National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/66348	**Date: January 28, 2025**
Circular Ref. No: 438/2025	

To All NSE Members,

Sub: SEBI Order in respect of Real Capital Services.

This has reference to SEBI Order no. QJA/AA/WRO/WRO/31146/2024-25 dated January 28, 2025 wherein, SEBI has restrained following entities from accessing the securities market, directly or indirectly and are prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of one year from the date of this order or till the expiry of one year from the date of completion of refunds to complainants/ investors as directed in paragraph 41 (a) above, whichever is later;

Sr. No.	Name	PAN
1.	Thakrar Diptiben Maheshbhai	BUCPT0506P
2.	Shreesons Enterprise (Prop: Kiritbhai Chavda)	BWXPC9835P

Further, SEBI has directed that during the period of restraint if the above entities have any open position in any exchange traded derivative contracts, as on the date of this order, 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. These Noticees are permitted to settle the pay 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.

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

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.

In case of any further queries, members are requested to email us at dl-invsg-all@nse.co.in

For and on behalf of
National Stock Exchange of India Limited

Sandesh Sawant
Senior Manager

Annexure: SEBI Order in respect of Real Capital Services.

QJA/AA/WRO/WRO/31146/2024-25

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTIONS 11(1), 11(4), 11(4A), 11B, 11B (1) and 11B (2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) ACT, 1992 READ WITH SECTION 12(1) OF SEBI ACT AND REGULATION 3(1) OF THE SEBI (INVESTMENT ADVISERS) REGULATIONS, 2013 AND UNDER SECTION 15- I OF THE SEBI ACT, 1992 READ WITH RULE 5 OF THE SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995.

In respect of:

Noticee No.	Name of Noticee	PAN
1.	Real Capital Services	Not available
2.	Thakrar Diptiben Maheshbhai	BUCPT0506P
3.	Shreesons Enterprise (Prop: Kiritbhai Chavda)	BWXPC9835P

(The aforesaid entities are hereinafter individually referred to by their respective names / Noticee numbers and collectively referred to as 'Noticees')

In the matter of Unregistered Investment Advisory Services by M/s. Real Capital Services

BACKGROUND OF THE CASE

1. The Securities and Exchange Board of India (hereinafter referred to as "SEBI"), received a complaint alleging that investment advisory services were offered to him by Real Capital Services. SEBI conducted detailed examination to ascertain the veracity of the complaint and to determine whether there was any violation of the provisions of Securities and Exchange Board of India,1992 ("**SEBI Act,1992**"), the Securities and Exchange Board of India (Investment Advisors) Regulations, 2013 ("**IA Regulations").**

2. SEBI's examination revealed that the Noticees have been providing investment advisory services without obtaining a certificate of registration from SEBI, thereby violating Section 12(1) of the SEBI Act, 1992 read with Regulation 3 (1) of the IA Regulations, 2013.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. A common Show Cause Notice dated 17.07.2024 (hereinafter referred to as "**SCN**") was issued to the Noticees calling upon them to show cause as to why suitable directions under Sections 11(1), 11(4), and11B (1) of the SEBI Act, 1992 including directions for debarment, refund of fees / monies collected from the investors should not be issued against them, for the alleged violations of Section 12(1) of SEBI Act,1992, Regulation 3(1) of IA Regulations, and Reg.3(a),(b),(c), and (d), Reg. 4(1), 4(2)(k), 4(2)(s) of SEBI (PFUTP) Regulations, 2003 . The Noticees were also called upon to show cause as to why inquiry should not be held against them in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and penalty be not imposed upon Noticees under Section 11(4A), 11B(2) read with Section 15EB and Section 15HA of the SEBI Act, 1992 for the aforesaid alleged violations. The following documents, *inter alia*, were enclosed as annexures to the SCN:

Table A

Annexures to SCN	
Annex. No.	**Particulars**
A	Copy of complaint received from the complainant alongwith the documents provided by him.
B	Screenshot of website pages viz http://realcapitalservices.in/
C	Screenshot of SEBI website.
D	Copy of email from Axis Bank alongwith bank account statements and KYC documents.
E	Copies of correspondence sent to the noticees 1 to 3 and replies received from noticee 2.

4. The findings of the Examination as stated in the SCN:-
   4.1 SEBI received a complaint against Real Capital Services (**Noticee no. 1)** alleging that Real Capital Services was providing investment advice to the clients for a fee of Rs.30,000/- per month. The complainant provided the details of the payments made by him for such investment advisory services through Google Pay.
   4.2 The complainant made the payments through Google Pay to the mobile number 81xxxxxx16 which was in the name of Dipti Thakar/ *alias* Diptiben Thakkar / *alias* Diptiben Maheshbhai Thakrar (**Noticee no. 2**).
   4.3 To avail the advisory services, the complainant made payments through Google Pay number i.e. 81xxxxxx16 which is linked to the Axis Bank Account No. **92xxxxxxxxxx55** of of Dipti Thakar/ *alias* Diptiben Thakkar / *alias* Diptiben Maheshbhai Thakrar (**Noticee 2**). and Google Pay number 63xxxxxx32 which is linked to Axis Bank Account No. **92xxxxxxxxxx07** of Shreesons Enterprises (Proprietor – Kiritbhai Chavda) (**Noticee no. 3*).***
   4.4 From the Whatapp chats submitted by the complainant it was revealed that Real Capital Services had a website http://realcapitalservices.in/ (currently notaccessible).
   4.5 Real Capital Services had stated on its website that it is India's leading advisory company and also a SEBI registered investment adviser. The website stated *inter alia* that it assisted with equity ideas and execution of direct equity investment decisions and they have six years' experience in services regarding equity, MCX, NCDEX and currency. The website offered various plans at different fees.
   4.6 During examination, it was observed that the Noticees were not registered with SEBI in any capacity.
   4.7 The payments made by complainant were credited to the Axis Bank accounts of the Noticee no. 2 and 3.From the bank statement of Noticee 2, it was observed that there were credit transactions with narrations "Real ca". Further, the bank account statements of Noticee no. 2 and 3 also carried the narrations of credit transactions such as "Advisory Fee", "Advisory Charge", "Market Advisory", etc.

4.8 The complainant had first transferred fees for the services to the account on 10.12.2020. Earliest transaction which was found to be attributable to the investment advisory activities on the basis of key word 'invest', as appearing in the bank account of Noticee 3 on 13.11.2020. Hence, 13.11.2020 has been considered as the date of launch of the unregistered investment advisory activity.

