

## SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

## FINAL ORDER

UNDER SECTIONS 11(1), 11(4) AND 11B(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992.

## IN RESPECT OF –

NOTICEE	PAN
DHEERAJ KAPOOR	BLZPK3322E

## IN THE MATTER OF WISHWORTH FINANCIAL SERVICES.

1. Securities and Exchange Board of India (“**SEBI**”) issued a Final Order No. WTM/ASB/WRO/WRO/19310/2022–23 dated September 9, 2022 (“**SEBI Order**”), against Wishworth Financial Services and its Owners–Pankaj Khanchandani and Dheeraj Kapoor *inter alia* observing that the aforementioned entities had violated the provisions of Section 12(1) of the SEBI Act, 1992 (“**SEBI Act**”) read with Regulation 3(1) of SEBI (Investment Advisers) Regulations, 2013 (“**Investment Advisers Regulations**”).
2. Dheeraj Kapoor (“**Noticee**”) had preferred an appeal against the SEBI Order, before the Securities Appellate Tribunal (“**SAT**”). The Hon’ble SAT vide its Order dated November 25, 2022 in *Appeal No. 917 of 2022–Dheeraj Kapoor vs. SEBI* (“**SAT Order**”), while allowing the Appeal had observed:

*“1. Admittedly, the show cause notice was not delivered through speed post. It has been contended that the show cause notice was delivered through email. However, we find that the notice for hearing was not served either by speed post, registered post or through email. Consequently, we are of the opinion that adequate opportunity was not provided to the appellant to defend himself. On this short ground, we set aside the impugned order in so far as it relates to the*

*appellant and remit the matter to the Whole Time Member (hereinafter referred to as 'WTM') to decide the matter afresh in accordance with law.*

*2. In this regard, the appellant shall appear before the WTM on December 5, 2022 on which date he would be served with the show cause notice and matter will proceed from there onwards. ...”*

3. Pursuant to the SAT Order, the Noticee vide an e-mail dated December 2, 2022 (sent from kapoor03@yahoo.com), requested SEBI to direct the banks, depositories to unfreeze his bank and demat accounts and also to inform the Madhya Pradesh Government to unfreeze his property.
4. Vide an e-mail dated December 3, 2022, the Noticee also requested SEBI to inform him of further steps needed to be taken in the matter. In reply, vide an e-mail dated December 3, 2022 (sent to kapoor03@yahoo.com), SEBI informed the Noticee to ensure compliance with the SAT Order and visit the SEBI Office in Mumbai on December 5, 2022 at 11 a.m. for collection of the *Show Cause Notice dated January 20, 2022 (“SCN”)*, issued in the matter of Wishworth Financial Services. Further, SEBI informed the Noticee that pursuant to receipt of a reply to the SCN, an opportunity of hearing would thereafter be granted to him.
5. As regards the Noticee’s request reproduced at paragraph 3, vide an e-mail dated December 5, 2022, which was addressed to banks, depositories, etc. SEBI had directed that the debit /credit freeze on the bank accounts, demat accounts, trading accounts, mutual funds of the Noticee, be removed with immediate effect.
6. Contrary to the directions issued by the Hon’ble SAT, the Noticee failed to appear before SEBI on December 5, 2022, to collect the SCN. Further, no communication was received from the Noticee, by SEBI, providing reasons for his non-appearance before the WTM, SEBI, on the aforesaid date. In this context and for ensuring compliance with the principles of natural justice, SEBI forwarded a copy of the SCN to the Noticee vide an e-mail dated December 6, 2022 (sent to kapoor03@yahoo.com). The Noticee replied to the said e-mail

vide an e-mail dated December 8, 2022, acknowledging receipt of the SCN but also stating that he had not received the earlier e-mail sent by SEBI on December 3, 2022. Further, the Noticee requested for an inspection of documents, which was acceded to by SEBI. The Noticee carried out the inspection of documents on December 15, 2022 at the SEBI Indore Local Office, wherein SEBI had provided him with the following documents:

