



**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER No.: Order/SM/SM/2025-26/32229**

**UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA
ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING
INQUIRY AND IMPOSING PENALTIES) RULES, 1995.**

In respect of

DMI Capital Private Limited
(PAN/ Reg No.: AAECD6486C/ INM000012193)

In the matter of DMI Capital Private Limited

A. BRIEF BACKGROUND

1. Securities and Exchange Board of India (hereinafter also referred to as 'SEBI') inter alia carried out examination in the matter upon receipt of an internal reference by SEBI, captioned "Non-Compliances observed during analysis of Half Yearly Report (HYR) of Merchant Bankers for the period ending March 2023" w.r.t. DMI Capital Private Ltd, a SEBI Registered Merchant Banker (Reg. No. INM000012193).
2. Pursuant to its examination, SEBI initiated Adjudication Proceedings under Section 15 I of the SEBI Act, 1992 (hereinafter also referred as 'SEBI Act') in respect of DMI Capital Private Limited (hereinafter also referred as ('DMI'/ 'Noticee'/ 'Entity'/ 'Merchant Banker'/ 'Member'/ 'MB'), in the subject matter, under the following provisions and alleged violations thereof:
 - 2.1. Under Section 15HB of SEBI Act, 1992 for the alleged violations of the following provisions:



- 2.1.1. SEBI Circular dated January 10, 2012 read with Section 11(1) of SEBI Act, 1992;
- 2.1.2. SEBI Master Circular dated September 26, 2023 read with Section 11(1) of SEBI Act, 1992;
- 2.1.3. SEBI Circular dated November 23, 2021 read with Section 11(1) of SEBI Act, 1992;
- 2.1.4. SEBI Master Circular dated September 26, 2023 read with Section 11(1) of SEBI Act, 1992;
- 2.1.5. Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992;
- 2.1.6. Regulation 28A(1) of SEBI Merchant Bankers Regulations, 1992;
- 2.1.7. Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992 read with SEBI Circular SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 dated May 2, 2017;
- 2.1.8. Regulation 9A(1)(e) of SEBI (Merchant Bankers) Regulations, 1992.

B. APPOINTMENT OF ADJUDICATING OFFICER

3. Whereas, the Competent Authority was prima facie of the view that there were sufficient grounds to adjudicate the alleged violations by the Noticee, therefore, in exercise of the powers conferred under Section 19 of the SEBI Act read with Section 15I (1) of the SEBI Act and Rule 3 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred as the 'SEBI Rules') the Competent Authority appointed Shri. Amar Navlani, General Manager, SEBI, as Adjudicating Officer ("erstwhile AO") vide order dated August 19, 2024, to inquire into and adjudge under Section 15HB of the SEBI Act, for the aforesaid alleged violations by the Noticee. Pursuant to transfer of Shri. Amar Navlani, vide order dated September 11, 2025, the undersigned was appointed as the Adjudicating Officer.

C. SHOW CAUSE NOTICE, REPLY AND HEARING



4. A Show Cause Notice No. SEBI/HO/EAD/EAD5/P/OW/2024/29160/1 dated September 11, 2024 (hereinafter also referred to as 'SCN' / 'SCN dated September 11, 2024 in short) was served upon the Noticee by erstwhile AO under Rule 4 of SEBI Adjudication Rules, 1995 to show cause as to why an inquiry should not be held against it and why penalty be not imposed under Section 15HB of SEBI Act, 1992 for the alleged violations, as stated. The SCN was duly served upon the Noticee through Speed Post Acknowledgment Due (SPAD).
5. In this regard, following was inter alia observed and alleged in respect of the Noticee:

“ ...

Findings and Observations by SEBI and Alleged Violations thereto in respect of the Noticee are as under:

5 It is pertinent to refer to the Relevant provisions as given below:

- 5.1 Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992 provides that Registration granted to MB under regulation 8 shall inter alia be subject to the condition that it shall immediately intimate SEBI (on a real-time basis but not later than 7 days from the change being effective – clarified vide FAQs), **details of changes** that have taken place in the information that was submitted, while seeking registration.
- 5.1.1. Regulation 9A(1)(e) of SEBI (Merchant Bankers) Regulations, 1992 provides that Registration granted to MB under regulation 8 shall inter alia be subject to the condition that it shall **abide by the regulations** made under the Act in respect of the activities carried on by it as merchant banker.
- 5.1.2. Erstwhile SEBI Circular dated January 10, 2012 (effective from January 10, 2012 till September 25, 2023) has advised all registered Merchant Bankers to disclose on their website **track record** of the performance of the public issues managed by them, for a period of three financial years from the date of listing for each public issue managed by the merchant banker.
- 5.1.3. SEBI Master Circular dated September 26, 2023 (applicable with immediate effect) (para 8) provides that **track record** is required to be disclosed for a period of three financial years from the date of listing for each public issue managed by the merchant banker. The track record shall be disclosed on the website of the merchant banker and a reference to this effect shall be made in the offer documents of public issues managed in the future. In case more than one merchant banker is associated with a public issue, all merchant bankers who have signed the due diligence certificate, as disclosed in the offer document, shall disclose the track record.
- 5.1.4. Erstwhile SEBI Circular dated November 23, 2021 (effect from January 1, 2022 till September 25, 2023) has advised all registered Merchant Bankers to disclose on their website information prescribed in Annexure A and Annexure B to the Circular dated November 23, 2021:
Annexure A: **Investor Charter**, providing details with respect to vision statement, mission statement, description of activities/business of the entity, services provided to investors, timelines, rights of investors, do's and don'ts for investors, investor grievance redressal mechanism and how to access it, timelines for resolution of investor grievance and responsibilities of investors.
Annexure B: **Investor Complaints Data** – for every month, trend of monthly disposal of complaints (for 5 months on rolling basis) and trend of annual (calendar year) disposal of complaints (for 5 years on rolling basis).
- 5.1.5. SEBI Master Circular dated September 26, 2023 (applicable with immediate effect) (para 9) provides that all the registered merchant bankers shall disclose on their website, **Investor Charter** for each of the following



categories, as provided at Annexure V to the circular. Additionally, all the registered Merchant Bankers shall disclose on their respective websites, the **data on complaints** received against them or against issues dealt by them and redressal thereof, on each of the aforesaid categories separately as well as collectively, latest by 7th of succeeding month, as per the format enclosed at Annexure VI to the circular.