4.9 During examination, SEBI sought information w.r.t the unregistered Investment Advisory activities carried out by the Noticees vide letters dated 06.02.2023 and 14.2.2023. A scanned copy of the letter was emailed to Noticee 2 at her available email id i.e. realconconsultancy@gmail.com (as per Axis Bank account opening form). Vide email dated 14.02.2023, Noticee no. 2 sought two weeks' time to provide a reply. Thereafter, vide email dated 22.02.2023, the Noticee 2 once again sought further time of 15-20 days to submit her reply. Thereafter, vide letter dated 02.03.2023 (written in Gujarati) Noticee 2 had tendered her reply. Noticee no. 2, however, has not provided the information sought from her. Thereafter, SEBI sent another letter dated 03.04.2023 sought clarifications w.r.t credits in the bank account of the Noticee no. 2. However, Noticee no. 2 failed to provide any reply. SEBI vide emails dated 03.06.2024 and 06.06.2024 sought further reply from Noticee no. 2. Despite multiple requests, no replies were received from Noticee no. 2. Further, for the queries raised during the examination, no replies were received from Noticees 1 and 3, as well.

5. The SCN dated 17.07.2024 was sent by Speed Post with Acknowledgment Due (SPAD) and vide email to the available addresses of the Noticees. The digitally signed SCN was served and delivered to the Noticees vide digitally signed emails dated 18.07.2024 sent to email ids realconconsultancy@gmail.com (as per Axis Bank account opening form of Noticee no. 2) and nineassociate@gmail.com (as per the Income Tax Return filing of Noticee no. 3). Further, the SCN sent through SPAD was delivered to Noticees no. 3 and Noticee no. 1 (sent through Noticee 3) on 22.07.2024. Hence the delivery of SCNs was successful through SPAD and email to Noticee no. 3 and Noticee no. 1 (served through Noticee no. 3) and to Noticee no. 2 through email.

6. Further, with due regard to the principles of natural justice, an opportunity of personal hearing was granted to all the Noticees on 25.09.2024. The hearing notice dated 30.08.2024 was sent by email as well as through SPAD to the available addresses of the Noticees. The digitally signed hearing notice was served and delivered to the Noticees vide digitally signed emails dated 04.09.2024 sent to email ids realconconsultancy@gmail.com and nineassociate@gmail.com Further, the hearing notice sent through SPAD was delivered to Noticees no. 3 and Noticee no. 1 (sent through Noticee no. 3) on 02.09.2024. Hence the delivery of the hearing notice was successful through SPAD and email to Noticee no. 3 and Noticee no.1) and to Noticee no. 2 through email. However, none of the Noticees appeared for the hearing scheduled on 25.09.2024.

   In order to ensure a fair opportunity to the Noticees to present their case, another opportunity of personal hearing was granted to them on 21.10.2024. This time, the SCN and hearing notice were once again served on the Noticees through Newspaper Publication in the Kathiawad Post (English edition) and Sandesh (Gujarati Language) on 09.10.2024.

7. Noticee no. 3, vide email dated 21.10.2024, requested for appearing for the personal hearing online. The request was acceded to. However, Noticee no. 3 could not be heard on the scheduled date due to technical issues. Finally, Noticee no. 3 appeared online for personal hearing (for self and on behalf of Noticee no. 1). on 28.10.2024. Noticee no. 3 submitted that his reply sent vide email dated 24.10.2024 (sent through the email ID janixxxsh08@gmail.com) may be taken on record as his reply to the SCN.

8. In his reply to the SCN, Noticee no. 3 has stated "…*regarding the transactions or activities done in my account, I want to inform you that I am serving as a delivery boy in a company earning nominal salary of Rs.12000/- p.m. During Corona I stuck up with an accident which got my hand fractured and I got bedridden. In this period my financial condition was miserable and my friend Mr. Prakash Harwani offered me Rs. 5000 just for using my account. I am totally unaware of what he did with*

the account as I am not that much literate Even for these SCNs I need to take help of someone else. Now the situation is Mr. Prakash died in Corona and I don't know anything about this matter. So please do the needful and relieve me from this situation. I assure you and totally understood that I should not give my account handling permission to anyone else." Further, I note that the Noticee no. 3 has not denied the receipt of the funds for the alleged activities in his bank account.

9. I note that Noticee no. 2, has neither furnished her reply to the SCN, nor has she availed the opportunities of personal hearings granted to her. I note that despite successful service of SCN and hearing notice, Noticee no. 2 has chosen to ignore the opportunity to defend her cause. I also find that Noticee no. 2 conveniently failed to provide the information sought by SEBI during the pre-SCN examination stage as well. In view of the above, I shall now proceed to examine the role of Noticees, on the basis of the material available on record.

CONSIDERATION OF ISSUES AND FINDINGS

10. I have considered the allegations made in the SCN, findings of the examination by SEBI, submissions of the Noticees and the documents available on record. I note that the primary issue for consideration is whether the Noticees have provided investment advisory services without obtaining a Certificate of Registration from SEBI in violation of Section 12 (1) of the SEBI Act, 1992 read with Regulation 3 (1) of the IA Regulations, 2013.

11. I note that despite successful service of SCN and hearing notice, Noticee no. 2 has chosen to ignore the opportunity to defend her cause in the present proceedings. However, Noticee no. 2 has furnished replies on few occasions during the pre-SCN examination conducted by SEBI. I note that during the pre-SCN stage examination conducted by SEBI, Noticee no. 2 vide her email reply dated 14.02.2023 (from email id realconconsultancy@gmail.com) has stated that she has no relation either in individual capacity or professional or business capacity with Noticee no. 1 or Noticee no. 3. Further, vide letter dated 02.03.2023 (written in Gujarati) Noticee no. 2 stated, *inter alia*, that she worked in a company giving tips in share market which she joined on 01.12.2020 and was paid a monthly salary of Rs.7000/- for it.

She claimed, the company management had seized the mobile, laptop and SIM card by paying advance salary. Noticee no. 2 did not mention the name of the company or any further details. During the pre-SCN examination by SEBI, details of Noticee no. 2's employer, bank account where her salary has been credited, details of investors who have availed the advisory services, connection with Noticee no. 3, etc were also sought from her. However, no reply has been received from Noticee no. 2 for the information that was sought from her.

