



QJA/SS/ERO/ERO-OTHER/31816/2025-26

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTION 11(1), 11(4), 11(4A), 11B (1), 11B(2) READ WITH SECTION 15EB AND 15HA OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995.

In respect of:

Noticee No.	Noticee Name:	PAN:
1.	M/s Satyam Shivam Sundaram Trading (Prop. Mr. Gagan Choudhury)	AIVPC7790E
2.	Mr. Gagan Choudhary	
3.	Mr. Satyam Suman Choudhary	CAAPC8584R
4.	Mr. Suman Choudhary	AFXPC5598K

(The abovementioned persons are hereinafter individually referred to by their respective names or Noticee number and collectively as “the Noticees”).

In the matter of M/s Satyam Shivam Sundaram Trading

Background:

1. The Securities and Exchange Board of India (“SEBI”) received a complaint dated July 17, 2022 through SEBI Complaints Redressal System (“SCORES”) against an entity named M/s Satyam Shivam Sundaram Trading. The Complainant (“Complainant No. 1”) had *inter alia* stated that he had suffered losses and provided the contact details of the “advisor” as XXXXXX0268. The payment details made to the HDFC Bank bearing account number XXXXXXXXXXXX6722 was also enclosed by Complainant No. 1. Similarly, vide email on September 7, 2022 another complaint was received at SEBI wherein, the Complainant (“Complainant No. 2”) had submitted that a “fake advisor” with the name “Satyam”, who was not registered with SEBI had duped him of Rs. 9500/-. Complainant No. 2 had enclosed



the screenshot of the payment details, copies of Whatsapp and Telegram chats along with the bank account details bearing HDFC account number XXXXXXXXXXXX6722 to SEBI.

2. From the details of HDFC Bank account number XXXXXXXXXXXX6722 provided by Complainant No. 1 and 2, SEBI sought the Account Opening Forms, KYC, transaction statement and bank account statements from HDFC Bank. It was observed from the Account Opening Form that the said HDFC account was in the name of one M/s Satyam Shivam Sundaram Trading (“**Noticee No. 1**”) under the sole proprietorship of Mr. Gagan Choudhury (“**Noticee No. 2**”). Further, the principal place of business from the GST registration certificate was situated at Darbhanga – Bihar. On checking the SEBI database with respect to registration, if any, of Noticee No. 1 and 2, it was observed that Noticee No. 1 and 2 were not appearing on the list of SEBI registered investment advisors/intermediaries.
3. SEBI collected information through various sources i.e. the Telegram, Rigi, Google, and Whatsapp/Telegram screenshots/chats provided by the complainants, and observed that Mr. Gagan Choudhury (“**Noticee No. 2**”) and Mr. Suman Choudhary (“**Noticee No. 4**”) are brothers and Mr. Satyam Suman Choudhary (“**Noticee No. 3**”) is the son of Noticee No. 4. The observations made therein by SEBI in the Examination Report (“**ER**”), are detailed as under:

3.1. Information collected from Complainant No. 1 and 2 from the screenshot of chats:

- a. Four Telegram channels namely (i) Nifty BankNifty Stock Options, (ii) Premium Group Nifty BankNifty Options, (iii) Premium Group Stock Equity Options and (iv) Premium Group of Investment, were in operation;
- b. The following text appeared on the description of the telegram channel ‘Nifty Bank Nifty Stock Options’:
This channel is for stock market study and learning purposes only. We are Not SEBI REGISTERED. You are strictly forbidden to take my calls as advisory. Fees are Non Refundable. WhatsApp: XXXXXX0268
- c. The person providing advisory services in these channels was known as “Satyam” with contact number **XXXXXX0268** and Telegram id titled “Stock_Analyzer”; The contact number XXXXXX0268 was being used for contacting clients as evidenced from the WhatsApp chats;



- d. The Telegram channels were offering monthly, yearly and lifetime subscription plans. As per the screenshot enclosed by the complainants, year-wise subscription was priced at Rs. 9999/- and a lifetime subscription cost at 24999/-;
- e. Fund was collected in the HDFC Bank account number - XXXXXXXXXXXX6722 through PhonePe, Paytm, Google Pay etc.
- f. The following messages were observed from the screenshots of the channel 'Premium Group Stock Equity Options':
- Buy HDFC Bank 1500CE @ 27-28 Target
 - Buy ULTRATECH 6900 CE buy above 235 target 245/260/290 stop loss 215
 - Buy Tatasteel 108 CE @ 4.15 target 4.90/5.40
- g. The payment options mentioned in the chats with Complainant No. 1 and 2 were- (i) Mobile number **XXXXXXX7279** through Paytm and GooglePay and (ii) Mobile number **XXXXXXX6841** through PhonePe.

3.2. **Telegram:**

- a. The details of the administrators including contact details and email ids were sought with respect to the abovementioned four Telegram channels. From the details provided by Telegram, the following mobile numbers and user ids were linked to the impugned Telegram channels:
- (i) User #2090665642 @stock_analyzer [Stock_Analyzer] with mobile number **XXXXXXX9221**; and
- (ii) User #1850723685 [Shivam Jha] with mobile number **XXXXXXX7762**;

3.3. **HDFC Bank account XXXXXXXXXXXX6722:**

- a. Based on the details of Account Opening Form (AoF) and KYC received from HDFC bank, it was observed that the HDFC Bank account number - XXXXXXXXXXXX6722 was held by Noticee No. 1 under the proprietorship of Noticee No. 2. The details of activity as mentioned in the AoF was 'Construction'.
- b. The email id mentioned in the AoF was *stockanalyzer72@gmail.com* and the contact detail mentioned in the AoF was **XXXXXXX7279**.
- c. From April 12, 2022 to March 6, 2023 the credit transactions in the HDFC bank account amounted to Rs.1,33,01,440/-. Based on the search of keywords like advice/investment/trade/call/share/stock/nifty, SEBI observed that a total amount of Rs. 9,24,725/- was deposited in the account. The keywords selected in the narration pertained



to different unique values of the amount in the range of 500,1000, 2000, 4000, 45000, 4899, 4999, 5000, 6000, 8000, 8500, 9000, 9400, 9499, 9999 and 10000.

- d. There were many more entries of similar amounts shown in the bank statement where the above keywords were not present, SEBI has observed that they would have been collected for unregistered advisory services. Accordingly, based on the above different unique values, all the other amount was also considered for estimating the total collection as fee received from unregistered investment advisory services. While considering the above unique values, the amount of 499, 999, 4499, 5999, 7999 and 9500 have also been included as one rupee is generally transferred as test amount before transferring the rest of the amount. Considering all entries made with respect to the aforesaid unique values, the total fees received from unregistered investment advisory services in the HDFC account was Rs. 1,08,66,705/-.
- e. In the HDFC account, a credit of Rs. 9,500/- on July 13, 2022 was also observed from Complainant No. 2 via PhonePe.
- f. While Complainant No. 1 had stated that he had transferred money to the HDFC account on July 4, 2022, none of the transfers made on July 4, 2022 reflected to the one referred by Complainant No. 1.

3.4. **Google:**

- a. The mobile no. XXXXXX7279 and the email id *stockanalyzer72@gmail.com* was mentioned in the AoF of the HDFC Bank account. As per the telecom service provider, the contact number XXXXXX7279 belonged to Noticee No. 3. Information was also sought from Google with respect to email id. *stockanalyzer72@gmail.com*. Google informed that with respect to email id *stockanalyzer72@gmail.com*, the mobile number XXXXXX7279 (belonging to Noticee No. 3) was associated with the email id for recovery purpose. Therefore, while the HDFC Bank account number - XXXXXXXXXXXX6722 was held by Noticee No. 1 under the proprietorship of Noticee No. 2, the mobile number and the email id mentioned in AoF belonged to Noticee No. 3.

