

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
(ADJUDICATION ORDER NO: Order/JS/VC/2025-26/31615)**

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

**In respect of
M/s Capital Finance and Investments LLP
(PAN: AANFC7308J)**

In the matter of trading activities in the scrip of Sigma Solve Limited

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted investigation in respect of trading activities of certain suspected entities in the scrip of Sigma Solve Limited (hereinafter referred to as '**Sigma/Company**') to ascertain the possible violation of provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices), Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**').
2. Based on the findings of investigation, SEBI initiated adjudication proceedings against M/s Capital Finance and Investments LLP (hereinafter referred to as '**Noticee**') for allegedly violating the provisions of section 11C (5) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act**') as Noticee did not co-operate in investigation proceedings and failed to appear before the Investigating Authority (hereinafter referred to as '**IA**') for statement recordings despite multiple opportunities provided to it.

APPOINTMENT OF ADJUDICATING OFFICER

3. SEBI appointed the undersigned as Adjudicating Officer vide order dated April 04, 2025, under section 19 of the SEBI Act read with section 15-I (1) of the SEBI Act and rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Rules**'), to inquire into and adjudge under the

provisions of section 15HB of the SEBI Act for the violation alleged to have been committed by the Noticee.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. Show Cause Notice bearing Ref. No. SEBI/HO/EAD-2/JS/VC/13906/2025 dated May 23, 2025 (hereinafter referred to as '**SCN**') was issued to the Noticee in terms of the provisions of rule 4(1) of the Rules read with section 15-I of the SEBI Act, requesting Noticee to show cause as to why an inquiry should not be held against it and why penalty, if any, should not be imposed upon the Noticee under section 15HB of the SEBI Act for the alleged violation.
5. The SCN dated January 13, 2025, *inter alia*, alleged the following:
 - (a) During the course of investigation, it was observed that Noticee was one of the suspected entity in the said matter. It was also observed that Noticee was a part of suspected connected entities referred to as "Delhi Group entities" (i.e., Kulbhushan Parashar, Capital Finance and Investments LLP, Vivek Kumar Bhauka, Preeti Bhauka, Santosh Rani and Manish Kumar) and Noticee had large fund transactions with Mr. Kulbhushan Parashar, his HUF along with his family members. Further, from the analysis of Call Data Records, it was observed that there were calls between Mr. Manish Kumar (97xxxxxx09 and 98xxxxxx44) and Noticee (84xxxxxx28). Vide email dated December 07, 2024, Noticee confirmed that the mobile number (84xxxxxx28) belongs to it.
 - (b) Therefore, in order to investigate the suspected trading activities of the Noticee in the scrip of Sigma and to ascertain the possibility of violation of PFUTP Regulations by the Noticee and to draw precise conclusions in the matter regarding the role of the Noticee, the IA appointed by SEBI in the matter called upon the Noticee vide summons dated October 31, 2024, second summons dated December 04, 2024 and third summons dated December 10, 2024, to appear before her. Vide the aforementioned summons, it was also informed to the Noticee that if Noticee fails to appear before IA and/or to answer any question which was put to Noticee by the IA, SEBI may initiate prosecution/adjudication proceedings against it under the provisions of the SEBI Act, 1992.

- (c) It was observed that the Noticee did not appear before IA despite receipt of multiple summons dated October 31, 2024, December 04, 2024 and December 10, 2024. The chronology of events with respect to the correspondence between SEBI and Noticee is tabulated below:

Table No. 1

Date	Remarks
October 31, 2024	Summons dated October 31, 2024 (“first summons for appearance”) was issued to Noticee, for the purpose of appearance before IA on November 20, 2024, through Speed Post Acknowledgement Due (SPAD) on the address – “Office No 4, Prop No-6/83, Second Floor, Laxmi Nagar, East Delhi, 110092” (returned undelivered) and the same was delivered to email id-corporatecapitalfinance@gmail.com. It was noted that address was provided by Noticee itself and the same was affirmed by it vide email dated December 07, 2024.
November 06, 2024	As SEBI had considered request of some of the Delhi based entities to reschedule place of statement recording to SEBI Delhi Office from SEBI Mumbai Office, SEBI suo motu considered providing opportunity of statement recording to Noticee at SEBI Delhi Office without its request. Therefore, the place and date of the appearance w.r.t. summons dated October 31, 2024 was changed to SEBI Delhi Office for appearance on November 22, 2024. Details regarding the change in time and place w.r.t. summons dated October 31, 2024 was informed to the Noticee vide email on November 06, 2024.
November 22, 2024	On the day of personal appearance at SEBI, Delhi Office (on November 22, 2024 at 10:30 AM), vide email dated November 22, 2024 at 08:50 AM, Noticee, without giving any documentary evidence, had informed that “due to sudden medical emergency we will not be able to appear before yourself today/soon, therefore we request you to please send us your question about the investigation, we shall duly reply to the same at the earliest possible time.” It was observed that the Noticee replied from the