12. I note that the complainant had transferred funds to the Google Pay number 81xxxxxx16 which is linked to the Axis Bank Account No. **92xxxxxxxxxxx55** of Noticee no. 2, for availing the services being provided by Real Capital Services i.e. Noticee no. 1. The details of these transactions which are appearing in this bank account of Noticee no. 2 are as follows:-

Transaction Date	Particulars	Credit Amount (Rs.)
17.12.2020	UPI/P2A/035210832448/ANIL NIS/ State Ban/UPI	10,001/-
18.12.2020	UPI/P2A/035315575613/ANIL NIS/ State Ban/UPI	5000/-

13. Further, it was also observed from the bank account statement of Noticee no. 2 that there are credit transactions with narrations "Real Ca". Hence it can be inferred that Noticee no. 2 was offering investment advisory services through the business name "Real Capital Services": -

Sr. No.	Date	Narration	Credit Amount (Rs.)
1.	23/12/2020	UPI/P2A/035818573908/JAT SALI/State Bank/ Real ca	30000
2.	29/12/2020	UPI/P2A/036416049199/SHESHRAO/ Bank of B/Real ca	15000
3.	27/01/2021	UPI/P2A/102714174627/AMIT KUMA/ICICI Ban/ Real ca	15000

14. Further, from the Axis Bank Account Opening Form of Noticee no. 2, it is also observed that email id provided by her to Axis Bank at the time of opening the account is realconconsultancy@gmail.com. During the examination by SEBI, the Noticee no. 2 had also replied to the emails sent to this email ID. I find that Noticee no. 2's mobile number 81xxxxxx16, as appearing in her Axis Bank Account Opening Form, as well as on the envelope while sending her physical pre-SCN reply dated 02.03.2024, is the same. Further, this is the same mobile number to which the Complainant was asked to transfer funds for the investment advisory services being provided in the name of Real Capital Services.

15. From the archived webpages of Real Capital Services at https://realcapitalservices.in (website being non-operational currently), the following is found to have been stated:

Real Capital Services – "Your Wealth Planner'.
Real Capital Services is a 'SEBI REGISTERED INVESTMENT ADVISOR'.
Real Capital Service – Investment Advisor is one of India's leading Advisory Company. It offers services regarding Equity, MCX, NCDEX & Currency With an experience of over six years, Real Capital Service – Investment Advisor has contributed significantly to the growth and development of the Advisory industry in India. Real Capital Service has carved a niche in the Advisory sector due to it rich heritage, integrity, adherence to prudent practices, technology advancement, customized products and services and most of all due to its experienced, qualified and professional Representatives.

Real Capital Service's – Investment Advisor product portfolio comprises solutions, which meet various customer needs such as Short term Investment, Long Term Investment. Our company currently has different categories of plans to fulfill the needs of customers. The company has a strong base of highly satisfied Investors and Traders.

Why Real Capital Service – Investment Advisor?
Our Mission – At Real Capital Service – Investment Advisor work continuously on Training and updating staff and ……….
WE OFFER DIFFERENT EQUITY SERVICES

Real Capital Services assists you with equity ideas and execution of your direct equity investment decisions. Our equity specialists proactively research the most performing stocks and help you make informed decisions in order to build a healthy equity portfolio…….

The website also mentions about the various packages being offered by Real Capital Services:

Basic Plan *- This package is suitable for small and medium traders, who look for a daily short term advice in Indian stock market - Price ₹11,999/-*
Silver Plan *– This package is suitable for big traders, who look for daily short term advice in India stock market – Price ₹29,999/-*
Gold Plan *– This package is suitable for high volume traders, who look for continues informed view on stock future & market trends – Price ₹ 59,999/-*
Platinum Plan *– This package is suitable for conservative trader, who look to trade in futures with low risk. – Price ₹1,19,999/-*

16. On perusal of the Axis bank account statement of Noticee no. 2, I find that the narration for credit entries mentions words such as 'fee', 'Stock p', 'trade / trading', 'share', 'advisor', 'tip', 'consult', which clearly indicates that the money for the investment advisory services being offered were collected in this bank account. The excerpts of such narrations in the Axis Bank Account No.92xxxxxxxxxxx55 of Noticee no. 2 are given below: -

Date	**Particulars**	**Amount Credited (Rs.)**
29/12/2020	UPI/P2A/036409623252/MAHENDRA /HDFC BANK/stock p	3000
08/01/2021	UPI/P2A/100810439763/CHAMPAK G/State Ban/Trading	20000
09/01/2021	UPI/P2A/100915460622/DEEPENDRA/Axis Bank/Trading	15000
21/01/2021	UPI/P2A/102114660620/AVINASH S/Axis Bank/Fees	6000
03/02/2021	UPI/P2A/103410163597/SWETA LAH/State Ban/share m	6400
09/04/2021	UPI/P2A/109909166557/YADUNATH /ICICI Ban/stock a	2100
19/04/2021	NEFT/N109211479120767/DILEEP KU/HDFC BANK/Advisor	2100
28/04/2021	UPI/P2A/111810024061/UTTANK MU/INDUSIND /trade p	3750

Date	Particulars	Amount Credited (Rs.)
05/05/2021	UPI/P2A/112510292320/MOHAMMED /ICICI Ban/fee	3000
07/05/2021	UPI/P2A/112712287480/MOHAMMED /ICICI Ban/fees	10000
07/05/2021	UPI/P2A/112715370084/MOHAMMED /ICICI Ban/fee	20000
25/05/2021	UPI/P2A/114516419907/ANWARKHAN/Bank of B/for tip	1100
03/06/2021	UPI/P2A/115416155443/JAGANNATH/Punjab Na/fees fo	2100
08/06/2021	UPI/P2A/115916336451/ASHIT KUM/HDFC BANK/Trading	1100
14/06/2021	UPI/P2A/116587231553/SHAILESH /ICICI Ban/consult	3500
15/06/2021	UPI/P2A/116610891379/Mrs ANTAR/Central B/trade	15000
15/06/2021	UPI/P2A/116610901845/Mrs ANTAR/Central B/trade	15000
16/07/2021	UPI/P2A/119713531018/SURESH NA/HDFC BANK/Stock a	3913
19/07/2021	UPI/P2A/120047646483/SURESH NA/HDFC BANK/Stock a	2200
20/07/2021	UPI/P2A/120156422991/SURESH NA/HDFC BANK/Stock a	5100
23/07/2021	UPI/P2A/120486553882/SURESH NA/HDFC BANK/Stock a	11000
15/11/2021	UPI/P2A/131910099866/KUSHAL KU/State Ban/consult	2800

17. In view of the forgoing observations at para 11 to 16, I find that Noticee no. 2 was offering investment advisory services to investors for consideration through the Business name Real Capital Services (Noticee no. 1), whose website address was "https://realcapitalservices.in". I note that, neither Noticee no. 1, nor Noticee no. 2, are registered with SEBI in any capacity. I also note that the claims of Noticee no. 2 in respect of her previous employment with a company offering stock tips, remain unsubstantiated. Despite sending repeated reminders during the pre-SCN examination stage by SEBI, Noticee no. 2 conveniently chose to remain silent and failed to provide any evidence in support of her claims.

