, as was proclaimed by the said firm through its website i.e. <https://www.vsinvestmentsolution.in>, were being carried out in an unauthorized manner without having a SEBI registration. At this juncture, it is pertinent to look at the definition of Investment Adviser (or short "IA") as articulated in regulation 2 (1) (m) of the IA Regulations, 2013 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 also perused regulation 2(1)(l) of the *IA Regulations, 2013* 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.*"

9. In the light of the aforesaid definitions read with the aforesaid contents published and proclaimed on the website of the *Noticee* pertaining to various investment packages offered and fees charged for such packages as well as the allegations imputed in the SCN, I note that the *Noticee*, through its website has made it sufficiently clear to the public at large, that it was engaged in offering investment advice as defined under regulation 2(1)(l) of the *IA Regulations, 2013*. In this respect, as noted above, the *Noticee* through its said website had published contents and claimed to be one of the best stock advisory who caters & delivers best stock recommendation in Equity Market, Commodity Market & Forex Market and had further proclaimed to be one of the best in the sector who provides the most reliable advices and that the investments made by investors based on its advice, would let the investment to flow in right direction, resulting in fetching more and more profit. Having considered the materials on record, it is clearly observed that the *Noticee* was offering to provide advice related to investing in, purchasing and selling of securities as well as offering various service packages to investors at large, for subscription to securities which were nothing but blatantly offering of investment advisory services to the public.

10. The SCN has recorded that the aforesaid investment advisory services were being offered by the *Noticee* in lieu of monetary considerations which were being paid by the concerned investors into the AU Bank account number 1721XXXXXXX3631 of the *Noticee* as per the instructions of the *Noticee*. It is gathered from the KYC of the Bank account number 1721XXXXXXX3631 with AU Bank that the said account was being held in the name of *Vipul* and the aforesaid Bank account was used for accepting payments from the investors of *VSIS*. It is

also noted from the information collected while the matter was under examination that the aforesaid Bank account of the *Noticee* had received amounts aggregating to INR 34,82,571.13/- during the period commencing from August 9, 2019 till February 21, 2022, which also included the payments of INR 1 lac made by the complainant to the *Noticee* for rendering advisory services.

11. In the light of the aforesaid findings, observations, representations made by the *Noticee* through its website as well as the allegations imputed in the SCN, I find that the *Noticee* had represented that it is one of the best stock advisory firms who caters & delivers the best stock recommendations in Equity Market and Commodity Market. Considering the aforesaid factual findings that led to the commencement of the instant proceedings, it leaves no doubt in my mind that the above noted activities by the *Noticee*, squarely satisfy the conditions for determining that *VSIS* was indeed engaged in providing investment advisory services to investors of securities market. The above observation further finds strength from the fact that the *Noticee* has till date, not placed any records / evidences contrary to the allegation made in the SCN so as to deny the above finding and allegations about it being engaged in offering investment advice as defined under regulation 2(l) of the *IA Regulations, 2013*. Thus there is nothing on record to dispute that the *Noticee* was offering advices to the investors, related to investing in, purchasing and selling of securities and was also offering various service packages to the investors for subscription into those packages for availing investment advisory services from the *Noticee* as per the terms of those packages.

12. As pointed out above, with respect to the allegations made in the SCN, till now no submissions have been put forth by the *Noticee*. At this juncture, I find it apt to refer to and rely on the observation of the Hon'ble Securities Appellate Tribunal (for convenience "*SAT*") in the case of *Sanjay Kumar Tayal & Others v SEBI* (*Appeal No. 68 of 2013- DoD- 11.02.2014*), wherein the Hon'ble *SAT* has observed that- ".....As rightly contended by Mr. Rustomjee, learned senior counsel for respondents, appellants have neither filed reply to show cause notices issued to them nor have 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..."

13. Considering the afore-discussed factual analysis about the activities engaged in/services rendered by the *Noticee* as proclaimed by it on its own website, the examination of bank account statements of the *Noticee* (supported by the KYC) and most importantly, the fact that there has been no denial or objection to the charges/allegations levelled in the SCN by the *Noticee* either during the course of hearing held on November 17, 2022 (which it failed to attend) or in the form of a reply refuting such charges, it leaves no further scope for any doubt to conclude that the alleged activities indulged into by the *Noticee* squarely fall under the category of 'investment advisory services' as defined under regulation 2 (1)(l) of the *IA Regulations, 2013*.

14. Further, considering the fact that the website of the *Noticee* clearly showed that its services were in the nature of investment advisory services coupled with the fact that the Bank account of the *Noticee* has received an aggregate deposits worth of INR 34.82 lacs during the period of August 9, 2019 to February 21, 2022, it leads to an unassailable conclusion that the said proceeds and credit entries as reflected in the said AU Bank account number 1721XXXXXXX3631 of the *Noticee* were in fact the fees that were received towards consideration for providing the advisory services offered by the *Noticee* to the public through its website. Thus, the records before me are self-evident of the fact that the *Noticee* was engaged in offering investment advice to the investors in lieu of subscriptions purchased/fees paid by the investors through its website. The *Noticee*, by preferring to abstain from the personal hearing and further by choosing not to file any reply or written submission to rebut the allegations and observations recorded against it in the SCN, and by not even making an attempt to suggest that the money received by it in the above referred bank account pertained to some activities other than the investment advisory activities, has made it clear that it has no explanation to offer

in its defense. Under the circumstances, I find that based on consideration of materials on record, it can be safely held that the entire amount of INR 34.82 lacs credited in the AU bank account number 1721XXXXXXXX3631 of the *Noticee* represented nothing but the fees received by the *Noticee* from its business of investment advisory services.

