



**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ORDER NO. ORDER/MS/KS/2026-27/ 32738-32742]**

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

In respect of:

Noticee No.	Noticee Name	PAN
Noticee 1	Shares Bazaar Private Limited	ABECS9026N
Noticee 2	Bhupal Nanavath	BYYPN2941Q
Noticee 3	Prasanna Lakshmi Atluri	BUTPA3403M
Noticee 4	Naresh Mitta	AOVPM1682H
Noticee 5	Tirumala Lakshmi Venkata Ramesh	ADMPT9962D

In the matter of Shares Bazaar Pvt. Ltd. - Research Analyst

A. BRIEF BACKGROUND

1. Securities and Exchange Board of India ('SEBI') carried out examination in respect of Shares Bazaar Pvt. Ltd. - Research Analysts ('Noticee 1'/'SBPL'), for the period March 16, 2021 to December 16, 2022 ('Inspection period'/'IP') on the prima facie allegation that that the entity is carrying out portfolio management services and investment advisory on receipt of the reference from the NSE Limited on July 19, 2022.
2. Pursuant to the examination, SEBI inter alia observed the alleged violations and initiated adjudication as mentioned in the table: -



Sr. No.	Name of the Noticee	Allegation	Provisions allegedly violated
1.	Shares Bazaar Private Limited- SEBI Registered Research Analyst Noticee 1	The entity, being a SEBI-registered Research Analyst, is operating a Ponzi/ MLM scheme viz; MMFF-offering assured returns to investors while giving them the impression that their monies were being invested in the securities market without any such investments in the securities market. Thus, SBPL failed to act honestly and in good faith and had not ensured maintenance of appropriate standards of conduct and adherence to proper procedures.	Regulation 13(i) and Regulation 24(2) read with clause 1 and 2 of Schedule III of Code of Conduct prescribed under the SEBI (Research Analysts) Regulations, 2014 (hereinafter referred as ' RA Regulations '). Clause 3(a) of Schedule II of Code of Conduct under the SEBI (Intermediary Regulations) and Regulation 16 read with Clause I (1.2) of Schedule III of Code of Conduct prescribed under SEBI (Intermediaries) Regulations, 2008 (hereinafter referred as " Intermediaries Regulations ")
2.	Bhupal Nanavath Director Noticee 2	Entity is a director of the SBPL during the relevant point of time and thereby responsible for the failure of SBPL to act honestly and in good faith and maintain appropriate standards of conduct and adherence to proper procedures.	Clause 8 of Schedule III of Code of Conduct prescribed under the SEBI (Research Analysts) Regulations, 2014
3	Prasanna Lakshmi Atluri Director Noticee 3	Entity is a director of the SBPL during the relevant point of time and thereby responsible for the failure of SBPL to act honestly and in good faith and maintain appropriate standards of conduct.	
4	Naresh Mitta Current CEO Noticee 4	Entity is the CEO of SBPL and thereby responsible for the failure of SBPL to act honestly and in good faith and maintain appropriate standards of conduct and adherence to proper procedures	
5	Tirumala Lakshmi Venkata Ramesh Ex-CEO Noticee 5	Entity was the ex-CEO of SBPL during the relevant point of time and thereby responsible for the failure of SBPL to act honestly and in good faith and maintain appropriate standards of conduct and adherence to proper procedures. Entity has admitted to having developed the MMFF scheme.	



B. APPOINTMENT OF ADJUDICATING OFFICER

3. Pursuant to transfer of erstwhile Adjudication Officers, the case was transferred to this office vide communication dated May 26, 2026 to inquire and adjudge under Section 15EB of the SEBI Act, 1992 for the alleged violation by the Noticee 1 and under section 15HB read with section 27(1) of SEBI Act, 1992 for the alleged violations by Noticee 2- 5 in exercise of the powers conferred under Section 15-I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred as '**Adjudication Rules**') read with Section 19 of the SEBI Act, 1992.

C. SHOW CAUSE NOTICE, REPLY OF THE NOTICEE AND PERSONAL HEARING

4. A common Show Cause Notice No. SEBI/EAD-1/BS/19716/1 to 5/2024 dated June 13, 2024 ('**SCN**') issued by erstwhile AO was served upon the Noticees under Rule 4 (1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 to show cause as to why an inquiry should not be held and penalty not be imposed upon the Noticees under Section 15EB and 15HB read with section 27(1) of the SEBI Act, for the violation alleged to have been committed by the Noticees. The facts of the matter are provided in brief;
5. SBPL is a SEBI-registered Research Analyst (Reg. No. INH200010001) and subsequently obtained registrations as a stock broker and AIF.
6. SBPL launched a scheme called "Making Millions Financially Free" (MMFF), which allegedly offered investors assured returns ranging from 18% to 48% p.a., with the principal represented as secure.
7. Investors were allegedly given the impression that their money would be invested in the equity market and a portfolio created for them, effectively presenting the arrangement as a PMS.