Date	Remarks
	same email-id which was given by it where the first summons was delivered.
November 23, 2024	Vide email dated November 23, 2024, said Noticee was directed to provide the details/supporting document regarding the medical emergency mentioned in the aforementioned email which prevented it from personal appearance even at SEBI Delhi Office.
November 28, 2024	Considering that no response received from the Noticee, another reminder email was sent to the Noticee on November 28, 2024.
November 30, 2024	Vide email dated November 30, 2024, Noticee submitted through its partner, i.e., Sumit Kumar was suffering from fever because of jaundice and attached doctor prescription dated November 20, 2024. Further, the Noticee requested to share the questionnaire with it rather than appearing before IA in person.
December 02, 2024 & December 03, 2024	As the hard copy of summons was undelivered at the address available on record, vide email dated December 02, 2024 and reminder email dated December 03, 2024, information regarding current address was asked from the Noticee. Subsequently, vide email dated December 07, 2024, Noticee confirmed that the available address is the correct address of the Noticee.
December 04, 2024	Summons dated December 04, 2024 (“ second summons for appearance ”) was issued to the Noticee for appearance on December 09, 2024 through SPAD and email. Although the digitally signed summons was successfully delivered through digitally signed email of Noticee, i.e., corporatecapitalfinance@gmail.com, the hard copy of summons returned undelivered from the address confirmed by the Noticee through email. It was observed that the summons was successfully delivered to the Noticee through digitally signed email, however, no response to above summons was received from it.
December 10, 2024	Summons dated December 10, 2024 (“ third summons for appearance ”) was issued to Noticee for appearance on December 23, 2024 through SPAD and email. Although the digitally signed

Date	Remarks
	<p>summons was successfully delivered through digitally signed email of Noticee, i.e., corporatecapitalfinance@gmail.com, the hard copy of summons once again returned undelivered.</p> <p>It was observed that the summons was successfully delivered in the email id in which the Noticee was corresponding with SEBI, however, no response received from it to summons December 10, 2024.</p>

(d) From above, it was observed that enough opportunities were provided to the Noticee to appear before IA, however, Noticee failed to appear before IA despite receipt of the summonses issued to it. It was also observed that Noticee deliberately avoided appearance in person before IA as it was continuously seeking list of questionnaires in lieu of personal appearance. Personal appearance of the Noticee was crucial part of investigation process owing to the aforesaid connection with Mr. Kulbhushan Parashar (and suspicious fund transactions with him) and with Mr. Manish Kumar. It was observed that non-cooperation of the Noticee hindered the investigation process to establish its connection with other suspected entities and with Sigma's management.

6. I note that the SCN issued to Noticee was duly served upon it. Vide letter dated June 02, 2025, Noticee requested for inspection of documents in the matter. In response to the request of inspection of documents, vide e-mail dated June 17, 2025, Noticee was informed that all the relevant records/documents relied upon for issuance of the SCN were already provided to it as annexures to the SCN and the documents sought by it were either not relied upon or not relevant. Further, vide e-mail dated June 23, 2025, Noticee again requested for providing the said documents and also requested an extension of 3 weeks' time to submit its reply to the SCN. Vide e-mail dated July 08, 2025, Noticee was informed that the response to its request for inspection of documents was already provided it and an extension of 3 weeks' time for furnishing response to the SCN was granted. Noticee did not pursue its request for inspection of documents further. Thereafter, vide letter dated July 01, 2025, Noticee submitted

its reply to the SCN and vide letter dated August 08, 2025, filed additional submissions in the matter.

7. The relevant extract of the Noticee's replies dated July 01, 2025 and August 08, 2025 is, *inter alia*, reproduced as under:

- (a) "We humbly submit that SEBI had vide summons dated 10.04.2024 bearing reference no. SEBI/HO/IVD/ID17/P/OW/ 2024/14135/1 summoned us to produce documents or information as sought by Ld. Investigating Authority, SEBI. The list of documents or information sought from us was mentioned in the Annexure attached to the said summons. The said summons was issued under section 11(3) of SEBI Act, 1992.