18. I shall now proceed to deal with the role of Noticee no. 3 i.e Kiritbhai Chavda, Proprietor of Shreesons Enterprises. The complainant in his complaint had stated

he was provided with the mobile number 63xxxxxx32, to make payment of fees for the advisory services of Real Capital Services. SEBI's examination has revealed that this mobile number is linked to Axis Bank Account No. **92xxxxxxxxxxx07** of Shreesons Enterprises (Proprietor – Kiritbhai Chavda).

19. I note that Noticee no. 3 has denied having any connection with Noticee no. 1 and 2. In his reply sent through email (janixxxxx08@gmail.com) dated 24.10.2024, Noticee no. 3 has claimed that he is serving as a delivery boy and earning a nominal salary of Rs.12,000/- p.m. During the pandemic (COVID-19) he was bedridden due to a hand fracture and his friend (Prakash Harwani) offered him Rs.5000/- for using his account and he is unaware as he is not very literate. He further claims that his friend (Prakash Harwani) suffered death due to Corona. I note that, Noticee no. 3 has not produced any evidence in support of these claims.

20. The bank statement of Noticee no. 3 with Axis Bank Account No. 92xxxxxxxxxxx07, reflects payments made by the complainant. The details of the transactions appearing in the bank statement of the Noticee no. 3 is mentioned below:-

Date	**Particulars**	**Amount Credited (Rs.)**
10/12/2020	UPI/P2A/034512791239/ANIL NIS/State Ban/UPI	2501
15/12/2020	UPI/P2A/035013959102/ANIL NIS/State Ban/UPI	5001
15/12/2020	UPI/P2A/035017504950/ANIL NIS/State Ban/UPI	10001

21. Apart from the above, I find that, there are several other credit entries in the bank account of Noticee no. 3 mentioning words such as 'investment', consulta' , 'fees for', 'trading', 'advisory', in the narrations, which clearly indicate that the money for the investment advisory services being offered were collected in this bank account. The excerpts of such narrations in the Axis Bank Account No. 92xxxxxxxxxxx07, of Noticee no. 3 are given below:-

Date	Particulars	Amount Credited (Rs.)
13/11/2020	IMPS/P2A/031815935647/Unregist/CANARABA/ investme	150000
18/11/2020	IMPS/P2A/032311552503/Unregist/CANARABA/ consulta	150000
23/11/2020	UPI/P2A/032811023191/MOHD RAZA/ICICI Ban/Fees fo	2000
24/11/2020	UPI/P2A/032910673391/NAVEEN TA/Union Ban/Fee	6000
25/11/2020	UPI/P2A/033015318149/RAHUL SAH/State Ban/Trading	5000
26/11/2020	UPI/P2A/033115087732/BARADA KA/State Ban/Trade	6000
27/11/2020	UPI/P2A/033214984552/DIPIKA D/State Ban/Trade	4000
04/12/2020	UPI/P2A/033908905759/SUSHIL P/State Ban/Trading	4000
11/12/2020	UPI/P2A/034617113683/RAGHAV MA/Axis Bank/Consult	3000
14/12/2020	UPI/P2A/034915629570/DEEPA UDA/State Ban/Fees fo	3500
17/12/2020	UPI/P2A/035213402514/MUDASSAR /Axis Bank/Tip	5000
22/12/2020	UPI/P2A/035713843215/VAIJANATH/HDFC BANK/Trading	3000
31/12/2020	UPI/P2A/036613774856/ANKIT KUM/HDFC BANK/Trade	25001
31/12/2020	IMPS/P2A/036615631661/Unregist/CANARABA/ consulta	25000
04/01/2021	UPI/P2A/100417357457/TOSHIKA C/Axis Bank/Trade s	10001
05/01/2021	UPI/P2A/100511502937/TOSHIKA C/Axis Bank/Trade a	25002
05/01/2021	UPI/P2A/100514889928/TOSHIKA C/Axis Bank/Trade	25003
05/01/2021	UPI/P2A/100515842061/KAVITA JA/State Ban/Stock U	4000
08/01/2021	UPI/P2A/100809017368/PHADTARE /Saraswat /Share t	6000
12/01/2021	UPI/P2A/101211316135/PHADTARE /Saraswat /Share	4000
14/01/2021	UPI/P2A/101408356595/PHADTARE /Saraswat /Share	10001
19/01/2021	UPI/P2A/101914685650/AHMED MOH/Citibank/Stock ma	3003
21/01/2021	UPI/P2A/102113650137/PAVAN KUM/Axis Bank/Investm	3500
27/01/2021	UPI/P2A/102711094239/JYOTI/HDFC BANK/stock	8000
27/01/2021	UPI/P2A/102716633346/ASHISH RA/Union Ban/Advi	4000

Date	Particulars	Amount Credited (Rs.)
29/01/2021	UPI/P2A/102910090291/AMAR KASH/State Ban/Trading	3000
30/01/2021	UPI/P2A/103013335587/VAIDEHI S/ICICI Ban/Trade	1
30/01/2021	UPI/P2A/103013347808/VAIDEHI S/ICICI Ban/Trade	5000
01/02/2021	UPI/P2A/103211988513/ROHAN J K/HDFC BANK/Shares	5000
04/02/2021	UPI/P2A/103517410558/Mr. HEMAN/Bank of M/Fees	3001
10/02/2021	UPI/P2A/104109309162/RAVINDRAR/HDFC BANK/fee	5000
12/02/2021	UPI/P2A/104311484800/AMIT KUMA/ICICI Ban/Trader	5000
16/02/2021	UPI/P2A/104710147460/Shreyansh/State Ban/trading	5000
03/03/2021	UPI/P2A/106215082390/SANTOSH S/UCO Bank/share	5000
04/03/2021	UPI/P2A/106311145042/POONAM SH/HDFC BANK/fee	3001
02/04/2021	IMPS/P2A/109112199286/GANESHKR/CORPO RAT/Advisory	50000

22. Noticee no. 3 has failed to furnish any explanation for the large number of credit entries in his aforesaid bank account. As per the SCN, the total credit / deposit amount of Rs. 50,46,949/- is observed in the Axis Bank A/c. No. 92xxxxxxxxxx07 belonging to Noticee no. 3, for the period 14.10.2020 to 17.04.2021. Noticee no. 3 has merely made a bald statement that he had offered his Bank A/c. for use to his friend, in return of Rs. 5,000/-. However, in the absence of any evidence to corroborate this assertion by Noticee no. 3, nothing can be substantiated. Noticee no. 3 has neither adduced any proof of receipt of Rs. 5,000/- from his friend, nor has he substantiated his claims of employment as a delivery boy. Thus, in the absence of any supporting material, the claims by Noticee no. 3, ex-facie are found to be mere bald assertions meant to escape from the consequences of the present proceedings.