3.5. **Rigi:**

- a. Four deposits via Rigi in the SBI account number- XXXXXX4112 of Noticee No. 4. Therefore, information was sought from Rigi with respect to the transactions with Rigi Pay found in the account of Noticee No. 4. From the information received from Rigi, it



was observed that the above transactions were made from one entity Mr. Manoranjan Sahoo. However, multiple accounts in the name of 'Stock_Analyzer' was seen being operated through Rigi and one of the creator id/user id - 62ee9745a9498c2108ea3e90 was registered in the name of Noticee No. 3. Further, mobile no. XXXXXX7279 which was registered with Noticee No. 3 and was also observed to be linked to the Rigi creator id/user id.

- b. As per data provided by Rigi, the total amount collected through creator id/user id '62ee9745a9498c2108ea3e90' from August 7, 2022 to January 9, 2023 was Rs. 2,09,16,790/-. The deposits were received through 62 different Rigi pay links. Upon searching message text data provided by Rigi related to these links, the following message texts were observed in the transaction statement - *Send Payment Screenshot On WhatsApp 9527610268, 1 Month Premium Membership, 1 Year Premium Membership, Lifetime Premium Membership, Upgrade to Yearly Plan, Half payment of 1 Year Membership, 3 Month Premium Membership, Remaining payment for Yearly Plan;*
- c. Noticee No. 3 having creator id / user id '62ee9745a9498c2108ea3e90' on Rigi Pay was also collecting money as advisory fee through Rigi Pay apart from collection made in HDFC Bank account and the total amount collected through Rigi Pay towards unregistered investment advisory services was Rs. 2,09,16,790/-.

4. SEBI sought details from various banks concerning bank accounts associated with the mobile numbers viz. XXXXXX0268, XXXXXX9221, XXXXXX7762, XXXXXX7279 and XXXXXX6841 gathered from WhatsApp Chats/Telegram channels and the following was observed:

- a. The number XXXXXX0268 was linked to two bank accounts of Noticee No. 4. First, the Kotak Mahindra Bank, account number- XXXXXX5730. No observations have been made with respect to account held in Kotak Mahindra Bank. Second, State Bank of India ("SBI") bank account number- XXXXXX4112, where several deposits were observed to be made via Rigi as detailed in the previous paragraph. Complainant No. 1 and 2 had also mentioned the mobile no. XXXXXX0268 in their complaint. As per the SEBI database, the trading and demat accounts associated with the number XXXXXX0268 also belonged to Noticee No. 4.



- b. For mobile numbers XXXXXX9221 and XXXXXX7762 provided by Telegram, no bank accounts were found registered to these mobile numbers. No further inquiry regarding these numbers have been made.
 - c. As stated earlier, mobile number XXXXXX7279 was linked to the HDFC Bank account number - XXXXXXXXXXXX6722 held by Noticee No. 1 under the proprietorship of Noticee No. 2. As per the telecom service provider, the contact number XXXXXX7279 was registered with Noticee No. 3. Complainant No. 1 and 2 had also both mentioned UPI id registered with mobile no. XXXXXX7279 in their complaints.
 - d. Mobile number XXXXXX6841 was linked to two bank accounts in Union Bank of India. SEBI has observed that the account was opened in the name of Noticee No. 1. I note that during the examination SEBI had sought information including the bank statement for the last three years from the Union Bank of India. SCN has observed that no information was received from Union Bank of India. No further inquiry from the Union Bank of India has been made.
5. Thus, on analysis of the HDFC Bank account and Rigi account, SEBI observed that a sum of Rs. 1,08,66,705/- were collected in the HDFC account during April 12, 2022 and March 6, 2023 and a sum of Rs. 2,09,16,790/- was collected through Rigi creator id/user id '62ee9745a9498c2108ea3e90' during August 7, 2022 to January 9, 2023. Therefore, the aggregate collection made in the HDFC bank account and in Rigi platform as unregistered advisory fee was Rs. 3,17,83,495/- (Rupees Three Crores Seventeen Lakhs Eighty-Three Thousand Four Hundred and Ninety-Five only). The Noticees were not registered with SEBI in any capacity nor they were in the list of SEBI registered investment advisors.

SCN, Reply and Hearing:

6. In view of the above observations, the instant proceedings were commenced by issuance of a common Show Cause Notice ("SCN") dated January 24, 2025. The SCN alleged that Noticee No. 1, 2, 3 and 4 were involved in providing investment advisory services without obtaining the certificate of registration from SEBI and collected fees of Rs. 3,17,83,495/- in violation of the provisions of section 12(1) of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") read with regulation 3(1) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 ("**IA Regulations**"). Further, from the WhatsApp chat enclosed in the complaint, SCN observed that Noticee No. 3 was providing



assured returns on the amount invested. Hence, the SCN alleged that Noticee No. 1, 2, 3 and 4 fraudulently influenced the decision of investors in dealing in securities thereby violating regulation 3(a), (b), (c), (d), 4(1), 4(2)(k), (o) and (s) of the Securities and Exchange Board of India (Prohibition and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (“**PFUTP Regulations**”) read with Section 12A(a), (b), (c) of the SEBI Act.

7. The Noticees were asked to show cause as to why suitable directions under Sections 11(1), 11(4), 11B (1), 11(4A) and 11B(2) of the SEBI Act, including direction to refund the monies collected from the investors towards fees for the unregistered investment advisory services and monetary penalty under 15EB and 15HA should not be issued against them for the alleged violations of the provisions of the IA Regulations, PFUTP Regulations and the SEBI Act.
8. The SCN was delivered at the address of the Noticee No. 1 and 2 on February 2, 2025. Noticee No. 2 vide letter dated February 20, 2025 informed SEBI about his desire to opt for settlement mechanism and sought assistance to proceed with the settlement process in terms of the SEBI (Settlement Proceedings) Regulations, 2018. The SCN issued to Noticee No. 3 and 4 could be served on June 28, 2025 since it was initially returned undelivered.
9. Vide email dated August 8, 2025, the Authorized Representative (**AR**) of the Noticees, Mr. Vedchetan Patil (Advocate) sought time till September 11, 2025 to make their submissions and/or file an application for settlement process.
10. Since considerable time had lapsed in the attempt for service of SCN, the Noticees were granted time till August 20, 2025 to file their written submissions and were further granted an opportunity of personal hearing on August 29, 2025. The AR requested the Competent Authority to reconsider the request of extension till September 11, 2025 and submitted that in the event the settlement application is not filed, the reply shall be filed in the matter. This request was rejected and informed to the Noticees on August 12, 2025. Thereafter, vide email dated August 19, 2025, the AR responded stating that Annexure 10 of the SCN was not provided to the Noticees. Accordingly, the AR was provided with a copy of Annexure 10 vide email dated August 20, 2025. However, on the date of the hearing on August 29, 2025, the Noticees failed to appear for hearing and no written submissions were received



from the Noticees. It was also observed that the Noticees also had not filed any application for settlement of proceedings.