- 5.1.6. Erstwhile SEBI vide Circular SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 dated May 2, 2017 (effective from May 2, 2017 till September 25, 2023) has *inter alia* informed that submission of periodical reports, request for change in details, etc. shall be submitted by Merchant Bankers online through SEBI's SI Portal.
- 5.1.7. SEBI Master Circular dated September 26, 2023 (applicable with immediate effect) (para 1.1) provides that the SEBI Intermediary Portal is available at <https://siportal.sebi.gov.in> for SEBI registered intermediaries including Merchant Bankers to *inter alia* submit requests for change of name/address/other details, etc. All requests are required to be made through SEBI Intermediary Portal only.
- 5.1.8. As per Regulation 3 of SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007, SEBI may by notification in the Official Gazette require such categories of associated persons to obtain requisite certificate for engagement or employment with such classes of intermediaries and from such date as may be specified in the notification.
An **associated person** (i.e. KMP / compliance officer) on being employed or engaged by an intermediary on or after the date specified by the Board **shall obtain the certificate within one year from the date of being employed or engaged by the intermediary.**
- 5.1.9. SEBI Notification dated March 11, 2013 provides that **an intermediary**, who engages or employs any such associated persons functioning as compliance officer after the date of this notification, **shall ensure** that such person obtains certification by passing "**NISM Series-III A: Securities Intermediaries Compliance (Non-Fund) Continuing Professional Education**" **Certification Examination (SICCE)** within one year from the date of his employment.
- 5.1.10. SEBI Notification dated August 2, 2013 provides that a Merchant Banker registered with the Board shall ensure that atleast two associated persons designated as Key Management Personnel, who, -
a. perform SEBI regulated activities such as initial public offer, further public offer, Open Offer, Buy-back, Delisting;
b. deal with the issuers in connection with activities mentioned in (a) above;
c. deal with intermediaries associated with activities mentioned in (a) above;
d. act as designated Compliance Officer dealing with the activities mentioned in (a) above;
e. submit Due Diligence Certificates to SEBI in connection with the activities mentioned in (a) above;
obtain certification by passing "**NISM Series IX Merchant Banking**" **Certification Examination (MBCE)** within one year from the date of employment.
- 5.1.11. SEBI Master Circular dated September 26, 2023 (para 2.1) provides that in particular, a merchant banker may undertake the following activities:
- Managing of Public Issue of Securities
- Underwriting connected with the aforesaid Public Issue Management Business
- Managing/advising on International Offerings of Debt/Equity i.e. GDR, ADR, bonds and other instruments
- Private Placement of Securities
- Primary or Satellite dealership of Government Securities
- Corporate Advisory Services related to the Securities Market such as takeovers, acquisitions, disinvestment etc.
- Stock-broking
- Advisory services for projects
- Syndication of rupee term loans
- International Financial Advisory Services
- 5.1.12. Regulation 28A of SEBI Merchant Bankers Regulations, 1992:
(1) Every merchant banker shall appoint a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by the Board or the Central Government and for redressal of investors' grievances.
(2) The compliance officer shall immediately and independently report to the Board any non-compliance observed by him and ensure that the observations made or deficiencies pointed out by the Board on/in the draft prospectus or the letter of offer as the case may be, do not recur.
(Please note that, for detailed/ complete text of the provisions, relevant Acts, Circulars etc., may please be referred.)

6 In this regards, Comments of MB are as follows:

The matter was taken up with the MB vide emails, a summary of response provided by the MB vide emails dated March 14, 2024 (Annexure C), March 18, 2024 (Annexure D), March 21, 2024 (Annexure E), March 26, 2024 (Annexure F), April 10, 2024 (Annexure G), April 15, 2024 (Annexure H) and April 26, 2024 (Annexure I) is as follows:

- 6.1 The MB is registered with SEBI since January 21, 2015;
- 6.2 The MB has maintained the net worth requirement since registration till date;



- 6.3 With reference to publishing of Track Record of public issues, the MB has not handled any public issue till date;
- 6.4 With reference to publishing of Investor Charter and disclosure of Investor Complaints, the MB has received no investor complaints till date and development of website is under progress;
- 6.5 The Registered Office address of the MB has been changed from 'Ashi Bhawan, ground floor, 19, Rouse Avenue, New Delhi – 110002' to 'Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi -110002' with effect from October 5, 2015;
- 6.6 No merchant banking-related activities were undertaken by the MB since registration till date, except for loan syndication services (MB had helped the customers in arranging for loans and underlying documentation for applying for the loan for their respective projects).
- 6.7 Obtaining of NISM certifications is under process;
- 6.8 Ms. Sanya Trehan is the current Compliance Officer.
- 6.9 Details of changes in the Compliance Officer of the MB are as follows:

Name of Compliance Officer	Date of Appointment	Date of intimation of appointment	Date of Cessation	Date of intimation of cessation
Ayushi Mittal	01/11/2016	11/11/2016 (via letter)	30/01/2018	-
Vaishali Goyal	07/02/2018	14/03/2018 (via SI portal)	03/10/2019	07/01/2020 (via letter)
Sanya Trehan	21/11/2019	07/01/2020 (via letter)	NA	NA

- 6.10 As apprised to the SEBI official at the time of the site visit on April 4, 2024, the CS and compliance officer were on sick leave and other officials of the company were out of the office for official meetings/assignments. It was an unplanned visit and the company had no prior knowledge thereof.

