

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On Application No.: 3833/2019 filed by **Mr. Arunmozhi Gopalan [PAN: AIJPA0575F]** in the matter of HBJ Capital Services Private Limited.

1. Mr. Arunmozhi Gopalan (hereinafter referred to as ‘applicant’) in the matter of HBJ Capital Services Private Limited had filed the captioned settlement application, without admitting or denying to the findings of fact and conclusion of law, proposing to settle, through a settlement order in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as ‘Settlement Regulations’), the pending enforcement proceedings initiated vide Ad-Interim Ex-Parte Order cum Show Cause Notice No. WTM/SR/SRO-BLO/115/06/2015 dated June 15, 2015 issued under sections 11(1), 11B, 11(4) and 11D of SEBI Act, 1992, wherein it is alleged that the captioned applicant have not complied with Section 12(1) of the SEBI Act, 1992 read with provisions of Regulation 3 (1) of the SEBI (Investment Advisers) Regulations, 2013 and Regulation 3 of SEBI (Alternative Investment Funds) Regulations, 2012.
2. It was observed by SEBI that HBJ Capital had issued various advertisements in press, official websites of HBJ Capital, giving stock tips under various schemes, etc. On perusal of the said websites, HBJ Capital was seen assuring guaranteed returns on execution of stock tips. Various advertisements, etc., *prima facie* indicated that the activities of HBJ Capital were in the nature of offering financial advisory services to the clients under SEBI (Investment Advisers) Regulations, 2013 and investment vehicle promoted by HBJ Capital pooled

funds from investors under a scheme covered under SEBI (Alternative Investment Funds) Regulations, 2012. The applicant herein was a Director of HBJ Capital Services Private Limited.

3. Pursuant to the application, the applicant had a meeting with the Internal Committee of SEBI on July 03, 2019, wherein the settlement terms were deliberated. Thereafter, the applicant, vide e-mail dated July 08, 2019, proposed the revised settlement terms to settle the defaults mentioned in the paragraphs hereinabove.
4. The High Powered Advisory Committee (hereinafter referred to as 'HPAC') in its meeting held on July 30, 2019 considered the settlement terms proposed and recommended the case for settlement upon payment of Rs. 71,71,875/- (Rupees Seventy One Lakh Seventy One Thousand Eight Hundred and Seventy Five only) as settlement amount, as proposed by the applicant in accordance with the Settlement Regulations, for the aforementioned defaults. The Panel of Whole Time Members of SEBI accepted the said recommendation of the HPAC and the same was communicated to the applicant vide e-mail dated August 26, 2019.
5. The applicant vide e-mail dated September 09, 2019 submitted the details of online payments vide UTR No. ICICR520190900519181 dated September 09, 2019 for an amount of Rs. 71,71,875/- (Rupees Seventy One Lakh Seventy One Thousand Eight Hundred and Seventy Five only). The applicant has thus remitted Rs. 71,71,875/- (Rupees Seventy One Lakh Seventy One Thousand Eight Hundred and Seventy Five only) towards the settlement amount.
6. In view of the above, in exercise of the powers conferred under Section 15JB of the SEBI Act, 1992 and in terms of Regulations 23 and 28 read with Regulation 34 of the Settlement Regulations, it is hereby ordered that:
 - i. the pending enforcement proceedings for the alleged defaults as discussed in paragraph 1 above, are settled *qua* the applicant as per the above terms,
 - ii. SEBI shall not initiate any enforcement action against the applicant for

the said defaults,

- iii. this order disposes of the enforcement proceedings in respect of the applicant as mentioned above and;
 - iv. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicant, if SEBI finds that:
 - a. any representation made by the applicant in the present settlement proceedings is subsequently discovered to be untrue;
 - b. the applicant have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
7. This settlement order is passed on this 24th day of September, 2019 and shall come into force with immediate effect.
8. In terms of Regulation 25 of the Settlement Regulations, a copy of this order shall be sent to the applicant and shall also be published on the website of SEBI.

S.K. MOHANTY
WHOLE TIME MEMBER

ANANTA BARUA
WHOLE TIME MEMBER