- a) Copy of bank account statement of Indian Bank Account No. 638389322, of the Noticee;
- b) Copy of bank account statement of State Bank of India (“SBI”) Account No. 20379228584, of the Noticee;
- c) Copy of bank account statement of HDFC Bank Account No. 50100086438808, of the Noticee;
- d) Print out of e-mail dated December 5, 2022, issued by SEBI to all banks, stock exchanges, depositories, mutual funds, etc. advising them to remove the debit /credit freeze on the bank accounts, demat accounts, trading accounts, mutual funds with immediate effect, for PAN BLZPK3322E of the Noticee;
- e) Print out of e-mail dated December 7, 2022, received from ICICI Bank, informing the release of the credit /debit freeze marked on ICICI Bank Account No. 004101560063, of the Noticee.

- 7. The Noticee filed a reply to the SCN vide letter dated December 27, 2022 sent through email dated December 27, 2022 (from ID: kapoor03@yahoo.com).
- 8. Thereafter, an opportunity of hearing was granted to the Noticee on January 16, 2023. The Noticee attended the hearing through his authorized representative, Abhishek Mishra, who reiterated the submissions contained in the abovementioned reply dated December 27, 2022. Thereafter, an email was sent by SEBI to the Noticee asking him to furnish certain information and documents. Subsequently, the Noticee filed additional written submissions dated January 17, 2023.

9. In his replies dated December 27, 2022 and January 17, 2023, the Noticee *inter alia* submitted as under:

- a) *I used to work in a Business Process Outsourcing Company and then decided to switch over to a different job where I met Pankaj Khanchandani (“Pankaj”). He was my Manager in that Company.*
- b) *Pankaj wanted to start his new business and asked me for my bank account details. As I was unemployed at that point in time, in order to earn for my family, I, out of naivety, shared my bank account details. However, I took the same in writing from Pankaj and entered into an Agreement mentioning the requisite terms and conditions, but the same has been misplaced by me.*
- c) *I was unaware that Pankaj was using my bank account for unregistered investment advisory activities.*
- d) *I didn’t join Wishworth Financial Services as an employee or in any other capacity. I have no connection with Wishworth and the illicit activities carried out by Pankaj.*
- e) *I was trapped by Pankaj as he stated that he would use my bank account for taxation purposes while also giving me 5% of the amount credited in my bank account. That my bank account was used for very limited transactions is evident from Clause 5.a. of the SCN where 90% of the alleged receipt of money from investors were in the account of Pankaj.*
- f) *That my bank account was in control of Pankaj is evident from the deposits and withdrawals done by Pankaj for his business activities.*
- g) *That after 7 months i.e. in February 2018, I got to know that Pankaj was carrying out fraudulent activities and since I was against it, I decided to back out of this activity. Then, I took back the bank details from Pankaj.*
- h) *After ending operations with Pankaj, I had no knowledge where he was or what he was doing, as he became a fugitive. Thereafter, I was totally unaware of the activities of Pankaj or the firm.*
- i) *I am presently working with Amazon for the last 5 years.*
- j) *I got to know through newspapers that Pankaj started a new entity “Capital Share Research’ where he was continuing with his fraudulent activities. Pankaj subsequently got arrested by the Crime Branch, Indore, and the details of his activities can be accessed through the following media links:*