7 The Comments of Compliance Officers in this regard are as follows:

The matter was taken up with the Compliance Officers (former and present) vide emails dated April 29, 2024 and May 6, 2024 respectively. A summary of response received from respective persons is as follows:

7.1 Ms Ayushi Mittal (Compliance Officer from November 1, 2016 till January 30, 2018) – vide email dated May 9, 2024 (Annexure J)

- My appointment as the Company Secretary of the Company was w.e.f. November 01, 2016;
- As per SEBI Notification dated March 11, 2013, the requirement of compliance with NISM SICCE certification rests with the intermediary. Further, by the end of one year, I was already exiting the company.
- DMI Capital was not managing any issue during my tenure hence the requirement to disclose track record did not get triggered.
- W.r.t. delay in appointment of compliance officer (CO), I had joined the organization more than a year after the date of grant of registration to the MB, apparently my candidature must have been replacement of an incumbent CO prior to my nomination as the CO of the Company. In appointment of any former CO or my appointment as CO or any subsequent appointments as well I had limited role and power to exercise in such appointments.
- Delay in intimation of my appointment to SEBI by 10 days was inadvertent due to non-availability of the authorized signatory. Furthermore, in absence of any clear regulatory timelines wrt. such intimations, the requisite intimation was made as soon as possible.
- Since in my view there was no non-compliance for any matter, no such intimation was sent to SEBI in this regard.

7.2 Ms Vaishali Goyal (Compliance Officer from February 7, 2018 till October 3, 2019) – vide email dated May 6, 2024 (Annexure K)

- The MB was only carrying out basic loan syndication activities for the borrowers who directly approached for financing of their loan projects and no other merchant banking activity as per the Merchant Bankers Regulations was being conducted by the MB during my tenure. In view of the foregoing, we were of the understanding that NISM certification is not required to be obtained by the Compliance Officer.
- Owing to non-availability of the authorized signatories in the Company, the intimation of my appointment was inadvertently delayed.
- Since no other merchant banking activities were being conducted except for loan syndication services, the requirement to maintain a website and publish the track record of the company did not arise.
- Inadvertently, violations by MB were not independently reported by me to SEBI.

7.3 Ms Sanya Trehan (Compliance Officer from November 21, 2019 till date) – vide email dated May 8, 2024 (Annexure L)

- The MB was only carrying out basic loan syndication activities for the borrowers who directly approached for financing of their loan projects and no other merchant banking activity as per the Merchant Bankers Regulations was being conducted by the MB during my tenure. In view of the foregoing, we were of the understanding that NISM certification is not required to be obtained by the Compliance Officer. However, as better corporate governance and for better understanding of the merchant banking business, I had taken the exam for NISM certification once and did not clear. I will be re-appearing for the said exam in the month of June 2024.



- Owing to non-availability of the authorized signatories in the Company, the intimation of my appointment was inadvertently delayed.
- Since no other merchant banking activities were being conducted except for loan syndication services, the requirement to maintain a website and publish the track record of the company did not arise.
- Inadvertently, violations by MB were not independently reported by me to SEBI.

8 In this regard, Comments of SEBI are as follows:

- 8.1 The MB has provided its net worth for each FY from 2014-15 till FY 2022-23. The same is certified by KRA & Co., Chartered Accountants, New Delhi. Based on said certificate, the MB has fulfilled the capital adequacy requirement of maintaining minimum net worth of INR 5 Crores.
- 8.2 SEBI confirmed that apart from non-disclosure of track record, investor complaints data and investor charter on the website, **there were no other violations** observed during the analysis of Half Yearly Report of DMI for the period ending March 2023.
- 8.3 Based on the submissions of the MB, it is observed that:
- 8.4 The MB is registered with SEBI since January 21, 2015 and does not provide any merchant banking related services except loan syndication.
- 8.5 The MB has failed to create and maintain an operational website, thereby failing to publish:
 - Track Record of public issues, if any (violating SEBI Circular dated January 10, 2012 and Master Circular dated September 26, 2023)
 - Investor Charter (violating SEBI Circular dated November 23, 2021 and Master Circular dated September 26, 2023)
 - Investor Complaints (violating SEBI Circular dated November 23, 2021 and Master Circular dated September 26, 2023)
- 8.6 The MB has admitted to not having obtained any NISM certification. This is in violation of SEBI Notification dated March 11, 2013 (SICCE certification by Compliance Officer) read with Regulation 3(2) of SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007. SEBI Notification dated August 2, 2013 is not applicable to the MB as it does not provide any of the services specified in said notification.
- 8.7 No intimation of change in registered office address was made to SEBI by the MB, thereby violating Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992.
- 8.8 Post-registration w.e.f. January 21, 2015, the MB appointed Ms. Ayushi Mittal as its Compliance Officer on November 1, 2016 i.e., the MB did not have a Compliance Officer for 650 days. This amounts to violation of Regulation 28A(1) of SEBI Merchant Bankers Regulations, 1992
- 8.9 Post-cessation of Ms. Ayushi Mittal as the Compliance Officer w.e.f. January 30, 2018, Ms. Vaishali Goyal was appointed on February 7, 2018 i.e., the MB did not have a Compliance Officer for 8 days. This amounts to violation of Regulation 28A(1) of SEBI Merchant Bankers Regulations, 1992
- 8.10 Post-cessation of Ms. Vaishali Goyal as the Compliance Officer w.e.f. October 3, 2019, Ms. Sanya Trehan was appointed on November 21, 2019 i.e., the MB did not have a Compliance Officer for 49 days. This amounts to violation of Regulation 28A(1) of SEBI Merchant Bankers Regulations, 1992
- 8.11 Intimation of appointment of Ms. Ayushi Mittal as the Compliance Officer w.e.f. November 1, 2016 was made to SEBI on November 11, 2016 i.e. with delay of 3 days, thus violating Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992.
- 8.12 Intimation of appointment of Ms. Vaishali Goyal as the Compliance Officer w.e.f. February 7, 2018 was made to SEBI on March 14, 2018 i.e. with delay of 28 days, thus violating Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992.
- 8.13 Intimation of appointment of Ms. Sanya Trehan as the Compliance Officer w.e.f. November 21, 2019 was made to SEBI on January 7, 2020 i.e. with delay of 40 days, through a letter instead of updating the same on SI Portal, resulting in non-compliance of Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992 and SEBI Circular SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 dated May 2, 2017.
- 8.14 In view of the above, as the MB has failed to abide by the SEBI Merchant Bankers Regulations, 1992 and circular issued in relation thereto, thereby violating Regulation 9A(1)(e) of SEBI (Merchant Bankers) Regulations, 1992.
- 8.15 The 3 Compliance Officers (during their respective tenures) have failed to:
 - obtain NISM SICCE certification within one year from the date of their appointment. This is in violation of Regulation 3(2) of SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007 (read with SEBI Notification dated March 11, 2013);
 - immediately and independently report to SEBI the above non-compliances by MB, applicable during their tenure. This is in violation of Regulation 28A(2) of SEBI Merchant Bankers Regulations, 1992.



