

**IN THE SECURITIES APPELLATE TRIBUNAL  
AT MUMBAI**

**DATED THIS THE 6<sup>TH</sup> DAY OF AUGUST, 2025**

**CORAM: Justice P.S. Dinesh Kumar, Presiding Officer  
Ms. Meera Swarup, Technical Member  
Dr. Dheeraj Bhatnagar, Technical Member**

**Appeal No.857 of 2022**

Money Secure Investor  
(Proprietor-Alka Shrivastava)  
527, Mukhtiyar Ganj Near  
Hajare Bhawan Satna,  
(M.P.) – 485001. .....Appellant

(By Mr. Abhishek Mishra, PCS for the Appellant.)

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

(By Mr. Vishal Kanade, Advocate with Mr. Manish Chhangani,  
Mr. Sumit Yadav, Mr. Abhay Chauhan and Mr. Atul Agrawal,  
Advocates i/b. The Law Point for the Respondent.)

THIS APPEAL IS FILED UNDER SECTION 15T OF SEBI  
ACT, 1992 TO SET ASIDE ORDER DATED AUGUST 30, 2022  
(Ex-A) PASSED BY SEBI.

THIS APPEAL HAVING BEEN HEARD AND RESERVED FOR  
ORDERS ON JULY 10, 2025, COMING ON FOR

PRONOUNCEMENT OF ORDER THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

### **ORDER**

**Per: Justice P.S. Dinesh Kumar, Presiding Officer**

This appeal is directed against order dated August 30, 2022 passed by the WTM<sup>1</sup>, SEBI<sup>2</sup> issuing certain directions and imposing monetary penalty of Rs.15 Lakhs.

2. We have heard Mr. Abhishek Mishra, Authorised Representative for the appellant and Mr. Vishal Kanade, learned Advocate for the respondent.

3. Brief facts of the case are, appellant is a registered Investment Adviser situated in Indore.

4. Pursuant to receipt of multiple complaints against the appellant, SEBI issued a Show Cause Notice ('SCN' for short). After receiving appellant's reply and adjudicating the matter, the WTM, SEBI has passed the impugned order. Assailing the correctness of the order, the appellant is before this Tribunal.

5. Shri Mr. Abhishek Mishra, learned Authorised Representative submitted that there are seven allegations

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<sup>1</sup> Whole Time Member

<sup>2</sup> Securities and Exchange Board of India

against the appellant and all allegations are frivolous. Appellant has given appropriate reply to the SCN. All complaints against the appellants have been resolved, therefore the impugned order is unsustainable in law.

6. Shri Vishal Kanade, learned Advocate for the SEBI argued opposing the appeal contending *inter alia* that the WTM has recorded cogent reasons and the appeal doesn't merit any consideration.

7. We have considered the rival contentions and perused the records. Following allegations are levelled against the appellant:

- a. That the appellant had failed to provide material information to SEBI;
- b. That the appellant was promising assured returns to its clients;
- c. That the appellant obtained the trading account details of the clients and executed trades on their behalf;
- d. That the appellant had carried out improper risk profiling of its clients and failed to abide by the principles of suitability;

- e. That the appellant imposed arbitrary and unreasonable fees on its clients;
- f. That the appellant had violated the SEBI Circular on not accepting cash deposits; and
- g. That the appellant had not redressed the complaints of investors.

8. Appellant's learned Authorised Representative submitted that the first allegation is with regard to not providing information about a false FIR filed against the appellant. He submitted that the FIR has been quashed by the Hon'ble High Court of Madhya Pradesh. The learned WTM has noted appellant's reply in para No.5.12 of the impugned order. It was argued that police had given the information about the FIR. However, the point for consideration is, whether law required the appellant to bring such information to SEBI's knowledge. Regulation 13(b) of SEBI (IA) Regulations, 2013<sup>3</sup> reads thus:

*"The investment adviser shall forthwith inform the Board in writing, if any information or particulars previously submitted to the Board are found to be false or misleading in any material particular or if there is any material change in the information already submitted."*

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<sup>3</sup> Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.

9. The above Regulation is clear to the effect that if there was any material change in the information already submitted, an Investment Adviser is required to convey the same to the SEBI.

10. The second allegation is, promising assured returns. Learned Authorised Representative submitted that it is stated in the service agreement that the service shall be for a period of 35 days, and if the approachable profit was not reached appellant would provide 'complimentary services' till the shortfall in the approachable profit was not realized. Thus, the appellant has tacitly admitted that he had offered assured returns in an indirect manner.