- <https://www.freepressjournal.in/ujjain/ujjain-2-booked-for-duping-teacher-of-rs-501;>
  - <https://www.etvbharat.com/hindi/madhyapradesh/state/indore/accused-pankaj-khanchandani-arrested-of-fraud-in-name-of-advisory-firm/mp2-21-6-2234128572;>
  - <https://www.dailypioneer.com/2021/state-editions/2-held-for-duping-govt-contractual-teacher-of-rs.-501.html>
  - <https://youtu.be/7Px4Q6Tvp28>
  - <https://youtu.be/tXa7H4tCXBE>
- k) It can be assessed through the abovementioned links that Pankaj had a fraudulent intention and many FIRs were lodged against him and he was arrested too by the Crime Branch. Copies of news articles are annexed.
- l) That in none of the matters, my name was highlighted, which clears the fact that I was not involved in any fraudulent activity.
- m) In the month of April 2018, a client of the firm had approached me and stated that he had faced losses and wanted his money back, for which I had duly refunded the client his money which was lost in share market, as the same was credited in my bank account. Apart from the same, I am not aware of any complaints including the one made to SEBI in October 2017 by Naresh Maini.
- n) If SEBI had only informed them regarding the complaint and the operations being carried out by them as not being permissible, I would have closed the operations at that point in time only.
- o) It is alleged in the SCN that I had received a total of Rs.81,99,925 as fees from investors in my ICICI Bank Account till February 2018. However, the said bank account is my primary bank account, which is still active, in which I receive my salary. So, the alleged credits of Rs.81,99,925 accounted till February 2020 are irrelevant as I had closed operations with Pankaj in February 2018 itself. The bank statement for the period July 15, 2017 to February 28, 2018 is enclosed, in which total credits sum up to Rs.41,80,492, which include my personal entries, such as inter se transfers in family, loan taken, cash deposits, etc.
- p) The amount credited through SRV Media Technologies Pvt. Ltd. is the actual receipt of money credit in my bank account by investors, which was a digital

*platform used for charging fees. The said entries have been duly highlighted in yellow, which amount to Rs.13,12,508 only.*

- q) I had shared the bank details of SBI, Indian Bank, HDFC Bank and ICICI Bank with Pankaj. However, the fees with respect to the alleged unregistered investment advisory activities were received in ICICI Bank through a payment gateway of SRV Technologies Pvt. Ltd. The said activity stopped around 2017 end. However, SEBI has clubbed the credit transactions till year 2020, which had nothing to do with alleged unregistered investment advisory activities. All credit transactions in the entire period were not received from investors, which can be cross verified from the entries and the narrations of the transactions in the bank statement.*
- r) The net income being 5% of the amount credited in my account is minimal. Further, my current revenue earning capacity is very low, which is evident from the Income Tax Returns of last 4 years filed by me, which are enclosed. I had annual total income of Rs.65,810, Rs.2,09,400, Rs.2,62,620 and Rs.2,29,890 during the last 4 financial years. I am not in a position to refund the amount of Rs.13,12,508, which was received in my account.*
- s) I didn't have any Gumasta or Nagar Nigam or any local license under Shops and Establishment Act in my name, which proves that I was not involved in any activities of Wishworth Financial Services.*
- t) I admit the fact that I should not have given my bank details to Pankaj. However, it was done as a mistake due to lack of knowledge about Pankaj's illicit intentions. SEBI has not taken into consideration the same. I am myself a victim of fraudulent activities.*
- u) Had SEBI initiated action in 2017 itself, I would have been in a better position to furnish more evidence and documents against actual culprit.*
- v) I request SEBI to drop the proceedings.*

10. Further, the Noticee also submitted *inter alia* copies of statement of his ICICI Bank Account, Offer Letter from Amazon, certain newspaper articles about Pankaj and income tax returns for AY 2019-20, 2020-21 & 2021-22.

## **FINDINGS:**

11. At the outset, I note that while the Hon'ble SAT vide the SAT Order has set aside the SEBI Order in so far as it relates to the Noticee and has remitted the matter to the undersigned to decide the matter afresh in accordance with law, the SEBI Order against Wishworth Financial Services and Owner, Pankaj Khanchandani, still remains valid and the findings made and directions issued against them vide the SEBI Order continue to remain in force. In view of the same, though the facts and observations mentioned in the SEBI Order have been referred to in this Order wherever deemed necessary, this Order essentially deals with the case of Noticee (Dheeraj Kapoor). Accordingly, I have gone through the common allegations mentioned in the SCN and the reply filed by the Noticee in respect of the same. It is alleged in the SCN that the Noticee and Pankaj Khanchandani had held themselves out as '*investment advisers*' without obtaining registration from SEBI in violation of the provisions of Section 12(1) of the SEBI Act read with Regulation 3(1) of the Investment Advisers Regulations. The aforementioned provisions of law read as under:

### ***Provisions of the SEBI Act:***

#### ***"Section 12 of the SEBI Act – Registration of stock brokers, sub-brokers, share transfer agents, etc.***

*12. (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:*

*Provided that a person buying or selling securities or otherwise dealing with the securities market as a 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 immediately before the establishment of the Board for which no registration certificate was necessary*

*prior to such establishment, may continue to do so for a period of three months from such establishment or, if he has made an application for such registration within the said period of three months, till the disposal of such application: Provided further that any certificate of registration, obtained immediately before the commencement of the Securities Laws (Amendment) Act, 1995, shall be deemed to have been obtained from the Board in accordance with the regulations providing for such registration.”*

***Provisions of the Investment Advisers Regulations:***

***“Regulation 3 of the Investment Advisers 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:”*

12. As has been mentioned in the SEBI Order, SEBI had earlier received a complaint dated October 24, 2017, against Wishworth Financial Services and its Proprietors—Pankaj Khanchandani and the Noticee from one, Naresh Maini (“**Complainant**”), wherein it was *inter alia* alleged that the aforesaid entities were offering financial investment plans with assured returns to the complainant; as a result, the complainant had paid an amount of ₹41,499 to aforesaid entities but thereafter, had failed to receive any intimation /communication from the Noticees.
13. From the material available on record, the following is observed:
  - (a) The website [www.wishworth.in](http://www.wishworth.in) (the website is no longer active; however, archive pages of the website were downloaded from [web.archive.org](http://web.archive.org)), had stated that: “(they are) a team of expert market analyst with huge experience in capital market research. We provide recommendations for stocks in cash, futures and option, traded in NSE & BSE commodities including bullions, metals and energy traded in MCX. We provide live recommendations through SMS and chat room services. Our SMS facility



is a very effective system which ensures the instant message delivery without any loss of time, so the clients get sufficient time to execute their trades in order to fetch maximum profits.”

- (b) Through the abovementioned website, various subscription packages relating to recommendations for stocks in cash, futures and option, etc. were offered to prospective clients, details of which are reproduced below:

SUBSCRIPTION PACKAGE	SUBSCRIPTION AMOUNT IN ₹			
	MONTHLY	QUARTERLY	HALF – YEARLY	YEARLY
<b>EQUITY CASH</b> – “In Equity Cash package, we provide stock cash intraday tips for traders who trade in NSE.”				
EQUITY CASH	7000	15000	25000	40000
PREMIUM CASH		45000	75000	110000
HNI CASH		70000	110000	170000
POSITIONAL CASH	15000	35000	60000	90000
<b>STOCK FUTURE</b> – “We provide stock futures calls with a high level of accuracy. .... stock future tips for our new and old clients makes sure that you make huge profits through your investment.”				
EQUITY CASH	7000	15000	25000	40000
PREMIUM CASH		45000	75000	110000
HNI CASH		70000	110000	170000
POSITIONAL CASH	15000	35000	60000	90000
<b>COMMODITY</b> – “We provide intraday trading recommendation in base metal, energy and precious metals.”				
BULLIONS		25000	40000	60000
BASE METAL		15000	27000	50000
<b>STOCK OPTION</b> – “(This) service is specifically designed for option traders with low risk. Wishworth provides best tips to intraday traders for making money with minimum risk.”				
OPTION CALL & PUT		15000	25000	40000
PREMIUM OPTION		35000	60000	90000
HNI OPTION		45000	75000	110000
POSITIONAL OPTION		35000	60000	90000
POSITIONAL OPTION		60000	90000	120000
<b>BTST/STBT</b>				
BASIC CASH		15000	25000	40000
<b>NIFTY SPECIAL</b> – “Uniquely designed for NIFTY traders trading in NIFTY and Bank Nifty Futures and Options. Wishworth provides best tips to day traders for making money.”				
NIFTY SPECIAL		12000	20000	30000
<b>MCX</b>				
ENERGY		12000	20000	30000
ALL MCX		35000	60000	90000
PREMIUM MCX		60000	90000	120000
HNI MCX		80000	130000	200000