15. Therefore, there is no ambiguity left that the *Noticee* was engaged in the business of providing investment advice to the public, in lieu of monetary consideration and was thus, acting as an 'investment adviser', as defined under regulation 2(m) of the *IA Regulations, 2013*.

16. At this juncture, it is relevant to note that in order to protect the interest of investors and to preserve the integrity of the securities market, *IA Regulations, 2013* provide various safeguards to ensure that the interest of the investors who receive investment advice, are protected. One such safeguard provided under the said regulations is that any person carrying out investment advisory activities has to first obtain a certificate of registration from SEBI as mandated under regulation 3(1) of the *IA Regulations, 2013*, which, *inter alia*, 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 SEBI and it has to conduct its activities in accordance with the provisions of *IA Regulations, 2013*. Further safeguards provided under *IA Regulations, 2013* include continued minimum professional qualification and compliance with net-worth requirement for acting as an investment adviser, prior disclosure of all conflicts of interest, prohibition on the Investment Advisor from entering into transactions in securities himself, which are contrary to the advice given to the clients at least for 15 days from the date of giving such advice to the clients, mandatory risk profiling of investors, maintaining documented process for selecting investment products for clients based on client's investment objective and risk profile and understanding of the nature and risks of products or assets selected for such client, etc.

17. In order to ensure protection of investors' interest who desire to receive investment advice from various Investment Advisors, it is imperative that any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and has to conduct its activities in accordance with the provisions of the relevant SEBI Regulations. However, the activities engaged in by the *Noticee*, as brought out from the various materials described above including its website, bank account, complaint, etc. seen in the backdrop of the aforesaid regulatory provisions, show that the *Noticee* was acting as IA, although the *Noticee* was not registered with SEBI in the capacity of IA. Hence, I find that these activities/ representations as were being made by the *Noticee* without holding the mandatory certificate of registration as investment adviser, are in blatant violation of Section 12(1) of *SEBI Act, 1992* read with regulation 3(1) of the *IA Regulations, 2013*.

18. Having made the observation qua the role of the *Noticee*, it is also noticed that the instant proceedings also call upon for imposing of monetary penalty in terms of relevant provisions of laws for the violation alleged in the SCN. Extracts of these penalty provisions are provided hereunder for facility:

Section 15HB of the SEBI Act, 1992

"Penalty for contravention where no separate penalty has been provided

Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be [liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees/."

Section 15J of the SEBI Act, 1992:

"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."

19. In my view, unregistered investment advisors, like the *Noticee* in the present case, can put the interest of the investors at great risk by misleading them or mis-utilising their funds to the detriment of the interest of the investors. Accordingly, I deem it fit to issue direction imposing monetary penalty on the *Noticee* for the above mentioned violations. I understand that the materials available on record do not indicate the exact amount of fees collected by the *Noticee*, as a result of providing such investment advice to investors in violation of the provisions of the *IA Regulations, 2013*. However, the SCN records that the *Noticee* has received credits worth of INR 34.82 lacs in its AU bank account number 1721XXXXXXX3631 from August 9, 2019 till February 21, 2022. I also note that the aforesaid amount includes money in small amounts on various occasions. Further, from the complaint that was received by SEBI against the *Noticee*, it is observed that the *Complainant* had claimed that he had paid money to the *Noticee*, for availing investment advisory services from the *Noticee*, which further reinforces the unauthorised investment advisory services being rendered by the *Noticee*, holding out false promises to induce the innocent investors. In these circumstances, I deem it fit to impose a suitable penalty on the *Noticee* for the above mentioned violations under Section 15HB of the *SEBI Act, 1992*.

20. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11(4), 11B (1), 11B (2) and 11D read with Section 15 HB and Section 19 of the *SEBI Act, 1992*, hereby direct that:

- i. The *Noticee* shall, within a period of three months from the date of this Order, refund the money (approximately INR 34.82 lacs as indicated at paragraph 19 of this Order) received from the clients / investors /

complainants, as fees or consideration or in any other form, in respect of its unregistered investment advisory activities;