In compliance with SEBI summons dated 10.04.2024, we had by our letter dated 18.04.2024 (sent via email on 18.04.2024), provided the detailed information as sought vide SEBI summons dated 10.04.2024. Further, in the said letter we also conveyed our willingness to share additional information, if required. It is pertinent to note that the Investigation Report also mentions that we had replied to the information sought by SEBI through email.

From the aforesaid, it can be concluded that we had co-operated with SEBI in the investigation conducted by them in the scrip of SSL by providing them with the requisite information as sought from us. No allegation of non-cooperation can be alleged against us.

- (b) W.r.t. issuance of First summons, we submit as under:

- (i) SEBI had vide email dated 06.11.2024, had changed the date and place of personal appearance to 22.11.2024 at Delhi.
- (ii) We by our email dated 22.11.2024 to SEBI, conveyed our inability to appear on 22.11.2024 due to the sudden medical emergency of our partner viz. Mr. Sumit Kumar. Further, we requested SEBI to send their questions about the subject matter of investigation, and we assured SEBI that we shall reply to the same at the earliest possible time.

- (iii) Instead of providing us with questions pertaining to the investigation, SEBI vide email dated 23.11.2024 sought details of the medical emergency faced by us. Further, SEBI directed us to be present for the purpose of statement recording in Mumbai on the date of next personal appearance. Further, again vide email dated 28.11.2024, SEBI sought details of medical emergency along with documentary proof.
 - (iv) By email dated 30.11.2024, our partner, viz., Sumit Kumar informed SEBI that he had continuous fever due to jaundice and he was feeling weak because of the same. A doctor's prescription was also attached along with mail. Further, considering the state of health of our partner, we once again reiterated our request to provide information as sought by SEBI. Additionally, a request was also made to SEBI for sufficient time to recover to remain present before the Investigating Authority.
 - (v) SEBI had vide email dated 02.12.2024, advised us to provide current functional mobile number and updated address for the purpose communication in the said matter. A reminder email in this regard was also sent by SEBI on 03.12.2024.
- (c) W.r.t. second summons, we submit that by our email dated 07.12.2024, our partner viz. Sumit Kumar informed SEBI that he was still sick, and not keeping well. Further, he had confirmed about mobile number and office address as required by SEBI. Additionally, we also informed SEBI that the post may have been returned due to the office being closed for a long time. In the said email dated 07.12.2024, we once again requested SEBI to provide questions so that answers to the same can be provided.

Thereafter, without considering the ill health of our partner and our request to provide a list of questionnaires purported to be asked during personal appearance, so that answers to same can be given, third summons were issued to us.

From our aforesaid submissions, it can be seen that, we have replied to two summons issued to us. There was some genuine difficulty in appearing in

person due to the medical condition of partner viz. Sumit Kumar (Typhoid fever and Jaundice). Further, he was advised rest for a period of 1 month.

(d) However, we had at various times requested SEBI to provide a list of questionnaires purported to be asked during personal appearance so that response to the same can be provided via email and the investigation process in the matter of SSL is continued. The aforesaid shows our willingness to fully co-operate with SEBI in the matter of investigation in the scrip of SSL. Further, as stated earlier, we had, already provided detailed information by our letter dated 18.04.2024, as sought vide SEBI summons dated 10.04.2024. Therefore, no allegation of non-compliance of any summons can be alleged against us, as the alleged so-called failure to personally appear before the Investigating Authority was due to medical emergency of our partner (suffering from Typhoid fever and Jaundice). Hence, we cannot be alleged to have hindered the investigation process of SEBI in the scrip of SSL only because we failed to appear personally before the Ld. Investigating Authority, SEBI as all the information as sought by SEBI in summons dated 10.04.2024 was already provided by our letter dated 18.04.2024.

(e) Our LLP has two partners, namely Mr. Sumit and Ms. Lovely. Mr. Sumit looks after the day-to-day business activities of the firm. It is pertinent to note that Ms. Lovely is not involved in day-to-day functioning of the firm. Further, she was not aware of the transactions carried out by our firm in the scrip of SSL as she was appointed as partner only on 01.04.2022 and transactions in the scrip of SSL were carried out in May 2021. As Ms. Lovely was not aware of the transactions carried out by our firm in the scrip of SSL or the business transactions of our firm, she did not appear before the Ld. Investigating Officer, SEBI. As Mr. Sumit was aware of the transaction in the scrip of SSL, he was communicating with SEBI on regular basis on the summons issued to us for personal appearance.”