(c) In addition to the above, the said website had also offered prospective clients, a Wishworth Special subscription package offering 'any 1 Counter @ ₹35000' and 'any 2 Counter @ ₹50000'.

(d) The website mentioned eight bank account nos. for payment of consideration towards subscription for the above mentioned packages i.e. (i) ICICI Bank Account No. 144101506596, (ii) ICICI Bank Account No. 004101560063, (iii) Axis Bank Account No. 914010023271064, (iv) SBI Bank Account No. 63020204729, (v) SBI Bank Account No. 20379228584, (vi) Indian Bank Account No. 6383893221, (vii) HDFC Bank Account No. 50100086438834 and (viii) HDFC Bank Account No. 50100086438808. As noted from the material available on record, the total credits received in the aforesaid bank accounts for the period from July 15, 2017 till March 31, 2020, amounted to ₹10,00,53,951, as shown below:

<b>BANK</b>	<b>A/C OPERATED BY</b>	<b>PERIOD</b>	<b>AMOUNT IN ₹</b>
ICICI BANK ACCOUNT NO. 144101506596	PANKAJ KHANCHANDANI	15.07.2017–04.02.2020	8,31,76,145
ICICI BANK ACCOUNT NO. 004101560063	DHEERAJ KAPOOR	15.07.2017–27.02.2020	81,99,925
AXIS BANK ACCOUNT NO. 914010023271064	PANKAJ KHANCHANDANI	15.07.2017–04.02.2020	27,88,989
SBI BANK ACCOUNT NO. 63020204729	PANKAJ KHANCHANDANI	15.07.2017–31.03.2020	*5,02,769
SBI BANK ACCOUNT NO. 20379228584	DHEERAJ KAPOOR	15.07.2017–01.11.2019	2,55,041
INDIAN BANK ACCOUNT NO. 6383893221	DHEERAJ KAPOOR	15.07.2017–31.05.2018	3,28,721
HDFC BANK ACCOUNT NO. 50100086438834	PANKAJ KHANCHANDANI	15.07.2017–03.02.2020	38,33,716
HDFC BANK ACCOUNT NO. 50100086438808	DHEERAJ KAPOOR	15.07.2017–27.02.2020	12,23,686
<b>TOTAL</b>			<b>10,00,53,951</b>
*THIS ALSO INCLUDES THE AMOUNT OF ₹19,999 AND ₹15000 FOR TRANSACTIONS MADE BY THE COMPLAINANT, NARESH MAINI, ON JULY 15, 2017 AND JULY 19, 2017, TOWARDS SUBSCRIPTION FOR PACKAGES OFFERED BY THE NOTICEE.			

14. It is observed from the above that the bank accounts mentioned on the website [www.wishworth.in](http://www.wishworth.in) for the purpose of receiving consideration in lieu of subscription to the services advertised therein, were held in the names of Pankaj Khanchandani and the Noticee, thereby indicating that the beneficiaries

of such website, were indeed only these two persons. Vide the SEBI Order, the said finding has already been established, as regards Pankaj Khanchandani.