11. In the interest of justice, a final opportunity of personal hearing was granted on September 18, 2025. The Noticees were further advised to file their written submissions three days before the date of hearing. The AR requested to reschedule the time or the date of hearing due to a matter being fixed before the Hon'ble Securities Appellate Tribunal (SAT) on the date of hearing i.e. September 18, 2025. The request was acceded to and the hearing was rescheduled to the following day i.e, on September 19, 2025 after filing of the written reply dated September 18, 2025.
12. The reply dated September 18, 2025 is summarized as under:
 - a. The Telegram channels were created and maintained solely for educational and study purposes, and no personalized investment advice, fee-based advisory service, or portfolio management was ever offered to any individual or group through such channels.
 - b. The term "Investment Adviser" defined under the IA Regulations makes it clear that in order to qualify as an Investment Adviser under the said Regulations, a person must be engaged in the business of providing investment advice to clients for consideration. In the present case, the Telegram channels referred to in the SCN, right from their inception and throughout their functioning, have clearly and conspicuously declared that any content shared therein is strictly for educational and informational purposes only, and not to be construed as investment advice. The activities of the Noticees fall outside the scope and ambit of the IA Regulations and the invocation of regulatory provisions under the said framework is wholly unjustified.
 - c. The public disclaimers that were prominently displayed in the description of these Telegram channels—particularly the first channel, "Nifty Bank Nifty Stock Options." clearly states as follows: *"This channel is for stock market study and learning purposes only. We are not SEBI registered. You are strictly forbidden to take our calls as advisory. Fees are non-refundable."* This disclaimer is unequivocal and demonstrates that the intent and representation of the Noticees was never to act or hold themselves out as SEBI-registered investment advisers. The presence of such disclaimers, together with the absence of any contractual relationship or individualised advice for



consideration, completely negates the inference that the Noticees were acting in violation of IA Regulations.

- d. Noticees were offering certain subscription-based access to the Telegram groups. However, these subscriptions were strictly for the purpose of joining the said groups for educational and informational content related to stock market studies, and not for the purpose of providing any investment advice.
- e. At no point were personalized or client-specific recommendations made, nor was there any guarantee of returns, solicitation for fund management. The screenshots annexed to the SCN themselves reflect that participants in the group were voluntarily sharing their daily trades and self-declared profits, which were neither prompted nor induced by the Noticees. The members were free to follow, ignore, or independently act upon any discussion or analysis shared in the group, and such conduct does not and cannot amount to rendering investment advice in the regulatory sense. Thus, selectively relying on certain WhatsApp or Telegram messages, while completely ignoring the overarching disclaimers and educational intent behind the group, amounts to an erroneous and prejudiced interpretation of the facts.
- f. No guarantee or assurance of profits was ever made by the Noticees. The alleged mention of potential profits in the chat—if at all present—was at best a hypothetical statement.
- g. Noticees are not aware about the ownership of two mobile numbers namely XXXXXX7762 and XXXXXX9221. The mobile number XXXXXX0268, which was used as a WhatsApp contact, was active and operated as stated. SEBI has observed that the Kotak Mahindra Bank and State Bank of India accounts held by Noticee No. 4 were linked to this mobile number, and that certain funds from the RIGI pay platform were credited into these accounts during the period of January 2023 to February 2023. The Noticees submit that this fact appears to be true and is not disputed. As regards the mobile number XXXXXX7279, which is linked to the HDFC Bank account held in the name of Noticee No. 1, it is admitted that the said account exists and has been operational. It is, however, denied that the alleged amount of Rs. 1.09 crores credited into the said account was received towards investment advisory services. The said funds were received towards educational subscriptions, general access to Telegram channels, and not in exchange for any regulated investment advice under the IA Regulations. The



Noticees admits that the email ID stockanalyzer72@gmail.com is registered with the HDFC Bank account. With regard to mobile number XXXXXX6841, which is alleged to have been shared in a WhatsApp conversation for making payments via PhonePe, it is submitted that two Union Bank of India accounts are linked to the said number. However, the mere linkage of bank accounts to a mobile number or to a payment platform such as PhonePe, does not by itself establish that the payments received therein were towards investment advisory services.

- h. Mere mention or linkage of the mobile number of Noticee No. 3 with the said bank account does not imply or establish that Noticee No. 3 was involved in any manner in the allegedly unregistered investment advisory activity of Noticee No. 1, as alleged or otherwise. Similarly, the fact that funds were collected through a RIGI Pay account, which was linked to Noticee No. 3's mobile number, cannot by itself be taken to mean that Noticee No. 3 had any role in providing investment advisory services or was part of the operations of Noticee No. 1. No material evidence has been provided to support such a linkage or alleged involvement of Noticee No. 3 in any regulatory breach.
- i. Existence of familial relationship has no bearing whatsoever on the nature of activities carried out by the respective Noticees, nor does it imply any regulatory violation. The relationship alone cannot be used as a basis to presume joint liability.
- j. The activities attributed to Noticee No. 1 were independent in nature, and there is no evidence to suggest that Noticee Nos. 3 and 4 were engaged in, contributed to, or were otherwise involved in providing any form of investment advice through or on behalf of Noticee No. 1.
- k. Mere presence of the term "stock analyzer" in certain payment descriptors or user names in the RIGI pay statement cannot be considered conclusive evidence to establish any connection between Noticees to attribute the operation of an unregistered investment advisory business to them.
- l. SEBI has attempted to link the payments received via the RIGI pay platform to the alleged rendering of Investment Advisory services by the Noticees. This inference is based upon a selective reading of isolated entries containing generic phrases such as "1-month premium membership," "1-year premium membership," "lifetime premium membership," "upgrade to yearly plan" etc. The Noticees respectfully submit that such phrases are commonly used in educational and digital subscription platforms, including



RIGI, where educators and content creators offer tiered access to educational or study related content. These entries, even if present, do not establish that the payments were made in exchange for investment advice, nor do they satisfy the statutory definition of investment advice under the IA Regulations.

- m. It is denied that any sum, including the alleged amount of Rs. 3.18 crores, was collected by the Noticees between April 12, 2022 to March 31, 2023, in violation of SEBI Act or IA Regulations.
- n. It is true and admitted that none of the Noticees is registered with SEBI in any capacity under IA Regulations or otherwise. This fact was never concealed or misrepresented.
- o. The reference made regarding refund of monies was based on the then understanding that SEBI may be treating the Noticees' activities as prima facie violative. However, upon receiving detailed legal advice thereafter, the Noticees respectfully submit that the activities conducted through the Telegram channels were strictly educational in nature, and did not amount to rendering investment advice.
- p. A detailed internal analysis of the relevant bank statements and RigiPay transaction data has been conducted by the Noticees. Based on that exercise, the monies that reflect any possible reference to stocks or investment-related keywords have been identified separately and are set out below. Even assuming strictly for the sake of argument that some of these entries may be construed as relating to investment advice (without admitting the same), the following table provides a classification of transactions that may fall under such a category, and others that were clearly for general educational or study group access.

Details	Amount (Rs. Cr)
Inter Bank transfers	0.05
Narration which matches with IA Services	0.20
Other entries (Educational services and including creating content for the purpose of Education only, Refund of Exp incurred)	3.08
Payments by Noticees themselves in the bank Accounts	0.09
Grand Total	3.42

13. During the hearing, the AR contended that the “Annexure A” enclosed with the submission dated September 18, 2025 provided classification of transactions which matches with the



narration of investment advisory services and others that fall under the categories of general educational, *inter-se* bank transfers and payments to Noticees themselves.

14. As regards the above contention, the AR was advised to provide the bank statement corresponding with such narration duly certified by a Chartered Accountant by September 30, 2025. Pursuant to the hearing, since no response were received from the AR, vide email dated October 6, 2025, the AR was advised to provide the requisite details, at the earliest. Vide email dated October 9, 2025 the AR sought to submit post hearing submissions in 3-4 days. The AR further informed that the Noticees are also in the process of filing for settlement of the instant proceedings in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (“**Settlement Regulations**”) and requested the passing of the order be deferred.
15. I note that till date no post-hearing submissions have been received from the AR and as on November 12, 2025 as confirmed by the Settlement Division of SEBI, no application for settlement of proceedings have also been filed by any of the Noticees.

Consideration of Issues and Findings:

16. I have carefully considered the allegations in the SCN, replies and submissions of the Noticees and the material available on record. I deem it appropriate to first deal with the technical contentions raised by the Noticees.

Noticees plea to opt for settlement of proceedings:

17. Pursuant to the delivery of SCN, Noticee No. 2 had vide letter dated February 20, 2025 communicated his desire to opt for settlement mechanism and had sought assistance in filing for settlement proceeding as per the Settlement Regulations. Accordingly, the Settlement Division of SEBI had vide email dated March 7, 2025 forwarded the relevant link in the SEBI website where the registration, mode of payment, documents etc. for settlement process are detailed. Further, a copy of the Settlement Regulations was also forwarded to Noticee No. 2 advising him to refer to Schedule I of the Regulations for the Format of Form by which the application for settlement must be made. Noticee No. 2 was also provided with relevant contact details for any queries while making application for settlement of



proceedings. However, I note that no settlement application was ever filed by Noticee No. 2 (or by any of the Noticees) at any time during the instant proceedings.

18. Subsequently, pursuant to the hearing held on September 19, 2025, when the Noticees were advised to submit their post-hearing submissions, the AR has vide email dated October 9, 2025 *inter alia* informed that the Noticees are in the process of filing for settlement of the instant proceedings in terms of Settlement Regulations.
19. Here, I note that in terms of regulation 4 of the Settlement Regulations, an application in respect of any specified proceeding pending before the Board shall not be considered, if it is made after sixty days from the date of service of the notice to show cause. In the instant matter, the SCN was delivered to Noticee No. 1 and 2 on February 1, 2025 as per the India Post tracking site and the SCN was delivered to Noticee No. 3 and 4 on June 28, 2025. Since sixty days have since passed from the date of service of the SCN, settlement application may not be considered as per the regulations. I note that that even after receiving the email from the Settlement Division of SEBI in March 7, 2025 explaining in detail the steps for filing for settlement process, none of the Noticees have made an application for settlement process. I find that the Noticees indecisiveness in filing of settlement process indicate dilatory approach to deliberately keep away from the instant proceedings. Therefore, in the interest of justice and in order to avoid unnecessary delay, I proceed accordingly.

Annexure 10 of the SCN:

20. The Noticees have contended that none of the entries contained in Annexure 10 of the SCN reflect or support the alleged references to the phrases quoted in paragraph 12 of the SCN such as “*send payment screenshot,*” “*one-month premium membership,*” “*one-year premium membership,*” or similar descriptors. I note that Annexure 10 to the SCN is a copy of the Rigi Pay statement and paragraph 12 of the SCN states as follows:

“12. As per data provided by Rigi Pay, total amount collected through creator id/user id ‘62ee9745a9498c2108ea3e90’ of Noticee 3 is Rs. 2,09,16,790. It may be noted that deposits have been received by Noticee 3 through 62 different Rigi pay links. On searching message text data provided by Rigi related to these links, inter alia, following texts have been observed in the transaction statement:

i. Send Payment Screenshot On WhatsApp 9527610268



- ii. 1 Month Premium Membership
- iii. 1 Year Premium Membership
- iv. Lifetime Membership
- v. Upgrade to Yearly Plan
- vi. Half Payment of 1 year Membership
- vii. 3 Month Premium Membership
- viii. Remaining Payment for Yearly Plan”

21. It is noted that based on the above messages, SCN has observed that money was being collected through Rigi Pay towards unregistered investment advisory services. The Noticees have contended that the RigiPay statement which was enclosed as Annexure 10 however do not reflect the above messages. I note that paragraph 12 of the SCN states that the deposits in the Rigi were made through 62 different Rigi Pay links. Upon further examining the message text data provided by Rigi related to these links, the message texts in the nature of “send payment screenshot on WhatsApp XXXXXX0268,” “1-month premium membership,” “Upgrade to Yearly Plan,” were observed. Few examples are provided in the following table: -

locked_message_text	visible_message_text	Link
Send Payment Screenshot On WhatsApp XXXXXX0268	1 Month Premium Membership	rigi.club/lm/WiPxZRFOv6
Send Payment Screenshot	1 Year Premium Membership	rigi.club/lm/hOZvBmjpf2
Send Payment Screenshot On WhatsApp	Upgrade To Yearly Plan	rigi.club/lm/3wNfuqeeNI
Send Payment Screenshot On WhatsApp	Lifetime Premium Membership	rigi.club/lm/xNB6SVUVau
Send Payment Screenshot	Half Payment For Yearly Membership	rigi.club/lm/e2tZkw7KBf
Send Payment Screenshot	3 Month Premium Membership	rigi.club/lm/d2h9FdRJaD
Send Payment Screenshot	Remaining Payment for Yearly Plan	rigi.club/lm/5JRrH6y7fw

22. Thus, I note that Annexure 10 does not contain the above message text data provided by Rigi and only consists of Rigi Pay statement account of Noticee No. 3 created through creator id/user id ‘62ee9745a9498c2108ea3e90’. Therefore, the message texts cannot be found in the transaction statement of Rigi. Hence, the contention of the Noticees is misplaced.



23. Having dealt with the preliminary issues in the matter, before I proceed to deal with the allegations, the provisions of law alleged to have been violated by the Noticees, are as follows:

IA Regulations:

Application for grant of certificate.

3.(1) On and from the commencement of these regulations, no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board under these regulations:

...

SEBI Act:

12. Registration of stock brokers, sub-brokers, share transfer agents, etc.

(1): No stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market shall buy, sell or deal in securities except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the regulations made under this Act:

.....

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A. No person shall directly or indirectly –

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

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

PFUTP Regulations:

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

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

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

(c) employ any device, scheme or artifice to defraud in connection with dealing nor issue of securities which are listed or proposed to be listed on a recognized stock exchange;



(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

Explanation.—For the removal of doubts, it is clarified that—

(i) any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company, or

(ii) transactions through mule accounts for indulging in manipulative, fraudulent and unfair trade practice shall be and shall always be deemed to have been included in sub-regulation (1).

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

...

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

...

(o) fraudulent inducement of any person by a market participant to deal in securities with the objective of enhancing his brokerage or commission or income;

...

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

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

(i) knowingly making a false or misleading statement, or

(ii) knowingly concealing or omitting material facts, or

(iii) knowingly concealing the associated risk, or

(iv) not taking reasonable care to ensure suitability of the securities or service to the buyer;

...

Unregistered investment advisory services:

24. The Noticees have contended that the Telegram channels were created and maintained solely for educational and study purposes and no personalized investment advice, fee-based advisory service or portfolio management were offered through such channels. The Telegram channels clearly declared that any content shared therein is strictly for educational and informational purposes only and not to be construed as investment advice. The disclaimer demonstrated that the intent and representation of the Noticees was never to act



or hold themselves out as SEBI-registered investment advisers. The Noticees further contended that the presence of such disclaimers, together with the absence of any contractual relationship or individualised advice for consideration negate the inference that the Noticees were acting in violation of IA Regulations.

25. Upon analysis of the Whatsapp/Telegram chats forwarded by the complainants, the following communication is noted from the channel titled *Premium Group Stock Equity Options*:

- “Buy HDFC Bank 1500 CE @ 27-28 Target”
- “Buy ULTRATECH 6900 CE buy above 235 target 245/260/290 stop loss 215”
- “Buy Tatasteel 108 CE @ 4.15 target 4.90/5.40”

26. I find that communications like “Buy HDFC Bank 1500CE @ 27-28 Target” or “Buy ULTRATECH 6900 CE buy above 235 target 245/260/290 stop loss 215” are recommendations on buying options and stop loss at a specific price range. These are investment advices providing specific call on trading including entry and exit points and stop loss orders. I further note from the WhatsApp chat provided by Complainant No. 1 with mobile number XXXXXX0268 (registered to Noticee No. 4) that the following was communicated to Complainant No. 1 - “You will get full guidance and tips. Every call with proper entry and exit time guidance. In marker hour you will get live assistance and support. Once you join our paid group.” These communications promising full guidance and tips on calls with proper entry and exit time guidance strategy at a subscription rate are in the nature of investment advices and do not in any way indicate content for “educational or study purposes” as contended by the Noticees. The chats further promise full assistance and support “in market hour” which exemplify that the Noticees were providing advisory advices during market trading hours. Thus, the WhatsApp chat excerpts clearly indicate that the advices provided by the Noticees were in the nature of *investing in, purchasing, selling or otherwise dealing in securities* as per regulation 2(1)(l) of the IA Regulations and available for subscription plans and not widely available to public.

27. Further, the word “investment adviser” has been defined in regulation 2(1)(m) of the IA Regulations to mean “*means any person, who for consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes*



a part-time investment adviser or any person who holds out himself as an investment adviser, by whatever name called;". I note that Telegram channels were providing monthly, yearly and lifetime subscription plans priced at Rs. 9,999/- and Rs. 24,999/-. Such payment was sought through Paytm and GooglePay at mobile number XXXXXX7279 which was registered with Noticee No. 3. Complainant No. 2 had also stated that he had transferred Rs. 9,500/- at upi id XXXXXX7279@ibl which was seen credited to the HDFC bank account ending with XXXXXXXXXXX6722. Further, the deposits in Rigi Pay were received through 62 different Rigi Pay links and on further examination of the message text data provided on Rigi related to these links, the following texts were observed in the transaction statement namely, *Send Payment Screenshot On WhatsApp 9527610268, 1 Month Premium Membership, 1 Year Premium Membership, Lifetime Premium Membership, Upgrade to Yearly Plan, Half payment of 1 Year Membership, 3 Month Premium Membership and Remaining payment for Yearly Plan.* The Noticees have contended that the above phrases are commonly used in educational and digital subscription plans and do not establish that payments were made in exchange of investment advice. However, the Noticees have not been able to demonstrate how they were providing content in the channels for educational and information purposes. The Noticees have not exhibited any study or research or analysis technique undertaken by them by which it can be construed that they were making market studies for education purposes. Further, the Noticees have also not clarified what the non-refundable fees or the subscription plans/fee in the channels were for. I find that the message text data in fact corresponds to the unregistered investment advisory services provided by the Noticees. The Noticees have also contended that they provided disclaimers in their Telegram channel, I find that the same is not sufficient to absolve the Noticees as their act and conduct were contrary to disclaimer made on the channel.

28. The Noticees were providing specific trading recommendations in lieu of consideration, the activities being undertaken by the Noticees cannot be construed as being educational in nature, thus, the argument that the intent was to educate investors, is not tenable. In view of the above, I find that the activities undertaken by the Noticees were in the nature of providing investment advice for consideration, in terms of the IA Regulations.

29. The Noticees have claimed that the reference made regarding refund of monies was based on the then understanding that SEBI may be treating the Noticees' activities as *prima facie*



violative and upon receiving detailed legal advice thereafter, the activities conducted through the Telegram channels were strictly educational in nature, and did not amount to rendering investment advice. I note that during examination, Noticee No. 2 and Noticee No. 3 had submitted as under:

- a. *that they were running the public telegram channel 'Nifty Banknifty Stock Option' and two private channels 'Premium Group of Nifty Banknifty Options' and 'Premium Group of Stock Options' from May 2022 to December 2022;*
- b. *their public telegram channels got deleted in the month of August 2022 and later in December 2022. The remaining two private channels also got deleted automatically;*
- c. *after this, they stopped the work and started to focus on studies; and*
- d. *they would now follow the rules and regulations and they **will try to refund everyone who paid them.*** [Emphasis supplied]

30. Here, I also note from the documents available before me that on June 17, 2023 vide e-mail id 'stockanalyzer72@gmail.com' the following was communicated to SEBI –

*"As per your guidance **I acknowledge my fault** and I had **started refunding to the clients who paid us for our service.** But as I mentioned in last meeting my telegram account was deleted in the month of December so I don't have any contact details of our clients. But still we tried to contact them with their details available in our bank statement.*

Till Now I have refunded around 2 lakh rupees to 28 clients. And I will keep refunding them and I will update you next email. Bank statement is attached below. [Emphasis Supplied]

31. I further find from the HDFC bank statement account number XXXXXXXXXXXX6722 enclosed with the email dated June 17, 2023 that 30 entries are observed with narration stating "refund". The sum of the entries made for such refund consisted of Rs. 9,999/-, Rs. 4,999/-, Rs. 9,000/- Rs. 4,500/- etc. amounting to approx. two lakh rupees. The Noticees have now admittedly upon receiving detailed legal advice contending that the activities conducted through the Telegram channels were strictly educational in nature and did not amount to rendering investment advice. The Noticees have however not provided any plausible explanation as to why refund to clients were made from the HDFC account when



they were supposedly providing only educational services. The Noticees have also not provided any basis for making such contradictory statements before SEBI during the examination stage and upon initiation of the instant proceeding, especially when there is evidence available in writing acknowledging their fault and attempting refund to their clients. I am therefore unable to accept this contention as it appears to be an afterthought.

32. It is imperative that any person carrying out investment advisory activities has to obtain registration from SEBI and conduct his/ her activities in accordance with the provisions of SEBI Act and Regulations framed thereunder. I note that for seeking a certificate of registration for acting as an investment adviser an entity is required to satisfy the requirements as per IA Regulations, including with respect to professional / educational qualifications, experience, obtaining certification, etc. Admittedly, in the present case, none of the Noticees are registered with SEBI in the capacity of an Investment Advisor or in the capacity of any other intermediary. Hence, I find that the activities carried out by the Noticees, without holding the certificate of registration as an Investment Advisor, are in violation of section 12(1) of the SEBI Act read with regulation 3(1) of the IA Regulations.

Fees collected by the Noticees.

33. SCN has observed that the following amount were collected by the Noticees from clients/investors towards their unregistered investment advisory activities:

Bank/ Platform	Account number/ user id number	Account holder name	Period of bank statement	Total credit amount (in Rs.)
HDFC Bank	XXXXXXXXXX XX6722	Noticee No. 1 (Proprietor - Noticee No. 2)	12/4/2022 – 6/3/2023	1,08,66,705/-
Rigi Pay	62ee9745a9498c21 08ea3e90	Noticee No. 3	7/8/2022- 9/1/2023	2,09,16,790/-
Total				3,17,83,495/-

34. HDFC Bank Account number XXXXXXXXXXXX6722 was registered in the name of Noticee No. 1 and Noticee No. 2 is the proprietor of Noticee No.1. At paragraph 9 of the SCN, it is alleged that “*based on an analysis of the said bank account, it is alleged that Rs. 1,08,66,705/- have been collected by Noticee No. 1 and 2 by providing unregistered investment advisory services during April 12, 2022 and March 6, 2023...*”. However, I note that the breakdown of such analysis as to how the figure of Rs. 1,08,66,705/- was arrived at



has not been enumerated in the SCN or in any of the annexures attached to it. I find that a copy of the bank account statement of HDFC Bank was forwarded along with the SCN. In order to arrive at the basis of the figure of Rs. 1,08,66,705/- amounted to unregistered investment advisory services, reference is made to the ER.

35. The ER has observed that a total sum of Rs. 9,24,725/- was amounted by search of keywords like “advice/investment/trade/trading/call/share/stock/nifty” in the bank statement. The narration to such keywords amounted to different unique values of amounts in the range of 500,1000, 2000, 4000, 45000, 4899, 4999, 5000, 6000, 8000, 8500, 9000, 9400, 9499, 9999 and 10000. ER has observed that there were many more entries of similar amounts/values (500,1000, 2000, 4000, 45000, 4899, 4999, 5000, 6000, 8000, 8500, 9000, 9400, 9499, 9999 and 10000) where the keywords like “advice/investment/trade/trading/call/share/stock/nifty” were not present. Examination has thus inferred that such sum would also have been collected for unregistered advisory services. Further, while considering the above unique values, the amount of 499, 999, 4499, 5999, 7999 and 9500 have also been included as one rupee is generally transferred as test amount before transferring the rest of the amount. On consideration of all entries made with respect to the aforesaid unique values, examination has observed that the fees received from unregistered investment advisory services in the HDFC account was Rs. 1,08,66,705/-. Accordingly, SCN has also chronicled the same amount of Rs. 1,08,66,705/- as amount collected for providing unregistered investment advisory services.
36. As per the data provided by Rigi Pay, the total amount collected through creator id/user id ‘62ee9745a9498c2108ea3e90’ from August 7, 2022 to January 9, 2023 was Rs. 2,09,16,790/-. The user name for creator id/user id ‘62ee9745a9498c2108ea3e90’ was Noticee No. 3 with email id – ‘shivamtradestock7@gmail.com’. The mobile number XXXXXX7279 linked to Rigi Pay was also the same number linked with HDFC bank account. Therefore, the aggregate collection made in the HDFC bank account and in Rigi platform as unregistered advisory fee was Rs. 3,17,83,495/- (Rupees Three Crores Seventeen Lakhs Eighty-Three Thousand Four Hundred and Ninety-Five only).
37. The Noticees have contended that upon a detailed internal analysis of the relevant bank statements and Rigi Pay transaction data, the amount of only Rs. 20 lakh is shown as



narration that matches with investment advisory services and Rs. 3.08 crore is shown as entries from educational services including creating content for the purpose of education and refund of expenses incurred. I note that the Noticees were running four Telegram channels - (i) Nifty BankNifty Stock Options, (ii) Premium Group Nifty BankNifty Options, (iii) Premium Group Stock Equity Options and (iv) Premium Group of Investment. Although the Telegram channels were posed as learning channels with disclaimers that the channel is only for stock market study and learning purposes, however from the screen shots of the channel, multiple investment advices were being provided to the subscribers. Moreover, year-wise and lifetime subscription plans were being offered on these channels for a fee. The disclaimers made on Telegram channels were apparently false and used as ruse to camouflage the entire device of the Noticees to dupe gullible investors for their benefit. Through Rigi Pay the Noticees monetized their content to provide access only to those subscribers who made the requisite payment. The Noticees have not demonstrated that the money received in Rigi Pay was for purposes other than for providing unregistered investment advisory services, therefore the entire sum received on Rigi is observed as total collection from unregistered advisory. While the Noticees have submitted that Rs. 3.08 crores as entries from educational services including creating content for the purpose of education, the Noticees have not demonstrated the manner in which such content for education purposes were made. During the personal hearing the AR was advised to provide the bank statement corresponding to such narration duly certified by a Chartered Accountant. However, till date no response has been received in this regard. I conclude that under the garb of 'educational courses'/ 'information purposes', Noticees were providing clients / investors with investment advisory services and luring/ inducing them with a promised and assured returns. Accordingly, on aggregating the collection made directly in HDFC bank account and through Rigi Pay, the total collection made by the Noticees through unregistered advisory fee was Rs. 3,17,83,495/- (Rupees Three Crores and Seventeen Lakh Eighty-three Thousand Four Hundred and Ninety-Five Rupees only).

38. It is relevant to mention that during the examination when information were requested from various banks associated with mobile numbers observed from the Telegram/WhatsApp chats, there were few other bank accounts that were observed to be held by Noticee no 1 and 4. For instance, Kotak Mahindra Bank account number- XXXXXX5730 was held by Noticee No. 4. Two bank accounts viz. XXXXXXXXXXXX4201 and XXXXXXXXXXXX0016 in



Union Bank of India were held by Noticee No. 1. It is not clear whether advisory fees were also collected in these bank accounts. Further, from the information received from Rigi, there were multiple accounts in the name of 'Stock_Analyzer' being operated through Rigi. It is not clear whether all accounts operated in the name of 'Stock_Analyzer' were examined. Considering the magnitude of the fees collected in the HDFC account and Rigi Pay in such short duration, there is a likelihood that fees may also have been collected in other accounts.

Promise of assured returns:

39. SEBI has referred to WhatsApp chat of Complainant No. 1 (with mobile number XXXXXX0268) wherein, the complainant was promised assured returns, as under:

Satyam: You will get full guidance and tips. Every call with proper entry and exit time guidance. Once you join our paid group 9999/ Year offer.

Complainant: Isme profit kitna kara denge aap.

*Satyam: Nifty Bank Nifty Stock Options
Futures Intraday Swing Cash
Positional BTST
4 to 6 calls in Premium Group*

Satyam: How much capital do you have for options trading?

Complainant: 20000.

Satyam: It's Enough.

*Satyam: **4000-5000 Profit on daily basis.***

40. As per the excerpts from the Whatsapp chat of Complainant No. 1, statement like “**4000-5000 Profit on daily basis**” were made to the complainant despite knowing that all the investments in securities markets are subject to market risk and that such returns cannot be assured. I find that the statements pertaining to assured high return to the client constituted misrepresentation and mis-selling. The statements were made with the objective to induce the complainant to deal in securities to earn advisory fees and, therefore, were an act of fraud. Additionally, regulation 2(1)(c) of the PFUTP Regulations defines “*fraud*” to include any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or



*not there is any wrongful gain or avoidance of any loss,... ”. Further, as per regulation 2(1)(b) of the PFUTP Regulations, “dealing in securities” includes “such acts which may be knowingly designed to influence the decision of investors in securities”. In this regard, I find it relevant to cite the order of Hon’ble Securities Appellate Tribunal in *24 Carat Financial Services vs. SEBI*, Appeal no. 59 of 2023, decided on January 18, 2023, wherein, it was held that:*

“7. Insofar as the violation of Regulation 3 and 4 of the PFUTP Regulations is concerned we find that on the basis of analysis of the call records of the employees of the appellant it was found that the employees of the appellant were promising guaranteed returns to the prospective clients on investment of certain amounts. Further guaranteed returns were promised quoting profit percentage or certain amount either monthly or on a daily basis. The action of promising guaranteed returns is patently against the principles of the securities market and not only manipulative but also fraudulent and violative of Regulations 3 and 4 of the PFUTP Regulations. There is no denial of the transcript of the employees of the appellant and consequently we do not find any error in the finding of the AO regarding violation of the Regulation 3 and 4 of the PFUTP Regulations.” (emphasis supplied)

41. The act of assuring returns to the clients is a deceptive act undertaken with an intent to influence the clients to trade in securities. By promising assured returns, despite fully knowing that all the investments in securities market are subject to market risk and that such returns cannot be assured, the Noticees violated the provisions of regulation 3(a), (b), (c), (d), 4(1), 4(2)(k), (o) and (s) of the PFUTP Regulations read with Section 12A(a), (b), (c) of the SEBI Act.

Extent of role of Noticees:

42. I observe that Noticee No. 1 is the account holder of the HDFC Bank account XXXXXXXXXXXX6722 where advisory fee of Rs. 1,08,66,705/- was collected. Noticee No. 1 is a proprietary concern of Noticee No. 2 and there is no further role of Noticee No. 2 provided in the ER. Similarly, I find that mobile number - XXXXXX0268 which was mentioned in the four telegram channels was registered to Noticee No. 4, however, the nature of activities carried out by Noticee No. 4 is not specified.



43. As regards Noticee No. 3, I find that the Rigi creator id/user id '62ee9745a9498c2108ea3e90' where advisory fee of Rs. 2,09,16,790/- was collected was registered in the name of Noticee No. 3. The mobile no. XXXXXX7279 belonged to Noticee No. 3 which was mentioned in the AoF of the impugned HDFC Bank account and also the Rigi account where advisory fees were collected. The email id *stockanalyzer72@gmail.com* mentioned in the AoF of HDFC Bank account also belonged to Noticee No. 3. Moreover, the term "stock analyzer" which was observed in multiple accounts operated through Rigi was also associated to Noticee No. 3's email id. From the Telegram channels the person providing advisory services was called "Satyam" and Complainant No. 2 had also submitted that he was contacted by a person named "Satyam". Noticee No. 3's name is Satyam. I find that SCN has made Noticee No. 1 to 4 jointly liable for the violation of the provisions of the SEBI Act, IA Regulations and PFUTP Regulations, however from the evidence before me, it appears that Noticee No. 3 was the mastermind in the entire scheme of providing unregistered investment advisory. However, the fact remains that Noticee No. 2 and 4 had aided Noticee No. 3 in the said scheme.

44. The SCN contemplates directions including direction to refund, under Sections 11(1), 11(4) and 11B(1) of the SEBI Act and penalty as deemed fit under Section 11(4A) and 11B(2) read with Sections 15HA and Section 15EB of the SEBI Act for the aforementioned violations. The relevant provisions of Sections 11(1), 11(4), 11(4A), 11B (1), 11B (2), 15EB and 15HA of the SEBI Act are reproduced below:

"Functions of Board.

11. (1) Subject to the provisions of this Act, it shall be the duty of the Board to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit.

(4) Without prejudice to the provisions contained in sub-sections (1), (2), (2A) and (3) and section 11B, the Board may, by an order, for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or on completion of such investigation or inquiry, namely:

- (a) suspend the trading of any security in a recognised stock exchange;*
- (b) restrain persons from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities;*
- (c) suspend any office-bearer of any stock exchange or self-regulatory organisation from holding such position;*



(d) impound and retain the proceeds or securities in respect of any transaction which is under investigation;

(e) attach, for a period not exceeding ninety days, bank accounts or other property of any intermediary or any person associated with the securities market in any manner involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder: Provided that the Board shall, within ninety days of the said attachment, obtain confirmation of the said attachment from the Special Court, established under section 26A, having jurisdiction and on such confirmation, such attachment shall continue during the pendency of the aforesaid proceedings and on conclusion of the said proceedings, the provisions of section 28A shall apply:

Provided further that only property, bank account or accounts or any transaction entered therein, so far as it relates to the proceeds actually involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder shall be allowed to be attached]; (f) direct any intermediary or any person associated with the securities market in any manner not to dispose of or alienate an asset forming part of any transaction which is under investigation: Provided that the Board may, without prejudice to the provisions contained in sub-section (2) or sub-section (2A), take any of the measures specified in clause (d) or clause (e) or clause (f), in respect of any listed public company or a public company (not being intermediaries referred to in section 12) which intends to get its securities listed on any recognised stock exchange where the Board has reasonable grounds to believe that such company has been indulging in insider trading or fraudulent and unfair trade practices relating to securities market :

Provided further that the Board shall, either before or after passing such orders, give an opportunity of hearing to such intermediaries or persons concerned.]

(4A) Without prejudice to the provisions contained in sub-sections (1), (2), (2A), (3) and (4), section 11B and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.”

“Power to issue directions and levy penalty.

11B. (1) Save as otherwise provided in section 11, if after making or causing to be made an enquiry, the Board is satisfied that it is necessary, —

(i) in the interest of investors, or orderly development of securities market; or
(ii) to prevent the affairs of any intermediary or other persons referred to in section 12 being conducted in a manner detrimental to the interest of investors or securities market; or
(iii) to secure the proper management of any such intermediary or person, it may issue such directions, —

(a) to any person or class of persons referred to in section 12, or associated with the securities market; or

(b) to any company in respect of matters specified in section 11A, as may be appropriate in the interests of investors in securities and the securities market.



Explanation. —For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.

(2) Without prejudice to the provisions contained in sub-section (1), sub-section (4A) of section 11 and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.”

Penalty for default in case of investment adviser and research analyst.

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

Penalty for fraudulent and unfair trade practices

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

45. While Section 11 deals with the functions and duties of the Board, Section 11B is on the powers of the Board. Section 11B is in a sense a functional tool in the hands of the Board and one of the measures available to SEBI to enforce its prime duty under Section 11 by issuing directions under Section 11(4) and Section 11B (1) and/or also imposing monetary penalty under Section 11B (2) and 11(4A). I note that the power under Section 11B (2) is *pari materia* the power under Section 11(4A). In fact, the power under the both the sections are nothing but a replica of each other in two different sections. This power is not intended for inflicting same monetary penalty twice under the charging sections referred in Section 11(4A) and replicated under Section 11B (2) of the SEBI Act.
46. In the instant case, apart from the directions under section 11(4) and section 11B(1), the SCN also contemplates refund of the total fees collected by the Noticees through unregistered advisory i.e., Rs. 3,17,83,495/- (Rupees Three Crores and Seventeen Lakh Eighty-three Thousand Four Hundred and Ninety-Five Rupees only).



47. Section 15EB provides for failure by a research analyst or investment advisor to comply with regulations or directions issued by the Board and was inserted in SEBI Act by Finance Act, 2018 w.e.f. March 08, 2019. The monetary penalty prescribed in 15EB is not to be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees. Section 15HA of the SEBI Act, provides, penalty for fraudulent and unfair trade practices. The range of monetary penalty prescribed in said Section 15HA is minimum five lakh rupees upto to twenty-five crore rupees or three times the amount of profits made out of fraudulent practices, whichever is higher.
48. For adjudging the quantum of penalty, section 15I (2) of the SEBI Act gives discretion based on facts and circumstances of the case and application of the principles of reasonability and proportionality. I note that Section 15J of the SEBI Act provides for factors which are required to be considered for adjudging quantum of penalty and reads as follows:

“Factors to be taken into account while adjudging quantum of penalty.

15J. While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: — (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default; (b) the amount of loss caused to an investor or group of investors as a result of the default; (c) the repetitive nature of the default.

Explanation. —For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.”