- 8.16 The requirements laid down by SEBI are mandatory in nature and are a direct command to the MB as well as the compliance officer to comply with such requirements without any exemption or relaxation based on kind of activity undertaken by the registered merchant banker.
- 8.17 Submissions citing ignorance and/or inaccurate interpretation of statute, especially by professionals appointed to ensure compliance, may not be tenable. Further, determination of violation is neither dependent upon intention of the entities nor gains accrued therefrom.
- 8.18 Such non-compliances with the laid down obligations under the MB Regulations and SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007 along with underlying circulars and notifications, as observed in this case, compromise the regulatory framework and purpose behind the said framework.
- 9 Based on the aforementioned findings in the matter, briefly summarized findings/allegations by SEBI are *interalia* given below:
- 9.1 Continued failure to publish Track Record on website (Since January 21, 2015 till date)
- In view of the above, it is alleged that the Noticee had violated the following provisions:
- SEBI Circular dated January 10, 2012 read with Section 11(1) of SEBI Act, 1992 (from January 21, 2015 till September 25, 2023)
- SEBI Master Circular dated September 26, 2023 read with Section 11(1) of SEBI Act, 1992 (from September 26, 2023 till date)
- 9.2 Continued failure to publish Investor Charter and Information on Investor Complaints on website (Since January 1, 2022 till date)
- In view of the above, it is alleged that the Noticee had violated the following provisions:
- SEBI Circular dated November 23, 2021 read with Section 11(1) of SEBI Act, 1992 (from January 1, 2022 till September 25, 2023)
- SEBI Master Circular dated September 26, 2023 read with Section 11(1) of SEBI Act, 1992 (from September 26, 2023 till date)
- 9.3 Failure to intimate to SEBI change in registered office address (latest by October 12, 2015)
- In view of the above, it is alleged that the Noticee had violated the following provisions:
- Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992
- 9.4 Failure to have a Compliance Officer during the following periods:
- January 21, 2015 to October 31, 2016 (650 days)
 - January 30, 2018 to February 6, 2018 (8 days)
 - October 3, 2019 to November 20, 2019 (49 days)
- In view of the above, it is alleged that the Noticee had violated the following provisions:
- Regulation 28A(1) of SEBI Merchant Bankers Regulations, 1992
- 9.5 Delay in intimation of change in Compliance Officer (Ms. Ayushi Mittal) by 3 days
- In view of the above, it is alleged that the Noticee had violated the following provisions:
- Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992
- 9.6 Delay in intimation of change in Compliance Officer (Ms. Vaishali Goyal) by 28 days
- In view of the above, it is alleged that the Noticee had violated the following provisions:
- Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992
- 9.7 Failure to intimate appointment of Compliance Officer (Ms. Sanya Trehan) on SI Portal (latest by November 28, 2019)
- In view of the above, it is alleged that the Noticee had violated the following provisions:
- Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992 read with SEBI Circular SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 dated May 2, 2017
- 9.8 Failure to abide by the SEBI Merchant Bankers Regulations, 1992 and circular issued in relation thereto
- In view of the above, it is alleged that the Noticee had violated the following provisions:
- Regulation 9A(1)(e) of SEBI (Merchant Bankers) Regulations, 1992
- ...".
- 5 Vide letter/email dated September 23, 2024, Noticee submitted its reply to the SCN. Key submissions of the Noticee as reply to the SCN are as under:



“ ...

This is in reference to the abovementioned Show Cause Notice under Rule 4(1) of the SEBI (Procedure for Holding Enquiry and Imposing Penalties) Rules, 1995 dated September 11, 2024 received by the Company from your good office seeking response for the following unintentional and inadvertent violations by the Company as identified by your good office within 14 days from the date of receipt of the Notice i.e. on or before September 25, 2024:

- i) Non-compliance with SEBI Circular dated January 10, 2012 read with Section 11(1) of SEBI Act, 1992.
- ii) Non-compliance with SEBI Master Circular dated September 26, 2023 read with Section 11(1) of SEBI Act, 1992.
- iii) Non-compliance with SEBI Circular dated November 23, 2021 read with Section 11(1) of SEBI Act, 1992.
- iv) Non-compliance with SEBI Master Circular dated September 26, 2023 read with Section 11(1) of SEBI Act, 1992.
- v) Non-compliance with Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992.
- vi) Non-compliance with Regulation 28A(1) of SEBI Merchant Bankers Regulations, 1992.
- vii) Non-compliance with Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992 read with SEBI Circular SEBI/HO/MIRSD/MIRSD1/CIR/P/201 7/38 dated May 2, 2017.
- viii) Non-compliance with Regulation 9A(1)(e) of SEBI (Merchant Bankers) Regulations, 1992.
- ix) Failure to maintain a functional website.
- x) Failure to upload Investor Charter and disclose data on website regarding complaints received against them or their issues.
- xi) Failure to upload Track Record of public issues managed by the MB.
- xii) Delay in appointment of Compliance Officer of the Company and intimation thereof to SEBI.
- xiii) Non-compliance with respect to updation of change in registered office details on the SEBI's SI Portal.

With respect to the above-mentioned alleged violations/non-compliances by the Company, we wish to humbly submit to your good office that the Company had also received a Notice for Summary Settlement (“Notice”) dated June 04, 2024 from the Department of Supervision, Enforcement and Compliants-4 of SEBI seeking settlement of the violations by the Company as identified by your good office and a payment of settlement amount of INR 10,00,000/- (Rupees Ten Lakh Only). **Please refer Exhibit 2.**

The Company had submitted its response to the said Notice vide its letter dated July 01, 2024 and had also duly submitted the settlement amount of INR 10,00,000/- for the settlement and for making good the identified non-compliances. The copy of the said response to Settlement Notice dated July 01, 2024 is attached as **Exhibit 3** for your reference.