15. The Noticee has denied the allegations in the SCN and has submitted that he was not involved in any unregistered investment advisory services. He has stated that he had merely allowed his bank account to be used by Pankaj Khanchandani for certain tax purposes, on a commission of 5%, under certain terms and conditions, since the Noticee was unemployed and needed money to support his family. He has further stated that it was Pankaj Khanchandani, who was running all fraudulent activities, without the knowledge of the Noticee. However, I note that the Noticee has not furnished any written record / proof of such agreement between Noticee and Pankaj Khanchandani. Further, since the Noticee has himself admitted that he had allowed his account to be used by Pankaj Khanchandani on commission basis, the Noticee cannot absolve himself from the legal liabilities arising out of deployment of bank accounts for activities which are found to be fraudulent. Further, since the Noticee's bank account details were mentioned on the website [www.wishworth.in](http://www.wishworth.in) and that he has directly benefitted from the credits received in his bank accounts from investors, he cannot claim innocence and thus his culpability in running unregistered investment advisory services is established.
16. The Noticee has further contended that he came to know about the fraudulent activities of Pankaj Khanchandani in February 2018, after which he took control of his bank accounts from Pankaj Khanchandani. The Noticee has contended that though the SCN alleges credits in four different bank accounts of Noticee (with ICICI Bank, HDFC Bank, SBI and Indian Bank), the credits from investors were received only in his ICICI Bank Account. The Noticee has submitted that the total credit received in his ICICI Bank account from July 15, 2017 to February 28, 2018 was Rs.41,80,492, which included personal entries of the Noticee, such as inter-se transfers in family, loan etc. Further, as per the Noticee, the total fees received from investors in his bank account was Rs.13,12,508 only, as against Rs.81,99,925 alleged in the SCN.

17. In this regard, I note that the SCN has alleged total receipt of Rs.97,52,332 in four different bank accounts of the Noticee, which were mentioned on the website [www.wishworth.in](http://www.wishworth.in). The Noticee is alleged to have received Rs.81,99,925 in his bank account with ICICI, Rs.12,23,686 in his bank account with HDFC Bank, Rs.2,55,041 in his SBI Bank account and Rs.3,28,721 in his bank account with Indian Bank (refer to Table under Para 13(d) above). However, he has contended that except for the receipts in ICICI Bank Account, no credits were received from investors in other bank accounts. It is noted from the narration against credit entries mentioned in Noticee's Bank Account Statement pertaining to ICICI Bank Account that there were regular transfers of funds from the said account to Pankaj prior to February 2018, which stopped thereafter. Thus, the Noticee's contention that credits were received from investors only till Feb 2020 appears credible. Since the Noticee has contended that the credits in the ICICI Bank Account from investors were received through SRV Media Technologies Pvt. Ltd., such transactions in the bank statement were examined. It was found that such credit transactions amounted to Rs.13,41,857.29, as against Rs.13,12,508 claimed by the Noticee. Thus, going by the Noticee's own admission, it is clear that he had received at least Rs.13,41,857.29 in his bank account with ICICI as fees from investors. As regards other bank accounts, since the Noticee has contended that money from investors was credited only in the bank account with ICICI Bank, the transactions in other bank accounts were examined. However, from the narration of such transactions, it is difficult to ascertain the source of such credits. Though the Noticee has claimed that no money was received from investors in other bank accounts, the possibility of investors having paid in such accounts cannot be ruled out.
18. The Noticee has claimed to have actually received only 5% of total credits in his bank accounts. However, the same is immaterial and does not lessen the liabilities of the Noticee to make refunds to the investors.
19. Considering the aforesaid, I find that all such sums were nothing but consideration received by the Noticee from investors /clients, in lieu of

*'Investment Advice'* offered through subscription to its investment advisory services.