49. For the purpose of adjudication of quantum of penalty, it is relevant to mention that under Section 15I of the SEBI Act imposition of penalty is linked to the subjective satisfaction of the Adjudicating Officer. The words in the section that "*he may impose such penalty*" are of considerable significance, especially in view of the guidelines provided by the legislature in Section 15J. Further, in the explanation appended to Section 15J, which was brought vide Part VIII of Chapter VI of the Finance Act, 2017, the legislative intent has been reinforced that while adjudging the quantum of penalty the adjudicating officer has discretion and such



discretion should be exercised having due regard to the factors specified in Section 15J. It is also settled position that the words "*shall be liable to*" used in the context of "*penalty*" in any statute, do not convey an absolute imperative; they are merely directory and leave it to the discretion of the authority to impose any penalty as he deems fit and commensurate with the violation. Further, having regard to the factors listed in Section 15J and the guidelines issued by Hon'ble Supreme Court of India in *SEBI v. Bhavesh Pabari Civil Order Appeal No(S). 11311 of 2013* vide judgement dated February 28, 2019, it is noted that the provisions of Section 15J has to be properly understood, and not to be mechanically applied and other factors reasonable for the facts of the case are also relevant to take into account for adjudging the quantum of penalty. I have also been guided by the principles of consistency and proportionality. It is pertinent to mention that the imposition of penalty does not entail restorative justice practice as victim restitution is intended. Thus, the trade-off tends to be made more in favour of consistency and proportionality. While proportionality demands a penalty should be proportionate with the mischief it seeks to address and penalties cannot be disproportionate to the magnitude of default. No arithmetical formula can be devised to impose a fixed penalty on each case. While adjudging the quantum of penalty in this case, for the sake of consistency, I have considered the penalties imposed by SEBI in similar cases. I note that there is variance in penalties imposed, therefore, it is not possible to form opinion in absence of consistency. I am, therefore, being guided by proportionality considering the gravity and conduct of the parties.

50. In the instant case, the Noticees by acting as investment adviser within the meaning of the IA Regulations, without obtaining certificate of registration from SEBI, acted in total disregard to the requirements of law. Where a person, as in this case, indulges in illegally making highfalutin claims for inducing and alluring innocent and gullible investors for personal pecuniary advantage, it subtly hurts investors' trust and confidence and undermines market integrity. The individuals with such reckless approach can play havoc with the market which could be detrimental to the interests of the innocent investors. The machinations employed in this case are heinous and need to be addressed with deeper regulatory abyss for safety and integrity of the security market ecosystems. The Noticees by undertaking unregistered investment advisory services received total fees of Rs. 3,17,83,495/- (Rupees Three Crores and Seventeen Lakh Eighty-three Thousand Four Hundred and Ninety-Five Rupees only). These being the proceeds of an illegal activity, are



liable to be refunded to the respective clients as remedial measure. The Noticees had vide email dated June 17, 2023 informed that they have refunded a sum amounting to approx. two lakh rupees to its clients. This amount may be adjusted from the total refund amount.

51. As a regulator of the capital markets, SEBI has the duty to safeguard the interests of investors and protect the integrity of the securities market. Since the conduct of Noticees mentioned hereinabove is not in the interest of investors and the securities market, necessary action has to be taken against them. I am of the view that such activities are prone to harming innocent investors and cannot be dealt with leniently. I am of the considered view that preventive and remedial measure are called for to stop such illegal activities in the interest of investors and commensurate directions must be issued to the Noticees. I am convinced that this is a fit case where suitable directions need to be issued and appropriate monetary penalty also needs to be imposed on the Noticees.

Order and Directions:

52. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11(4), 11(4A), 11B (1), 11B (2) 15I (2) and 19 of the SEBI Act, and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, do hereby issue the following directions:

- a. The Noticees shall refund all the money collected/received from any investors/complainants, as fees or consideration as mentioned in paragraph 50 of this Order, or in any other form, in respect of their unregistered investment advisory activities immediately, and in any case, within a period of three months from the date of this order.
- b. The Noticees shall issue public notice in all editions of two National Dailies (one English and one Hindi) and in one newspaper in vernacular language with wide circulation, detailing the modalities for refund, including the details of contact person such as name(s), address(es) and contact detail(s) of person(s) to be approached for refund, within 15 days from the date of receipt of this order;
- c. The repayments to the investors shall be effected only through bank transfers electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments;



- d. The Noticees are prohibited from selling their assets, properties including mutual funds/shares/securities held by them in demat and physical form except for the purpose of effecting refunds as directed above. Further, the banks are directed to allow debit from the bank accounts of the Noticees only for the purpose of making refunds to the clients who were availing the investment advisory services from them;
- e. After completing the aforesaid repayments, the Noticees shall file a report of such completion with SEBI addressed to the “Division Chief, Division of Post-Inspection Enforcement Action, Market Intermediaries Regulation and Supervision Department, SEBI Bhavan II, Plot No. C7, G Block, Bandra Kurla Complex, Bandra (East) Mumbai –400051”, within a period of 15 days, after expiry of four months from the date of public notice, as directed above, duly certified by an independent Chartered Accountant and the direction at para 52 a. above shall cease to operate upon filing of such report;
- f. The remaining balance amount shall be deposited with SEBI which will be kept in an escrow account for a period of one year for distribution to clients/complainants/investors who had availed the investment advisory services from the Noticees. Thereafter, the remaining amount, if any, will be deposited in the ‘Investors Protection and Education Fund’ maintained by SEBI;
- g. In case of failure of the Noticees to comply with the aforesaid directions in subparagraph 52 a. to f., SEBI, on the expiry of the stipulated time period therein from the date of coming into force of this order, may recover such amounts, from the Noticees, in accordance with Section 28A of the SEBI Act including such other provisions contained in securities laws;
- h. The Noticees shall not undertake either directly or indirectly, investment advisory services or any activity under section 11 and 12 of the SEBI Act without obtaining a certificate of registration from SEBI as required under the securities laws.

53. I note that monetary penalty under section 15EB and section 15HA of the SEBI Act is considered for undertaking unregistered investment advisory services and for providing assured returns, respectively. However, I note that the cause of action against the Noticees, their act and conduct, etc. remain the same under both the sections. While adjudging the quantum of penalty in this case, for the sake of consistency, I have considered the penalties imposed by SEBI in similar cases. I note that there is variance in penalties imposed. Therefore, it is not possible to form opinion in the absence of consistency. I am, thus, guided



by principle of proportionality. Considering the facts and circumstances of this case, I, in exercise of the powers conferred upon me under Section 11B (2) read with Section 19 and 15I(2) of the SEBI Act and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 hereby impose the following monetary penalty, jointly and severally, on the Noticees:

Noticee No.	Noticee Name:	Penal Provision:	Amount (in Rs):
1.	M/s Satyam Shivam Sundaram Trading (Prop. Mr. Gagan Choudhury)	Section 15EB and 15HA of the SEBI Act	Rs. 15,00,000/- (Fifteen Lakh only)
2.	Mr. Gagan Choudhary		
3.	Mr. Satyam Suman Choudhary		
4.	Mr. Suman Choudhary		

54. The Noticees shall remit/pay the said amount of penalty, within a period of forty-five (45) days from the date of receipt of this order, through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of EDs/CGMs -> PAY NOW.

55. In case of any difficulty in online payment of penalty, the support at portalhelp@sebi.gov.in may be contacted.

56. The Noticees shall forward details of the online payment made in compliance with the directions contained in this Order to the Division Chief, MIRSD, SEBI Bhavan II, Plot No. C7, G Block, Bandra Kurla Complex, Bandra (East) Mumbai –400051 and also to e-mail id: tad@sebi.gov.in in the format as given in table:

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



57. In the event of failure to pay the amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties of the Noticees.
58. It is clarified that the direction for refund above, does not preclude the complainant/investors to pursue the other legal remedies available to them under any other law for refund of money or deficiency in service before any appropriate forum of competent jurisdiction.
59. This Order shall come into force with immediate effect.
60. A copy of this Order shall be sent to the Noticees, SEBI, all the recognized Stock Exchanges, the relevant Banks, Depositories and Registrar and Transfer Agents of Mutual Funds to ensure that the directions given above are strictly complied with.

Date: November 28, 2025

Place: Mumbai

Santosh Shukla
Quasi-Judicial Authority
Securities and Exchange Board of India