23. I note that the complainant in the present matter has alleged that based on a call that he received from the representative of Real Capital Services, he has

deposited the fees through Google Pay to the numbers linked to the bank accounts of Noticee no. 2 and 3. However, from the documents available on record, bank statements, as well as submissions of Noticee no. 3 during the personal hearing, I find that there is no convincing evidence to prove that Noticee no. 3 was connected with the other Noticees viz Noticee no. 1 and 2. However, as Noticee no. 3 is not a SEBI registered investment adviser and the narrations in his bank statement clearly demonstrate that the credits are towards the investment advisory activities, I find that Noticee no. 3 has independently indulged in unregistered investment advisory activities for consideration without obtaining registration from SEBI.

24. With regard to the issue whether the Noticees have acted as an unregistered investment adviser in violation of the provisions of the SEBI Act, 1992 and the IA Regulations, the definition of "Investment Adviser" as given under Regulation 2(1)(m) of the IA Regulations is relevant:-

"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;"

25. Further, Regulation 2(1)(l) of the IA Regulations defines "investment advice" as under:

"investment advice means 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:…."

26. *For ease of reference, the provisions of the SEBI Act, 1992 and IA Regulations alleged to have been violated by the Noticee are also reproduced hereunder :-*

SEBI Act, 1992

"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 [53][regulations] made under this Act:"*

SEBI (Investment Adviser) Regulations, 2013

"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:"

27. On the basis of material available on record, and a collective reading of the complaint, the details appearing on the archived webpages of https://realcapitalservices.in and the narrations appearing in the bank statements of Noticee no. 2 and Noticee no. 3, I find that the Noticee no. 2 and Noticee no. 1 together and Noticee no. 3 individually, were engaged in the business of providing investment advice to the clients, for consideration, and thus, were acting as investment advisers, as defined under Regulation 2(1) (m) of the IA Regulations.

    I note that in terms of Section 12 (1) of the SEBI Act and Regulation 3 (1) of the IA Regulations, no investment adviser shall act as an investment adviser or hold itself out as an investment adviser unless it has obtained a certificate of registration from SEBI.

28. I note that the safeguards provided under IA Regulations, 2013 requires continued minimum professional qualification (Reg. 7) and net-worth requirement (Reg. 8) for investment adviser, including disclosure of all conflict of interest (Reg. 15(5)), prohibition on entering into transactions which are contrary to advice given for 15 days (Reg. 15(7)), risk profiling of investors (Reg. 16), maintaining documented process for selecting investment for client based on client's objective and risk profile (Reg. 19), understanding the nature and risks of products or assets selected for clients, etc. These requirements are aimed at protection of investor interest.

29. I note that the activities of the Noticees as described in the preceding paragraphs, was that of an investment adviser. However, the Noticees are not registered with

SEBI in the capacity of Investment Adviser. Therefore, I find that the Noticees have violated Section 12(1) of the SEBI Act, 1992 along with Regulation 3 of the IA Regulations.

30. From the archived pages of the website http://realcapitalservices.in/, I find that Noticee no. 1 has shown itself as a SEBI registered investor adviser. As observed in the previous paragraphs, Noticee no. 2 was carrying out her investment advisory services in the name of Real Capital Services. Therefore, I am of the considered view that by disseminating information that Real Capital Services is registered with SEBI through the website http://realcapitalservices.in/, the Noticee no. 2 has knowingly misled the investors at large thereby engaging in acts, practices, course of businesses which operated as 'fraud' as defined under Regulation 2(1)(c) of the SEBI (PFUTP) Regulations, 2003. This act on the part of the Noticee no. 2 of disseminating and mis-selling to the gullible investors through the website is an activity of fraud and is violation of Regulation 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(k) and 4(2)(s) of the SEBI (PFUTP) Regulations, 2003. The aforesaid provisions are reproduced as under :-

Regulation 3(a), (b), (c) and (d) of PFUTP Regulations, 2003

"3. Prohibition of certain dealings in securities;

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."

Regulation 4(1), 4(2)(k) and 4(2)(s) of PFUTP Regulations, 2003

"4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) *Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets.*

Explanation.– For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.

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

(k) "disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading and which is designed or likely to influence the decision of investors dealing in securities;

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

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

(i) knowingly making a false or misleading statement, or
(ii) knowingly concealing or omitting material facts, or
(iii) knowingly concealing the associated risk, or
(iv) *not taking reasonable care to ensure suitability of the securities or service to the buyer;*

31. The SCN calls upon the Noticees to explain as to why appropriate penalty be not imposed upon them under Section 15EB and Section 15HA of the SEBI Act, 1992 for the violations alleged in the SCN. Relevant extract of the penalty provisions, as existing at the time of violations, is reproduced, hereunder:-

"Penalty for default in case of investment adviser and research analyst.
15EB. *Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees."*

"Penalty for fraudulent and unfair trade practices
15HA. *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher."*

32. Upon consideration of the above penalty provisions, I find that Noticees are liable for imposition of penalty under Section 15EB of the SEBI Act, 1992 for violation of Section 12(1) of the SEBI Act, 1992 and Reg. 3(1) of IA Regulations. Further, I also find that, Noticee no. 2 is liable for imposition of penalty under Section 15HA of the

SEBI Act, 1992 for violation of Regulation 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(k) and 4(2)(s) of the SEBI (PFUTP) Regulations, 2003.

33. For imposition of penalties under the provisions of the SEBI Act, 1992, Section 15J of the SEBI Act, 1992 provides as follows:

> ***"Factors to be taken into account while adjudging quantum of penalty.***
> ***15J****. While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: —*
> *(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
> *(b) the amount of loss caused to an investor or group of investors as a result of the default;*
> *(c) the repetitive nature of the default."*
>
> *Explanation. —For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section."*

34. The SCN has brought out the quantum of investment advisory fees collected by Noticee no. 2 and 3 from the investors. However, I note that the SCN does not indicate any loss that was caused to the investors owing to the defaults of these Noticees. I also note that the collection of such advisory fees by the said Noticees was illegal and thus, apart from imposition of penalty, these circumstances also warrant issuance of appropriate directions under Section 11(1), 11B(1) and 11(4) of the SEBI Act, 1992.