In furtherance, we wish to submit our response to the show cause notice issued by your good office as under:

- i) Post receipt of Certificate of Registration as a Merchant Banker, the Company intended to carry out the specified merchant banking activities. However, we have not been able to identify any suitable and profitable opportunity to engage in the merchant banking activities and therefore, the same was not carried out.
In the interim, the Company has only provided advisory services to the corporate borrowers of its group entity who directly approach the group company for financing their loan projects. No other merchant banking activity as per the SEBI (Merchant Bankers) Regulations, 1992 has been conducted by the Company.
- ii) The Company has not managed any public issue or received any investor complaints till date owing to which it was not deemed relevant to maintain a website and disclose such information on its website.
- iii) As per our understanding, the NISM certification is only required to be obtained by the Compliance Officer of the Merchant banking entity once the merchant banking activities are commenced and carried out by such an entity. Since no merchant banking activities were carried out by the Company, the said certification was not deemed necessary to be obtained by the compliance officer of the Company.
- iv) The Company has been duly complying with all the rules, regulations and statutory compliances applicable to it under the provisions of the Companies Act, 2013 and rules framed thereunder, SEBI (Merchant Bankers) Regulations, 1992 and/or any other regulations. No other violation/penalty has been imposed on the Company by any other regulatory authority.
- v) **Further, as specifically mentioned in our response to settlement notice, since no merchant banking activities are being conducted, the Company has already initiated the process for surrender of its**



Merchant Banker license granted to it and has also given a newspaper publication for such surrender as required by the statutory requirement. The newspaper publication issued by the Company for surrender of its license dated August 30, 2024 is attached as **Exhibit 4** for your kind reference.

- vi) As regards the delay in intimation of appointment of Compliance Officers of the Company, we wish to humbly submit that due to very less operations, the Company has very minimal employee strength and the authorizations for all critical matters have been vested with the Board of Directors. Due to their unavailability, there was an inadvertent and unintentional delay in submitting the intimation to your good office. The Company submitted the intimation as soon as the authorized signatories were available.

As your goodself would appreciate, the Company had already paid a settlement amount of INR 10 Lakhs to your good office for settlement of the violations identified by your good office. Further, the Company does not intend to undertake Merchant Banking activities and has already initiated the process of surrender of the license, we humbly request your good office to not to initiate any further proceedings and allow the Company to surrender the Merchant Banker license.

We believe your goodself will find the above response in order.

Should your good office need further information or clarification, we will be steadfast in providing the same.

...”

6. Having regard to the principles of natural justice, vide Hearing Notice dated September 25, 2025, an opportunity of personal hearing was provided by erstwhile AO to the Noticee on October 01, 2024. On the scheduled date of hearing viz., October 01, 2024, the Noticee availed the opportunity of hearing through its Authorized Representative by appearing in person and opting hearing to be held through video conferencing. During the hearing, the Noticee relied upon and reiterated the submissions made by Noticee vide its letter/email dated September 23, 2024. Further, the Noticee sought time till October 03, 2024 to make further additional submissions as final and complete submissions in the matter, which was allowed. However, it is noted from material available on record that no further additional submissions were received from Noticee in this regard.
7. Pursuant to transfer of erstwhile AO and appointment of the undersigned as the AO, vide email dated February 03, 2026, an opportunity to file additional submission by February 09, 2026, if any, in regard to the SCN along with the relevant supporting documents was provided to the Noticee. Further, Noticee were asked whether they desire to avail opportunity of hearing. In this regard vide email dated March 12, 2026, Noticee indicated that Noticee does not wish to provide any further information or avail the opportunity of a personal hearing in relation to the aforesaid SCN.



D. CONSIDERATION OF ISSUES AND FINDINGS

8. The issues that arise for consideration in the instant matter are as following:

Issue No. I: Whether the Noticee had violated the provisions of SEBI Act 1992, SEBI Merchant Bankers Regulations, 1992 and SEBI Circulars, as alleged?

Issue No. II: If yes, whether the Noticee is liable for imposition of monetary penalty under Section 15HB of SEBI Act, 1992?

Issue No. III: If yes, what should be the monetary penalty that can be imposed upon the Noticee?

Issue No. I: Whether the Noticee had violated the provisions of SEBI Act 1992, SEBI Merchant Bankers Regulations, 1992 and SEBI Circulars, as alleged?

9. Before going into the merits of the case, I note that the Noticee had raised certain preliminary contention in its submissions which is dealt hereunder:

9.1. I note that Noticee had raised a preliminary objection inter alia contending that, '*... the Company had also received a Notice for Summary Settlement ("Notice") dated June 04, 2024... seeking settlement of the violations by the Company as identified by your good office and a payment of settlement amount of INR 10,00,000/- (Rupees Ten Lakh Only). Please refer Exhibit 2. The Company had submitted its response to the said Notice vide its letter dated July 01, 2024 and had also duly submitted the settlement amount to*



INR 10,00,000/- for the settlement and for making good the identified non-compliances...’.

9.2. In this regard it is noted from the material available on record that the summary settlement option was extended solely with respect to one observation viz., Continued failure to ensure that compliance Officers obtain NISM SICCE Certification within one year from date of appointment, viz., Latest by October 31, 2017 (Ms. Ayushi Mittal); Latest by February 6, 2019 (Ms. Vaishali Goyal); Latest by November 20, 2020 (Ms Sanya Trehan); Also non-compliant as on date (Ms. Sanya Trehan). As for the remaining allegations, adjudication proceedings were duly approved, and consequently, a Show Cause Notice was issued to the Noticee. Therefore, Noticee’s submission in this regard are not acceptable.

10. I now proceed to deal with the matter on merits as regards the alleged violations in respect of the Noticee.

10.1. Continued failure to publish Track Record on website (Since January 21, 2015 till date)

10.1.1. In this regard it was inter alia observed and alleged that the MB had failed to create and maintain an operational website, thereby failing to publish Track Record of public issues, if any and therefore violating SEBI Circular dated January 10, 2012 and Master Circular dated September 26, 2023.