8. The examination of SBPL's bank accounts revealed substantial financial activity. In one ICICI account, there were approximately ₹72.66 crore of credits and ₹72.41 crore of debits.
9. The investigation allegedly found that investor money was:
 - 9.1. used to make payments to earlier investors;
 - 9.2. used for dividend and referral payments; and
 - 9.3. transferred to Kisaan Parivar Pvt. Ltd. (KPPL), a group entity associated with SBPL's director, Mr. Bhupal Nanavath.
10. In the cases examined, the amounts collected from investors were allegedly not actually invested in securities as represented. Investor evidence also indicated that SBPL received ₹5 lakhs from an investor before a proper service agreement was executed and subsequently returned the money with returns.
11. The former CEO of Noticee 1, Mr. Tirumala Ramesh reportedly admitted that he had developed the MMFF scheme, anticipating that SBPL would obtain a PMS licence.
12. Although Mr. Ramesh resigned in March 2022 and Mr. Naresh Mitta become CEO of the Noticee 1, therefore, both the CEOs are alleged with violations of Research Analyst regulations.
13. The principal allegation with respect to SBPL is that it conducted an unauthorised assured-return investment/PMS type activity while registered as a Research Analyst. Therefore, Noticee 1 to 5 are alleged to have violated the provisions of the SEBI Research Analysts Regulations, 2014 and SEBI Intermediaries Regulations, 2008 and code of conduct such as honesty, good faith and adherence to proper procedures as provided under RA.



14. The SCN was duly served to Noticees. The opportunities of hearing and submissions were also accorded to the Noticees. The proceedings in the matter are as tabulated below: -

Table I Details of current proceedings

Noticee 1- 4		
Sr. No.	Date (DD.MM.YY)	Remarks
1	13.06.2024	Common SCN issued to Noticees 1- 4 by erstwhile AO thru SPAD delivered.
2	10.08.2024	Hearing Scheduled by AO2, no response from Noticees.
3	25.07.2025	Hearing Scheduled. Noticees sought time to file reply and thereafter appear for hearing.
4	09.09.2025	Common submission filed by Noticees to SCN.
5	29.10.2025	Hearing scheduled before AO and attended by AR online on 29.10.2025 pursuant to transfer to erstwhile AO.
6	11.11.2025	Common additional submissions filed pursuant to hearing.
7	04.06.2026	Noticee vide email were advised to avail an opportunity of hearing after transfer to this office and if no response received, AO will proceed based on records.
8	08.06.2026	Noticee 4 submitted reply on his own behalf and informed that he does not wish to avail hearing.
Noticee 5		
1	13.06.2024	Common SCN issued to Noticee 5 by erstwhile AO delivered by SPAD, SPAD returned undelivered.
2	19.06.2025	Noticee was issued SCN and Hearing Notice thru SPAD seeking response of SCN with date of hearing, delivered. However Noticee neither availed hearing opportunity nor submitted reply.
3	16.07.2025	Opportunity of hearing scheduled by AO was not availed by Noticee.
4	29.10.2025	Pursuant to transfer of erstwhile AO another hearing opportunity provided - not availed by Noticee
5	04.06.2026	After transfer to this office, email was issued if Noticee wishes to avail personal hearing and if no reply received/ appearance made, AO will proceed on basis of records available. No response received.



Submissions of Noticees 1- 4

15. The Noticees deny the allegations in the SCN and essentially contend that the MMFF/PMS allegations arose from a misunderstanding of their business activities.
 - 15.1. SBPL states that its website was under development and was inadvertently hosted on a live server rather than a test server. According to SBPL, this led an investor to mistakenly believe that PMS and other investment services were being offered.
 - 15.2. After SEBI's March 2022 communication, SBPL says it immediately took down the website, assured SEBI that no unregistered activity was being conducted, and terminated its erstwhile CEO, Mr. Tirumala Ramesh.
 - 15.3. SBPL admits that the MMFF programme was conceived by the erstwhile CEO, but maintains that it was never approved by the Board or the directors. SBPL contends that MMFF was therefore an unauthorised initiative of the former CEO, rather than a scheme operated by SBPL with Board approval.
 - 15.4. SBPL disputes the allegation that it operated an MLM or Ponzi scheme. It states that it had privately placed Compulsorily Convertible Redeemable Debentures (CCDs) with 198 investors to raise funds for its business.
 - 15.5. Further, terms such as "Capital Referral" allegedly referred to repayment of principal, while "Dividend Payout" referred to interest on the CCDs. SBPL maintains that these were debenture/interest payments and not PMS returns or referral incentives. SBPL acknowledges that funds raised through CCDs were temporarily invested in debentures issued by group company KPPL.
 - 15.6. Its explanation is that the funds were originally raised for expansion but could not immediately be deployed because of regulatory proceedings



involving SBPL. SBPL therefore argues that the bank-account transfers to KPPL do not establish an MLM/Ponzi or PMS arrangement.

- 15.7. Noticees submitted that there was no PMS scheme, subscribers and agreements. SBPL also denied that it was investing clients' money in the securities market; and that the SEBI conclusion was allegedly based primarily on fund movements in bank accounts without corroborating documentary evidence.
- 15.8. The Noticees also contend that SBPL and Shares Bazaar AIF have appealed against SEBI's orders cancelling SBPL's stock-broker licence and the confirmatory order. They contend that the present proceedings are based on the same cause of action and therefore invoke the principle of *res judicata*, relying on *SEBI v. Ram Kishori Gupta*.
16. The directors Noticees 2– 4 denied personal liability for the alleged RA violations. They emphasised that MMFF was not approved by the Board and was the initiative of the former CEO. They also denied that they were responsible for the alleged PMS activity.
17. Noticee 4 in his submission contends that his association with SBPL was allegedly interim/probationary with effect from March 20, 2022 and however his appointment was not confirmed. Noticee 4 further submitted that he has never exercised executive authority, held signatory powers, over company accounts or regulatory filings or participated in decisions concerning investors activities. He submitted that he ceased involvement with SBPL from 6 January 2023. He further submitted that he had no knowledge and involvement in research analyst activities of SBPL and requested to be exonerated from the proceedings.
18. With reference to Noticee 5, since no response was received and no hearing is availed, reliance is placed on the SAT order in the matter of Sanjay Kumar Tayal & Others vs SEBI (Appeal No. 68 of 2013 dated February 11, 2014) wherein it was *inter alia* observed and held that:



“..... appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices...”