<u>Calculation of amount to be Refunded.</u>

35. SCN alleges that, the total credit / deposit amount of Rs. 56,71,615.77 in the Axis Bank A/c. No. 92xxxxxxxxxxx55 of Noticee no. 2 for the period 07.12.2020 to 10.04.2023 is towards the unregistered investment advisory activities. However, on an independent examination of the bank statement, I find that a sum of Rs.34,954.77 does not appear to be related to the advisory services and hence can be excluded from the refund amount by Noticee no. 2. Details of these unrelated amounts are as follows:-

TRAN_DATE	PARTICULARS	DR.	CR	BAL	SOL
07/12/2020	By Clg 000001 012 Rajkot		15000	15000	2567
31/12/2020	920010065821055: Int.Pd:19-10-2020 to 31-12-2020		298	406267	631
31/03/2021	920010065821055:Int.Pd:01-01-2021 to 31-03-2021		2820	13211.3	631
01/07/2021	920010065821055:Int.Pd:01-04-2021 to 30-06-2021		1635	429710.4	631
09/07/2021	CASH-AXIS-RVSL/090721/13:50		10000	249110.4	631
01/10/2021	920010065821055:Int.Pd:01-07-2021 to 30-09-2021		1330	275206.5	631
01/01/2022	920010065821055:Int.Pd:01-10-2021 to 31-12-2021		2161	38918.7	631
31/03/2022	920010065821055:Int.Pd:01-01-2022 to 31-03-2022		87	8865.1	631
01/07/2022	920010065821055:Int.Pd:01-04-2022 to 30-06-2022		1431	9811.19	631
26/07/2022	GST REV @18% on Excess charge		0.27	9807.92	631
26/07/2022	Excess charge reversed-Jun22		1.5	9809.42	631
02/10/2022	920010065821055:Int.Pd:01-07-2022 to 30-09-2022		74	9689.6	631
01/01/2023	920010065821055:Int.Pd:01-10-2022 to 31-12-2022		70	8793.08	631
31/03/2023	920010065821055:Int.Pd:01-01-2023 to 31-03-2023		47	47	631
TOTAL			**34954.77**		

36. In the light of above, the revised total amount to be refunded by Noticee no. 2 for the unregistered investment advisory activities being carried out in the name of Real Capital Services (Noticee 1) is **Rs.56,36,661/-** (i.e. Rs. 56,71,615.77 minus Rs. 34,954.77). I note that Noticee no. 2 was called upon to show cause as to why direction of refund of advisory fees of Rs. 56,71,615.77 should not be issued

against him. However, Noticee no. 2 chose to remain silent by not furnishing any Reply in the present proceedings.

37. Similarly, in case of Noticee no. 3, on an independent examination of the Bank Statement, I find that a sum of Rs. 2,24,280/- does not appear to be clearly related to the advisory services and is hence being excluded from the total amount that will have to be refunded by the Noticee no. 3. Details of these unrelated amounts are as follows:-

TRAN_DATE	PARTICULARS		CR	BAL	SOL
19/11/2020	CASH-AXIS-RVSL/191120/12:36		40000	300410	4518
25/11/2020	CASH-AXIS-RVSL/251120/15:54		40000	274224	4518
17/12/2020	CASH-AXIS-RVSL/171220/16:26		20000	272507.4	4518
09/02/2021	TDSREVSL_94N_06-01-2021		400	52298.4	1579
09/02/2021	TDSREVSL_94N_06-01-2021		400	52698.4	1579
09/02/2021	TDSREVSL_94N_08-01-2021		400	53098.4	1579
09/02/2021	TDSREVSL_94N_07-01-2021		400	53498.4	1579
09/02/2021	TDSREVSL_94N_07-01-2021		400	53898.4	1579
09/02/2021	TDSREVSL_94N_07-01-2021		200	54098.4	1579
09/02/2021	TDSREVSL_94N_07-01-2021		400	54498.4	1579
09/02/2021	TDSREVSL_94N_06-01-2021		80	54578.4	1579
09/02/2021	TDSREVSL_94N_06-01-2021		400	54978.4	1579
09/02/2021	TDSREVSL_94N_09-01-2021		400	55378.4	1579

09/02/2021	TDSREVSL_94N_09-01-2021		400	55778.4	1579
09/02/2021	TDSREVSL_94N_08-01-2021		200	55978.4	1579
09/02/2021	TDSREVSL_94N_08-01-2021		400	56378.4	1579
09/02/2021	TDSREVSL_94N_08-01-2021		400	56778.4	1579
09/02/2021	TDSREVSL_94N_09-01-2021		400	57178.4	1579
09/02/2021	TDSREVSL_94N_10-01-2021		200	57378.4	1579
09/02/2021	TDSREVSL_94N_09-01-2021		200	57578.4	1579
09/02/2021	TDSREVSL_94N_10-01-2021		400	57978.4	1579
09/02/2021	TDSREVSL_94N_10-01-2021		400	58378.4	1579
09/02/2021	TDSREVSL_94N_10-01-2021		400	58778.4	1579
09/02/2021	TDSREVSL_94N_12-01-2021		400	59178.4	1579
09/02/2021	TDSREVSL_94N_13-01-2021		200	59378.4	1579
09/02/2021	TDSREVSL_94N_13-01-2021		400	59778.4	1579
09/02/2021	TDSREVSL_94N_13-01-2021		400	60178.4	1579
09/02/2021	TDSREVSL_94N_12-01-2021		200	60378.4	1579
09/02/2021	TDSREVSL_94N_13-01-2021		400	60778.4	1579
09/02/2021	TDSREVSL_94N_12-01-2021		400	61178.4	1579
09/02/2021	TDSREVSL_94N_12-01-2021		400	61578.4	1579
09/02/2021	TDSREVSL_94N_14-01-2021		200	61778.4	1579

09/02/2021	TDSREVSL_94N_14-01-2021		400	62178.4	1579
09/02/2021	TDSREVSL_94N_14-01-2021		400	62578.4	1579
09/02/2021	TDSREVSL_94N_14-01-2021		400	62978.4	1579
09/02/2021	TDSREVSL_94N_20-01-2021		400	63378.4	1579
09/02/2021	TDSREVSL_94N_20-01-2021		400	63778.4	1579
09/02/2021	TDSREVSL_94N_21-01-2021		200	63978.4	1579
09/02/2021	TDSREVSL_94N_21-01-2021		400	64378.4	1579
09/02/2021	TDSREVSL_94N_21-01-2021		400	64778.4	1579
09/02/2021	TDSREVSL_94N_20-01-2021		400	65178.4	1579
09/02/2021	TDSREVSL_94N_20-01-2021		200	65378.4	1579
09/02/2021	TDSREVSL_94N_21-01-2021		400	65778.4	1579
09/02/2021	TDSREVSL_94N_24-01-2021		400	66178.4	1579
09/02/2021	TDSREVSL_94N_24-01-2021		400	66578.4	1579
09/02/2021	TDSREVSL_94N_26-01-2021		400	66978.4	1579
09/02/2021	TDSREVSL_94N_26-01-2021		400	67378.4	1579
09/02/2021	TDSREVSL_94N_26-01-2021		400	67778.4	1579
09/02/2021	TDSREVSL_94N_26-01-2021		200	67978.4	1579
09/02/2021	TDSREVSL_94N_27-01-2021		400	68378.4	1579
09/02/2021	TDSREVSL_94N_27-01-2021		400	68778.4	1579