10.1.2. In this regard, the relevant text of provisions alleged to have been violated are given as under:

SEBI Circular no CIR/MIRSD/1/2012 dated January 10, 2012



“...The track record shall be disclosed for a period of three financial years from the date of listing for each public issue managed by the merchant banker...”

“...The track record shall be disclosed on the website of the merchant banker and a reference to this effect shall be made in the offer documents of public issues managed in the future...”

10.1.3. In this regard, I note that Clause 3 of SEBI Circular having reference no CIR/MIRSD/1/2012 dated January 10, 2012 read as *“...The track record shall be disclosed for a period of three financial years from the date of listing for each public issue managed by the merchant banker...”*

10.1.4. Further, Clause 4 of the said SEBI Circular reads as *“...The track record shall be disclosed on the website of the merchant banker and a reference to this effect shall be made in the offer documents of public issues managed in the future...”*.

10.1.5. In this regard I note that Noticee as part of reply to the SCN has inter alia contended that *“...Post receipt of Certificate of Registration as a Merchant Banker, the Company intended to carry out the specified merchant banking activities. However, we have not been able to identify any suitable and profitable opportunity to engage in the merchant banking activities and therefore, the same was not carried out...With reference to publishing of Track Record of public issues, the MB has not handled any public issue till date...”*. Accordingly, having regard to the submissions of the Noticee, I am inclined to allow benefit of doubt to the Noticee with regard to instant allegation viz., Noticee’s continued failure to publish Track Record on website (Since January 21, 2015 till date).

10.2. Continued failure to publish Investor Charter and Information on Investor Complaints on website (Since January 01, 2022 till date)



10.2.1. In this regard, it was inter alia observed and alleged that there was continued failure to publish Investor Charter and Information on Investor Complaints on website (Since January 1, 2022 till date). Therefore, it was alleged that the Noticee had violated the following provisions:

SEBI Circular dated November 23, 2021 read with Section 11(1) of SEBI Act, 1992 (from January 1, 2022 till September 25, 2023)

SEBI Master Circular dated September 26, 2023 read with Section 11(1) of SEBI Act, 1992 (from September 26, 2023 till date)

10.2.2. In this regard the relevant text of provisions alleged to have been violated are given as under:

SEBI Circular SEBI/HO/CFD/POD-1/P/CIR/2023/157 dated September 26, 2023

“ ...

9.2. All the registered Merchant Bankers are hereby advised to disclose on their website, Investor Charter for each of the following categories, as provided at Annexure-‘A’ to this circular-

9.2.1. Initial Public Offer (IPO) and Further Public Offer (FPO) including Offer for Sale (OFS);

9.2.2. Rights Issue;

9.2.3. Qualified Institutions Placement (QIP);

9.2.4. Preferential Issue;

9.2.5. SME IPO and FPO including OFS;

9.2.6. Buyback of Securities;

9.2.7. Delisting of Equity Shares;

9.2.8. Substantial Acquisitions of Shares and Takeovers.

9.3. Additionally, in order to bring about transparency in the Investor Grievance Redressal Mechanism, it has also been decided that all the registered Merchant Bankers shall disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof, on each of the aforesaid categories separately as well as collectively, latest by 7th of succeeding month, as per the format enclosed at Annexure-‘VI’ to this circular.

...”

10.2.3. In this regard, it is noted that as regards investor complaints, Noticee as part of reply to the SCN has submitted that ‘...Company has not ... received any investor complaints till date owing to which it was not deemed relevant to maintain a website and disclose such information on its website...’. I note that SEBI Circular dated November 23, 2021



states that Merchant Bankers shall disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof. In my opinion, the obligation to maintain a website and make disclosure is not contingent upon receipt of complaints. The language of the circular makes it clear that the merchant banker needs to have a website on which disclosures regarding complaints must be made in respect of complaints received. In my view, the obligation to make disclosure of complaints received includes an obligation to disclose 'nil' or 'not applicable' in case the merchant banker has not handled any issue as mentioned in the said clause or if no complaints have been received by the merchant banker in respect of those issues.

In the present case, as per its own admission, the Noticee has not even maintained any website on which disclosure of complaints could be made. Therefore, the contention of Noticee is not acceptable.

10.2.4. Further, I note that as regards the allegation of 'continued failure to publish Investor Charter', Noticee has not made any submission as part of reply to the SCN. In the absence of any submission in this regard, it shall be presumed that Noticee has admitted the aforesaid allegation. In this regard, reliance is also placed on Hon'ble Securities Appellate Tribunal (SAT) order dated December 08, 2006 in the matter of Classic Credit Ltd. vs. SEBI wherein Hon'ble SAT had, inter alia, observed that, *".....the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them"*.

10.2.5. In view thereof, I hold that Noticee had violated SEBI Circular dated November 23, 2021 read with Section 11(1) of SEBI Act, 1992 (from January 1, 2022 till September 25, 2023) and SEBI Master Circular



dated September 26, 2023 read with Section 11(1) of SEBI Act, 1992
(from September 26, 2023 till date)

10.3. Failure to intimate to SEBI change in registered office address (latest by October 12, 2015)

10.3.1. In this regard, it was inter alia observed and alleged by SEBI that there was failure to intimate to SEBI regarding change in registered office address (latest by October 12, 2015). Therefore, it was alleged by SEBI that the Noticee had violated Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992.

10.3.2. The relevant text of provisions alleged to have been violated are given as under:

Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992

³⁴[Conditions of registration.9A. (1) ³⁵[Registration granted under regulation 8] shall be subject to the following conditions, namely: —

...

⁴⁰[(f)it shall immediately intimate the Board, details of changes that have taken place in the information that was submitted, while seeking registration.]

10.3.3. Firstly, I note that Noticee has neither denied nor disputed the change of registered address of Noticee. Instead, I note from material available on record that during the examination, SEBI vide email dated March 19, 2024 inter alia sought from Noticee copy of intimation of change in registered address to SEBI. Further, in the email, SEBI had inter alia mentioned the latest available address with SEBI. The inter alia relevant extracts of the email are given below:



“...Copy of intimation of change in registered address to SEBI- Please refer Reg. 9A(f) of SEBI Merchant Banker Regulations. (latest available address with SEBI is – ASH BHOWAN, GROUND FLOOR, 19, ROUSE AVENUE, NEW DELHI, NEW DELHI, NATIONAL CAPITAL TERRITORY OF DELHI, 110002)...”.

10.3.4. In this regard, Noticee vide email dated March 21, 2025 in its response to SEBI inter alia responded as below:

“...The current registered office address of the Company is Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, new Delhi 110002. Board Resolution for change in the registered office is attached herewith...”.

10.3.5. In this regard, it is also noted from the attachments of the said email that it merely contained the files viz., “BR_change in regd office; BR_Appointment of CS pdf”. It is noted from the document “BR_change in regd office” that the same pertains solely to a resolution approved by the Noticee’s Board of Directors. Such an internal board resolution does not constitute sufficient evidence to establish that the change of address was intimated to SEBI by the Noticee.

10.3.6. Further, I also note that Noticee has not made any submission regarding the instant allegation as part of reply to the SCN. In the absence of any submission with respect to the instant allegation, it shall be presumed that Noticee has admitted the instant allegation. In this regard, reliance is also placed on Hon’ble Securities Appellate Tribunal (SAT) order dated December 08, 2006 in the matter of Classic Credit Ltd. vs. SEBI wherein Hon’ble SAT had, inter alia, observed that, *“.....the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them”.*

10.3.7. I note that Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992 states that MB shall immediately intimate the Board,



details of changes that have taken place in the information that was submitted, while seeking registration.

In view thereof, I hold that Noticee had violated Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992

10.4. Failure to have a Compliance Officer during the following periods:

-January 21, 2015 to October 31, 2016 (650 days)

-January 30, 2018 to February 6, 2018 (8 days)

-October 3, 2019 to November 20, 2019 (49 days)

10.4.1. I note that the instant alleged violations in the matter inter alia pertaining to failure to have a Compliance Officer during three different periods viz., January 21, 2015 to October 31, 2016 (650 days), January 30, 2018 to February 6, 2018 (8 days) and October 3, 2019 to November 20, 2019 (49 days).

10.4.2. In this regard, it was inter alia observed and alleged that post-registration w.e.f. January 21, 2015, the MB appointed Ms. Ayushi Mittal as its Compliance Officer on November 1, 2016 i.e., the MB did not have a Compliance Officer for 650 days. Post-cessation of Ms. Ayushi Mittal as the Compliance Officer w.e.f. January 30, 2018, Ms. Vaishali Goyal was appointed on February 7, 2018 i.e., the MB did not have a Compliance Officer for 8 days. Post-cessation of Ms. Vaishali Goyal as the Compliance Officer w.e.f. October 3, 2019, Ms. Sanya Trehan was appointed on November 21, 2019 i.e., the MB did not have a Compliance Officer for 49 days. This amounts to violation of Regulation 28A(1) of SEBI Merchant Bankers Regulations, 1992.

10.4.3. The relevant text of provision alleged to have been violated is given as under:



Regulation 28A(1) of SEBI Merchant Bankers Regulations, 1992

“ ...

⁶⁸[Appointment of compliance officer.

28A. (1) Every merchant banker shall appoint a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by the Board or the Central Government and for redressal of investors' grievances.

...”

10.4.4. In this regard, I note that Noticee has not made any submission regarding the instant allegation as part of reply to the SCN. In the absence of any submission with respect to the instant allegation, it shall be presumed that Noticee has admitted the instant allegation. In this regard, reliance is also placed on Hon'ble Securities Appellate Tribunal (SAT) order dated December 08, 2006 in the matter of Classic Credit Ltd. vs. SEBI wherein Hon'ble SAT had, inter alia, observed that, *".....the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them"*.

In view thereof, I hold that Noticee had violated Regulation 28A(1) of SEBI Merchant Bankers Regulations, 1992.

10.5. Delay in intimation of change in Compliance Officer (Ms. Ayushi Mittal) by 3 days

Delay in intimation of change in compliance officer (Ms. Vaishali Goyal) by 28 days

Failure to intimate appointment of Compliance Officer (Ms Sanya Trehan) on SI Portal (latest by November 28, 2019)

10.5.1. I note that there are three alleged violations in the matter inter alia pertaining to delay in intimation of change in Compliance Officer viz., delay in intimation of change in Compliance Officer (Ms. Ayushi Mittal)



by 3 days; delay in intimation of change in compliance officer (Ms. Vaishali Goyal) by 28 days; failure to intimate appointment of Compliance Officer (Ms Sanya Trehan) on SI Portal (latest by November 28, 2019). Considering that the context of said three alleged violations are common i.e delay in intimation of change in Compliance Officer, the same are being dealt conjointly herein under:

10.5.2. In this regard, it was inter alia observed and alleged that intimation of appointment of Ms. Ayushi Mittal as the Compliance Officer w.e.f. November 1, 2016 was made to SEBI on November 11, 2016 i.e. with delay of 3 days. Intimation of appointment of Ms. Vaishali Goyal as the Compliance Officer w.e.f. February 7, 2018 was made to SEBI on March 14, 2018 i.e. with delay of 28 days. Intimation of appointment of Ms. Sanya Trehan as the Compliance Officer w.e.f. November 21, 2019 was made to SEBI on January 7, 2020 i.e. with delay of 40 days, through a letter instead of updating the same on SI Portal resulting in non-compliance of Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992 and SEBI Circular SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 dated May 2, 2017.

10.5.3. The relevant text of provisions alleged to have been violated are given as under:

Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992

“ ...

³⁴[Conditions of registration.

9A. (1) ³⁵[Registration granted under regulation 8] shall be subject to the following conditions, namely: —

...

⁴⁰[(f)it shall immediately intimate the Board, details of changes that have taken place in the information that was submitted, while seeking registration.]

...”



10.5.4. In this regard, I note that Noticee's submission as part of reply to the SCN are in nature of admission in so far as Noticee has inter alia submitted that "*there was an inadvertent and unintentional delay in submitting the intimation to your good office*".

10.5.5. In view thereof, as regards first and second observation viz., delay in intimation of change in Compliance Officer (Ms. Ayushi Mittal) by 3 days and Delay in intimation of change in compliance officer (Ms. Vaishali Goyal) by 28 days, I hold that Noticee had violated 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992.

