

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**SETTLEMENT ORDER NO. MC/DPS/2020-21/1**

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**SETTLEMENT ORDER**

On the Settlement Application Nos.

- 1) 4016 of 2019 - submitted by Northward Financial Planners.
- 2) 4017 of 2019 – submitted by Mr. Thejus Palathingal,
- 3) 4018 of 2019 – submitted by Ms. Diya Thommy
- 4) 4019 of 2019 – submitted by Ms. Vidya Krishnamoorthy

*In the matter of Northward Financial Planners.*

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1. Securities and Exchange Board of India (hereinafter be referred to as, the “**SEBI**”) initiated adjudication proceedings against 1) Northward Financial Planners (**NFP**) and its partners, 2) Mr. Thejus Palathingal, 3) Ms. Diya Thommy and 4) Ms. Vidya Krishnamoorthy (hereinafter be referred to as, the “**Notiee No. 1 to 4 respectively**”) in the matter of Northward Financial Planners under Section 15HB of the SEBI Act against the Noticees, for the alleged violation of provisions of section 12(1) of SEBI Act read with regulation 3(1) of SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as “**IA Regulations**”). All the Noticees are collectively referred as ‘**Noticees/ Applicants**’.
2. To inquire into and adjudge the matter, Shri Sahil Malik was appointed as Adjudicating Officer under Section 15I of the Securities and Exchange Board of India Act, 1992 (hereinafter be referred to as, the “**SEBI Act**”) read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 *vide* order dated May 8, 2019. Subsequently, the undersigned was appointed as Adjudicating Officer *vide* Order dated December 24, 2019 which was communicated *vide* communique dated December 26, 2019.

3. A Show Cause Notice No. SEBI/EAD-9/SM/JR/14261/1-4/2019 dated June 7, 2019 (hereinafter be referred to as, the “**SCN**”) was served upon the Noticees, wherein it was alleged that NFP was carrying on investment advisory activities since F.Y. 2013-14, prior to filling of its application with SEBI for grant of registration as Investment Adviser. NFP generated a total revenue of ₹15,46,576/- from 2013 to till July 2017 for rendering investment advisory services for 73 clients.
4. As per the Regulation 3(1) of the IA Regulations, any person acting as Investment Advisor before the commencement of IA Regulations may continue to do so for a period of six months from such commencement or, if it has made an application for a certificate of registration under sub-regulation (2) within the said period of six months, till the disposal of such application. In the instant case, NFP and partners should have filed an application for registration as investment adviser on or before July 20, 2013 considering the fact that the Regulations came into force w.e.f. January 21, 2013. However, NFP and partners filed application for registration only on June 27, 2017 i.e. after a delay of over 4 years and continued to carry on investment advisory activity without seeking registration. Thus, the Noticees were alleged to be in violation of provisions of section 12(1) of SEBI Act read with regulation 3(1) of IA Regulations.
5. Application dated August 6, 2019 was received from the Noticees for settlement under Settlement Regulations, 2018.
6. The Applicants were called for a meeting with the Internal Committee of SEBI (hereinafter be referred to as, the “**IC**”) on January 24, 2020. Pursuant to IC meeting, the Applicants, vide letter dated February 3, 2020 submitted revised settlement terms.
7. The matter was placed before the High Powered Advisory Committee (hereinafter be referred to as, the “**HPAC**”) on March 2, 2020. The recommendation of the HPAC was approved by a Panel of the Whole Time

Members of the SEBI on March 19, 2020 and the same was communicated to the Applicants on March 20, 2020.

8. Thereafter, the Applicants made a payment of ₹21,67,500/- (Rupees Twenty One Lakh Sixty Seven Thousand Five Hundred only) towards settlement charges by way RTGS Fund transfer on March 30, 2020 as per the settlement terms approved by the Panel of Whole Time Members.
9. In view of the aforesaid, in exercise of powers conferred under Section 15JB of the SEBI Act read with Regulation 23(1) of the Settlement Regulations, 2018, it is hereby ordered that pending adjudication proceedings initiated against the Noticees / Applicants under the aforesaid SCN dated June 7, 2019, are hereby disposed of.
10. This order is without prejudice to the rights of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which this settlement order was passed against the Applicant, if :
  - i. any representations made by the Applicant in the present settlement proceedings are subsequently found to be untrue; or
  - ii. the Applicant breaches any of the clauses / conditions of undertakings / waivers filed during the present settlement proceedings.
11. This settlement order passed on this 9<sup>th</sup> day of July 2020 shall come into force with immediate effect.
12. In terms of Regulation 25 of Settlement Regulations, 2018, a copy of this order is being sent to the Applicants / Noticees and for publication on the website of SEBI.

**Date: July 9, 2020**

**Place: Mumbai**

**MANINDER CHEEMA  
ADJUDICATING OFFICER**