20. The definition as given in Regulation 2(m) of the Investment Advisers Regulations states that *'Investment Adviser'* shall mean “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 any person who holds out himself as an investment adviser, by whatever name called”. Further, Regulation 2(l) of the Investment Advisers Regulations defines *'Investment Advice'* as “advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning.” The aforementioned definitions when viewed in light of the observations contained in the preceding paragraphs lead me to conclude that the Noticee had indeed held himself out as *'Investment Adviser'* by offering to give *'Investment Advice'* related to investing in, purchasing and selling of securities in lieu of consideration received through various investment packages offered for subscription on the abovementioned website, to prospective investors /clients.
21. Section 12(1) of the SEBI Act *inter alia* provides that no investment adviser shall buy, sell or deal in securities except under, and in accordance with, the conditions of a Certificate of Registration obtained from SEBI. Further, Regulation 3(1) of the Investment Advisers Regulations provides that 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. It is pertinent to mention that the Noticee was never registered with SEBI, in any capacity as an intermediary. By operating as *'Investment Adviser'* as defined under Regulation 2(m) of the Investment Advisers Regulations, without obtaining registration from SEBI, I find that the Noticee had violated Section 12(1) of SEBI Act read with Regulation 3(1) of the Investment Advisers Regulations.

22. The SCN had *inter alia* called upon the Noticee to show cause as to why suitable directions under Sections 11(1), 11(4) and 11B(1) of the SEBI Act, should not be issued against him. In the instant proceedings, the amount of fees /consideration collected by the Noticees as a result of providing unregistered '*Investment Advice*' to investors, amounted to at least Rs.13,41,857.29. In light of the findings in the preceding paragraphs, I am of the considered view that the Noticee is liable to refund the aforementioned amount collected as fees in lieu of unregistered '*Investment Advice*' offered to the clients /investors, and accordingly, a direction to them to refund such amount will be in the interest of investors in the securities market. I however, note that the SCN does not identify any particular investor or any specific group of investors who have suffered losses due to unauthorized activity carried out by the Noticee.

**ORDER:**

23. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11(1), 11(4) and 11B(1) read with of Section 19 of the SEBI Act, hereby direct that:
- (a) The Noticee, Dheeraj Kapoor, shall, within a period of three months from the date of coming into force of this Order, refund the money received from any complainants /investors /clients, as fees /consideration or in any other form, in respect of his unregistered investment advisory activities;
  - (b) The Noticee shall issue public notice in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of contact person such as names, addresses and contact details, within 15 days of coming into force of this Order;
  - (c) The repayments to the complainants /investors shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or

through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments;

- (d) The Noticee is prevented from selling his assets, properties and holding of mutual funds /shares /securities held by him in demat and physical form except for the sole purpose of making the refunds as directed above. Further, the banks are directed to allow debit only for the purpose of making refunds to the clients /investors /complainants who were availing the investment advisory services from the Noticee, as directed in this Order, from the bank accounts of the Noticee;
- (e) After completing the aforesaid repayments, the Noticee 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 completion of three months from the coming into force of this Order, duly certified by an independent Chartered Accountant and the direction at paragraph 23(d) above shall cease to operate upon filing of such report on completion of refunds to complainants /investors;
- (f) The Noticee is debarred from accessing the securities market, directly or indirectly and is prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of **3 (three) years** from the date of this Order or till the expiry of **3 (three) years** from the date of completion of refunds to complainants/ investors as directed in paragraph 23(a) above, whichever is later;
- (g) The Noticee shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in paragraph 23(f) above, either directly or indirectly, investment advisory services or any activity in the securities market without obtaining a certificate of registration from SEBI as required under the securities laws.

24. The above direction for refunds /repayment to clients /investors as given in paragraph 23(a) above, does not preclude such complainants /investors /clients to pursue other legal remedies available to them under any other law against the Noticees for refund of money or deficiency in service.
25. This Order shall come into force with immediate effect.
26. This Order shall be read together with the SEBI Order dated September 09, 2022.
27. A copy of this Order shall be served upon the Noticee and shall also be forwarded to the recognised Stock Exchanges, Depositories, Banks and Registrar and Transfer Agents for necessary compliance with the above directions and also the Government of Madhya Pradesh for its information.

**Place: Mumbai**

**Date: April 28, 2023**

**ASHWANI BHATIA**

**WHOLE TIME MEMBER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**