- ii. To give effect and implement the above direction, the *Noticee* shall issue public notice in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of its contact person such as names, addresses and contact details including email id and phone number, within 15 days of coming into force of this Order;
- iii. The repayments to the clients/investors / complainants 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;
- iv. After completing the refund as directed in sub-paragraph (i) above, within a further period of 15 days thereafter, the *Noticee* shall file a report detailing the amount refunded to SEBI addressed to the Division Chief, Division of Registration-2, Market Intermediaries Regulation and Supervision Department (MIRSD), Division of Registration-2, SEBI Bhavan II, Plot No. C7 G Block, Bandra Kurla Complex, Bandra (East) Mumbai -400051. The said report should be duly certified by an independent Chartered Accountant indicating entity wise details to whom refunds have been issued such as name, amount refunded, communication address, mobile numbers, telephone numbers, etc. alongwith the mode of payment by banking transactions duly supported by the certified copy of bank statements;
- v. The remaining balance amount, if any, (after returning to the investors / clients / complainants out of the said INR 34.82 lacs, in case claims so received fall short of the amount of INR 34.82 lacs) 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 were

availing the investment advisory services from the *Noticee*. Thereafter, remaining balance amount if any, which could not be returned to the clients / investors / complainants, will be deposited in the Investors Protection and Education Fund maintained by SEBI;

- vi. The *Noticee* is restrained 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 only for the purpose of making refunds to the clients/investors who were availing the investment advisory services from the *Noticee* as directed above and for the purpose of depositing the balance amount with SEBI, as directed in this Order, from the bank account of the *Noticee*;
- vii. 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 02 (two) years from the date of this Order or till the expiry of 02 (two) years from the date of completion of refunds to complainants/ investors along with depositing of balance amounts, if any, with SEBI as directed in sub-paragraph (i) and (v) above, whichever is later;
- viii. Mr. Vipul Namdev is restrained from associating with any company whose securities are listed on a recognized stock exchange and any company which intends to raise money from the public, or any intermediary registered with SEBI in any capacity for a period of 02 (two) years from the date of this Order or till the expiry of 02 (two) years from the date of completion of refunds to complainants/ investors along with depositing of balance amounts, if any, with SEBI as directed in sub-paragraph (i) and (v) above, whichever is later;

- ix. The *Noticee* shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in sub-paragraph (vii) and (viii) above, either directly or indirectly, investment advisory services or any other activity in the securities market without obtaining a certificate of registration from SEBI as required under the securities law;
- x. Upon submission of report on completion of refunds to complainants/ investors to SEBI and after depositing the balance money with SEBI, if any, the direction at sub-paragraph (vi) above shall cease to operate within 15 days thereafter;
- xi. The *Noticee* shall resolve all the complaints pending against it and file a report of such resolution with SEBI addressed to the Division Chief, Division of Registration-2, Market Intermediaries Regulation and Supervision Department (MIRSD), Division of Registration-2, SEBI Bhavan II, Plot No. C7 G Block, Bandra Kurla Complex, Bandra (East) Mumbai -400051. The aforesaid report shall be filed along with the report as contemplated under sub-paragraph (iv) above, within a period of 30 days, from the date of this Order;
- xii. In light of my above observation and considering the factors mentioned under Section 15J of the *SEBI Act, 1992*, I, hereby monetary imposed penalty of INR 02 lacs (two lacs) on the *Noticee*. *Noticee* shall pay the aforesaid monetary penalty within 45 days from the date of receipt of this Order. The *Noticee* shall remit / pay the said amount of penalty either by way of Demand Draft in favour of “SEBI -Penalties Remittable to Government of India”, payable at Mumbai, or 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 Chairman/ Members -> PAY NOW. In case of any difficulties in online payment of penalties, the *Noticee* may contact the support at portalhelp@sebi.gov.in. The demand

draft or the details/ confirmation of e-payment should be sent to "The Securities and Exchange Board of India, SEBI Bhavan II, Plot no. C-7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai -400 051" and also to e-mail id:- tad@sebi.gov.in in the format as given in table below:

Case Name	
Name of Payee	
Date of Payment	
Amount Paid	
Transaction No.	
Payment is made for : (like penalties / disgorgement / recovery / settlement amount / legal charges along with order details)	

21. The direction for refund, as given in paragraph 20 (i) and 20 (v) above, does not preclude the clients/investors of the *Noticee* from pursuing the other legal remedies available to them under any other law, against the *Noticee* for refund of money or deficiency in service before any appropriate forum of competent jurisdiction.

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

23. Obligation of the *Noticee*, in respect of settlement of securities, if any, purchased or sold in the cash segment of the recognized stock exchange (s), as existing on the date of this Order, can take place irrespective of the restraint/prohibition imposed by this Order, only in respect of pending unsettled transactions, if any. Further, all open positions, if any, of the *Noticee* in the F & O segment of the stock exchange, are permitted to be squared off, irrespective of the restraint/prohibition imposed by this Order.

24. It is further clarified that during the period of restraint, the existing holding of securities including the holding of units of mutual funds of the *Noticee* shall remain frozen.

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

- i. All the recognized Stock Exchanges, Depositories, Banks and Registrar and Transfer Agents for necessary compliance with the above directions; and
- ii. The Government of Madhya Pradesh for action, if any.

-Sd-

DATE: FEBRUARY 17, 2023

S. K. MOHANTY

PLACE: MUMBAI

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA