

**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**ORDER**

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**Under Section 12 (3) of the Securities and Exchange Board of India Act, 1992 read with Regulation 27 of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008**

**In respect of**

Sr. No.	Name of the Noticee	PAN	SEBI Registration No.
1.	<b>CapitalVia Global Research Limited</b>	<b>AADCC5782H</b>	<b>INA200001512</b>

In the matter of CapitalVia Global Research Limited

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- CapitalVia Global Research Limited (hereinafter referred to as the "Noticee") is registered as an Investment Adviser (hereinafter referred to as the "IA") with the Securities and Exchange Board of India (hereinafter referred to as "SEBI"). The present proceedings arise from the Enquiry Report dated December 27, 2024, submitted by the Designated Authority (hereinafter referred to as the "DA") in terms of the applicable provisions of the SEBI (Intermediaries) Regulations, 2008 (hereinafter referred to as the "Intermediaries Regulations"). Based on various facts and observations recorded in the Enquiry Report, the DA has recommended that, in terms of Regulation 26 of the Intermediaries Regulations, the certificate of registration of the Noticee, i.e., INA200001512, be cancelled.
- The proceedings were initiated pursuant to a comprehensive inspection of the Noticee for the period April 1, 2020 to March 31, 2021 (hereinafter referred to as the "inspection period" or "IP"). The findings of the inspection were shared with the Noticee vide letter dated March 17, 2022. The Noticee submitted its comments on

the findings observed during the inspection. Based on the examination of the detailed response received from the Noticee, various non-compliance(s) relating to;

- SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as “**IA Regulations**”),
- SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007 (hereinafter referred to as (“**CAPSM Regulations**”),
- SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations**”) and
- SEBI (Research Analysts) Regulations, 2014 (hereinafter referred to as “**RA Regulations**”), were observed against the Noticee.

3. The summary of alleged violations and corresponding regulatory provisions is reproduced in the Table below:

**Table No. 1.**

<b>Sr. No.</b>	<b>Alleged Violations</b>	<b>Regulatory provisions</b>
A.	Non-compliance with the qualification and certification requirement	Regulation 7(2) r/w Regulation 15(9), Clauses 1, 2, 3, 8 and 9 of Code of conduct specified in Schedule III of the IA Regulations ( <b>hereinafter referred to as Code of Conduct</b> ) and Regulation 3(1) of CAPSM Regulations r/w. Notification no. LAD- NRO/GN/13/6109 dated June 19, 2013 and LAD-NRO/GN/201-14/42/118 dated January 27, 2014
B.	Guaranteed profits / returns to clients	Regulation 15(1) of IA Regulations and Clause 1, 2, 8 and 9 of the Code of Conduct. Regulation 3, 4(2)(o) and 4(2)(s) of PFUTP Regulations
C.	Persons associated with Investment Advise (PAIA) /representatives entered in to contrary transactions in	Regulation 15(7) and 15(1) of IA Regulations and clauses 1, 2, 3, 8 and 9 of Code of Conduct. Regulations 3, 4(1), 4(2)(a) and 4(2)(s) of PFUTP Regulations

Sr. No.	Alleged Violations	Regulatory provisions
	their own accounts within 15 days of date of advice	
D.	Limitations on Trading	Regulations 16(1), 16(2) and regulation 16(3) of RA Regulations read with regulations 2(1)(u), 2(1)(w) and 3(1) of RA Regulations Regulations 3, 4(1), 4(2)(a) and 4(2)(s) of PFUTP Regulations
E.	Observations related to Public appearance of the Investment Adviser	Regulations 21(1), 16(1), 16(2) and 16(3) read with regulations 2(1)(q), 2(1)(r), 3(1) and 21(2) of RA Regulations Regulations 3, 4(1), 4(2)(a) and 4(2)(s) of PFUTP Regulations
F.	Charging unreasonable amount of fees to clients	Regulation 15(1) and regulation 15(9) r/w. clauses 1,2,6,8 and 9 of code of conduct.
G.	Risk Profiling	Regulation 15(1), 16(b), 16(c) and 16(d)(ii) of IA Regulations and clauses 1, 2, 3, 8 and 9 of the Code of Conduct read with regulation 15(9) of IA Regulations Regulation 16(b) and 16(c) of IA Regulations, 2013 r/w Clauses 1, 2, 3, 8 and 9 of Code of Conduct r/w Regulations 15(9) of IA, Regulations.
H.	Suitability	Regulation 17 of IA Regulations r/w Clause 1, 2, 8 and 9 of Code of Conduct and regulation 15(9) of IA Regulations. Regulation 4(2)(s)(iv) of PFUTP Regulations
I.	Disclosure to clients	Regulation 18 (6) of IA Regulations and clause 5 of code of conduct as specified in Schedule III read with regulation 15(9) of IA Regulations Regulation 4(2)(s)(ii) of PFUTP Regulations
J.	Indulging in fraudulent trade practice by trying to generate artificial volume	Regulation 15(1) and 15(9) of IA Regulations r/w clauses 1,2,3,8 and 9 of the Code of Conduct.
K.	Not abiding by the provisions of IA Regulations	Regulations 13(a) of IA Regulations

4. Based on the findings of the said inspection, a DA was appointed to inquire into and submit a report pertaining to the aforesaid allegations. The DA issued a show-cause notice dated August 29, 2024, to the Noticee under Regulation 25(1) of the Intermediaries Regulations for the violations alleged to have been committed by the Noticee, as mentioned above in Table 1. The Noticee was advised to submit its reply, if any, within 21 days of receipt of the notice.
5. In response to the aforesaid allegations, the Noticee, vide its letter dated November 21, 2024, submitted a detailed reply to the show-cause notice. Pursuant to receipt of the said reply, an opportunity of personal hearing was granted to the Noticee by the DA on December 10, 2024, which was availed by the Authorized Representatives (ARs) of the Noticee. The Noticee, vide letter dated December 12, 2024, also made additional submissions.
6. After considering the allegations levelled in the show-cause notice, the reply filed by the Noticee, and the material available on record, the DA submitted the Enquiry Report and made the following recommendation:

*“It is noted that registration of the Noticee as an investment adviser under the IA Regulations has expired as on April 8, 2024 and the same has not been renewed by the Noticee. In view of the above observations and the serious violations committed by the Noticee, in terms of Regulation 26 of Intermediaries Regulations, it is hereby recommended that the certificate of registration of the Noticee i.e. INA200001512 be cancelled.”*

7. The DA’s report was forwarded to the Noticee in terms of Regulation 27(1) of the Intermediaries Regulations vide a Show Cause Notice dated January 9, 2025 (hereinafter referred to as the “SCN”). The Noticee was called upon to show cause as to why the measures recommended by the DA, or any other action contemplated under the Intermediaries Regulations, should not be taken

against it. The Noticee was advised to submit its written submissions within 21 days from receipt of the said SCN.

8. I note that the SCN was duly served upon the Noticee. Pursuant thereto, the Noticee, vide its email dated February 3, 2025, sought an extension of four weeks to file the detailed response. The Noticee's request was acceded to and it was advised to submit its reply by February 28, 2025. The Noticee thereafter filed its detailed reply vide letter/email dated March 1, 2025.
9. Subsequently, an opportunity of personal hearing was provided to the Noticee, and the same was conducted on April 22, 2025, which was attended by the AR of the Noticee. During the personal hearing, the AR reiterated the submissions made vide letter/email dated March 1, 2025. Pursuant thereto, post-hearing written submissions were filed by the Noticee vide email dated May 14, 2025.

**CONSIDERATION AND FINDINGS:**

10. I have carefully perused the SCN issued to the Noticee, along with the replies filed by the Noticee and the material available on record. In the instant proceedings, the DA, after observing various infractions by the Noticee and noting that its registration certificate expired on April 8, 2024 (which was not renewed), recommended cancellation of the certificate of registration.
11. I note that the show-cause notice issued by the DA contained allegations on eleven counts as mentioned in Table 1 above. In response, the Noticee filed its reply vide letter dated November 21, 2024. Pursuant thereto, the DA, in the Enquiry Report, did not observe violations in respect of certain allegations. The alleged violations, the corresponding regulatory provisions, and the DA's observations are summarized below:

Table No. 2.

S.No.	Alleged Violations	Corresponding Regulatory Provisions	Observation of the DA (Allegations: Not established/Sustained)
A.	<b>Non-compliance with the qualification and Certification requirement.</b>	Regulation 7(2) r/w Regulation 15(9), Clauses 1, 2, 3, 8 and 9 of Code of conduct and Regulation 3(1) of CAPSM Regulations r/w. Notification no. LAD- NRO/GN/13/6109 dated June 19, 2013 and LAD-NRO/GN/201-14/42/118 dated January 27, 2014	Dropped
B.	<b>Guaranteed Profits/returns to clients.</b>	Regulation 15(1) and Clause 1,2,8 and 9 of 3 <sup>rd</sup> Schedule r/w Regulation 15(9) of IA Regulations.	Sustained
		Regulation 3, 4(2)(o) and 4(2)(s) of PFUTP Regulations	Sustained
C.	<b>PAIA/representatives entered into contrary transactions in their own accounts within 15 days of date of advice.</b>	Regulation 15(7) and 15(1) of IA Regulations and clauses 1, 2, 3, 8 and 9 of Code of Conduct	Sustained
		Regulations 3, 4(1), 4(2)(a) and 4(2)(s) of PFUTP Regulations	Dropped
D.	<b>Limitations on Trading</b>	Regulations 16(1), 16(2) and regulation 16(3) of RA Regulations read with regulations 2(1)(u), 2(1)(w) and 3(1) of RA Regulations	Dropped
		Regulations 3, 4(1), 4(2)(a) and 4(2)(s) of PFUTP Regulations	Dropped
E.	<b>Observations related to Public appearance of the Investment Adviser.</b>	Regulations 21(1), 16(1), 16(2) and 16(3) read with regulations 2(1)(q), 2(1)(r), 3(1) and 21(2) of RA Regulation	Sustained
		Regulations 3, 4(1), 4(2)(a) and 4(2)(s) of PFUTP Regulations	Dropped
F.	<b>Charging unreasonable amount of fees to clients.</b>	Regulation 15(1) and regulation 15(9) r/w. clauses 1,2,6,8 and 9 of code of conduct.	Sustained

<b>S.No.</b>	<b>Alleged Violations</b>	<b>Corresponding Regulatory Provisions</b>	<b>Observation of the DA (Allegations: Not established/Sustained)</b>
G.	<b>Risk Profiling</b>	Regulation 15(1), 16(b), 16(c) and 16(d)(ii) of IA Regulations and clauses 1, 2, 3, 8 and 9 of the Code of Conduct read with regulation 15(9) of IA Regulations Regulation 16(b) and 16(c) of IA Regulations, 2013 r/w Clauses 1, 2, 3, 8 and 9 of Code of Conduct r/w Regulations 15(9) of IA, Regulations.	Sustained
H.	<b>Suitability</b>	Regulation 17 of IA Regulations r/w Clause 1, 2, 8 and 9 of Code of Conduct and regulation 15(9) of IA Regulations.	Sustained
		Regulation 4(2)(s)(iv) of PFUTP Regulations	Sustained
I.	<b>Disclosure to clients</b>	Regulation 18 (6) of IA Regulations and clause 5 of code of conduct as specified in Schedule III read with regulation 15(9) of IA Regulations	Sustained
		Regulation 4(2)(s)(ii) of PFUTP Regulations	Dropped
J.	<b>Indulging in fraudulent trade practice by trying to generate artificial volume.</b>	Regulation 15(1) and 15(9) r/w Clauses 1,2,3,8 and 9 as specified in Schedule III of IA Regulations.	Dropped
		Regulation 3, 4(1), 4(2)(k), 4(2)(o) and 4(2)(s) of PFUTP Regulations.	Dropped
K.	<b>Not abiding by the provisions of IA Regulations.</b>	Regulations 13(a) of IA Regulations	Sustained

12. Thus, the DA found the violations against the Noticee on the following counts.

- Guaranteed Profits/Returns to Clients;

- PAIA/representatives entered into contrary transactions in their own accounts within 15 days of date of advice;
- Observations related to Public appearance of the Investment Adviser;
- Charging unreasonable amount of fees to clients;
- Risk Profiling;
- Suitability;
- Disclosure to clients;
- Not abiding by the provisions of IA Regulations.

13. In response to the SCN, the Noticee, vide replies dated March 01, 2025 and May 14, 2025, *inter alia*, made the following submissions.

**Alleged act of providing guaranteed profits/returns to clients:**

14.1 A customer is onboarded and services are activated only after all stages of the onboarding process are completed. During the Service Verification Call (SVP Call), any query or objection raised by the client is clarified. If the client remains unsatisfied, services are not activated and a refund is initiated. Copies of relevant emails evidencing refund initiation due to non-completion of verification were provided.

14.2 The risk appetite assessment email, consented to by the client, and the Service Agreement explicitly state that no guarantee or assurance of returns exists for any services/products offered. A duly executed written agreement overrides any prior verbal communication.

14.3 The Noticee introduced a service-verification mechanism: an independent Quality Assurance department conducts an SVA call prior to activation, verifying personal details, service features, investment amount, risk profile, etc. Explicit questions include whether any guarantee/assurance of profit was

offered and whether confirmations were given voluntarily. Clients are again informed that securities market investments carry no assured returns.

14.4 The Noticee submitted transcripts of all relevant calls, asserting that the DA relied on only one call transcript and took isolated words out of context. The client, Mr. Sharvanu Dutta, expressly denied receiving any profit guarantee during his SVP Call. The provided SVP transcript confirms this:

*SVP Team: Ok. And Profit aur returns ko leke aapko koi guarantee, assurance ya commitment diya gaya hai kya CapitalVia ke end se?*

*Mr. Sharvanu Dutta: No, No aesa nahi hai*

*SVP Team: Ok. Humare taraf se hum try karenge sir aapko better service dene ka. Lekin ye securities market hai na, toh profit ko leke koi guarantee nahi hoti hai. Sab kuch market conditions ke upar depend karta hai sir. Ok?*

*Mr. Sharvanu Dutta: Sure ma'am.*

14.5 The Noticee maintains a code of conduct, mandated employee-training, and a Quality Assurance team that monitors interactions and takes corrective actions where deviations are found.

14.6 The Noticee argues that if its intention were to induce clients with guaranteed returns, it would have marketed its products accordingly and would not have implemented SVP Calls that explicitly ask about assurances.

14.7 The call recordings cited by SEBI reflect general explanations of market mechanics, not promises of guaranteed profits. Casual expressions such as “profit kama sakte hain” are conversational and not assurances.

14.8 The Noticee asserts that five isolated call records out of 17,249 clients over 22 months cannot establish a practice of giving assured returns. Complaint

data too contained duplicate complaints, and the Noticee duly resolved all complaints.

14.9 The DA has without any reasonable justification dismissed the robust customer onboarding process adopted by the Noticee as being merely customary in nature solely based on the fact that 19 out of 58 complaints filed by the clients alleged promise of guaranteed returns. It is humbly submitted that the Hon'ble Securities Appellate Tribunal in a catena of cases has held that allegations made in the complaints cannot be made the gospel truth and the Adjudicating Officer is required to investigate the allegations made in the complaints and arrive at a finding. Here it is pertinent to note that the observation with respect to 19 complaints also contained 3 sets of duplicate/repeated complaints. Therefore, in essence there were a total of 16 complaints. Further, all the complaints have been duly resolved by the Noticee within the TAT (Turn-Around-Time) prescribed by SEBI. It is humbly submitted that in most instances, the SCORES Platform has been resorted to by the customers to seek refund from the Noticee in cases wherein the Complainant was not eligible for a refund as per the Noticee's refund policy.

14.10 SEBI's inspection found no adverse observations for two complainants, and one complainant expressly confirmed that no guarantee was given after clarification. SVP calls consistently show clients denying any assurance. Thus, establishing a "practice" of assured returns is untenable.

14.11 In absence of a robust customer onboarding infrastructure without proper checks and balances in place, it may have been alleged by DA that taking stern measures and imposing monetary penalty on its employees is done by Noticee to absolve itself of its responsibility towards its customers. However, once the DA herself acknowledges that the Noticee had a comprehensive customer onboarding system, in such scenario taking stern action and imposition of monetary penalty against employees whose call quality does

not meet the standards set by the Noticee is reflective of its proactive approach and is a testament to its commitment towards discharge of its fiduciary responsibility towards its customer.

14.12 The Noticee had provided DA with SVP Calls of the clients mentioned in the show cause notice. All such clients had categorically denied to having been provided with any profit assurance by any employee/executive of the Noticee.

14.13 The Noticee also submitted reliance on relevant SEBI precedents (GRS Solution and Mr. Chetan Kalubhai Dhokiya), arguing that the DA misapplied case law on the matter of 24 Carat Financial Services.

**Alleged act of PAIA/representatives entering into contrary transaction in their own account within 15 days of date of advice;**

15.1 The Noticee argues that the DA incorrectly interpreted “contrary transactions”, noting that the term is not defined in IA Regulations. As per SEBI’s 2016 interpretive letter on “contra trade”, the term refers to opposite trading. The PAIAs’ trades were all in the same direction as the clients’ intra-day “Buy-Sell” recommendations; hence, no contrary position was taken.

15.2 Intra-day recommendations depend on market volatility; follow-up messages are sent to guide clients. The Noticee furnished sample advice and SMS logs to the DA.

15.3 The Noticee provided the comparable details (Table 2) of the exit prices of clients and PAIAs, justifying no contrary trades.

15.4 The Noticee reiterates that all trades were intra-day, and there is no allegation of employees exploiting long-term/BTST recommendations for unfair gain.

Table No. 3.

<b>Date of Advice</b>	<b>Security Name</b>	<b>Advice Given</b>	<b>Exit Price for the client (as per the last Follow-up message)</b>	<b>Trade date by PAIA</b>	<b>Buy/Sell position by PAIA</b>	<b>Exit Price of PAIA</b>
01/04/2020	HDFCAMC	Buy-Sell	Irrelevant- Advice was rendered after PAIA closed position in his own account.	01/04/2020	Sell	Irrelevant- Advice was rendered after PAIA closed position in his own account.
02/07/2020	EXIDEIND	Buy-Sell	Advice not executed as client did not receive the message.	07/07/2020	Sell	155.4
29/09/2020	CHOLAFIN	Buy-Sell	Close CHOLAFIN Cash Long at 249-251.	29/09/2020	Sell	251.1
14/12/2020	CUB	Buy-Sell	Close CUB Cash Long at 179-179.5	14/12/2020	Intraday Square Off	179.1
18/09/2020	ENDURANCE	Buy-Sell	Book Profit in 250 shares of ENDURANCE NSE Cash in the Range of 1153-1158 CMP (Current Market Price) 1155.	21/09/2020	Sell	1,164.9
10/02/2021	M&MFIN	Buy-Sell	Book M&MFIN Cash Long at 191.2-191.5.	10/02/2021	Intraday Square Off	193.8

Date of Advice	Security Name	Advice Given	Exit Price for the client (as per the last Follow-up message)	Trade date by PAIA	Buy/Sell position by PAIA	Exit Price of PAIA
11/11/2020	AJANTAPH ARM	Buy-Sell	As per discussion, position in AJANTAPH ARM NSE CASH was closed at 1551.	19/11/2020	Sell	1,543
13/11/2020	AJANTAPH ARM	Buy-Sell	Kindly close AJANTAPH ARM NSE CASH in the range of 1546.5-1548.5	19/11/2020	Sell	1,543

**No trading policy;**

15.5 The Noticee submits that intermediaries cannot ascertain undisclosed demat accounts of employees. Hence, a strict no-trading policy is in place, incorporated into the Code of Conduct. Personal phones and trading apps are disallowed at office. Employees sign an Undertaking and Indemnity Bond accepting liability for non-compliance.

15.6 There is no evidence that employees' trades resulted in wrongful gain to the Noticee or loss to clients. Regulation 15(7) prohibits contrary transactions, not similar transactions. There is no evidence of fraud under PFUTP Regulations. Vicarious liability cannot be imputed for stray employee actions.

15.7 Relying on Supreme Court judgments (Sunil Bharti Mittal v. CBI; Shiv Kumar Jatia v. State of NCT), the Noticee argues that liability cannot be imposed absent evidence of active involvement or intent. The Noticee maintains and enforces a strict no-trading policy, including action against employees violating policy even if such trades were not contrary.

## **Observations related to public appearance of the investment adviser;**

- 17.1 The DA has failed to consider that intermediaries such as Investment Advisers have not been provided by the Regulator with any mechanism to independently track and/or verify the involvement of their employees in the securities market. Further, the DA has misconstrued the Noticee's submission highlighting this lack of mechanism and has equated it to mean that the Noticee did not have internal policies to control employee trading, thereby implying that its PAIAs were free to trade in scrips and take contra positions to the detriment of clients.
- 17.2 Regulation 22(2) provides that if any person, including a director or employee of an investment adviser, makes a recommendation or offers an opinion concerning securities or public offers through public media, all the provisions of Regulations 16 and 17 shall apply mutatis mutandis to him. The intention of the drafters was therefore to place restrictions on the trading activities of a person/director/employee who has rendered a specific opinion/recommendation on securities through public media. The Noticee has not dealt in or traded securities recommended by it through public media, and there is no allegation or observation in the show cause notice or the DA Report to suggest otherwise. Further, during inspection there was no specific inquiry by the inspecting team to identify which PAIA of the Noticee made the specific recommendation referred to in the DA Report.
- 17.3 The observation against four PAIAs of the Noticee appears to be based on an inaccurate interpretation of Regulation 22(2) read with Regulation 16 of the RA Regulations. The said four PAIAs, without reasonable basis, have been treated as part of a 'research team' and wrongly categorized as 'Research Analysts' under the RA Regulations. Those PAIAs were primarily engaged in conducting research (fundamental, technical or quantitative) and then rendering research-based investment advice to clients on the basis of risk-profile and product

suitability assessment. Accordingly, they cannot be categorized as Research Analysts as understood under the RA Regulations.

17.4 This understanding is supported by SEBI's Consultation Paper on Review of Regulatory Framework for Investment Advisers and Research Analysts dated August 6, 2024, which reflects the industry and regulator view that a trading call rendered by an Investment Adviser after risk-profiling and product suitability assessment falls under the IA Regulations and not the RA Regulations. Thus, employees whose responsibilities involved rendering investment advice to clients based on their risk appetite and product suitability are investment-adviser personnel and not research analysts.

17.5 If the said four PAIAs are not categorised as research analysts, the trading limitations under Regulation 16 do not apply to them, since Regulation 16 applies to individuals employed as research analysts by a research entity. Moreover, Regulation 22(2) imposes trading limitations only on persons who have rendered specific opinions/recommendations through public media. There is nothing on record to show that the said PAIAs gave recommendations via public media. Taking into account that the Noticee implemented internal policies and procedures to control dealing and trading by its PAIAs, the DA erred in observing that the Noticee violated Regulations 21(1), 16(1), 16(2) and 16(3) read with Regulations 2(1)(q), 2(1)(r), 3(1) and 21(2) of the RA Regulations.

**Alleged act of charging unreasonable amount of fees to clients;**

18.1 It is submitted that the DA alleged violation of Regulation 15(1) and Regulation 15(9) read with Clauses 1, 2, 6, 8 and 9 of Schedule III of the IA Regulations on two grounds:

- a. Selling the same advisory service with overlapping service period to the same client, charging unreasonable fees;
- b. charging exorbitant fees to clients relative to their annual income.

18.2 The DA observed that, although the dates of the agreements were close, the tenure covered by each agreement was distinct with no overlap. The said observation were made for clients listed in Table 9 of the DA Report. The DA failed to appreciate that, in the instances set out in Tables 10 and 11, the agreements were for separate and distinct tenures. Service confirmation emails showing start and end dates for services in Tables 9–11 were furnished to the DA. Thus, the Noticee did not sell the same advisory service with overlapping periods to the same client.

18.3 The DA omitted to record any observation on the Noticee's submissions regarding the allegation of charging fees disproportionate to clients' annual income. It is not alleged that any client was misled, coerced, or induced to avail services. The DA also omitted to note that services in Tables 10 and 11 covered consequential and separate periods, not overlapping ones.

18.4 The agreements were executed by clients of their own free will after being fully apprised of the fee structure and nature of service. Accordingly, no arbitrariness is established.

18.5 The DA noted that, for the same service and tenure, different fees were sometimes charged. However, this observation was not made the basis for alleging violations of Regulation 15(1) and Regulation 15(9). The Noticee explained that apparent differences in amounts paid arise from adjustments such as discounts, convenience fees, or transfers of unutilised amounts when a client shifts services.

18.6 From Tables 9–11 of the DA Report, there is no instance where the service fee paid by a client exceeded the listed price in the Noticee's fee matrix. The service fee charged was therefore not higher than the listed price. Excessive scrutiny of

routine commercial decisions (discounts, adjustments) would unduly stifle business autonomy.

18.7 During the inspection period, the IA Regulations did not prescribe a specific method or cap for charging service fees. Clause 6 of the Code of Conduct in the Third Schedule required only that IAs charge “fair and reasonable” fees. Offering discounts or allowing customers to shift services without losing credit for unutilised fees subject to suitability assessment cannot be deemed unfair or unreasonable per se.

18.8 Reliance is placed on SEBI’s Order dated January 20, 2017, which observed that SEBI has not specified guidelines for charging fees since it is a commercial matter; only broad guidelines to ensure reasonableness exist in the Code of Conduct. The DA recorded no adverse finding that the fees charged were unreasonable. Therefore, any inference that a difference in charged fees (owing to discounts, adjustments or convenience fees) establishes a violation is erroneous and without merit.

18.9 SEBI’s circular dated September 23, 2020 introduced fee guidelines for IAs, effective April 1, 2021. The Noticee implemented the fee-limit mandate from January 1, 2021, three months prior to its coming into effect. Compliance with Regulation 15A was acknowledged by SEBI in the Inspection Report.

18.10 The Noticee furnished case-by-case explanations for allegations of differing advisory fees and annexed internal emails illustrating service-termination/transfer processes.

18.11 The IA Regulations do not mandate fresh risk profiling merely because a client shifts services. SEBI’s inspection report and the SCN do not allege that services listed in Tables 9–11 were unsuitable to those clients’ risk profiles. In the absence of any such adverse finding, the DA’s inference is unjust and prejudiced.

18.12 Even if the same client was charged differing fees for the same service and tenure (monthly, quarterly or half-yearly), such differences alone do not establish that fees were unreasonable or excessive absent evidence to that effect.

### **Risk Profiling**

19.1 The Noticee submits that the DA's observations on risk profiling are incorrect, baseless, and founded on selective consideration of evidence.

19.2 When a PAIA explains the meaning of a questionnaire item to elicit an appropriate response, use of terms such as "panic" or "patience" does not amount to influencing the client's decision. The DA erred in its finding at point (xi).

19.3 At point (xii) the DA objects to the Noticee's English questionnaire and to PAIAs translating/explaining it in local languages. The transcripts show no incorrect translations. Given India's linguistic diversity, it is impractical to provide the questionnaire in every language; English is an accepted business language.

19.4 At point (xiii) the DA's finding that leading questions were asked or wrong options chosen is unsupported by the record. The DA itself noted (paragraph 11(G)(xxvii)) that Mr. B. Shankar's risk profile corresponds with the transcript. PAIAs asked only the RP questions; none were singled out by the DA as leading.

19.5 Observations at point (xv) are based on selective transcription without regard to the full conversation or the Noticee's onboarding process, which requires written and verbal consent on each RP question prior to service activation.

19.6 The DA erred at point (xvi) in holding that annual-income options were limited. The Noticee's questionnaire divides income into four groups: (i) less than ₹3 lakh,

(ii) ₹3–5 lakh, (iii) ₹5–7 lakh, and (iv) above ₹7 lakh. For the Noticee’s services, income above ₹7 lakh does not meaningfully alter the line of advice. There is no SEBI-prescribed mandate on exact income bands, and SEBI did not previously object to this RP design.

19.7 The DA failed to appreciate that there is no reason for a PAIA to disbelieve a client’s self-reported income. IA Regulations require risk profiling based on client-provided information; there is no mandate to collect income proof.

19.8 The DA’s conclusion at point (xix) that there are infirmities in the Noticee’s tools is unsupported by the record; absent adverse findings, mitigation of limitations is not relevant.

19.9 In paragraphs (xx)–(xxii) the DA failed to recognize that RP outcomes derive from client responses; a client with moderately high risk appetite may legitimately subscribe to medium-risk products. There is no basis to allege purposeful manipulation of RP outcomes; consequent allegations of lack of honesty, fairness, or due care are baseless.

19.10 At points (xxiii)–(xxiv) the DA erred in treating prior inspections as determinative of present procedures. There has never been a mandate by SEBI to collect documentary income proof from clients.

19.11 The Noticee clarified that its Risk Profile Methodology (RPM) assigns weight across seven parameters; age, existing investments/assets, income, investment experience/knowledge, investment objective, liabilities/borrowings, and risk appetite/tolerance with equal weight across parameters and equal weight for questions within each parameter. Thus, the DA’s assertion that the Noticee could not explain weightage for individual questions is inconsistent with the Noticee’s submissions.

19.12 The DA acknowledged that the transcript in the SCN records conversation with Mr. B. Shankar and not Mr. Sankar Biswas, whose RP corresponds with the transcript. The PAIA did not enter incorrect options in any client's RP questionnaire. The DA relied on selective transcription rather than the full conversation, despite the Noticee providing complete transcripts.

IA-CapitalVia's PAIA: *Sir humara asset value kitna hoga? Asset value se mera matlab hai- jo bhi hum assets own krte hain- chalachal sampati.. 3-10 lacs, 10-30 lacs or above 30 lacs?*

Mr. Shankar: *Wo toh aap decide kro Sir*

IA-CapitalVia's PAIA: *wo toh aap batayenge na Sir main kaise bata skta hoon. Jaise khud ka makan hai, sir? Jaise own house hai?*

Mr. Shankar: *Rent pe hoon sir*

IA CapitalVia's PAIA: *Rent pe hai, toh mujey batayein sir- gaadi wagherah ka kya value hoga, jo bhi total assets.investment wagherah mila ke jo apka value hota hoga. Jaise main meri baat karunga toh flat, gaadi wagherah mila ke.*

Mr. Shankar: *Gaadi hai Sir?*

PAIA: *10-30 Lacs?*

Mr. Shankar: *Nahi Nahi.. 4 wheeler nhi hai, 2 wheeler hai.*

PAIA: *Ok..3-10 lac ka sir sbse chota option h Mr.*

Shankar: *Ok*

19.13 The complete transcript shows the client asked the PAIA to select an option for total asset value; the PAIA declined to choose on the client's behalf and instead explained asset categories so the client could answer. This suggests any error was inadvertent, not intentional misrepresentation.

19.14 The Noticee's call-monitoring team identified employees whose call quality did not meet standards and appropriate actions were taken based on the nature, severity and frequency of deviations. Evidence of such quality-action steps was annexed.

19.15 Recording Transcript 4 shows the PAIA informing the client of the minimum investment required and the corresponding first option. The Noticee's onboarding process thereafter requires the client to verify the RP email and

consent; an SVP Call cross-verifies the RP and obtains client consent. In the present case, the client consented without objection.

19.16 Even if the DA's observation in paragraph 11(G)(xxviii) were correct, a single instance cannot be exaggerated to indicate a systemic issue, particularly where the DA also observed that the Noticee had a comprehensive onboarding system.

19.17 The Noticee's RPM was revised effective May 20, 2017 and shared with SEBI during the September 2017 inspection; no adverse findings were recorded in SEBI's June 1, 2018 Inspection Report or in the subsequent Adjudication Order dated November 22, 2022. The DA's reliance on the ₹7 lakh analogy is therefore without merit. Varying observations by different inspecting teams and adjudicating officers illustrate the subjectivity in assessing adequacy of RP methodologies; absent objective SEBI-prescribed standards, penalising the Noticee on this basis is unfair.

19.18 The DA's observation regarding Mr. Dakshesh Joshi's risk category changing is misplaced: the first and last assessments both categorized him as Moderately High. There is no basis to infer manipulation.

19.19 Risk assessment depends on client responses; multiple RPs were conducted at the client's request and were consented to. Details such as assets, income and age are client-provided; Regulation 16 requires the IA to seek this information and to rely on it for RP.

19.20 Regarding the client whose age shifted categories (26–40 to 41–55) within 11 days, the client's DOB (17 December 1980, per PAN) places documentary age near 40; inadvertent selection of a different age band is plausible and not indicative of manipulation.

19.21 Isolated instances, considered against service to 6,904 clients during the inspection period (July 2021–March 2022), do not indicate systemic non-compliance. The Noticee employed appropriate procedures to comply with applicable regulations.

19.22 Reliance is placed on the SAT Order dated June 16, 2011 in *Religare Securities Ltd. v. SEBI* (Appeal No. 23 of 2011), which held that minor discrepancies found during inspection are not necessarily culpable and may be addressed by pointing out deficiencies and ensuring compliance.

19.23 In view of the foregoing, the DA's conclusion that the Noticee violated Regulations 15(1), 16(b), 16(c), 16(d)(ii) and Clauses 1, 2, 3, 8 and 9 of the Third Schedule read with Regulation 15(9) is erroneous and should be set aside.

### **Suitability**

20.1 With respect to the multiple (three) risk profiling of a client (Mr. Dakshesh Joshi), the client provided responses voluntarily and services were activated only after completion of the three-step onboarding process. IA Regulations do not prescribe the number of RPs permissible for a client. In the absence of any finding that advice was inconsistent with the client's RP, no violation of Regulation 17 is made out. The client was satisfied and repeatedly availed services.

20.2 The DA's finding that the Noticee's advice was inconsistent with clients' investment objectives, risk-bearing ability and capacity to absorb loss is baseless and inconsistent with the record. Excessive reliance on selective transcriptions and isolated instances, despite acknowledgment of robust processes, demonstrates a prejudicial approach.

20.3 DA's finding that a PAIA knowingly induced investors to choose higher-risk options constituted knowing misrepresentation or concealment is based on selective transcription. The complete transcript does not demonstrate misrepresentation. Even if the DA's observation were correct, there is nothing on record to indicate the Noticee knowingly induced unsuitable services. Hence, the conduct does not constitute fraud under PFUTP Regulations. The DA herself noted that to establish fraud a detailed analysis of PAIA actions is required; the full transcripts show no such conduct.

**Disclosure to clients;**

21.1 The DA acknowledged that the Noticee's performance track record was published on its website during the inspection period, although on occasion it could be temporarily unavailable due to technical glitches. Thus the Noticee disclosed performance information and did not conceal material performance data.

21.2 The DA's suggestion that a technical glitch would prevent a client from obtaining an overview of performance is speculative. There is no record to show glitches were not resolved timely. Past-performance emails were shared with clients as an alternative when individual users faced access issues.

21.3 The Noticee never asserted that its systems were plagued by technical problems; it noted that temporary glitches may occur and are not unique to its platform.

21.4 There have been occasions when SEBI's SCORES portal was inaccessible due to technical glitches, hindering responses to SCORES complaints; the Noticee annexed correspondence with SEBI reporting such incidents.

21.5 Therefore, the DA's conclusion of violation of Regulation 18(6) and Clause 5 of Schedule III read with Regulation 15(9) is misconceived and should be set aside.

**Not abiding by the provisions of IA Regulations;**

22.1 In view of the foregoing submissions, the Noticee has complied with the relevant regulations and has acted with due skill, care and diligence in accordance with Regulation 13(a) of the IA Regulations and accepted professional standards.

22.2 The DA has recommended the harshest penalty i.e., cancellation of the certificate of registration of the Noticee, in terms of Regulation 26 of the Intermediaries Regulations. This recommendation is entirely unwarranted as the Noticee has complied with all the relevant regulations. Deficiencies, if any, are mainly operational, one-off instances. There is nothing on record to suggest that there are systemic issues in the manner in which the Noticee conducts its operations.

22.3 There is no evidence of wilful misconduct or of a large-scale, concerted fraud by the Noticee. Recommending cancellation of registration is therefore unjust, arbitrary and disproportionate.

22.4 It is humbly submitted that the Noticee have always conducted their business under the bonafide belief that all activities with regard to the Noticee were in accordance with law. Defaults if any were unintentional and without any malice. That the recommendation of the Ld. DA has to be on the basis of the conduct of the Noticee and the principles of proportionality. It is further submitted that the DA has not observed any systemic issues in the operations of the Noticee.

22.5 The Noticee's registration certificate has expired and not been renewed. In light of the foregoing submissions, the Noticee prays that the proceedings be disposed of without adverse action.

23 Having observed as above, I shall now deal with the allegations leveled against the Noticee, in light of the submissions made by it in response thereto.

### **Guaranteed Profits/Returns to Clients**

22 The DA observed that the Noticee, by promising guaranteed profits to its clients, violated Regulation 15(1) and Clause 1,2,8 and 9 of 3<sup>rd</sup> Schedule r/w Regulation 15(9) of IA Regulations and Regulation 3, 4(2)(o) and 4(2)(s) of PFUTP Regulations. In support, the DA relied on various telephonic conversations between PAIAs of the Noticee and clients, and observed that the PAIAs promised guaranteed profits/assured returns and thereby induced clients to the Noticee's service by making the clients believe that they can earn regular profits from the market. The transcripts of the said conversations are reproduced below.

a. Telephone conversation between PAIA of IA-CapitalVia and Mr. Pradeep Valappil  
Recording transcript from minute 14:05 in the audio clip:

IA-CapitalVia's PAIA: "maan li jiye maine 3% ka return diya aapko, kitna percent sir? 3% sir, that is the minimum sir ..... 3% bare minimum bhi expect karte hai na sir aap toh bhi hum kitna profit nikal ke de sakte hai ... Rs. 24,000 ek mahine ka return ho sakta hai, 3 mahine ka sir kitna around Rs. 72,000. I'm not saying ke main aapko Rs. 72,000 nikal ke dunga, main aapko minimum bol raha hoon ke Rs. 45,000 ka bare minimum profit aap kama sakte hai. Rs. 8,000 aap company ka charge minus kar dijiye tab bhi aap Rs. 37,000 kama sakte hai ..... 30,000 is a good return sir that is the minimum sir".

b. Telephone conversation between PAIA of IA-CapitalVia and Mr. Sharvanu Dutta:  
Recording transcript from minute 13:30 in the clip:  
Mr. Shравanu Dutta: "3,500 for a month is very high year"

IA-CapitalVia's PAIA: ".....3000 ka profit main aapko single day mein bhi nikal de sakta hoon."

Recording transcript from minute 1:05 in the clip:

IA-CapitalVia's PAIA: "main zyada nahi bolunga sir, par market mein apan kam se kam apan 5000 to 7000 profit araam se nikal sakte hai"

c. Telephone conversation between PAIA of IA-CapitalVia and Mr. Shyam Sunder Sharma

Recording transcript from minute 06:32 in the clip placed:

IA-CapitalVia's PAIA: "hamara jo kaam rahega woh main bata deta hoon aapko, jo bhi working rahega usme daily basis pe initial profit range rahega 5000 to 8000 rupees sir"

Recording transcript from minute 15:16 in the clip placed:

IA-CapitalVia's PAIA: "...ye 3 se 4 din mein jo bhi aap pay karenge usse zyada hi main aapko recover karwake market se de sakta hoon."

d. Telephone conversation between PAIA of IA-CapitalVia and Mr. Sankar Biswas

Recording transcript from minute 03:54 in the clip placed:

IA-CapitalVia's PAIA: "...isme hain an sir aapko daily basis pe 1-2 trading recommendation aapko diye jayenge, un recommendation ko agar aap follow karte hai toh sir aap araam se 2000 se 2500 rupay aap market mein bana sakte hai, monthly aap araam se 25000 se 30000 ki earning aap stock market se plan sakte hai"

e. Telephone conversation between PAIA of IA-CapitalVia and Mr. Akshay

Recording transcript of Mr. Akshay from minute 04:20 in the clip:

IA-CapitalVia's PAIA: "... araam se aap daily basis pe average profit 800 se 1000 rupay nikal loge, at the end of the month araam se aap market ke andar 3000 aapne pay kiya tha aap araam se 12000, 13000, 15000 nikal loge."

23 In its defense, the Noticee stated that it has a rigorous customer onboarding process which includes a Service Verification Process Call (SVP Call) conducted by an independent Quality Assurance department. During the SVP call, certain explicit enquiries are made, including *whether any kind of guarantee or commitment or assurance of profit has been provided to the client by anyone from*

*the Noticee's organization?* During the call, the client is again informed that investments in securities market are subject to market risk and that there is no assurance/commitment/guarantee of returns or profits. The Noticee has provided the audio clip of the SVP calls to the clients whose transcript was relied upon by the DA. In this regard, it is required to be examined whether the Noticee or its 'PAIAs' made representations assuring or guaranteeing any assured returns to its clients.?

24 On perusal of the transcripts relied upon by the DA, it is clear that various expressions such as *"you will definitely earn 'such percentage', 'fixed amount' 'you can expect this as guaranteed"* appear in varying degrees. While the Noticee has argued that the clips are incomplete and taken out of context, no technical infirmity or tampering or non-existence of such calls has been argued. The DA has clearly mentioned the names of the PAIA, the name of the clients and the exact time stamp of the call recording where assured profits have been promised along with the transcription. These call recordings were provided by the Noticee himself, so how these recordings have been taken out of context is also not demonstrated. During the inspection process, the call recordings were reviewed in their entirety and the portions of the conversations that were suggestive of assuring profits to clients were taken and based on the same, the violations of the IA Regulations and PFUTP Regulations were alleged. Only those parts of the call recordings which are related to assurance of promised returns have been highlighted by the DA. It is also pertinent that these call recordings were made at the time of solicitation of the clients and on its bare perusal, it is clear that the tone and language used therein are suggestive of assurance.

25 The Noticee has produced SVP recording with these clients. On perusal of the recordings, I note that during these calls, various personal details, risk profiling details were asked from the clients and these clients have answered it in negative when asked if any assured returns were offered. Now, as stated earlier, the stage

of the SVP calls becomes relevant. These calls are made after the clients have already been induced by earlier representations. While such practice of independent verification is a positive compliance measure, their evidentiary value must be assessed contextually. The intent and timing of these calls, and whether clients were pre-conditioned to respond in a particular manner, are critical. The presence of multiple similar client instances lends credence to the fact that such assurances were not isolated lapses but a recurring practice. It is pertinent to note that the Noticee itself in its response has mentioned that some of these calls were made in violation of the internal policies of the Noticee and which were identified by call monitoring team. Further, it is submitted that the Noticee took *suo motu* cognizance of the deviation from its internal policies and appropriate action was taken against the erring employee.

- 26 I note that the IA Regulations clearly mandate that an investment adviser shall act in a fiduciary capacity and abide by the Code of Conduct which, *inter alia*, requires the IA to maintain honesty and fairness and to act with due skill, care and diligence in the best interests of its clients. Further, the code of conduct also casts primary responsibility on the senior management in ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures by the body corporate.
- 27 There is no doubt about the fact that the promise of assured returns and profits is inherently misleading as it runs contrary to the fundamental principles of the securities market i.e. *All the market investments are subject to market risks*. Such misleading promises induced the clients/investors to invest in the services/products offered by the Noticee. The prohibition extends to both explicit and implied assurances. The audio clips create a reasonable inference that the clients were given an impression of assured returns. The Noticee's verification calls, appear procedural rather than substantive, serving as a compliance formality rather than a genuine check on misrepresentation. The subsequent

verification calls do not absolve the Noticee since the initial inducement through verbal assurances is contrary to the spirit of investor protection underlying the Regulations. Thus, I agree with the observations of the DA regarding violation of Regulation 15(1) and clause 1,2,8 and 9 of 3rd Schedule r/w Regulation 15(9) of IA Regulations.

- 28 There is, however, insufficient material to establish malicious intent or large-scale investor harm. The issue seems rooted in careless supervision and overenthusiastic marketing, rather than deliberate fraud. The Noticee has been able to demonstrate mitigating measures taken to prevent such practices. Taking note of the above, I am inclined to give benefit of the doubt to the Noticee and exonerate it from the violation of Regulation 3 and 4(1) and 4(2)(o) and 4(2)(s) of the PFUTP Regulations levelled in this regard.

**Alleged act of PAIA/representatives entering into contrary transaction in their own account within 15 days of date of advice;**

- 29 Based on the sample data of the trading activity of the PAIAs, it was observed that 16 out of 20 PAIAs had engaged in a total of 930 transactions (on BSE and NSE) during the inspection period. On analyzing their investment advice, it was observed that 03 PAIAs engaged in contrary transactions w.r.t the investment advice rendered within 15 days from the day of advice. In view of the same, the DA has observed violation of Regulation 15(7) and 15(1) of IA Regulations and clauses 1, 2, 3, 8 and 9 of the Code of Conduct.
- 30 In response, the Noticee has *inter alia* submitted that the DA based on the erroneous interpretation of the word 'contrary' and on the basis of selling of shares by PAIAs at a price which was lower than the target price given to the clients had observed the violations against the Noticee. It is submitted that advice rendered by the PAIAs and transactions executed by the PAIAs were in the same direction

and provided supporting details (the details of the advice(s) rendered, exit price(s) of the PAIAs and the clients).

- 31 I note that the Noticee has been charged primarily for the violation of Regulation 15(7) of the IA Regulations which *inter alia* provides that *an investment advisor shall not enter into transactions on its own account which is contrary to its advice given to clients for a period of fifteen days from the day of such advice. The requirement unambiguously restricts an IA or its PAIAs from entering into transactions on their own account that are contrary to advice given to clients within fifteen days from the day of such advice. The regulation does not distinguish between intraday and delivery trades. The proviso to the Regulation 15(7) only provides a narrow exception that during such period of fifteen days, if the IA is of the opinion that the situation has changed, then it may enter into such contrary transaction on its own account after giving such revised assessment to the client at least 24 hours in advance of entering into such transaction.*
- 32 The objective of the requirement is to ensure that the IAs trades are not in conflict with the client's interest as the client relies on the IAs integrity. The IAs have a fiduciary duty towards its clients to act in their best interests. To examine any such infraction by the IAs, the exact time stamps (time of advice communication to clients) vis-à-vis time of the IAs/PAIAs trade, form of the advice (intra-day/long term) and the direction of the advice are required to be examined.
- 33 It has been alleged in the SCN that 03 PAIAs of the Noticee on 12 instances engaged in contrary transactions. It is submitted that on all the 12 instances, advice was rendered under their Market Pro category services (HNI Equity-Silver, Gold, Platinum and Titanium) which was meant for intraday traders. The Noticee also provided the copy of the advice(s) along with the follow up messages sent to the customers along with the SMS logs. On perusal of the screenshots, it is clear that on every such instance, the buying range, stop loss and target price was clearly mentioned with follow up messages. The same has also been

acknowledged by the DA that on all these instances, the advice(s) were rendered for intra-day trades.

- 34 It is noted that for intra-day trades, the exact time of trade and the direction of the trade by the PAIAs becomes relevant. The DA has observed that PAIAs had sold the shares at a lower price than the target price advised to the clients and observed that contra position(s) were taken by PAIAs. Considering the volatile nature of the market, risk appetite of the clients and the PAIAs, it is difficult to conclusively determine whether the PAIAs had indulged in contrary position solely on the price at which the PAIAs had traded. Therefore, I tend to disagree with the said observation of the DA. The DA report has treated the intra-day advice of buy and sell on all such 12 instance as buy advice and based on the subsequent sale/square off trade of PAIAs, treated them as contrary trades. The DA mechanically treated intra-day buy/sell advice as only buy advice and construed subsequent PAIA square-offs as contra trades. It is clear that on all such instances, entry and exit position for the scrip and the instructions to execute on the same day were included in the primary investment advice itself. Thus, in my view, the reading of the DA to split the advice into buy and sell and then treating the sale trades of PAIAs as contrary trades is incorrect.
- 35 I have perused the details of the trading activity of the PAIAs and the advice rendered by them as mentioned in the DA Report. The same is reproduced at Annexure A.
- 36 On perusal of the same, I note that Harsh Patidar(one of the PAIA of the Noticee) had traded on two occasion viz. on April 01, 2020 and July 07, 2020. With respect to the trade of April 01, the DA has herself acknowledged that the said trade was executed before the trade of the client. For the trade of July 07, 2020, the PAIA had advised the client on July 02, 2020 for an intra-day trade, thus, the said trade cannot be termed as contrary transaction. Similarly, for the PAIA (Likhita Chepa), the advice for intra-day trade was made on November 11 and 13 whereas she

traded on November 19, 2020. Thus, the said trade cannot be termed as contrary transaction. For the PAIA (Arpit Jain), it is alleged that he entered into 4 contrary transactions. Out of these 4, on one occasion he traded only after 3 days and on two occasions, he squared off his intraday position, the direction of which was in line with his recommendation. Thus, these three trades cannot be termed as contrary transactions. For the remaining one transaction of September 29, 2020, when the intra-day advice to trade in CHOLAFIN was given, he had entered in sale transaction. The trade time of the said PAIA is not available. The recommendation was to buy in the range of 250.2-250.3 with stop loss of 247 and target of 258. The said PAIA average sale price was 251.1 which was in line with the said recommendation only. Thus no inference can be drawn from such transaction.

37 Thus, to conclude, it is clear that the PAIAs of Noticee did not indulge in contrary transactions. The Noticee has also submitted that that it strictly followed a no-trading policy and took actions against the employees who executed trades against the policy, irrespective of the fact whether such trades were contrary or not. The Noticee also highlighted that at its end, other than self- declarations, there was no mechanism to track the trading activities of all its PAIAs.

38 Thus, based on the observations made above, I disagree with the observations of the DA and find that the alleged violation of Regulation 15(7) of the IA Regulations is not established against the Noticee.

**Observations related to public appearance of the investment adviser;**

39 Pursuant to the inspection, it was observed that that 05 employees of the Noticee viz - Mr. Gursimran Singh, Mr. Harsh Patidar, Mr. Naveen Mishra, Mr. Arpit Jain and Mr. Vishal Balabhadruni, who were also part of the research team made various public appearances by authoring web media articles under the name '*CapitalVia Global Research*' making stock-specific recommendations on various

occasions on the website (www.investing.com). These PAIAs/employees engaged in trading of such publicly recommended securities within a period of 30 days before and 5 days after the date of public appearance. Based on the same, it is alleged that the Noticee has violated provisions of Regulations 21(1), 16(1), 16(2) and 16(3) read with Regulations 2(1)(q), 2(1)(r), 3(1) and 21(2) of RA Regulations.

40 Regulation 21(1) of the RA Regulations provides that the Research analyst including its director or employee shall disclose the registration status and details of financial interest in the subject company, if he makes public appearance. Regulation 21(2) of the RA Regulations *inter alia* provides that If any person including a director or employee of an investment adviser, makes public appearance or makes a recommendation or offers an opinion concerning securities or public offers through public media, all the provisions of regulations 16 and 17 shall apply *mutatis mutandis* to him. Regulation 16(1) provides that personal trading activities of the individuals employed as research analyst by research entity shall be monitored, recorded and wherever necessary, shall be subject to a formal approval process. Regulation 16(2) provides that independent research analysts, individuals employed as research analyst by research entity or their associates shall not deal or trade in securities that the research analyst recommends or follows within thirty days before and five days after the publication of a research report. Further, regulation 16(3) provides that independent research analysts, individuals employed as research analysts by research entity or their associates shall not deal or trade directly or indirectly in securities that he reviews in a manner contrary to his given recommendation.

41 I note that as per the then existing RA Regulations, RA<sup>1</sup> *inter alia* means a person who, was primarily responsible for preparation or publication of the content of the research report; or providing research report; making 'buy/sell/hold'

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<sup>1</sup> Regulation 2(1)(u)

recommendation, etc. Research report<sup>2</sup> *inter alia* means any written or electronic communication that includes research analysis or research recommendation or an opinion concerning securities. Public media<sup>3</sup> means any media source available to the general public and includes a radio, television, internet, web or print media whereas public appearance<sup>4</sup> *inter alia* means any participation in a web or print media broadcast, authoring a print media article or other public speaking activity in public media in which a research analyst makes a recommendation or offers an opinion, concerning securities or public offer.

42 One of the primary contention of the Noticee in this regard is that the designation of these 5 employees/RAs/PAIAs as 'Research Analyst' was merely a nomenclature and titular designation held by them and ought not to be read as a Research Analyst defined under the SEBI (RA) Regulations. Further, it has been argued that the 'research report' communicated through the publicly accessible media were published directly by individual IAs and was their personal opinion. Also, they might have accidentally traded in the scrips without any awareness of such recommendation being published on the public platform.

43 Regulation 3 of the RA Regulations provides that no person shall act as a research analyst or research entity or hold himself out as a research analyst unless he has obtained a certificate of registration from SEBI under the Regulations. The proviso to the said Regulation provides that an investment adviser who issues research report or circulates/distributes research report to public or its director or employee who makes public appearance, shall not be required to seek registration under regulation 3, subject to compliance of Chapter III of the said regulations. Therefore, it is clear that a registered investment advisor is not required to seek registration before circulating/distributing research report to public. However, in that case, the IA is required to abide by Chapter III

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<sup>2</sup> Regulation 2(1)(w)

<sup>3</sup> Regulation 2(1)(r)

<sup>4</sup> Regulation 2(1)(q)

provisions of the RA Regulations which provides for management of conflicts of interests and Disclosure Requirement. Therefore, at the outset, it is required to be seen whether the Noticee and/or its employees held out as Research Analyst.

- 44 On perusal of the Enquiry Report, I note that based on the contents of the table at *Annexure B* which *inter alia* includes the link of public media, name of the PAIAs/RA and buy/sell position of the PAIAs/RA. On perusal of the public media links most of which are still accessible, I note that these public media articles, disseminated through the website (investing.in), were written under the profile name '*CapitalVia Global Research*' with link to the website of '*capitalvia.com*'. Further, it was stated that *CapitalVia Global Research Limited- Investment Advisor (www.capitalvia.com) is a pioneer in capital markets research- especially in the segments of equity, commodity, and currency. We have a strong presence in India and Malaysia, and we help customers in their investment journey. We are a SEBI Registered Investment Advisor (RIA) and have been in the markets since 2008. We provide stock market recommendations on the basis of technical analysis, fundamental analysis, and also using some of the most sophisticated quantitative trading tools.*' On perusal of the profile, it is clear that the Noticee claimed itself to be a pioneer in capital markets research. Further, the media articles were clearly of the nature of the giving buy/sell recommendation to general public with the reasoned justification and therefore, these activities without any doubt fall under the scope of Research Analyst and the Noticee can be said to have held itself out as a Research Analyst. It is also not in dispute that these articles were disseminated through public media and the participation in a web broadcast or authoring a print media article in which a research analyst makes a recommendation can be termed as public appearance.
- 45 Once it is established that the Noticee held itself out as a Research analyst, the obligation to comply with the Chapter III provisions of the RA Regulations automatically falls upon the IA. In this regard, as mentioned aforesaid, Regulation 21(2) *unequivocally provides that if the IA or its employee makes public*

appearance or makes a recommendation through public media, all the provisions of regulations 16 and 17 of the RA Regulations shall apply *mutatis mutandis* to him. The language of Regulation 16 is also clear which prohibits dealing or trading in securities that the research analyst recommends or follows within thirty days before and five days after the publication of a research report or to deal or trade directly or indirectly in securities that the RA reviews in a manner contrary to given recommendation.

46 In the present case, the Noticee has not disputed the factum of existence of the media articles and the trade details by its PAIAs. It is only submitted that the Noticee, itself did not trade in securities that were recommended by it through public media. As mentioned aforesaid, the obligation under Regulation 21(2) is applicable to any person including a director or employee of an IA who makes public appearance to comply with Regulation 16 of the RA Regulations which in turn is again applicable on the independent research analysts or individuals employed as research analyst by research entity or their associates by whatever nomenclature they are called. Further, the said articles were written under the profile name of the Noticee only. The contention that these 4 PAIAs' designation were titular or they were wrongfully categorized as RA is immaterial and would not absolve the liability of the Noticee for the violations. Further, the contention that IAs have not been provided with any mechanism by SEBI to independently track and/or verify the involvement of its employees in the securities market is also devoid of any merit as the onus is upon the registered IA to ensure compliance with the regulations.

47 Therefore, the violation of Regulation 16(1), 16(2) and 16(3) of the RA Regulations read with Regulation 21(1) and 21(2) of the RA Regulations is established against the Noticee.

**Alleged act of charging unreasonable amount of fees to clients;**

- 48 It is alleged that the Noticee has violated the provisions of Regulation 15(1) and Regulation 15(9) r/w clauses 1,2,6,8 and 9 of Schedule III of IA Regulations on the following two grounds:
- a. Selling same advisory service with overlapping service periods to the same client thereby charging unreasonable fees to the clients, and
  - b. By charging exorbitant amounts of fees to its clients compared to their annual income.
- 49 On the allegation of selling same advisory service with overlapping service periods to the same client, while the DA has acknowledged the fact for some of the clients (mentioned in Table No. 9 of the DA Report) that the dates of the agreements were without much gap, the tenure covered in each agreement was distinct with no overlap. The same has not been appreciated for all the instances mentioned in the DA Report (Table No. 10 and 11). It has been submitted that on all the instances mentioned in the DA Report, the agreements for services were entered into for separate/distinct tenures. In support, the service confirmation emails detailing the start and end date for the services availed by the customers have been furnished to the DA.
- 50 In this regard, on a perusal of the details mentioned in the Enquiry Report and the service confirmation emails provided by the Noticee, it is noted that on all the occasions, although the date of agreement entered by the Noticee with its clients is close to each other, the service agreement records clearly demonstrate that the start and the end date of service for all the clients was distinct and non-overlapping. Thus, it's a case of entering into agreement in advance for a subsequent period of service albeit non-overlapping. Therefore, I disagree with the observations of the DA on the allegation that the Noticee had sold the same advisory service with overlapping service periods to the same client.

51 The DA has further observed in the Enquiry Report that the Noticee had charged exorbitant fees to its clients compared to their annual income. In support, reliance has been placed on the findings of the inspection, the details of which (containing the annual income and the fees charged) are reproduced below.

*Table No. 4.*

<b>S.no</b>	<b>Name</b>	<b>PAN</b>	<b>Fees charged (₹)</b>	<b>Annual Income (₹) as per Risk Profile</b>
1	Tanay	ACxxxxxQ	7,56,773	3 to 5 Lakhs
2	Banshidhar	AQxxxxxJ	7,35,796	3 to 5 Lakhs
3	Indraneel	AKxxxxxQ	8,82,739	5 to 7 Lakhs
4	Kamal	CAxxxxxJ	7,37,500	5 to 7 Lakhs
5	Basani	BLxxxxxF	8,79,100	Above 7 Lakhs
6	Kunj	AQxxxxxG	8,55,500	Above 7 Lakhs
7	Pavan	AKxxxxxP	7,78,800	Above 7 Lakhs
8	Manmohan	AMxxxxxG	9,57,664	Above 7 Lakhs
9	Rahul	ACxxxxxN	8,95,300	Above 7 Lakhs

52 The Noticee has contended the clients were not misled or lured or coerced to avail the services offered by the Noticee. It is submitted that the agreements were executed by the clients out of their own free will and after being fully satisfied with the fee structure and nature of service of the Noticee. Further, only the consideration paid by the client have been considered and other relevant factors such as requisite adjustments on account of discounts, convenience fees and/or transfer of unutilized amount from any prior availed/ongoing service into another service- in cases of shifting of service(s) has not been accounted for. During the inspection period, the IA Regulations did not specify any manner/condition for charging of service fee, nor any form of fee limit/cap was prescribed to the IAs.

53 In the instant case, in defense of the fees charged by the Noticee, the Noticee has provided the investment amount and income security status against the annual income of the customers as mentioned below. It is submitted that the DA has not

made any observations on the issue of charging exorbitant fees in light of the document submitted by the Noticee. On perusal of the details, for some of the clients, although the annual income as per the risk profile was 3-5 lakhs, their investment amount was above 12 lakhs. Further, for some of the clients, even the annual income and investment amount is not factually stated and mentioned as above 7 lakhs and 12 lakhs respectively. Further, as per the Noticee, some of the clients were expecting large inheritance/ were already wealthy and their source of income was secure.

*Table No. 5.*

S. No.	Name	PAN	Fee Charged (INR)	Annual Income (INR) as per Risk Profile	Investment Amount	How Secure Source of Income
1	Tanay	ACJPW0350Q	INR 756,773	3 to 5 Lacs	Above 12 Lacs	Not dependable
2	Banshidhar	AQJPV9373J	INR 735,796	3 to 5 Lacs	Above 12 Lacs	Secure
3	Indraneel	AKPPM3392Q	INR 882,739	5 to 7 Lacs	Above 12 Lacs	Secure
4	Kamal	CABPJ0432J	INR 737,500	5 to 7 Lacs	9 to 12 Lacs	Secure
5	Basani	BLVPB4518F	INR 879,100	Above 7 Lacs	Above 12 Lacs	Secure
6	Kunj	AQNPG4049G	INR 855,500	Above 7 Lacs	Above 12 Lacs	Does not matter because expects a large inheritance/have enough wealth already
7	Manmohan	AMCPS6399G	INR 957,664	Above 7 Lacs	Above 12 Lacs	Secure
8	Rahul	ACGPT6861N	INR 895,300	Above 7 Lacs	Above 12 Lacs	Secure
9	Pavan	AKPPG7179P	INR 778,800	Above 7 Lacs	Above 12 Lacs	Does not matter because expects a large inheritance/have enough wealth already

54 Further, reliance has been placed on observation contained in SEBI's Order dated January 20, 2017, wherein it was categorically observed that "SEBI has not specified any guidelines for charging fees since this is a commercial aspect into which a regulator need not intervene. However, a broad guideline to ensure reasonableness in charging fees has been provided in the Code of Conduct as noted above". It has been submitted that the DA has not recorded any adverse observations w.r.t the fees charged from the clients itself being unreasonable in any way.

55 I note that regulation 15(1) of the SEBI IA Regulations, *inter alia*, requires the registered IA to act in a fiduciary capacity towards its clients. In terms of Regulation 15(9), an IA shall abide by Code of Conduct as specified in Third Schedule. SEBI had vide Circular dated September 23, 2020 introduced the concept of maximum fee that can be charged by the IA from its clients. Before the said Circular, although it is correct to say that that there was no upper limit which could have been charged by the IA from its clients, the requirement and responsibility of the IA to charge fair and reasonable fee was always applicable which was specified in the Code of Conduct. Clause 6 of the Code of Conduct *inter alia* provides that the investment adviser shall ensure that fees charged to the clients is fair and reasonable. The test of “reasonableness” of the fee, does not mean, that the same has been paid by the clients on their free will and after being fully satisfied with the fee structure and nature of service of the Noticee. The reasonableness of the fee has to be seen in the context of factors such as proportionality, uniformity, etc. The IA Regulations always provided for principle based determination of fees. What is fair and reasonable has to be seen in the facts and circumstances of the case.

56 In the instant case, although *prima facie*, the fees seem unreasonable considering the annual income of the clients as per their risk profile. However, the DA has not examined the other submissions made by the Noticee in this regard, regarding the total investment amount of the clients, their annual income or any other source of income. Further, as submitted by the Noticee, there is no evidence that the clients were misled or lured or coerced to avail the services offered by the Noticee. Considering the totality of the circumstances, and the fact the material available on record is insufficient to come to any conclusive finding, I am inclined to give benefit of doubt to the Noticee and of the view that the allegation of charging unreasonable amount of fees to clients is not established against the Noticee.

## **Risk Profiling**

- 57 Pursuant to the inspection, it was alleged that the Noticee has violated provisions of Regulation 15(1), 16(b), 16(c) and 16(d)(ii) of IA Regulations and clauses 1, 2, 3, 8 and 9 of third schedule read with regulation 15(9) of IA Regulations. Regulation 16(b) of the IA Regulations, *inter alia*, provides that the IA is required to ensure proper risk profiling of its clients by ensuring that it has a process for assessing the risk that a client is willing and able to take, including: (i) assessing a client's capacity for absorbing loss; (ii) identifying whether client is unwilling or unable to accept the risk of loss of capital; (iii) appropriately interpreting client responses to questions and not attributing inappropriate weight to certain answers. Regulation 16(c) provides that where tools are used for risk profiling, it should be ensured that the tools are fit for the purpose and any limitations are identified and mitigated. Regulation 16(d)(ii) provides that any questions or description in any questionnaires used to establish the risk a client is willing and able to take are fair, clear and not misleading, and should ensure that questionnaire is not structured in a way that it contains leading questions.
- 58 The inspection had relied on the following observations to allege the violations on the count of the risk profiling:
- i. Inappropriate interpretation of client responses and disproportionate weight to a hypothetical question versus questions on income, assets and investment amount;
  - ii. incorrect risk assessment of Mr. Sankar Biswas based on RPQ and recordings of telephonic conversation;
  - iii. risk Profiling of Sharvanu Dutta, Shyam Sunder Sharma, Himanshu Chaturvedi, Sunil Kumar Pandey and Akshay Mondol based on telephonic transcripts;
  - iv. limited range of income options in the RPQ;
  - v. multiple risk profiling of Dakshesh Joshi;
  - vi. reference to previous inspections;

- 59 With reference to the observation made at **(i)** above, the Noticee has submitted a detailed write up on its Risk Profiling Methodology (“RPM”), conveying that the weightage is assigned on the basis of 7 parameters (category) such as: age; existing investments/assets; income details; investment experience/knowledge; investment objective; liability/borrowing details; and risk appetite/tolerance. Each category has equal weightage and questions within a category share equal weight. The income and asset categories thus carry the same aggregate weight as risk-appetite questions. Thus, as submitted by the Noticee, the observation has been misconstrued. In this regard, the DA has given the benefit of doubt to the Noticee considering its business wisdom and field expertise in analyzing the answers provided by the clients.
- 60 Based on the material before, I agree with the observations of the DA and am of the view that since SEBI has not prescribed any standardized RPM, any adverse inference that the Noticee has not interpreted the client responses appropriately and/or attributed twice the weightage to a hypothetical question is required to be based on cogent evidence which is not available.
- 61 With reference to the observation made at **(ii)** above, the Noticee has submitted that due to similarity in names of the two customers and the short time frame within which the recordings and data were sought to be shared by the Noticee inadvertently the call recordings of another customer with similar name were shared by the Noticee. Apparently, while examining the risk profiling of Mr. Sankar Biswas, the transcription of some other client viz. Mr. B. Shankar had been examined. In this regard, the DA has acknowledged that *on perusal of the Risk profile of Mr. B. Shankar, it is noted that the profile corresponds with the answers given in the transcript*”. The DA has further noted that the Noticee should have been more careful while submitting information to SEBI during inspection. In this regard basis the material on record, I am inclined to agree with the DA and find that no adverse inference is called for in this regard.

62 With reference to the point at (iii) above, the DA had examined the telephonic conversations between PAIAs of Noticee and certain other clients and found various inconsistencies. In this regard, the transcript of the telephonic conversation and the relevant extract of the Risk Profiling Questionnaire (RPQ) of some of the clients is reproduced.

**Risk profiling of Mr. Sharvanu Dutta:**

Recording transcript from minute 22:45

PAIA of IA-CapitalVia: *“market mein appko understanding kitna hai?”*

Client: *“basic, wahi buy aur sell”*

PAIA of IA-CapitalVia: *“khudse buy sell kar lete hai....?”*

Client: *“haan khudse buy sell”*

PAIA of IA-CapitalVia: *“experienced hai aap”*

Relevant extract from RPQ:

How well do you understand investing in the markets?

Option chosen by IA-CapitalVia’s PAIA: *‘I am an experienced investor. I have invested in different markets and understand different investment strategies. I have my own investment philosophy.’*

**Risk profiling of Mr. Shyam Sunder Sharma**

Recording transcript from minute 11:05

PAIA of IA-CapitalVia: *“Investment amount, toh abhi jo main investment amount aapka select kar raha hoon, woh select kar raha hoon 1.5 se 3 lacs ke beech mein.....”*

Client: *“ye 1.5 se 3 lacs karne mein mujhe 15 din lag jayega”*

Relevant extract from RPQ:

What is your investment amount?

Option chosen by PAIA of IA-CapitalVia: *1.5-3 lacs.*

**Risk profiling of Mr. Himanshu Chaturvedi, Mr. Sunil Kumar Pandey and Mr. Akshay Mondol.**

Recording transcript of Mr. Himanshu Chaturvedi from minute 14:15

PAIA of IA-CapitalVia: *“What is your investment horizon? Maan ke chalo market mein paisa laga hai aur sab kuch sahi chal raha hai toh kitne lambe samay tak aap share bazaar mein bane rahoge bhai aap?....”*

Recording transcript of Mr. Sunil Kumar Pandey from minute 8:10

PAIA of IA-CapitalVia: *“investment horizon kya hai apna? Maan ke chalo sir bazaar mein paisa lagaya tha aur sab kuch sahi chal raha hai toh kitne samay tak stock market mein bane rahoge....?”*

Recording transcript of Mr. Akshay Mondol from minute 20:48 in the audio clip

PAIA of IA-CapitalVia: *“ ... suppose aapne BANKNIFTY ka ek lot buy kiya hai sir aur uske value mein aapko giravat aati dikh rahi toh woh situation mein aap kya karoge? Pehla option hai ke thodi si giravat aayegi toh aap panic hojaoge market se loss leke nikal jaoge aap, dusra option hai aap patience se wait karoge aap shanti se wahan bane rahoge...”*

63 With respect to the risk profiling of Mr. Sharvanu Dutta, the Noticee has stated that the inference has been drawn solely by relying on selective portions of the audio transcript. The entire communication shows that he was an experienced investor with his own investment philosophy/strategy i.e., keen on investing intra-day rather than in delivery transactions, which requires holding shares for a longer term (from minutes 10:22 to 10:35). The client also talked about not investing in the ‘Futures’ segment since it required high margin (from minutes 14:33 to 14:40), which further goes on to show his knowledge of investment in different market segments. The clients’ risk appetite assessment was also shared which was duly consented by him and he was informed of the option selected by the PAIA. The same was re-verified during the SVP. The duly consented risk assessment email of Mr. Sharvanu Dutta and the SVP call has been provided by the Noticee.

64 In this regard, I note that pursuant to the Noticee’s submission, the entire transcript was seen and the same suggests that the client had some idea about intra-day/delivery based trading and future trading. However, having an idea about these aspects does not lead to an axiomatic inference that the client was an experienced investor. The Noticee has stated that the client had consented to his risk profiling assessment which was verified during the SVP call also. However, as noted earlier,

the conduct of the Noticee during the on-boarding process is more relevant than the subsequent verification process. Therefore, I am of the view that the Noticee and/or its PAIAs, while filling the RPQ form, did not meet the standards that a registered IA is expected to meet under the IA Regulations.

- 65 As regards, Mr. Shyam Sunder Sharma (the client), it has been observed that he did not object to the 1.5–3 lakh investment-amount option chosen by the PAIA and the client subsequently confirmed capacity to maintain ₹2,00,000 free capital in his demat account during SVP verification. The duly consented risk profile assessment email and the SVP call records of Mr. Shyam Sunder Sharma has been provided. In this regard, on perusal of the transcript produced and the relevant extract of the RPQ and the response provided by the Noticee, I note that the client had not clearly objected to the investment amount but stated that the said amount can be arranged in 15 days. The DA has observed Noticee's PAIA unilaterally told the client that he is choosing the option 1.5-3 lacs even after the client had expressed that he currently does not have the said amount. Further, as per the service agreement entered between Noticee and the said client, the service opted was for 'Alpha Premium Options' which had minimum investment amount of ₹2,00,000.
- 66 For the risk profiling of Mr. Himanshu Chaturvedi, Mr. Sunil Kumar Pandey and Mr. Akshay Mondol, the DA has observed that the PAIAs unduly influenced the clients by telling the clients to assume that the markets will perform well in the future through a leading question that made the clients choose an option ('above 10 years') having the highest risk score. Further, for Akshay Mondol, the PAIA characterized the options by associating them with words such as 'panic'/ 'patience', thereby unduly influencing and leading the client in to choosing an option associated with the word i.e., 'patience' which was assigned a higher risk score. The DA also noted that RPQs were in English while conversations were often in Hindi, which may introduce subjective interpretation in translations include personal biases and interpretations.
- 67 The Noticee submitted that such explanations serve to gauge temperament (panic vs. patience) and are legitimate to assess risk tolerance. Some degree of

explanation and translation is unavoidable in a multilingual market. There are customers whose temperament is such that they panic when they see a drop in value of their investments and do not wish to hold any investment at a loss, whereas there are customers who may have a different temperament where drop in value does not rattle them as easily and they are willing to patiently wait for the investment to recover its value or may even wish to capitalize on the cheaper price. Gauging the temperament from the action of the customer in case of a drop in value of his/her investment helps the PAIAs determine the risk tolerance of the customer. Further, any form of explanation on the risk profiling question, irrespective of the language used would leave room for some form of subjective interpretation. The Noticee had developed and adopted a mechanism that it found to be feasible to implement and best suited and convenient for its clients requirement. The Noticee had also requested SEBI to provide it with the exact mechanism, questions, weightage, language and methodology for conducting Risk Profile of its customers, in order to ensure utmost compliance with the relevant regulations.

68 On perusal of the transcript of the aforesaid clients, the DA's observations and the response of the Noticee, I tend to agree with the justification provided by the Noticee that there is always a scope for subjective interpretation of the questions asked during the risk profiling process. The language or the words used by the PAIAs of the Noticee as has been noted in respect of the clients mentioned above, does not categorically establish any misconduct on their part. I am, therefore, inclined to give the benefit of doubt to the Noticee in respect of the allegations in this regard.

69 With regard to multiple risk assessments of Mr. Dakshesh Joshi, the DA has observed that the risk category of Mr. Joshi was changed from *Moderately High* to *Medium* and then again to *Moderately High* within a span of 13 days. The details of the services sold to the client and risk category of those services as mentioned in the SCN is reproduced below.

Table No. 6.

Date of Risk Profiling (RP)	Risk category assigned	Service Name	Risk category of service	Date of Agreement	Tenure	Fees Charged (₹)
06-Oct-20 (RP1)	Moderately High	HNI Equity Silver	Moderately High	17-Nov-20	Quarterly	70,800
08-Oct-20 (RP2)	Medium	HNI Commodity Silver		27-Nov-20	9 Months	1,03,208
19-Oct-20 (RP3)	Moderately High	HNI Equity Silver		06-Jan-21	Monthly	25,871
		HNI Equity Silver		06-Jan-21	9 Months	28,682

70 On perusal of the risk profile questionnaires, the DA has observed that the variation in certain answers across the three questionnaires do not seem consistent/logical. For instance, the answer to the question on the value of assets owned changed from '10-30 lakhs' in RP1 to '3-10 lakhs' in RP2 to 'above 30 lakhs' in RP3 in a matter of 13 days; the annual income changed from 3-5 Lakhs in RP2 to 5-7 Lakhs in RP3; client's age changed from 26-40 years in RP2 to 41-55 years in RP3 within a span of 11 days, etc. In response to the same, the Noticee has submitted that multiple risk profiling(s) of the customer were conducted upon the request of the customer and the risk appetite assessment of the customer were also duly consented by him. It is further submitted that the customer was satisfied with its services and had subscribed to its services several times. The details such as the value of assets owned by the customer, annual income of the customer and age group are all furnished by the customer. As argued, the Noticee completely relied upon the information furnished by the prospective customer for the risk assessment of the customer, therefore, any change in the risk assessment of a customer is on account of change in response furnished by the said customer and any attempt to categorise such a change as inconsistent or illogical without any finding that the said change is not on account of the customer changing his response in subsequent risk profiles is baseless and devoid of any merit.

71 In this regard, I note that the Noticee has merely stated that the client himself had asked for revised risk assessment, however, no such request or documentary evidence of request for multiple risk assessment has been furnished. On perusal of the certain response(s) to the RPQ, it is noted that the value of assets, and the annual income has been revised within span of 13 days which raises flags on the methodology itself. Noticee's contention that the same was done at the behest of the client appear to be more of an afterthought. As observed, the risk category of the client was changed from *moderately high* to *medium* and back to *moderately high* which clearly demonstrates that the risk profiling mechanism of the Noticee was not proper and the Noticee did not act honestly, fairly with the requisite skill care and diligence. While it is true that the client may opt for any category of service which may not be suited as per its risk profile, but the risk profiling itself cannot be changed this frequently. Even assuming that the client itself had responded in such a manner, it was the fiduciary duty of the Noticee to make the client understand the risk associated with it or the consequences of the same. At least, the client should have been made aware that its response was not consistent. No justification or documentary evidence has been furnished which may exhibit that the Noticee made such an efforts. In view of the same, I agree with the observations of the DA that the Noticee did not act honestly, fairly and with due skill, care and diligence thereby putting the best interests of its clients at risk.

72 The DA has observed that the in the previous inspection also for the period April 1, 2016 to September 12, 2017, the Noticee was found to be in violation of regulation 16 of IA Regulations for not doing risk profiling of its clients. In response, the Noticee has submitted that w.e.f from May 20, 2017, RPM was revamped and was duly shared with the inspecting team of SEBI. Thereafter, neither the inspecting team of SEBI during the on-site inspection nor in its Inspection Report dated June 01, 2018 shared any adverse observation and/or suggestions w.r.t the revamped RPM deployed by the Noticee. Further, the Adjudication Order dated November 22, 2022 in furtherance of the Inspection

conducted in September, 2017 also did not record any observation bringing forward any inadequacy in the revamped RPM of the Noticee. Varying observations on the same RPM by two different inspecting teams and two different Adjudicating Officers of SEBI, on the basis of same applicable regulations clearly showcases the extent of subjectivity involved in determining what constitutes adequate/accurate risk profiling. It has been submitted that in absence of any objective criteria of assessment or standard/model risk profiling methodology laying down the exact questions, options, weightage, methodology, etc prescribed by SEBI, penalizing the Noticee on the basis of such inconsistent assessment is unfair, unjust and arbitrary.

73 In this regard, I note that the exercise of risk profiling is, by its very nature, an evaluative and context-dependent process. The assessment necessarily involves interpretation of the client's responses in conjunction with the methodology adopted by the IA. In the absence of any SEBI mandated, standardized risk-profiling framework, a reasonable degree of variation and subjectivity is inherent in such assessments. However, as noted above, multiple instances have been observed where the risk-profiling exercise was not conducted in a manner that may satisfy the standard of due skill, care, and diligence expected of a registered investment adviser. The questions posed, the explanations provided, and the recording of client responses demonstrate inconsistencies and omissions. In particular, at least in the case of certain clients under examination, the risk-assessment process was neither comprehensive nor capable of eliciting the client's true financial position, risk appetite, or investment objectives.

74 Even though clients may possess varying degrees of financial knowledge, the Noticee was under an obligation to ensure that each client fully understood the questions forming part of the risk assessment. The transcript discloses instances where ambiguities were neither clarified nor addressed, resulting in responses that cannot be deemed reliable indicators of the clients' risk tolerance. Such lapses cannot be dismissed as mere procedural imperfections, as they directly

impact the suitability of investment advice rendered thereafter. The Noticee's defence that the identified shortcomings constitute only isolated instances is not borne out from the material on record. Although SEBI has not prescribed a uniform, standardized risk-profiling tool, intermediaries are nonetheless required to follow their own documented procedures diligently. The material discussed above demonstrates that the noticee did not consistently adhere to its internal risk-profiling framework. Such deviations, particularly when repeated, amount to non-compliance with the regulatory obligation to maintain robust processes for assessing client suitability.

75 Thus, I am of the view that the cumulative deficiencies point to a pattern of lax conduct. The gaps in the risk-profiling process are not trivial but go to the core of the adviser–client relationship and the suitability of subsequent investment advice. The Noticee's failure to ensure a thorough, comprehensible, and contextually appropriate assessment constitutes a breach of the duty of care and diligence mandated under the applicable regulatory framework. Therefore, the violation of regulation 15(1), 16(b), 16(c) and 16(d)(ii) of IA Regulations and clauses 1, 2, 3, 8 and 9 of third schedule read with regulation 15(9) of IA Regulations stand established against the Noticee.

### **Suitability**

76 Based on the risk assessment of Mr. Sankar Biswas, Mr. Sharvanu Dutta, Mr. Shyam Sunder Sharma and Mr. Dakshesh Joshi, it is alleged that the Noticee has violated Regulation 17 of IA Regulations r/w Clause 1, 2, 8 and 9 of Code of Conduct r/w regulation 15(9) of IA Regulations. Further, by not taking care to analyse the suitability of the service provided by Noticee to its clients, Noticee have allegedly violated regulation 4(2)(s)(iv) of PFUTP Regulations.

77 The suitability allegation flows directly from the risk-profiling shortcomings already discussed above. Regulation 17 of the IA Regulations *inter alia* provides that the

IA shall ensure that all investment(s) on which investment advice is provided is appropriate to the risk profile of the client and it has a documented process for selecting investments based on client's investment objectives and financial situation. Given the established deficiencies in RP procedures, I agree with the observations of the DA that the Noticee was selling advisory services / products without ensuring suitability of advice to the clients in accordance / appropriate to their risk profile. Noticee's contention that it had a 3 step process would not cure the defects incurred at the time of initial on-boarding itself when the client had already decided to avail the services of the Noticee. In view of the same, violation of regulation 17 of IA Regulations r/w Clause 1, 2, 8 and 9 of Code of Conduct r/w regulation 15(9) of IA Regulations by the Noticee stands established.

78 The DA has also observed that the Noticee's PAIA's inducement to investors to avail higher risk option is "*a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment*" and consequently, as per the DA, the violation of Regulation 4(2)(s)(iv) of PFUTP Regulations has also been established on the count of suitability. In this regard, the Noticee has submitted that there is no misrepresentation or concealment, and any error could only be regarded as an inadvertent human error. In this context, I note that charging fraud on any entity is a serious allegation which requires objective assessment of the conduct of the Noticee's and its PAIAs. It is an acknowledged fact that the Noticee had implemented a process in place, wherein prior to service activation, the service verification team would confirm and take explicit consent from all the details, submitted by them during the risk profiling process. I find that while the Noticee's conduct would have fallen short of required standards of due skill care and diligence, but it cannot be termed as fraudulent owing to the fact that the elements to establish allegations of fraud are not present in the context of the above discussions. Therefore, I am of the view that violation of Regulation 4(2)(s)(iv) of PFUTP Regulations is not established against the Noticee.

## **Disclosure to clients**

- 79 It is observed that by not disclosing the performance track record of its services on its website, the Noticee failed to disclose material information to prospective as well as existing clients, thereby inducing them to make an uninformed investment decision. This forms the basis of the alleged violation of Regulation 18(6) of the IA Regulations and Clause 5 of the Code of Conduct specified in Schedule III read with Regulation 15(9) of the IA Regulations.
- 80 In reply, the Noticee submitted that, at times, due to technical glitches or configuration issues, its performance dashboard might have become unavailable, or particular customers/prospective customers faced issues accessing the performance track record. The Noticee stated that it proactively attempted to resolve such glitches whenever they came to its knowledge and, alternatively, shared past performance details with clients through email. Copies of internal communication highlighting earlier technical issues, as well as emails sent to customers conveying past performance data, were furnished by the Noticee.
- 81 I note that Regulation 18(6) provides that an investment adviser shall, while making an investment advice, make adequate disclosure to the client of all material facts relating to the key features of the products or securities, particularly performance track record. The intent of the regulation is to ensure full and fair disclosure so that clients can take informed decisions. The regulation does not mandate that performance track record must be compulsorily hosted on the IA's website. In fact, as pointed out by the Noticee, pursuant to SEBI Circular dated April 5, 2023, IAs were prohibited from referring to their past performance, leading the Noticee to remove such information from its website. In the present case, the material on record does not substantiate that clients were denied disclosure of key features or performance track record. The Noticee has produced email correspondence evidencing communication of past performance to clients. The

explanation that website access issues occurred due to technical errors appears plausible.

82 Accordingly, the alleged violation of Regulation 18(6) of the IA Regulations and Clause 5 of the Code of Conduct in Schedule III read with Regulation 15(9) is not established against the Noticee.

### **Not abiding by the provisions of IA Regulations**

83 It is alleged that by failing to abide by the provisions of the IA Regulations, the Noticee violated Regulation 13(a), which provides that the certificate granted to an IA is subject to the condition that the IA shall comply with the SEBI Act and the IA Regulations. Based on the findings discussed in earlier sections, it is established that the Noticee has violated various provisions of the IA Regulations; therefore, the violation of Regulation 13(a) stands established.

84 Thus, to conclude, I note that the following violations have been established against the Noticee.

- i. Regulation 15(1) and Clause 1,2,8 and 9 of 3<sup>rd</sup> Schedule r/w Regulation 15(9) of IA Regulations for promising guaranteed profits/returns to clients.
- ii. Regulations 21(1), 16(1), 16(2) and 16(3) r/w Regulations 2(1)(q), 2(1)(r), 3(1) and 21(2) of RA Regulations for public appearance of the Investment Adviser.
- iii. Regulation 15(1), 16(b),16(c) and 16(d)(ii) of IA Regulations and Clauses 1,2,3,8 and 9 of Code of Conduct as specified in Schedule III r/w Regulation 15(9) of IA Regulations for improper risk profiling.
- iv. Regulation 17 of IA Regulations r/w Clause 1,2,8 and 9 of Code of Conduct r/w Regulation 15(9) of IA Regulations for incorrect suitability assessment.

- v. Regulation 13(a) of IA Regulations for not abiding by the provisions of IA Regulations.

85 Having observed as above, the issue that needs determination is what should be the appropriate enforcement action against the Noticee. The DA has recommended that the certificate of registration of the Noticee be cancelled. One of the reason justifying such recommendation by DA is that the registration of the Noticee as an investment adviser had expired on April 8, 2024. I note that the registration status of the Noticee is still expired owing to non-payment of the fees. In this regard, the Noticee has submitted that the DA has recommended the harshest penalty i.e., cancellation of the certificate of registration of the Noticee, in terms of Regulation 26 of the Intermediaries Regulations. It is submitted that the recommendation of cancellation of certification is entirely unwarranted and evidently the Noticee has been in substantial compliance with the applicable regulatory framework, and any shortcomings are neither wilful nor material to justify cancellation. Further, corrective steps have also been taken by the Noticee and there has been no loss to the investors.

86 It is further submitted that the Noticee has not renewed its Certificate of Registration, thus no question of recommendation of Cancellation arises. The Noticee has already submitted its application for surrender of registration, the same may be accepted, if for whatever reasons, the competent authority considers that the Noticee should not operate in securities market.

87 As discussed in the preceding paragraphs, I am of the view that based on the evidence available on record, the violation on 5 counts out of the said 8 has been established. It is acknowledged that the Noticee undertook corrective steps like instituting internal controls and compliance mechanisms to ensure future compliance. In respect of the Adjudication proceedings, a penalty of ₹ 33 Lakhs (Jointly and severally) has been imposed against the Noticee along with its Directors and other KMPs vide Adjudication Order dated December 27, 2024. The

DA has recommended cancellation of registration certificate of the Noticee which seems to be disproportionate considering the nature of the violations established and the mitigating circumstances noted above. It is a matter of fact that the Noticee has not renewed its Certificate of Registration, and its registration status is expired owing to non-payment of the fees. In terms of Regulation 10 of the IA Regulations, any certificate of registration granted under Regulation 9 to an IA is valid till it is suspended or cancelled by the Board. Thus, although the certification is expired, it is still not canceled/suspended by SEBI.

88 Considering the totality of the circumstances, I am of the opinion that for the violations established, suspension for six months' period would be apt and proportionate. However, since the Noticee is no longer in operation, any order of suspension, if made enforceable with immediate effect, would be rendered infructuous. Thus, the period of suspension, in the peculiar facts of the present matter, shall become effective if the certificate of registration of the Noticee is renewed by operation of law. The suspension shall have the effects and obligations as given in Regulation 32(1) of Intermediaries Regulations.

#### **Order**

89 In view of the above, I, in exercise of the powers conferred upon me under Section 19 of the SEBI Act, 1992 read with Regulation 27(5) of the Intermediaries Regulations, suspend the registration certificate of the Noticee for a period of six months which shall commence from the date of renewal of its certificate, if any, by operation of law

90 A copy of the Order shall be served on the Noticee and the concerned Market Infrastructure Institutions for their information and record.

**DATE: MARCH , 2026**

**PLACE: MUMBAI**

**AMARJEET SINGH**

**WHOLE TIME MEMBER**

Annexure A

a) PAIA/representative - Harsh Patidar (CFAPP5721G):

Date of Advice	Security in which Advice was made	Trade Date by the PAIA/rep	Security Name	Stock Exchange	Buy/Sell Position by PAIA/rep	Avg Buy/Sell Price	Period during which trading was prohibited in the Security
01 Apr 2020	BUY 300 SHARES OF HDFCAMC NSE CASH IN THE RANGE OF 2171.2 - 2171.8 WITH SL 2141 AND TGT 2221	01 Apr 2020	HDFCAMC	NSE	Sell	2,155.03	01 Apr 2020 to 15 Apr 2020
01 Apr 2020	BUY 200 SHARES OF HDFCAMC NSE CASH IN THE RANGE OF 2170.3 - 2170.8 WITH SL 2134.5 AND TGT 2220						
01 Apr 2020	BUY 200 SHARES OF HDFCAMC NSE CASH IN THE RANGE OF 2171.2 - 2171.8 WITH SL 2141 AND TGT 2221						
02 Jul 2020	BUY 2000 SHARES OF EXIDEIND NSE CASH IN THE RANGE OF 151.5 - 151.6 WITH SL 148.5 AND TGT 156.5	07 Jul 2020	EXIDEIND	NSE	Sell	155.40	02 Jul 2020 to 16 Jul 2020

b) PAIA/representative - Arpit Jain (ASVPJ1324M):

Date of Advice	Security in which Advice was made	Trade Date by the PAIA	Security Name	Stock Exchange	Buy/Sell position by PAIA	Avg. Buy Price	Avg. Sell Price	Period during which trading was prohibited in the Security
29 Sep 2020	BUY 2500 SHARES OF CHOLAFIN NSE CASH IN THE RANGE OF 250.2 - 250.3 WITH SL 247 AND TGT 258	29 Sep 2020	CHOLAFIN	NSE	Sell	-	251.10	29 Sep 2020 to 13 Oct 2020

Date of Advice	Security in which Advice was made	Trade Date by the PAIA	Security Name	Stock Exchange	Buy/Sell position by PAIA	Avg. Buy Price	Avg. Sell Price	Period during which trading was prohibited in the Security
14 Dec 2020	BUY 3000 SHARES OF CUB NSE CASH IN THE RANGE OF 179 - 179.1 WITH SL 176.8 AND TGT 183	14 Dec 2020	CUB	NSE	Intraday Square-off	178.99	179.10	14 Dec 2020 to 28 Dec 2020
14 Dec 2020	BUY 2500 SHARES OF CUB NSE CASH IN THE RANGE OF 179 - 179.1 WITH SL 177 AND TGT 183							
18 Sep 2020	BUY 250 SHARES OF ENDURANCE NSE CASH IN THE RANGE OF 1146 - 1146.1 WITH SL 1136 AND TGT 1170	21 Sep 2020	ENDURANCE	NSE	Sell	-	1,164.90	18 Sep 2020 to 02 Oct 2020
18 Sep 2020	BUY 500 SHARES OF ENDURANCE NSE CASH IN THE RANGE OF 1146 - 1146.1 WITH SL 1126 AND TGT 1170							
10 Feb 2021	BUY 3000 SHARES OF M&MFIN NSE CASH IN THE RANGE OF 188.2 - 188.3 WITH SL 186 AND TGT 196	10 Feb 2021	M&MFIN	NSE	Intraday Square-off	188.20	193.80	10 Feb 2021 to 24 Feb 2021

c) PAIA/representative - Likhita Chepa (BLDPC5131M):

Date of Advice	Security in which Advice was made	Trade Date by the PAIA	Security Name	Stock Exchange	Buy/Sell position by PAIA	Avg Buy/Sell Price	Period during which trading was prohibited in the Security
11 Nov 2020	BUY 400 SHARES OF AJANTPHARM NSE CASH IN THE RANGE OF 1546 - 1547 WITH SL 1532 AND TGT 1563	19 Nov 2020	AJANTPHARM	NSE	Sell	1,543.00	11 Nov 2020 to 25 Nov 2020
13 Nov 2020	BUY 400 SHARES OF AJANTPHARM NSE CASH IN THE RANGE OF 1545.1 - 1545.5 WITH SL 1530 AND TGT 1561						13 Nov 2020 to 27 Nov 2020

Annexure B

Date of Public Appearance	Security in which recommendation was made	Public Media Link	Trade Date by the PAIA/RA	Security Name	Buy/Sell Position by PAIA/RA	Name of PAIA/RA who traded in the security	Period during which trading was prohibited in the security
01-Jun-2020	Buy: Reliance Industries Limited (Above Rs 1483) TGT: 1535 SL: 1440	<a href="https://in.investing.com/analysis/indices-rallied-further-for-third-consecutive-day-nifty-closed-above-9500-200440281">https://in.investing.com/analysis/indices-rallied-further-for-third-consecutive-day-nifty-closed-above-9500-200440281</a>	06-May-2020	RELIANCE	Intraday Square-off	NAVEEN MISHRA	02-May-2020 to 06-Jun-2020
			07-May-2020	RELIANCE	Intraday Square-off	NAVEEN MISHRA	
			08-May-2020	RELIANCE	Intraday Square-off	GURSIMRAN SINGH	
			13-May-2020	RELIANCE	Intraday Square-off	GURSIMRAN SINGH	
			22-May-2020	RELIANCE	Buy	NAVEEN MISHRA	
			01-Jun-2020	RELIANCE	Sell	NAVEEN MISHRA	
11-Jun-2020	Buy: The Federal Bank Limited (Above Rs.50.50) TGT 55 SL: 47	<a href="https://in.investing.com/analysis/top-stock-picks-for-thursdays-session-buy-federal-bank-and-jubilant-foodworks-200440660">https://in.investing.com/analysis/top-stock-picks-for-thursdays-session-buy-federal-bank-and-jubilant-foodworks-200440660</a>	10-Jun-2020	FEDERALBNK	Buy	HARSH PATIDAR	11-May-2020 to 16-Jun-2020
			15-Jun-2020	FEDERALBNK	Sell	HARSH PATIDAR	
15-Jun-2020	Buy: Escorts Limited (Above Rs.	<a href="https://in.investing.com/analysis/top-two-stock-">https://in.investing.com/analysis/top-two-stock-</a>	27-May-2020	ESCORTS	Intraday Square-off	GURSIMRAN SINGH	16-May-2020 to 21-Jun-2020

Date of Public Appearance	Security in which recommendation was made	Public Media Link	Trade Date by the PAIA/RA	Security Name	Buy/Sell Position by PAIA/RA	Name of PAIA/RA who traded in the security	Period during which trading was prohibited in the security
	980) TGT: 1045 SL: 940	picks-for-mondays-session-buy-escorts-limited-and-apollo-hospitals-200440791					
17-Jun-2020	Buy: Biocon Limited (Above Rs. 400) TGT: 412, SL: 391	<a href="https://in.investing.com/analysis/two-stock-picks-for-thursdays-session-buy-lic-housing-finance-and-biocon-200440906">https://in.investing.com/analysis/two-stock-picks-for-thursdays-session-buy-lic-housing-finance-and-biocon-200440906</a>	27-May-2020	BIOCON	Intraday Square-off	GURSIMRAN SINGH	18-May-2020 to 22-Jun-2020
17-Jun-2020	Buy: LIC Housing Finance Limited (Above Rs. 297) TGT: 310 SL: 290	<a href="https://in.investing.com/analysis/top-stock-picks-for-fridays-session-buy-beml-and-mannapuram-finance-200440963">https://in.investing.com/analysis/top-stock-picks-for-fridays-session-buy-beml-and-mannapuram-finance-200440963</a>	10-Jun-2020	LICHSGFIN	Intraday Square-off	NAVEEN MISHRA	18-May-2020 to 22-Jun-2020
18-Jun-2020	Buy: Manappuram Finance Limited (Above Rs. 151) TGT: 156 SL: 148	<a href="https://in.investing.com/analysis/top-stock-picks-for-fridays-session-buy-beml-and-mannapuram-finance-200440963">https://in.investing.com/analysis/top-stock-picks-for-fridays-session-buy-beml-and-mannapuram-finance-200440963</a>	02-Jun-2020	MANAPPURAM	Buy	HARSH PATIDAR	19-May-2020 to 23-Jun-2020
			08-Jun-2020	MANAPPURAM	Sell	HARSH PATIDAR	
24-Jun-2020	Buy: Infosys Limited (Above Rs.	<a href="https://in.investing.com/analysis/top-stock-picks-for-">https://in.investing.com/analysis/top-stock-picks-for-</a>	03-Jun-2020	INFY	Intraday Square-off	GURSIMRAN SINGH	25-May-2020 to 29-Jun-2020

Date of Public Appearance	Security in which recommendation was made	Public Media Link	Trade Date by the PAIA/RA	Security Name	Buy/Sell Position by PAIA/RA	Name of PAIA/RA who traded in the security	Period during which trading was prohibited in the security
	725) TGT: 745 SL: 709	wednesdays-session-buy-infosys-and-hul-200441129					
29-Jun-2020	Buy: Cummins India Limited (Above Rs. 415) TGT: 425 SL: 407	<a href="https://in.investing.com/analysis/top-stock-picks-for-mondays-session-buy-bpcl-and-cummins-india-limited-200441308">https://in.investing.com/analysis/top-stock-picks-for-mondays-session-buy-bpcl-and-cummins-india-limited-200441308</a>	03-Jun-2020	CUMMINSIND	Buy	HARSH PATIDAR	30-May-2020 to 04-Jul-2020
02-Jul-2020	Buy: Jindal Steel & Power Ltd (Above Rs.155) TGT: 160 SL: 152	<a href="https://in.investing.com/analysis/top-stock-picks-for-thursdays-session-buy-jindal-steel-and-tataconsumer-products-200441428">https://in.investing.com/analysis/top-stock-picks-for-thursdays-session-buy-jindal-steel-and-tataconsumer-products-200441428</a>	16-Jun-2020	JINDALSTEL	Buy	VISHAL BALABHADR UNI	02-Jun-2020 to 07-Jul-2020
02-Jul-2020	Buy: Tech Mahindra Limited (Above Rs. 563) TGT: 576 SL: 552	<a href="https://in.investing.com/analysis/top-stock-picks-for-fridays-session-buy-apollo-hospitals-and-tech-">https://in.investing.com/analysis/top-stock-picks-for-fridays-session-buy-apollo-hospitals-and-tech-</a>	24-Jun-2020	TECHM	Buy	HARSH PATIDAR	02-Jun-2020 to 07-Jul-2020

Date of Public Appearance	Security in which recommendation was made	Public Media Link	Trade Date by the PAIA/RA	Security Name	Buy/Sell Position by PAIA/RA	Name of PAIA/RA who traded in the security	Period during which trading was prohibited in the security
		mahindra-200441477					
03-Aug-2020	Buy: Titan Company Ltd (Above 1083) TGT: 1150 SL: 1025	<a href="https://in.investing.com/analysis/top-stock-picks-for-the-week-200442731">https://in.investing.com/analysis/top-stock-picks-for-the-week-200442731</a>	27-Jul-2020	TITAN	Intraday Square-off	GURSIMRAN SINGH	04-Jul-2020 to 08-Aug-2020
18-Aug-2020	Buy: Jindal Stainless Ltd (Above 93) TGT: 105 SL: 84.50	<a href="https://in.investing.com/analysis/top-stock-picks-for-the-week-200443425">https://in.investing.com/analysis/top-stock-picks-for-the-week-200443425</a>	19-Aug-2020	JSL	Sell	ARPIT JAIN	19-Jul-2020 to 23-Aug-2020
23-Aug-2020	Buy: HDFC Bank Limited (HDFCBANK) Entry: 1085 TGT: 1150 SL:1040	<a href="https://in.investing.com/analysis/top-stock-picks-for-the-week-200443664">https://in.investing.com/analysis/top-stock-picks-for-the-week-200443664</a>	26-Aug-2020	HDFCBANK	Buy	GURSIMRAN SINGH	24-Jul-2020 to 28-Aug-2020
			27-Aug-2020	HDFCBANK	Sell	GURSIMRAN SINGH	
12-Oct-2020	Buy Axis Bank Ltd Entry: 470, TGT: 495, SL: 450	<a href="https://in.investing.com/analysis/stock-picks-for-the-week-200446117">https://in.investing.com/analysis/stock-picks-for-the-week-200446117</a>	17-Sep-2020	AXISBANK	Buy	GURSIMRAN SINGH	12-Sep-2020 to 17-Oct-2020
			18-Sep-2020	AXISBANK	Sell	GURSIMRAN SINGH	
			12-Oct-2020	AXISBANK	Intraday Square-off	GURSIMRAN SINGH	
12-Oct-2020	Buy Bajaj Auto Ltd Entry: 3115 TGT: 3195 SL: 3049		28-Sep-2020	BAJAJ-AUTO	Intraday Square-off	GURSIMRAN SINGH	12-Sep-2020 to 17-Oct-2020

Date of Public Appearance	Security in which recommendation was made	Public Media Link	Trade Date by the PAIA/RA	Security Name	Buy/Sell Position by PAIA/RA	Name of PAIA/RA who traded in the security	Period during which trading was prohibited in the security
20-Oct-2020	BUY: Bata India Ltd (ABOVE - 1405) TGT: 1490 SL: 1330	<a href="https://in.investing.com/analysis/stock-picks-for-the-week-200446482">https://in.investing.com/analysis/stock-picks-for-the-week-200446482</a>	21-Sep-2020	BATAINDIA	Intraday Square-off	HARSH PATIDAR	20-Sep-2020 to 25-Oct-2020
24-Oct-2020	BUY: Adani Port and Special Economic Zone Ltd (ABOVE - 370) TGT: 415 SL: 340	<a href="https://in.investing.com/analysis/top-stock-picks-for-the-week-200446733">https://in.investing.com/analysis/top-stock-picks-for-the-week-200446733</a>	25-Sep-2020	ADANIPORTS	Intraday Square-off	GURSIMRAN SINGH	24-Sep-2020 to 29-Oct-2020
			06-Oct-2020	ADANIPORTS	Intraday Square-off	GURSIMRAN SINGH	
			22-Oct-2020	ADANIPORTS	Intraday Square-off	GURSIMRAN SINGH	
25-Nov-2020	BUY: Asian Paints Ltd. DEC 2300 CE (42 - 43) TGT: 78.85 SL: 24.85	<a href="https://in.investing.com/analysis/option-picks-for-the-week-200448306">https://in.investing.com/analysis/option-picks-for-the-week-200448306</a>	18-Nov-2020	ASIANPAINT	Intraday Square-off	GURSIMRAN SINGH	26-Oct-2020 to 30-Nov-2020
25-Nov-2020	BUY: Bajaj Auto Ltd DEC 3150 CE (100-102) TGT: 166.85 SL: 68.85		06-Nov-2020	BAJAJ-AUTO	Intraday Square-off	GURSIMRAN SINGH	26-Oct-2020 to 30-Nov-2020
			25-Nov-2020	BAJAJ-AUTO	Intraday Square-off	GURSIMRAN SINGH	
		27-Nov-2020	BAJAJ-AUTO	Intraday Square-off	GURSIMRAN SINGH		

<b>Date of Public Appearance</b>	<b>Security in which recommendation was made</b>	<b>Public Media Link</b>	<b>Trade Date by the PAIA/RA</b>	<b>Security Name</b>	<b>Buy/Sell Position by PAIA/RA</b>	<b>Name of PAIA/RA who traded in the security</b>	<b>Period during which trading was prohibited in the security</b>
30-Nov-2020	BUY: TCS DEC 2800 CE (40-42) TGT: 86.85 SL: 28.85	<a href="https://in.investing.com/analysis/option-picks-for-the-week-200448512">https://in.investing.com/analysis/option-picks-for-the-week-200448512</a>	27-Nov-2020	TCS	Intraday Square-off	GURSIMRAN SINGH	31-Oct-2020 to 05-Dec-2020
14-Dec-2020	BUY: Bharti Airtel DEC 530 CE (8-8.5) TGT: 14.95 SL: 4.85	<a href="https://in.investing.com/analysis/option-picks-for-the-week-200449167">https://in.investing.com/analysis/option-picks-for-the-week-200449167</a>	18-Nov-2020	BHARTIARTL	Intraday Square-off	GURSIMRAN SINGH	14-Nov-2020 to 19-Dec-2020
14-Dec-2020	BUY: Dr Reddy's Laboratories Ltd DEC 5100 CE (160 -164) TGT: 228.85 SL: 129.65		17-Dec-2020	DRREDDY	Buy	GURSIMRAN SINGH	14-Nov-2020 to 19-Dec-2020