09/02/2021	TDSREVSL_94N_27-01-2021		400	69178.4	1579
09/02/2021	TDSREVSL_94N_27-01-2021		200	69378.4	1579
09/02/2021	TDSREVSL_94N_28-01-2021		400	69778.4	1579
09/02/2021	TDSREVSL_94N_28-01-2021		400	70178.4	1579
09/02/2021	TDSREVSL_94N_28-01-2021		400	70578.4	1579
09/02/2021	TDSREVSL_94N_28-01-2021		200	70778.4	1579
09/02/2021	TDSREVSL_94N_29-01-2021		400	71178.4	1579
09/02/2021	TDSREVSL_94N_29-01-2021		400	71578.4	1579
09/02/2021	TDSREVSL_94N_29-01-2021		400	71978.4	1579
09/02/2021	TDSREVSL_94N_29-01-2021		200	72178.4	1579
10/02/2021	CASH-AXIS-RVSL/100221/12:58		40000	102980.4	4518
17/02/2021	CASH-AXIS-RVSL/170221/15:47		40000	124852.9	4518
09/03/2021	TDSREVSL_94N_06-02-2021		400	78262.9	1579
09/03/2021	TDSREVSL_94N_03-02-2021		200	78462.9	1579
09/03/2021	TDSREVSL_94N_03-02-2021		400	78862.9	1579
09/03/2021	TDSREVSL_94N_03-02-2021		400	79262.9	1579
09/03/2021	TDSREVSL_94N_03-02-2021		400	79662.9	1579
09/03/2021	TDSREVSL_94N_04-02-2021		400	80062.9	1579
09/03/2021	TDSREVSL_94N_04-02-2021		400	80462.9	1579

09/03/2021	TDSREVSL_94N_04-02-2021		400	80862.9	1579
09/03/2021	TDSREVSL_94N_06-02-2021		400	81262.9	1579
09/03/2021	TDSREVSL_94N_04-02-2021		200	81462.9	1579
09/03/2021	TDSREVSL_94N_06-02-2021		400	81862.9	1579
09/03/2021	TDSREVSL_94N_07-02-2021		400	82262.9	1579
09/03/2021	TDSREVSL_94N_07-02-2021		400	82662.9	1579
09/03/2021	TDSREVSL_94N_07-02-2021		400	83062.9	1579
09/03/2021	TDSREVSL_94N_09-02-2021		400	83462.9	1579
09/03/2021	TDSREVSL_94N_09-02-2021		400	83862.9	1579
09/03/2021	TDSREVSL_94N_10-02-2021		400	84262.9	1579
09/03/2021	TDSREVSL_94N_11-02-2021		800	85062.9	1579
09/03/2021	TDSREVSL_94N_11-02-2021		400	85462.9	1579
09/03/2021	TDSREVSL_94N_10-02-2021		400	85862.9	1579
09/03/2021	TDSREVSL_94N_10-02-2021		400	86262.9	1579
09/03/2021	TDSREVSL_94N_09-02-2021		400	86662.9	1579
09/03/2021	TDSREVSL_94N_12-02-2021		800	87462.9	1579
09/03/2021	TDSREVSL_94N_12-02-2021		400	87862.9	1579
09/03/2021	TDSREVSL_94N_16-02-2021		400	88262.9	1579
09/03/2021	TDSREVSL_94N_16-02-2021		400	88662.9	1579

09/03/2021	TDSREVSL_94N_11-02-2021		400	89062.9	1579
09/03/2021	TDSREVSL_94N_11-02-2021		400	89462.9	1579
09/03/2021	TDSREVSL_94N_18-02-2021		800	90262.9	1579
09/03/2021	TDSREVSL_94N_17-02-2021		400	90662.9	1579
09/03/2021	TDSREVSL_94N_17-02-2021		400	91062.9	1579
09/03/2021	TDSREVSL_94N_17-02-2021		400	91462.9	1579
09/03/2021	TDSREVSL_94N_16-02-2021		400	91862.9	1579
09/03/2021	TDSREVSL_94N_18-02-2021		400	92262.9	1579
09/03/2021	TDSREVSL_94N_18-02-2021		400	92662.9	1579
09/03/2021	TDSREVSL_94N_18-02-2021		400	93062.9	1579
09/03/2021	TDSREVSL_94N_24-02-2021		400	93462.9	1579
09/03/2021	TDSREVSL_94N_24-02-2021		400	93862.9	1579
09/03/2021	TDSREVSL_94N_24-02-2021		400	94262.9	1579
09/03/2021	TDSREVSL_94N_26-02-2021		400	94662.9	1579
09/03/2021	TDSREVSL_94N_26-02-2021		400	95062.9	1579
09/03/2021	TDSREVSL_94N_28-02-2021		400	95462.9	1579
09/03/2021	TDSREVSL_94N_26-02-2021		400	95862.9	1579
09/03/2021	TDSREVSL_94N_28-02-2021		400	96262.9	1579
09/03/2021	TDSREVSL_94N_28-02-2021		400	96662.9	1579

09/03/2021	TDSREVSL_94N_05-02-2021		200	96862.9	1579
09/03/2021	TDSREVSL_94N_05-02-2021		400	97262.9	1579
09/03/2021	TDSREVSL_94N_05-02-2021		400	97662.9	1579
09/03/2021	TDSREVSL_94N_05-02-2021		400	98062.9	1579
09/03/2021	TDSREVSL_94N_06-02-2021		200	98262.9	1579
17/04/2021	TDSREVSL_94N_02-03-2021		400	508.4	1579
17/04/2021	TDSREVSL_94N_03-03-2021		400	908.4	1579
17/04/2021	TDSREVSL_94N_02-03-2021		400	1308.4	1579
17/04/2021	TDSREVSL_94N_02-03-2021		400	1708.4	1579
17/04/2021	TDSREVSL_94N_03-03-2021		400	2108.4	1579
17/04/2021	TDSREVSL_94N_03-03-2021		400	2508.4	1579
17/04/2021	TDSREVSL_94N_04-03-2021		400	2908.4	1579
17/04/2021	TDSREVSL_94N_04-03-2021		400	3308.4	1579
17/04/2021	TDSREVSL_94N_04-03-2021		400	3708.4	1579
TOTAL			**2,24,280/-**		

38. In light of the above, the revised total amount to be refunded by Noticee no. 3 for the unregistered investment advisory activities carried out by him is **Rs.48,22,669/-** (i.e. Rs. 50,46,949 minus Rs. 2,24,280). I note that Noticee no. 3 was also called upon to show cause as to why direction of refund of advisory fees of Rs. 50,46,949/-, should not be issued against him. However, Noticee no. 3 failed to furnish any explanation in this regard.