8. Vide notice of hearing dated July 10, 2025, an opportunity of personal hearing on July 17, 2025 was granted to the Noticee. However, Noticee requested for adjournment of the personal hearing due to its prior commitments and the hearing was rescheduled. On August 07, 2025, authorised representatives of the Noticee,

viz., Mr. Keyur Shah and Mr. Meit Shah (hereinafter referred to as '**AR**'), attended the personal hearing in person and reiterated the submissions made by the Noticee vide reply dated July 01, 2025. With respect to the query as to why any other partner of the Noticee could not appear before IA, ARs stated to provide additional submission within 7 days and the same was furnished vide letter dated August 08, 2025.

9. In the said submissions, Noticee stated the firm has two partners, viz., Sumit and Lovely. Mr. Sumit was looking after the day-to-day business activities and Ms. Lovely was not involved in day-to-day functioning of the firm and she was not aware of the transactions carried out by the firm in the scrip of Sigma as she was appointed as partner on April 01, 2022 and transactions were carried out in May 2021. Mr. Sumit was aware of the transaction in the scrip of Sigma and he was communicating with SEBI on regular basis.

CONSIDERATION OF ISSUES AND FINDINGS

10. I have carefully perused the charges levelled against the Noticee in the SCN, its replies, submissions made during personal hearing and material available on record. The issues that arise for consideration in the present case are as follows:

- I. Whether the Noticee failed to appear in person before IA for examination on oath and thereby violated the provisions of section 11C (5) of SEBI Act?
- II. Does the violation, if any, attract monetary penalty under section 15HB of the SEBI Act?
- III. If so, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in section 15-J of the SEBI Act read with rule 5(2) of the Rules?

11. Before proceeding further, it is pertinent to refer to the provisions of section 11C (5) of SEBI Act, which is allegedly violated by the Noticee, as under:

"Investigation.

11C (5). *Any person, directed to make an investigation under sub-section (1), may examine on oath, any manager, managing director, officer and other employee of any intermediary or any person associated with securities market in any manner, in relation to the affairs of*

his business and may administer an oath accordingly and for that purpose may require any of those persons to appear before it personally.”

12. Based on perusal of the material available on record and submissions of the Noticee, the issues raised in this matter are dealt in the following paragraphs.

Issue I. Whether the Noticee failed to appear in person before IA for examination on oath and thereby violated the provisions of section 11C (5) of SEBI Act?

13. It was alleged in the SCN that the Noticee failed to appear before IA for examination on oath despite service of multiple summonses and opportunities to appear before IA. It was further alleged that Noticee deliberately avoided in person appearance before IA for examination on oath and did not cooperate in investigation which hindered the investigation process.
14. I note that as per section 11C (5) of SEBI Act, any person, directed to make an investigation under sub-section (1), may examine on oath, any manager, managing director, officer and other employee of any intermediary or any person associated with securities market in any manner, in relation to the affairs of his business and may administer an oath accordingly and for that purpose may require any of those persons to appear before it personally.
15. In response to above allegations, Noticee submitted that it had provided the detailed information as sought vide SEBI summons dated April 10, 2024 and it conveyed its willingness to share additional information, if required. Hence, it co-operated with SEBI in the investigation process. With respect to allegations of its failure to appear before IA in person, Noticee submitted that due to the sudden medical emergency of its partner, viz., Mr. Sumit Kumar, who had continuous fever due to jaundice and weakness, it could not appear before IA. There was genuine difficulty in appearing in person before IA as Mr. Sumit Kumar was suffering from typhoid fever and jaundice and he was advised a rest for a period of one month. Noticee also submitted that it requested SEBI for sufficient time for recovery of its partner to remain present before the IA. Noticee further submitted that it had requested SEBI to send questions

about the subject matter of investigation and assured SEBI that it will reply to the same.