As regards third observation viz., failure to intimate appointment of Compliance Officer (Ms Sanya Trehan) on SI Portal (latest by November 28, 2019), I note that Noticee had violated 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992 and SEBI Circular SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 dated May 2, 2017.

10.6. Failure to abide by the SEBI Merchant Bankers Regulations, 1992 and circular issued in relation thereto

10.6.1. In this regard, it was inter alia observed and alleged that the MB had failed to abide by the SEBI Merchant Bankers Regulations, 1992 and circular issued in relation thereto, thereby violating Regulation 9A(1)(e) of SEBI (Merchant Bankers) Regulations, 1992.

10.6.2. The relevant text of provisions alleged to have been violated are given as under:

Regulation 9A(1)(e) of SEBI (Merchant Bankers) Regulations, 1992

"...

³⁴[Conditions of registration.



9A. (1) ³⁵[Registration granted under regulation 8] shall be subject to the following conditions, namely: —

....

(e) it shall abide by the regulations made under the Act in respect of the activities carried on by it as merchant banker.

...”

10.6.3. I note that Regulation 9A(1)(e) of SEBI (Merchant Bankers) Regulations, 1992 states that Merchant Banker shall abide by the regulations made under the Act in respect of the activities carried on by it as merchant banker. The said provision is one of the conditions attached to the certificate of registration granted to a merchant banker. I note that in the instant matter the Noticee had inter alia violated certain provisions of law viz., Regulation 9A(1)(f), 28A(1) of SEBI (Merchant Bankers) Regulations, 1992, SEBI Circular SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 dated May 2, 2017, SEBI Circular dated November 23, 2021 read with Section 11(1) of SEBI Act, 1992 and SEBI Master Circular dated September 26, 2023 read with Section 11(1) of SEBI Act, 1992 as dealt and discussed in the foregoing. By violating the said provisions of law, Noticee had violated Regulation 9A(1)(e) of SEBI (Merchant Bankers) Regulations 1992.

I view thereof, I hold that Noticee had violated Regulation 9A(1)(e) of SEBI (Merchant Bankers) Regulations 1992.

Issue No. II: If yes, whether the Noticee is liable for imposition of monetary penalty under Section 15HB of SEBI Act, 1992?

11. It has been established in the foregoing paragraphs that Noticee had violated the following provisions:



Under Section 15HB of SEBI Act, 1992 (hereinafter also referred to as 'SEBI Act'), for the alleged violations of the following provisions:

- 11.1. SEBI Master Circular dated September 26, 2023 read with Section 11(1) of SEBI Act, 1992
- 11.2. SEBI Circular dated November 23, 2021 read with Section 11(1) of SEBI Act, 1992
- 11.3. SEBI Master Circular dated September 26, 2023 read with Section 11(1) of SEBI Act, 1992
- 11.4. Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992
- 11.5. Regulation 28A(1) of SEBI Merchant Bankers Regulations, 1992
- 11.6. Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992 read with SEBI Circular SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 dated May 2, 2017
- 11.7. Regulation 9A(1)(e) of SEBI (Merchant Bankers) Regulations, 1992.

12. In this regard, it is also noted that the Hon'ble Supreme Court of India in the matter of SEBI v/s Shri Ram Mutual Fund [2006] 68 SCL 216(SC) inter alia held that:

“ ... In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established ”

13. Therefore, for the established violation, as brought out in the foregoing paragraphs, I find that the Noticee is liable for monetary penalty under Section 15HB of the SEBI Act, which reads as under:

SEBI Act, 1992

“Penalty for contravention where no separate penalty has been provided.

15HB. 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.]”



(Note: for detailed/ complete text of the provisions, relevant Acts etc., may please be referred.)

Issue No. III: If yes, what should be the monetary penalty that can be imposed upon the Noticee?

14. While determining the quantum of penalty, it is important to consider the factors as stipulated in Section 15J of the SEBI Act, which reads as under:

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.

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.

...”

15. In the instant case, I note that the material available on record does not quantify any disproportionate gain or unfair advantage or loss caused to an investor or group of investors as a result of the violation committed by the Noticee. Further, there is nothing on record to show that the violation committed by the Noticee is repetitive in nature. I also note that Noticee as part of reply to the SCN has also submitted that “...since no merchant banking activities are being conducted, the Company has already initiated the process for surrender of its Merchant Banker license granted to it and has also given a newspaper publication for such surrender as required by the statutory requirement...”. Further, Noticee vide email dated March 12, 2026 submitted an email of SEBI



stating that surrender application for DMI Capital Private Limited registered as Merchant Bankers was approved by SEBI. In this regard, it is noted from the material available on record that the surrender application of DMI Capital Private Limited as Merchant Banker was submitted by the Noticee on September 30, 2024 and it was approved on December 11, 2024 by SEBI. However, I note that whilst the Noticee was registered as a Merchant Banker with SEBI, it was required to comply with the applicable provisions of securities laws, which it had failed to comply with, as dealt with and brought out in the foregoing and which SEBI is duty bound to enforce compliance of. Such non-compliance accordingly needs to be dealt with suitable penalty.

E. ORDER

16. After taking into consideration the facts and circumstances of the case, material available on record, submissions made by the Noticee and also the factors mentioned in the preceding paragraphs, in exercise of the powers conferred upon me under section 15-I of the SEBI Act, 1992 read with Rule 5 of the SEBI Adjudication Rules, I hereby impose penalty of ₹2,00,000/-(Rupees Two Lakh Only) under Section 15HB of the SEBI Act, 1992, upon the Noticee viz., DMI Capital Private Limited. In my view, the said penalty will be commensurate with the violation committed by the Noticee in this case.

17. The Noticee shall remit /pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT -> Orders -> Orders of AO -> PAY NOW

18. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not



limited to recovery proceedings under Section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.

19. In terms of the provisions of Rule 6 of the SEBI Adjudication Rules, a copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

PLACE: MUMBAI
DATE: March 18, 2026

SUDEEP MISHRA
ADJUDICATING OFFICER