19. In view thereof, having regard to Rule 4(7) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and Hon'ble SAT Order, as brought out above, it is deemed appropriate to proceed ex-parte in respect of Noticee 5, based on the material available on record as more than reasonable opportunities have been provided to the Noticee 5 in the present proceedings.
20. Moreover, before proceedings further with respect to consideration of submissions made by Noticees on merits with respect to alleged violation of provisions of RA Regulation and Intermediaries Regulations, it is pertinent to address the issue flagged by the Noticee 1 to 4 that the present adjudication proceedings may be barred by the doctrine of *res judicata* in view of the pending appeals (Appeals No. 40, 41, and 42 of 2025) before the Hon'ble Securities Appellate Tribunal ('SAT') against the cancellation of Noticee 1's stock-broker membership and AIF registration. Noticees placed their reliance on the judgment of the Hon'ble Supreme Court in *SEBI v. Ram Kishori Gupta*.
21. I have considered that above submissions made by the Noticees. It is noted that principle law of *res judicata* applies where the subject matter, cause of action, and statutory scope of two proceedings are identical legal capacity. It is further noted that the cancellation of any intermediary registrations under the SEBI (Intermediaries) Regulations, 2008 constitutes enforcement actions aimed at market governance. In contrast, the present proceedings are independent adjudication proceedings initiated under Chapter VI-A of the SEBI Act, 1992 specifically to adjudge monetary penalties, if any, under Section 15EB and Section 15HB for alleged violations of the SEBI (Research Analysts) Regulations, 2014 and the relevant Code of Conduct prescribed thereunder.



22. In view of the above observations and further that the disciplinary actions do not bar adjudication proceedings under Section 15EB and 15HB of the SEBI Act. Therefore, the reliance placed on *SEBI v. Ram Kishori Gupta* is misplaced and the plea of *res judicata* raised by the Noticees is without merit and stands rejected.
23. Having gone through the SCN and submissions made by the Noticees in writing in the forgoing paragraphs, the following issues are being framed for determination;

D. CONSIDERATION OF ISSUES AND FINDINGS:

24. The following issue arises for consideration in the instant matter:

Issue No. I: Whether the Noticees 1 to 5 had violated the provisions of SEBI (Research Analysts) Regulations, 2014 and SEBI (Intermediaries) Regulations, 2008, as alleged?

Issue No. II: If yes, whether the violations on the part of the Noticees would attract monetary penalty under Section 15EB and 15HB of the SEBI Act, 1992 respectively?

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

25. I now proceed to deal with the matter on merits as regards to levelled allegations in respect of the Noticees

Issue No. I: Whether the Noticees had violated the provisions of SEBI (Research Analysts) Regulations, 2014 and SEBI (Intermediaries) Regulations, 2008, as alleged?



26. Here it would be relevant to refer to the text of the aforesaid provisions alleged to have been violated, which inter alia reads as under:

SEBI (Research Analysts) Regulations, 2014:

The relevant portion of Regulations 2 (u) of SEBI (Research Analyst) Regulations, 2014 is reproduced hereunder.

- (u) "research analyst" means a person who is primarily responsible for, -
- i. preparation or publication of the content of the research report; or
 - ii. providing research report; or
 - iii. making 'buy/sell/hold' recommendation; or
 - iv. giving price target; or
 - v. offering an opinion concerning public offer,
 - vi. with respect to securities that are listed or to be listed in a stock exchange, whether or not any such person has the job title of 'research analyst' and includes any other entities engaged in issuance of research report or research analysis.

Explanation. -The term also includes any associated person who reports directly or indirectly to such a research analyst in connection with activities provided above;

‘...

Conditions of certificate.

13. The certificate granted under regulation 9 shall, inter alia, be subject to the following conditions: -

- (i) the research analyst shall abide by the provisions of the Act and these regulations;

...

General responsibility.

24. (1) ...

- (2) Research analyst or research entity shall abide by Code of Conduct as specified in Third Schedule.

...

THIRD SCHEDULE

[See sub-regulation (2) of regulation 24]

CODE OF CONDUCT FOR RESEARCH ANALYST

1.Honesty and Good

Faith Research analyst or research entity shall act honestly and in good faith.

2.Diligence

Research analyst or research entity shall act with due skill, care and diligence and shall ensure that the research report is prepared after thorough analysis.

...

8.Responsibility of senior management

The senior management of research analyst or research entity shall bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures.

....

SEBI (Intermediaries) Regulations, 2008

‘...

SCHEDULE II

SECURITIES AND EXCHANGE BOARD OF INDIA (INTERMEDIARIES) REGULATIONS, 2008

[See regulation 7]

- (3) For the purpose of determining as to whether any person is a 'fit and proper person', the Board may take into account any criteria as it deems fit, including but not limited to the following:

- (a) integrity, honesty, ethical behaviour, reputation, fairness and character of the person;

Code of conduct.

16. An intermediary and its directors, officers, employees and key management personnel shall continuously abide by the code of conduct specified in Schedule III.

...

SCHEDULE III

SECURITIES AND EXCHANGE BOARD OF INDIA (INTERMEDIARIES) REGULATIONS, 2008

[See regulation 16]

...



I. INVESTOR PROTECTION

...

1.2 High Standards of Service

An intermediary shall ensure that it and its key management personnel, employees, contractors and agents, shall in the conduct of their business, observe high standards of integrity, dignity, fairness, ethics and professionalism and all professional dealings shall be affected in a prompt, effective and efficient manner.

An intermediary shall be responsible for the acts or omissions of its employees and agents in respect to the conduct of its business.

.....”

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

In this regard, following was inter alia observed and alleged by SEBI:

With respect to Noticee 1 to 4;

27. With respect to alleged MMFF Scheme (Making Millions Financially Free)

- 27.1. It is alleged that Noticee 1 had offered ‘Making Millions Financially Free’ (MMFF) to the public as a portfolio management scheme offering assured returns varying between 18% p.a. to 48% p.a. under different plans with the full capital protection and collected money in respect of the same. While SBPL was giving investors the impression that their money was being invested in securities markets, there was no evidence available on record which indicated that the monies being raised by SBPL under the aforementioned scheme was actually being invested in the securities market.
- 27.2. Noticee 1 has contended that while it was awaiting approval and the development of a website through which its constituents could trade on the BSE. Since it intended to offer other services such as Research Analysis, Investment Advice and Portfolio Management to its clients, functionalities were built into the said website. Inadvertently, the software developer hosted the website under development on a live server instead of doing so on a test server. The investors appear to have mistakenly considered that the website was live and that it was offering Portfolio Management Services ("PMS"). Noticee No. 1 assured SEBI that they were not carrying on any unregistered activity and undertook that they would not do vide letter dated March 28, 2022.



28. SBPL is registered with SEBI in the capacity of a Research Analyst. As per the current regulatory framework, activities of a SEBI registered Research Analyst are mentioned in Reg. 2(u) which does not include the aforesaid money collection activity.

Reg 2(u) of RA Regulations as reproduced below;

” ...

“Reg 2(u): “research analyst” means a person who is primarily responsible for, -

- i. preparation or publication of the content of the research report; or*
- ii. providing research report; or*
- iii. making ‘buy/sell/hold’ recommendation; or*
- iv. giving price target; or*
- v. offering an opinion concerning public offer,*

with respect to securities that are listed or to be listed in a stock exchange, whether or not any such person has the job title of ‘research analyst’ and includes any other entities engaged in issuance of research report or research analysis.”

...”

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

29. In this regard, further it is observed that during the investigation period, SBPL vide its letter dated October 04, 2022, had submitted that on receipt of letter dated March 17, 2022 from SEBI, all the material relating to unregistered services was immediately deleted from the website. The said material pertaining to PMS was observed on the website as on September 12, 2022 and cached pages of the website downloaded from www.archive.org indicated that material relating to PMS was being hosted on SBPL’s website on May 20, 2022 i.e. after the issuance of the advisory letter dated March 17, 2022 by SEBI. Despite the undertaking provided by SBPL, Noticee 1 continued to retain the content relating to PMS on its website and collect money under the aforesaid MMFF scheme.
30. Further, from the bank statements provided by SBPL vide its reply dated December 16, 2022, it was observed that SBPL has raised money under the aforesaid schemes at least till December 16, 2022 promising assured returns to public.



31. In this regard, Noticee 1 to 4, as part of their reply to the SCN vide letter dated October 09, 2024 also contended that website content was mistakenly hosted due to a developer error and not intended to solicit investors.
32. It is noted that apart from merely stating that it was a mistake and not intended to solicit investors, the Noticee 1 to 4 have not demonstrated the same with relevant details and documents viz., as to how the error occurred and who were responsible for it, further course of actions taken, if any, etc.
33. Further, the content of the website as brought out in the foregoing, evidently mentioned about portfolio management services including a login interface for PMS services. The website also stated that;

'...PMS is our cores strength. We have thousands of happy customers. Currently we have around 2500+ PMS clients out of which 60% are HNI clients...'

In this regard, in the absence of material to the contrary, the presence of promotional statements, operational dashboards, and terminology typically associated with portfolio management services points to a live solicitation rather than inadvertent hosting. The website served as a medium for communicating that the Noticee 1 was providing portfolio management services. Such kind of activities evidently does not fall under the definition of RA.

34. In addition to above, despite receiving SEBI's advisory dated March 17, 2022, the website remained accessible and continued to reflect unregistered PMS-related offerings as late as September 2022. The delay in taking down the website indicates that the entity continued to maintain the content available for public viewing even after being alerted.
35. Moreover, Noticee 1 to 4, as part of their replies to the SCN submitted that MMFF was an individual initiative of the ex-CEO Mr. Trimula and not approved by the Board or other directors. It is noted that evidently regardless of who initially proposed it, the scheme was operational under SBPL's name and infrastructure even after the Noticee 5's termination/exit.



36. The fund mobilisation activities and investor interactions were conducted through the company's bank accounts and infrastructure and involved public money. Noticee 1 remains responsible for the conduct and continuation of such activities irrespective of individual attribution.
37. Furthermore, no material has been brought on record to demonstrate that Noticees 2 to 4, in their respective capacities as Directors and CEO of SBPL, took any affirmative steps or corrective action to halt such unauthorized activities on the website following the CEO's exit. On the contrary, investor payouts and fund movements continued even after that implying the role of Noticee 1 to 4 as well.
38. I further note that Noticee 1 to 4 had submitted previously before SEBI and also during the instant proceedings that they had filed a complaint in police station in respect of Noticee 5. However, no further updates were provided regarding status of complaint and actions taken thereafter.
39. Going with aforesaid submission of Noticees, contents of the FIR lodged were perused, it is noted that the contents of the said complaint do not correspond to the allegations levelled in the instant proceedings. The complaint inter alia read as *'...one TLV Ramesh with malafide intention hatched a plan and criminally conspired with Mr. Palla Ramu and Vooha by damaging reputation in public at large and defrauded company by sharing valuable data of company. When we question mis deeds of TLV Ramesh he threatened management and other directors for dire consequences and blackmailing the inmates for his wrongful gains. Hence request your authority to initiate legal action in the interest of justice...'*
40. There is no reference/ assertion in the complaint about unauthorised money collection that the ex-CEO acted beyond the mandate of the Board as has been claimed by the Noticee 1. The complaints pertain to allegation of *"defrauding by sharing valuable data of the company "*. It appears that the Noticees trying to distance itself from the acts of its key managerial personnel solely to escape the consequences of the violations committed during his tenure. His reliance on a complaint filed in another matter cannot come to the rescue of the Noticee.



In view thereof, the contentions of the Noticees in this regard are devoid of merit and hence not acceptable.

With respect to Bank accounts of the Noticee 1 and Issuance of CCDs

41. As per the analysis of the Noticee 1 bank accounts, SBPL had 7 bank accounts and the details are given below;

S. no.	Particulars of ICICI Bank a/c	Date of Account opening	Observations
1	000405133010	21/02/2022	No transactions were observed
2	000405133011	21/02/2022	No transactions were observed
3	000405133012	21/02/2022	No transactions were observed
4	004005026587	21/02/2022	No transactions were observed
5	004013173482	14/07/2022	Fixed deposit account
6	004005026586	21/02/2022	4 transactions were observed
7	777705999202	10/03/2021	Several credit transactions were observed with narration being 'PMS', Several debit transactions were observed with narration being 'PMS'/'Dividend'/'Referral'

In this regard, it was observed that in Bank Account No. at Sr. No. 7 that transactions relating to PMS were carried out through bank accounts in the name of SBPL wherein multiple banking transactions labelled as "Dividend," "Referral," and "PMS" continued beyond the tenure of the ex-CEO.

42. Further, information furnished by ICICI Bank pertaining to bank account no. 777705999202 for the period March 16, 2021 to October 26, 2022 indicated the following;

Sr. No.	Particular of transactions	No.s	Amount
1	Total no. of credit entries	3451	Rs. 72.66 crores
2	Total no. of debit entries	6686	Rs. 72.41 crores
3	Total no. of credit entries in the bank account having transaction narration of 'PMS'	34	Rs. 47.61 lakhs
4	Total no. of debit entries in the bank account having transaction narration of 'PMS'	2	Rs. 4.46 lakhs
5	Total no. of debit entries in the bank account having transaction narration of 'Di' *	3681	Rs. 6.27 crores
6	Total no. of debit entries in the bank account having transaction narration of 'Re' *	378	Rs. 51.75 lakhs



Total no. of debit entries in the bank account having transaction narration of 'PMS' – 2 with amount of Rs. 4.46 lakhs.

43. On perusal of the above bank account statements, it was observed that SBPL was transferring money to another group entity viz; Kisaan Parivar Private Limited (KPPL). It is relevant to note that Noticee 2 Mr. Bhupal Nanavath is Founder and Managing Director of KPPL.
44. On further perusal of the bank statements of SBPL of ICICI bank account no 77705999202, it was observed and alleged that money received from investors was being utilized either to pay off dues of previous investors in the MMFF scheme by the narrations as 'dividend' and 'referral commissions' or finance the principal activities of Kisaan Parivar Private Limited.
45. It was noted that money being collected from investors in the aforementioned account was either being transferred to KPPL or being used to make payments to various parties including other investors. It was observed that a sum of Rs.13.81 crore was transferred from SBPL to KPPL on 22 different days and a sum of Rs.3.35 crore was transferred from KPPL to SBPL on 4 different days during the aforementioned period.
46. Further, on perusal of KPPL's ICICI bank account no. 416605000511 indicates several transactions with SBPL and with SBPL related entities including investors during the aforesaid period. Based on the transaction narrations, a sum of Rs.9.11 crore was transferred from KPPL to SBPL and other related entities including investors whereas Rs.31.32 crore received by KPPL from SBPL and related entities.
47. SBPL's bank account no. 409966999201 with Ratnakar Bank Limited (RBL) was examined till November 07, 2022 indicates that a sum of Rs.0.75 crore was received by SBPL from KPPL on three days and Rs. 20 lakhs were



transferred by SBPL to KPPL on one day. Furthermore, a sum of Rs. 2.72 lakh was paid as 'Referral' commission through 18 transactions and Rs. 4.07 lakh was paid as 'Dividend' through 21 transactions. A sum of Rs.9.56 crore from ICICI Bank account of Noticee 1 to RBL bank account and a sum of Rs.1.29 crore vice versa.

48. From the analysis of the bank statements of SBPL as above, it was observed that money received from the investors were either being transferred to KPPL or being used to make payments to various parties including other investors. Though the narration of certain credit transactions had the term "PMS", no instances of money received from the investors being invested in Securities market can be observed. Further, the multiple debit entries with narrations as "referral" indicates that SBPL has offered referral income which is a Multi-level-marketing (MLM) strategy to lure investors to introduce more investors into the scheme.
49. In this regard, Noticee 1 to 4, as part of their replies to the SCN have contended that the scheme was not MLM or Ponzi and the funds were raised through CCDs as approved by Board Resolution. Investors were CCD holders or lenders and returns paid were interest amount and not assured PMS returns.
50. It is noted that Noticee 1 to 4 have submitted copy of board resolution (BR) with regard to CCD (compulsorily convertible debentures) and have also submitted a copy of CCD issued to one Mr. Abdul Samad Khan. In this regard, on perusal of the aforesaid copies of BR and CCD certificate, it is noted that the BR is dated as October 06, 2023 and the CCD certificate is dated as December 20, 2022. It is noted that both these dates are outside the examination period which was from March 16, 2021 to December 16, 2022.



51. It is to be mentioned that bank account statements clearly show the entries as referral, dividend payout, PMS and combined with investor statements confirming promises of 18% to 48% p.a. assured returns under the MMFF scheme strongly indicates that monies were mobilized under the guise of portfolio management. In this regard, I also observed that the Noticees had enough opportunities to provide the copies of the CCDs issued up to December 2022. Noticees could not explain receipts of monies which was provided in the SCN. Even during these proceedings which is almost two years after the issuance of the first SCN in the matter to the Noticees, the Noticees have not been able to provide any document in his defence.
52. Moreover, the private placement of CCDs to 198 investors requires compliance under the Companies Act, 2013 such as filing Forms PAS-4, MGT-14 and Return of Allotment with the Registrar of Companies. It is noted that no such documents have been provided by Noticees.
53. This gives rise to a natural corollary that the stand of the Noticees changed when it came to know that SEBI is proceeding in the matter and as an afterthought have projected the entries as CCDs. The present defence raised by the Noticees in this regard cannot be accepted and consequently, there is no hesitation to hold the Noticees liable for allegations as mentioned in the SCN.

Feedback from Investors

54. SEBI contacted investors and sought the responses of Vipin Patil and Vinayak Hegde. It was observed that SBPL had received a sum of Rs. 500000/- on October 29 and 30, 2021 from Vipin Patil without entering into any service agreement with the client and only a draft service agreement was prepared which would be signed only upon receipt of SEBI registration.



1. FOR SHARES BAZAAR PRIVATE LIMITED

2. VIPIN AMAR PATIL

Tirumala Lakshmi Venkata Ramesh (CEO)

(Customer)

(Signature)

(Signature)

WHEREAS, Party No.1 is the Business Owner doing following business: -

A. Portfolio Management Services.

B. Short term Investments.

AND

WHEREAS, Party No. 2 above, is called Customer to the 1st Party.

6. Irrespective of markets, we provide you all of Annexure A.

Annexure A:

- As on Date:02-11-2021 invested with the shares bazaar company from client end of RS.500000.
- Capital secure with 48% assured returns P.A .
- Assured returns 48% Per annum on Investment with capital secure on irrespective of profit or losses
- Dividend Withdrawals will be Monthly basis i.e., 4% on Rs.500000/- irrespective of profit or losses
- Fund allocation charges on returns i.e 2.5% [Ex: Investment - 1,00,000 Profit Booking - 100%, Yearly fixed profit Rs.48000/-, Fund allocation charge 2.5% will be on 48000/- $(48000 \times 2.5/100) = 1200$]
- Top Up can be done multiple times.
- Monitoring of your Portfolio can be access by you through our website (www.sharesbazaar.com / <https://pms.sharesbazaar.com/login>)

55. Mr. Vipin, vide email dated November 24, 2022 submitted that he had withdrawn the PMS monies from SBPL few months back due to economic emergency and SBPL returned all his dues. He had invested in the PMS offered by SBPL for hardly 5 months and that he had received his returns every month. It appeared that SBPL has taken money from Mr Vipin Patil under the



pretext of PMS and short term investments by promising exorbitant assured return of 48% per annum, however, no actual investment of amount received from the investors in securities market could be observed.

56. Another investor, Mr. Vinayak, attached the relevant portion of service agreement dated July 14, 2022 which is signed by one of the director of SBPL but no signature of Vinayak was available.

Annexure A:

- Applicable in Subject to **First Investment Date** and **First Investment Value** (Min 1,00,000/-) By Client to Shares Bazaar.
- We Ensure Yearly **"RETURNS/DIVIDEND"** on Capital Investment irrespective of Profit or Loss of the client's Portfolio in the Equity Market, Subject to the Client having Selected investment Plans, With reference to Below Table 1.

Table 1

Investment Benefits	Plan A	Plan B	Plan C
Capital Secure	100% Capital Secure	100% Capital Secure	100% Capital Secure
Fixed Dividend	18% pa	30% pa	48% pa
Eq. 1,00,000	18,000/- pa	30,000/- pa	48,000/-pa
Profit Sharing	100% Profit - Fixed Dividend	50% Profit - Fixed Dividend	Zero Profit Sharing

- Secured Net Dividend (Fixed ROI) Payout after TDS (10%) & AMC (2.5%) charges will be released according to the Client interest, Monthly, Quarterly, Half Yearly, Or Yearly.

From the above it appeared that there were 3 investment plans under the MMFF scheme. The investor was being offered a 'fixed' dividend varying from 18% to 48 % p.a. while capital was fully secured. The investor was given the impression that the investments were being made in the equity market and a portfolio was created in his name. However, no actual investment of amount received from the investors in securities market by SBPL could be observed.



57. Subsequently, Noticee 1 to 4 as part of their reply to the SCN vide letter dated October 09, 2024 also contended that there was no PMS scheme and that no signed agreements or subscriptions exist.
58. In this regard, it is noted that the offering was publicly advertised as a PMS or similar service, with references to capital protection, fixed returns, and algorithmic trading. These representations went beyond generic corporate communications and reflected an intent to solicit funds for specific investment-linked outcomes i.e. MMFF in the instant case.
59. In this regard, the existence of a formal agreement may not be the sole determinant of a financial MMFF scheme. Hence, the pattern of fund collection repeated payouts to earlier investors and investor understanding of the product offering are equally material. In this case, confirmations received from investors establish the nature of engagement wherein money was actually received by the investors.
60. Also, Noticee 1 to 4 as part of their reply to the SCN vide letter dated October 09, 2024 also contended Directors acted in good faith and should not be held responsible under SEBI Act or RA Regulations.
61. In this regard, it is important to highlight that Directors and management are expected to exercise due diligence in overseeing the all kinds of businesses of the company. In this case, investor complaints, SEBI advisories and substantial fund movements occurred during their tenure with respect to the PMS services wherein SBPL had also undertaken vide letter dated September 26, 2022 inter alia stating that '*...we, Shares Bazaar Private Limited ...hereby undertake that the Company did not offer any alleged portfolio management services pursuant to SEBI letter dated 13.09.2022. The Company hereby undertakes that any services relating to PMS/ investment advisory services/ Research Analyst shall not be provided to any client without registration from SEBI...*'.



Despite this, it was observed that the fund mobilisation with respect to PMS services continued even after SEBI advisory and SBPL undertaking.

62. SBPL is a registered Research Analyst under SEBI regulations which places heightened expectations of conduct. Directors and management are responsible for ensuring that representations and fund mobilisations remain within the regulatory ambit irrespective of their personal involvement in the design of the scheme. The continuation of the MMFF scheme and related financial activities even after change of CEO indicates systemic issues within the company's operations which fall under the collective responsibility of the Board and key managerial personnel.
63. Most importantly, Noticee 5 himself admitted to having developed the MMFF scheme in his submission during the investigation period. Noticee 2 and Noticee 3 were directors of SBPL during the relevant point of time of unauthorised money collection. Noticee 4 was the CEO and Noticee 5 was the ex-CEO of SBPL thereby responsible for the failure of SBPL to act honestly, in good faith and maintain appropriate standards of conduct and adherence to proper procedures.

With respect to Noticee no. 5

64. Vide email dated December 28, 2022 during investigation, Mr Ramesh, *inter-alia*, made the following submissions: -
- 64.1. He had developed the MMFF programme under the assumption that SBPL would get PMS license in couple of months keeping in view of the future projections of the company.
- 64.2. They did not commence any PMS service.
- 64.3. The company has raised the funds in the form of loan only.



- 64.4. The company is in the process of withdrawing the police complaint.
- 64.5. The company opened the ICICI current account no.777705999202 and given authorization to its director Mr. Bhupal Nanavath.
- 64.6. The loans taken from the lender is utilized majorly for the purpose of interest payments and operational expenses and the loan amount will be replaced with lower cost funds, induction of additional capital with premium and out of profits earned, once the company got PMS license.
- 64.7. Balance payments are utilized as advances to Kisaan Parivar.
65. However, he did not appear or respond before this office and therefore we are proceeding ex-parte.
66. As regards role of directors and CEOs of Shares Bazaar Private Limited, SEBI observed that as per Section 27 (1) of the SEBI Act 1992, every director is liable for the contravention committed by the company while he is a director.
67. From the response filed by the ex-CEO i.e. Mr. Tirumala Lakshmi Venkata Ramesh, it was observed that he had admitted to having developed the MMFF scheme in anticipation of getting a PMS license. Pursuant to his resignation on March 07, 2022, Mr Naresh Mitta had taken over as the new CEO on March 30, 2022.
68. As per Clause 8 of Schedule III of Code of Conduct prescribed under the RA Regulations, *"The senior management of research analyst or research entity shall bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures"*. The Noticee 5 Mr. Tirumala Lakshmi Venkata Ramesh is part of Senior Management of SBPL during the aforesaid violation thereby responsible for the alleged violations committed by SBPL.
69. It has been established in the foregoing paragraphs that Noticees 1 to 5 had violated the following provisions;



- I. SBPL has violated the provisions of Regulation 13 (i) and Regulation 24(2) read with clause 1 & 2 of Schedule III of Code of Conduct prescribed under the RA Regulations, 2014 and Clause 3 (a) of Schedule II and Regulation 16 read with Clause I (1.2) of Schedule III of Code of Conduct prescribed under SEBI (Intermediaries) Regulations, 2008.
- II. Noticees 2 to 5 have violated the provisions of clause 8 of Schedule III of Code of Conduct prescribed under the SEBI Research Analysts Regulations, 2014 read with Section 27(1) of SEBI Act, 1992.

Issue No. II: If yes, whether the violations on the part of the Noticees would attract monetary penalty under Section 15EB and 15HB of the SEBI Act, 1992 respectively?

70. It is noted that that Noticee has contended that lapse were technical and inadvertent errors without any malafide intent on behalf of Noticees. This kind of continuous non-compliance with statutory directions and regulations shows lack of proper internal control under the leadership of Noticees 2 to 4. Therefore, Noticees 1 to 5 cannot absolve them of the liability for non-compliance with statutory SEBI Regulations and prescribed Code of Conduct which intends to protect the interest of investors from misrepresentation. In the context of this, I refer to the observations of Hon'ble Supreme Court in the matter of *Chairman, SEBI vs. Shriram Mutual Fund* (2006, 5 SCC 361) wherein the Hon'ble Court had held that, *"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulation is established and hence the intention of the parties committing such violation becomes wholly irrelevant. A breach of civil obligation which attracts penalty in the nature of fine under the provisions of the Act and the Regulations would immediately attract the levy of penalty irrespective of the fact whether contravention was made by the defaulter with guilty intention or not."*
71. Therefore, for the above violation, as brought out in the forgoing paragraphs, I find that Noticees are liable for monetary penalty under section 15EB & 15HB of the SEBI Act, 1992 reads as under:



“

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 contravention where no separate penalty has been provided.

15HB. Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.

.....”

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

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

72. While determining the quantum of penalty under Section 15EB and 15HB of the SEBI Act, it is important to consider the factors as stipulated in Section 15J of the SEBI Act, read with Rule 5(2) of the Adjudication Rules, 1995;

SEBI Act, 1992

“

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

15J. While adjudging quantum of penalty under 15- or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: —

- the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
- the amount of loss caused to an investor or group of investors as a result of the default;
- 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.

.....”

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

73. While the exact quantifiable unfair gain directly attributable to the default cannot be precisely isolated owing to the extensive commingling and inter-entity routing of funds between Noticee 1 and KPPL, the record demonstrates that Noticee 1 mobilized over ₹72.66 crore from investors in violation of aforesaid provisions under Research Analyst Regulations.



74. Further, by offering unauthorized investment schemes and promising huge assured returns, the Noticees exposed the investors to financial risks without regulatory safeguards. However, as a mitigating factor, it is noted that no specific complaints alleging non-receipt of principal amounts are present in the records/ material before me. Further, as regards repetitive nature of default, it is noted that following directions have been issued against Noticee 1:

Sr. No.	Case name	Date of order	Violation of provisions of	Penalty imposed	Direction issued
1	Interim Ex-Parte Order in respect of Shares Bazaar AIF	01/02/2024	Regulation 3(5) read with Form A, regulation 11(2) and 20(1) read with clause 1(c) of fourth schedule of the AIF Regulations, and regulation 4(f) of AIF Regulations read with clause 3(a) of the schedule II of the SEBI (Intermediaries) Regulations, 2008	NA	a. Shares Bazaar AIF is restrained from taking new commitments/ investments from any investors. b. Shares Bazaar AIF is restrained from drawing down funds from the investors for the commitments already received
2	Order in respect of Shares Bazaar Private Limited	31/07/2024	Section 12(3) SEBI Act, 1992 read with Regulation 30A of the SEBI (Intermediaries) Regulations, 2008	NA	Cancel the certificate of registration of Shares Bazaar Private Limited as Stock Broker with registration no. INZ000303836.
3	Confirmatory Order in respect of Shares Bazaar AIF	30/10/2024	Regulation 3(5) read with Form A, regulation 11(2) and 20(1) read with clause 1(c) of fourth schedule of the AIF Regulations, and regulation 4(f) of AIF Regulations read with clause 3(a) of the schedule II of the SEBI (Intermediaries) Regulations, 2008	NA	Confirmed the directions of the Interim Order dated February 01, 2024

75. Having regard to the facts in the matter and taking into account the gravity of the violations, the total magnitude of funds mobilized and the mitigating circumstances regarding no investors complaints and further considering the degree of involvement of the respective Directors and Key Managerial Personnel, I am of the view that the monetary penalties are warranted against the Noticees to commensurate with the default committed in this present matter.



E. ORDER

76. After taking into consideration the facts and circumstances of the case, material available on record, submissions made by the Noticees and also the factors mentioned in the preceding paragraphs, in exercise of the powers conferred upon me under section 15-I of the SEBI Act, 1992 r/w Rule 5 of the
77. Adjudication Rules, 1995, I hereby impose below mentioned penalties on the Noticees, for the aforementioned violations, as discussed in this Order. In my view, the said penalties will be commensurate with the violations committed by the Noticees in this case.

Noticee No.	Name of the Noticee	Imposition of Penalty under	Penalty amount (in ₹)
1	Shares Bazaar Pvt. Ltd. (PAN: ABECS9026N)	Section 15 EB of SEBI Act	10,00,000 (Rupees Ten lacs only)
2	Mr. Bhupal Nanavath (PAN: BYYPN2941Q)	Section 15 HB of SEBI Act	3,00,000 (Rupees Three lacs only)
3	Ms. Prasanna Lakshmi Atluri (PAN: BUTPA3403M)	Section 15 HB of SEBI Act	3,00,000 (Rupees Three lacs only)
4	Mr. Naresh Mitta (current CEO) (PAN: AOVPM1682H)	Section 15 HB of SEBI Act	1,00,000 (Rupees One lac only)
5	Mr. Tirumala Lakshmi Venkata Ramesh (ex-CEO) (PAN:ADMPT9962D)	Section 15 HB of SEBI Act	3,00,000 (Rupees Three lacs only)

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



ENFORCEMENT → ORDERS → ORDERS OF AO → PAY NOW

79. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under Section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.
80. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this Order are being sent to the Noticees and also to the Securities and Exchange Board of India.

**Medha
Jeevan
Sonparote**

Digitally signed
by Medha
Jeevan
Sonparote
Date: 2026.09.29
16:40:48 +05'30'

**PLACE: MUMBAI
DATE: September 29, 2026**

**MEDHA SONPAROTE
ADJUDICATING OFFICER**