16. During the personal hearing, Noticee was enquired as to why any other partner of Noticee could not appear in person before IA in place of the sick partner, Noticee submitted that the firm has two partners, namely, Mr. Sumit and Ms. Lovely. Mr. Sumit looks after the day-to-day business activities of the firm and Ms. Lovely is not involved in day-to-day functioning. Further, she was not aware of the transactions carried out by the firm in the scrip of Sigma as she was appointed as partner only on April 01, 2022 and transactions in the scrip of Sigma were carried out in May 2021. As Ms. Lovely was not aware of the transactions carried out by Noticee in the scrip of Sigma or the business transactions of Noticee, she did not appear before IA.
17. I note that first summons for appearance was issued to the Noticee on October 31, 2024 for personal appearance of Noticee on November 20, 2024 at Mumbai. On November 6, 2024, IA informed the Noticee that the venue of personal appearance was changed to Delhi and a fresh date given, i.e., November 22, 2024. On November 22, 2024 in the morning, vide email Noticee informed IA that due to sudden medical emergency, it will not be able to appear before IA on the said date. IA vide email dated November 23, 2023 asked the Noticee to provide the details about the medical emergency and informed the Noticee that the statement recording will be at Mumbai office and the schedule for the same will be sent to it in due course. Since the Noticee did not reply to the said mail, the IA vide email dated November 28, 2024 requested specific details about medical emergency along with documentary proof. In response thereof, vide email dated November 30, 2024, Noticee submitted a medical certificate dated November 20, 2024 stating that Mr. Sumit Kumar is undergoing treatment for typhoid fever and jaundice. In the said email, Noticee requested the IA to consider the state of its partner and requested to share the information required by SEBI.
18. Subsequently, vide email dated December 2, 2024, IA informed the Noticee that she could not reach it on the mobile numbers, as they were switched off and the letter sent to Noticee's address was undelivered. Therefore, IA requested the Noticee to provide functional mobile number and updated address. However, Noticee failed to

respond to this email as well. IA sent another email to Noticee wherein she informed the Noticee that in case of no response from it, Noticee may be liable for non-compliance of direction issued by SEBI and appropriate action may be initiated against it. On December 4, 2024, second summons for appearance was issued to Noticee for appearance in person on December 9, 2024 vide email as well as SPAD.

19. A few days after the issuance of the second summons for appearance, i.e., on December 7, 2024, Noticee vide email informed that its delayed response was due to the illness of its partner as he was away from mobile and email. It was also stated that its office is closed for a long time thus the letter may have returned undelivered. Noticee in the said email stated that *"Pls allow me a few days to fix the lapses. In the meantime you are requested to send any question which I may reply."*
20. Taking into account the said reply of the Noticee, IA issued summons dated December 10, 2023 requesting the Noticee to appear before her on December 23, 2024. I note that in the said summons, the IA had taken note of the illness of the Noticees partner and stated that *"Please note that you had cited health issues and sought time to appear before the undersigned. Considering the fact that enough time has been given to you along with said to summons to appear before IA, you are once again summoned 3rd and final time to appear on December 23, 2024....."*. As per records, the said third summons issued for appearance of Noticee vide digitally signed email was served on the Noticee on December 11, 2024. I note that the Noticee has not disputed the service of the third summons for appearance. However, despite the receipt of the summons, the Noticee did not respond to the said third summons for appearance and it failed to appear before IA on the scheduled date of appearance, i.e., December 23, 2024.
21. From the aforesaid discussions, it is found that the IA had given the Noticee three summonses which were duly served on the Noticee. The IA had taken into account the medical certificate dated November 20, 2024 which advised one month's rest for the partner of the Noticee while issuing the summons wherein the Noticee was given a date after the said one month's rest, i.e., on December 23, 2024. Despite the IA informing the Noticee that this is the 3rd and final summons for appearance, the Noticee deliberately ignored the said summons. In the reply filed by the Noticee,

Noticee has not claimed that it had sufficient grounds for not appearing before the IA on the scheduled date of appearance, i.e., on December 23, 2024. Further, I note that the Noticee has not produced any evidence to show that its partner was unable to appear before the IA even after one month. It did not make any such submission before the IA after the third summons rather ignored the statutory recitals in the summons as under:

“Without prejudice to the provisions of any other law for the time being in force, without reasonable cause, if you fail to or refuse to appear at the given date & time and to answer any question put to you by the IA and/or sign the notes of any examination taken down in writing during the examination, SEBI may initiate Adjudication proceedings against you in terms of Section 15I of the SEBI Act, 1992, under which you may be liable for penalty under Section 15HB of SEBI Act, 1992.

Further, criminal prosecution may also be initiated against you under section 11C(6) of the SEBI Act which provides for a punishment with imprisonment.....”

