

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date of Decision : 15.04.2021

Appeal No. 525 of 2019

M/s. Succinct Fintech Services Private Limited
No. 257, 1st Floor, 9th 'A' Main,
3rd Block Jayanagar,
Bangalore, KA 560 025.

...Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051.

...Respondent

Mr. Vivek Shrivastava, Advocate with Mr. Pulkit Mehta,
Chartered Accountant i/b V.S. Law for the Appellant.

Mrs. Ushajee Peri, Advocate for the Respondent.

CORAM: Justice Tarun Agarwala, Presiding Officer
Justice M.T. Joshi, Judicial Member

Per: Justice Tarun Agarwala, Presiding Officer (Oral)

1. We have heard the learned counsel for the parties. The present appeal has been filed against the order of the Adjudicating Officer ('AO' for short) of the Securities and

Exchange Board of India ('SEBI' for short) dated August 29, 2019 by which the appellant was penalized for a sum of Rs. 10 lakh for violation of Section 12(1) of the SEBI Act, 1992 read with Regulation 3(1) of the SEBI (Investment Advisers) Regulations, 2013.

2. It transpires that the appellant started the investment advisory services from the financial year 2013 onwards. In the same year the SEBI (Investment Advisers) Regulations, 2013 came into force wherein it became mandatory for a person to apply for registration and approval before starting investment advisory services. It transpires that the appellant did not apply for registration and continued to give investment advisory services to its clients. Accordingly, a show cause notice dated July 11, 2019 was issued to show cause as to why appropriate proceedings should not be initiated for imposition of penalty under the aforesaid Act and Regulations. It transpires that eventually the appellant applied for registration on July 3, 2017 and the appropriate registration was granted in October 2017.

3. The AO considering the aforesaid matter found that admittedly the appellant was continuing with the investment

advisory services without applying for registration. This being an admitted fact the AO imposed a penalty of Rs. 10 lakh.

4. Having heard the learned counsel for the parties at some length. We find that once the regulations came into force it was mandatory for the appellant to apply for registration. The appellant instead of applying for registration continued with the investment advisory services and only applied after four years. The fact that the five of the services given by the appellant was required to be registered and approved under the SEBI (Investment Advisers) Regulations, 2013 is not disputed.

5. Considering the aforesaid that the four long years the appellant continued to provide investment advisory services we find that the penalty imposed does not suffer from any error of law. The appeal fails and is accordingly dismissed with no order as to costs.

6. The present matter was heard through video conference due to Covid-19 pandemic. At this stage it is not possible to sign a copy of this order nor a certified copy of this order could be issued by the registry. In these circumstances, this order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally

signed copy of this order. Parties will act on production of a digitally signed copy sent by fax and/or email.

Justice Tarun Agarwala
Presiding Officer

Justice M.T. Joshi
Judicial Member

15.04.2021
msb