11. The third allegation is, obtaining trading account details and executing trades on behalf of the clients. Appellant's stand is a complete denial. Adverting to paragraph No.5.48 to 5.53, Shri Kanade submitted that the SEBI has considered cases of three clients, namely, Mr. Joy Kiran from Mysore, Mr. Pawan from Belgaum and Mr. Bhavesh Kumar Bhatt from Vadodara. We have perused the Table No.1<sup>4</sup>. It shows that the trading was done from Indore at a place having latitude 22.7167 and longitude 75.8333. As rightly pointed out by Shri Kanade the clients are from Karnataka and Gujarat. Trading has been admittedly done from Gujarat. This was sought to be explained by appellant's Authorised Representative

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<sup>4</sup> Table -1 at Page 24 of the impugned order passed by WTM, SEBI.

contradicting that the trades may have been done through a sub-agent in Indore. Shri Kanade drew our attention to paragraph No.5.52 and pointed out that the WhatsApp chat between appellant's executive and Mr. Joy Kiran clearly indicate that the client had passed on the password and pin to appellant's executive. The relevant transcript reads as follows:

*"Executive of the Noticee: Fund daal kar msg kar digiye*

*Joy Kiran: 10000/Rs. Funded in Zerodha. NMXX46; Password AnitXXXX9; Pin 62XX99."*

12. Similarly, the following conversation between another client by name Mr. Bhavesh Kumar Bhatt and appellant's executive fortifies SEBI's contention.

*"Bhaveshkumar Bhatt: I borrowed money from my brother and when you lost my capital and didn't pick up my phone, so he would have sent the complaint to SEBI.*

*Executive working with the Noticee (Phone: 968XXXX790): It's ok. I will send a complaint withdrawal format. You fill that and send it. And you don't have to make any more payments to us today. Hereafter, do not do such things as sending complaint to SEBI, since this will ruin our long term relationship ... now the company has asked me to no longer handle your demat account....I will keep supporting you, but you will have to handle the account yourself."*

13. The fourth allegation is carrying out improper risk profile. Appellant's Authorised Representative submitted that appellant was fully compliant with all the Regulations. However, the facts narrated with regard to the age and other details mentioned in para No.5.22 was not denied. It is noted in the impugned order that Mr. Mohammed Salahuddin was aged 70 years. He had more than 5 dependents and no emergency funds. But, the appellant has sold him a high net-worth individual package promising a return of Rs.23 Lakhs and charged Rs.4.8 Lakhs as fees.

14. The next two allegations are about collecting unreasonable fees and collecting it in cash. Appellant's case is that he has not collected any unreasonable fees and there are no complaints on this subject. The details of money collected are recorded in Tables 3 to 6 in the impugned order. With regard to collection in cash, learned Authorised Representative conceded that appellant was initially collecting in cash but rectified the said mistake.

15. The last allegation is, not redressing the complaints. Learned Authorised Representative adverting to Table No.9 in the impugned order submitted that all complaints have been resolved. The delay, if any, in resolving is solely because SEBI has belatedly forwarded the complaints. He is right in his complaint. The Table No.9 is extracted hereunder:

Sr. No	SCORES Complaint No.	Name of Complainant	Date of receipt of complaint	Date of forwarding complaint to IA(X)	Date of Reminders	Date of Final ATR (Y)	Excessive time above 30 days
1	SEBIE/M P20/000 0281/1	Subhash Chand	29 Jan 2020	27 May 2020	01 Jul 2020 23 Jul 2020 14 Aug 2020	NA	62
2	SEBIE/M P20/000 0674/1	Gautam Ganvi	07 Feb 2020	27 May 2020	03 Jun 2020 24 Jun 2020 03 Aug 2020	NA	92
3	SEBIP/M P20/000 0804/1	Dipak Mendhe	26 Feb 2020	27 May 2020	09 Jul 2020 03 Aug 2020	NA	92
4	SEBIE/M P20/000 0890/1	Mohammed Salahuddin	12 Apr 2020	27 May 2020	09 Jul 2020 03 Aug 2020	NA	92
5	SEBIE/M P20/000 1004/1	Sathishkumar	09 May 2020	12 May 2020	24 Jun 2020  13. Jul 2020 22 Jul 2020  14. Aug 2020	NA	107
6	SEBIE/M P20/000 1007/1	Pramod Kumar	11 May 2020	27 May, 2020	01 Jul 2020 22 Jul 2020 14 Aug 2020	NA	92
7	SEBIP/M P20/000 0112/1	Joy Kiran	11 June 2020	17 June 2020	10 Jul 2020 03 Aug 2020	NA	71

16. A careful perusal of columns No.3 and 4 in the above table clearly show that delay in forwarding is on the part of SEBI.



17. Thus, in our view, allegations (a), (c), and (d) are proved. Appellant has admitted accepting cash, thus the allegation 'f' also stands proved. What remains for consideration is the quantum of penalty. Appellant is liable for penalty under Section 15HA only and in our view, ends of justice would be met by reducing the quantum of penalty.

18. In the result, the following

### **ORDER**

- 1) Appeal is ***allowed in part*** by modifying the penalty to Rs.5 Lakhs.
- 2) Pending interlocutory application(s), if any, stand disposed of.
- 3) No costs.

Justice P.S. Dinesh Kumar  
Presiding Officer

Ms. Meera Swarup  
Technical Member

Dr. Dheeraj Bhatnagar  
Technical Member

06.08.2025  
RHN