22. Further, I note that the SCN had stated that Noticee deliberately avoided appearance in person before IA as it was continuously seeking list of questionnaires *in lieu* of personal appearance. In this regard, Noticee has argued that it had provided the information sought vide letter dated April 10, 2024 to SEBI and it conveyed its willingness to share additional information and thus cooperated in the investigation. From the records. I find that in addition to the summonses, the IA had sent 7 emails to the Noticee from October 31, 2024 to December 11, 2024 which shows that the IA had taken considerable effort to examine the Noticee on oath which the Noticee thwarted by non-appearance. I note that as discussed above, the summonses were issued for the personal appearance of the Noticee for examination on oath, which cannot be compared to furnishing information, producing such books, registers, etc., under section 11C(3) of the SEBI Act. Thus, Noticee’s willingness to answer questions through emails does not absolve it from the allegation of failure to appear before the IA despite receipt of summonses under section 11C(5) of the SEBI Act.
23. I find in this regard that Noticee had blatantly ignored the third summons and did not even respond to the same or offer a reasonable cause for not appearing before IA. The conduct of the Noticee does not appear to be unintentional, given the fact that SCN had observed that personal appearance of the Noticee was crucial for investigation process owing to its connection with the top LTP contributor in the scrip

of Sigma during the investigation period (and large suspicious fund transactions with it) and with another person who had fund transfers with the said top LTP contributor. It was also observed in the SCN that non-cooperation of the Noticee hindered the investigation process to establish its connection with other suspected entities and with Sigma's management.

24. In view of the above, I hold that the allegation against the Noticee that it failed to appear before IA for examination on oath despite receipt of multiple summonses and opportunities to appear before IA without reasonable cause, is established. Therefore, Noticee violated the provisions of section 11C (5) of SEBI Act.

Issue II. Does the violation, if any, attract monetary penalty under section 15HB of the SEBI Act?

25. In the light of findings and observations made against the Noticee in the foregoing paragraphs, it has been established that the Noticee failed to appear before IA for examination on oath despite receipt of multiple summonses and opportunities to appear before IA without reasonable cause. It is established that Noticee deliberately avoided in person appearance before IA and not cooperated in investigation, which hindered the investigation process, therefore Noticee violated the provisions of section 11C (5) of SEBI Act. The said violation by the Noticee attracts monetary penalty.
26. In this regard, reliance is placed on the judgment of Hon'ble Supreme Court in the matter of *SEBI v. Shriram Mutual Fund*, [2006] 68SC 216(SC), wherein it was, *inter alia*, observed that '*In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations 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 must made by the defaulter with guilty intention or not.*'
27. The aforesaid violation, make the Noticee liable for penalty under section 15HB of the SEBI Act. The said section reads as follows:

“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.”*

Issue III. If so, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in section 15-J of the SEBI Act read with rule 5(2) of the Rules?

28. While determining the quantum of penalty, the following factors stipulated in section 15-J of the SEBI Act are taken into account:

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

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

- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
- (b) the amount of loss caused to an investor or group of investors as a result of the default;*
- (c) the repetitive nature of the default.”*

29. In this connection, any quantifiable gain or unfair advantage accrued to the Noticee or the extent of loss suffered by the investors as a result of non-compliance to the provisions of provisions of SEBI Act is not available from the material available on record. With respect to the repetitive nature of the default, I do not find anything on record. In the present matter, based on findings as above, it is established that the Noticee failed to appear before IA despite receipt of multiple summonses and reasonable cause, thereby violated the provisions of SEBI Act. Noticee was under a statutory obligation to abide by the provisions of SEBI Act, which it failed to comply. The said violation by the Noticee attracts monetary penalty. Therefore, I feel it appropriate to levy a penalty which is commensurate with the nature of violation.

ORDER

30. Taking into account the facts and circumstances of the case, material available on record, submissions of the Noticee, findings hereinabove and factors mentioned in section 15J of the SEBI Act, in exercise of the powers conferred upon me under section 15-I of the SEBI Act read with rule 5 of the Rules, I hereby impose a monetary

penalty of ₹ 1, 00,000/- (Rupees One Lakh only), under section 15HB of the SEBI Act, on the Noticee. In my view, the said penalty is commensurate with the violation committed by the Noticee in this case.

31. The Noticee 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

32. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.
33. In terms of rule 6 of the Rules, copy of this order is sent to the Noticee and also to SEBI.

Place: Mumbai

Date: August 28, 2025

JAI SEBASTIAN

ADJUDICATING OFFICER