39. As noted in the pre-paras, Noticee no. 2 was offering investment advisory services to investors for consideration, through the Business name ‘Real Capital Services’ i.e. Noticee no. 1, whose website address was “https://realcapitalservices.in”. Noticee no. 1 does not enjoy any other independent corporate identity of its own. In that view of the matter, I note that no separate directions (except for direction at para 41(k)) are being issued against Noticee no. 1.

40. Further, as also discussed in the preceding paragraphs above, I note that a total of **₹56,36,661/-** has been received by the Noticee no. 2 and Rs. **48,22,669/-** has been received by Noticee no. 3 in their Axis Bank accounts for the unregistered investment advisory services provided by them. Thus, in the light of the findings in the preceding paragraphs, I am of the considered view that the Noticee no. 2 and 3 are liable to refund the aforementioned amount collected as an unregistered investment adviser in addition to monetary penalty which is attracted for the violations of Section 15EB of the SEBI Act, 1992 by Noticee nos. 2 and 3, and Section 15HA of the SEBI Act, 1992 by Noticee no. 2.

DIRECTIONS

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

(a) Thakrar Diptiben Maheshbai and Kiritbhai Chavda (Proprietor of Shreesons Enterprise), shall within a period of three (3) months from the date of coming into force of this direction, independently for their respective obligations as mentioned in para 40 above, refund the money received from any complainant/ investor/ client, as fees or consideration or in any other form, in respect of its unregistered investment advisory activities;

(b) Thakrar Diptiben Maheshbai and Kiritbhai Chavda (Proprietor of Shreesons Enterprise), each 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 contact person such as names, addresses and contact details, within 15 days of coming into force of this direction;

(c) The repayments to the complainants/ 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) Thakrar Diptiben Maheshbai and Kiritbhai Chavda (Proprietor of Shreesons Enterprise), are restrained from selling their assets, properties and holding of mutual funds/shares/ securities held by them 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/ complainants who were availing the investment advisory services from these Noticees, as directed in this order;

(e) After completing the aforesaid repayments, Thakrar Diptiben Maheshbai and Kiritbhai Chavda (Proprietor of Shreesons Enterprise), each shall file their respective report of such completion with SEBI addressed to the "Division Chief, Division of Post-Inspection Enforcement Action, Market Intermediaries Regulation and Supervision Department (MIRSD), Division of Supervision, Enforcements and Complaints (SEC) – 4, 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 41 (a) and (b) above, duly certified by an independent Chartered Accountant and the direction at Para 41 (d) above shall cease to operate upon filing of such report on completion of refunds to complainants/ investors;

(f) The remaining balance amount 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 Noticee no. 2 or 3. Thereafter, remaining amount if any will be deposited in the 'Investors Protection and Education Fund' maintained by SEBI;

(g) In case of failure of Thakrar Diptiben Maheshbai and Kiritbhai Chavda (Proprietor of Shreesons Enterprise), to comply with the aforesaid directions in sub-paragraphs 41 (a) and (f), SEBI, on the expiry of the stipulated time period therein from the date of coming into force of this order, may recover such amounts, from the Noticee, in accordance with Section 28A of the SEBI Act, 1992 including such other provisions contained in securities laws;

(h) Thakrar Diptiben Maheshbai and Kiritbhai Chavda (Proprietor of Shreesons Enterprise), are restrained from accessing the securities market, directly or indirectly and are prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of **one year** from the date of this order or till the expiry of **one year** from the date of completion of refunds to complainants/ investors as directed in paragraph 41 (a) above, whichever is later;

(i) The following penalties are imposed on the Noticees and they are further directed to pay the penalty within a period of forty-five (45) days, from the date of receipt of this order;

Noticees	**Penalty under Section**	**Penalty Amount (Rs)**
Thakrar Diptiben Maheshbhai	15EB	1,00,000/-
Thakrar Diptiben Maheshbhai	15 HA	5,00,000/-
Kiritbhai Chavda (Proprietor Shreesons Enterprise)	15 EB	1,00,000/-

(j) Thakrar Diptiben Maheshbai and Kiritbhai Chavda (Proprietor of Shreesons Enterprise), shall remit / pay the said amounts of penalty through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of EDs/CGMs -> PAY NOW. The details/ confirmation of e-payment should be sent to "The Division Chief, Market Intermediaries Regulation and Supervision Department (MIRSD), Division of Supervision, Enforcements and Complaints (SEC) – 4, 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)	

(k) Thakrar Diptiben Maheshbai either in her name or in the name of 'Real Capital Services' and Kiritbhai Chavda (Proprietor of Shreesons Enterprise), shall not undertake directly or indirectly, either during or after the expiry of the period of debarment/restraint as mentioned in paragraph 41 (h) above, investment advisory services or any activity in the securities market without obtaining a certificate of registration from SEBI as required under the securities laws.

42. It is hereby clarified that if Thakrar Diptiben Maheshbai and Kiritbhai Chavda (Proprietor of Shreesons Enterprise), have any open position in any exchange traded derivative contracts, as on the date of this order, 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. These Noticees are 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.

43. The direction for refund, as given in paragraph 41(a) above, does not preclude the clients / investors to pursue the other legal remedies available to them under any other law, against the Noticees for refund of money or deficiency in service before any appropriate forum of competent jurisdiction.

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

45. A copy of this order shall be sent to the Noticees, recognized Stock Exchanges, banks, Depositories and Registrar and Transfer Agents of mutual funds to ensure that the directions given above are strictly complied with.

Sd/-

DR. ANITHA ANOOP

Date : January 28, 2025 **CHIEF GENERAL MANAGER**

Place: Mumbai **SECURITIES AND EXCHANGE BOARD OF INDIA**