

## SECURITIES AND EXCHANGE BOARD OF INDIA

## ORDER

Under Sections 11(1), 11(4), 11 (4A) 11B (1), 11B (2) and 11D, of the Securities and Exchange Board of India Act, 1992.

In the matter of Unregistered Investment Advisory Services by Capital Solutions (Proprietor – Manish Dubey)

In respect of –

| Sr. No. | Name of the entity                              | PAN        |
|---------|---|------------|
| 1.      | Capital Solutions (Proprietor Mr. Manish Dubey) | GNKPD2157J |

**BACKGROUND**

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) received two complaints dated May 17, 2021 and June 18, 2021 from Mr. Govind Kushwaha and Mr. Prathamesh Dharmadhikari respectively (hereinafter referred to as “**the complainants**”), against Capital Solutions which is the sole proprietorship concern of Mr. Manish Dubey (hereinafter referred to as “**Capital Solutions**” / “**Noticees**”).
2. The Complainant Mr. Govind Kushwaha had *inter-alia* alleged in his complaint that pursuant to receipt of a call from Capital Solutions claiming to offer trading tips with 95% success rate, he had initially paid ₹ 5,000 towards registration fees to the Noticees. Subsequently, the Complainant paid a total amount of ₹ 1,42,000 to the Noticees which includes a fee of ₹ 27,000 (to hire a researcher as advised by

Capital Solutions) and sums of ₹ 34,000 and ₹ 32,000 for availing advisory services.

3. Similarly, the Complainant Mr. Prathamesh Dharmadhikari had *inter-alia* alleged in his complaint that the Noticees have fraudulently extracted ₹ 1,50,000 from him in lieu of providing profits on carrying out intraday trades based on the advice of the Noticees and also the Noticees promised that value of his investment would become ₹ 8 Lakh in just 3 months' time.
4. Pursuant to receipt of the above mentioned complaints, SEBI conducted examination of the same to verify the veracity of the complaints and to ascertain if there is any violation of the provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**the SEBI Act**") and the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 (hereinafter referred to as "**the IA Regulations**").

#### **SHOWCAUSE NOTICE, REPLY AND PERSONAL HEARING**

5. Based on the findings of the examination, SEBI issued a Show Cause Notice dated June 13, 2022 (hereinafter referred to as "**SCN**") to the Noticees under Sections 11(1), 11(4), 11(4A), 11B(1), 11(B)(2) and 11D read with Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995. The relevant facts/ allegations as contained in the SCN are as under:
  - i. The Noticees had a website with a domain name, <https://www.thecapitalsolutions.in> which is currently found to be not operative. A web search was conducted on 'www.whois.com' and the relevant pages of the website, <https://www.thecapitalsolutions.in> were obtained. It is observed that different services in the nature of investment advisory were being offered by the Noticees upon payment of fees through the said website.
  - ii. The Noticees had claimed in the aforesaid website that they deal in Stock Cash, Future & Options, Bullions & Base Metal, Agri & Forex and provide services such as Basic, Splendid, Spark and Special.

- iii. The website had a section on pricing of the various service packages offered by the Noticees. As per the website, the minimum amount charged by Capital Solutions was ₹ 10,000/- and the maximum amount charged was ₹ 2,80,000/- for rendering investment advisory services. The duration for the aforesaid services range from Monthly, Quarterly, Half Yearly and Yearly as disclosed on the website of the Noticees.
- iv. The Noticees received a total credit of ₹ 61,99,172.50 during September 03, 2020 till July 16, 2021 in the bank account held with HDFC Bank bearing Account Number 50200049846651 maintained in the name of Mr. Manish Dubey. The said bank account was also mentioned on the website of the Noticees i.e. <https://www.thecapitalsolutions.in>. The analysis of bank account statement revealed that various credit entries/transactions were appearing in the bank statement with narrations such as tips, investment advice, advisory fees, stock market fees, trading fees, fees for tips etc., which appeared to be in the nature of fees collected for investment advisory activities.
- v. The payments made by the Complainant Mr. Prathamesh Dharmadhikari, as evident from the corresponding transaction slips provided by the Complainant, were also reflected between May 14, 2021 to May 29, 2021 in above mentioned HDFC Bank Account.
- vi. The Noticees failed to provide information regarding the details of their clients who had availed investment advisory services from them and amounts collected from them in the HDFC Bank Account Number 50200049846651.
- vii. It is alleged that all the credits entries amounting to ₹ 61,99,172.50 received in HDFC Bank Account Number 50200049846651 (which was advertised/mentioned on the website belonging to Mr. Manish Dubey) between September 03, 2020 (date of account opening of the said HDFC Account) to July 16, 2021 are in the nature of investment advisory fees and allegedly received as consideration towards rendering investment advisory services by the Noticees from their clients/investors.
- viii. The Noticees are alleged to have engaged in the activities of an investment adviser without obtaining the requisite registration from SEBI, as required in

terms of Section 12 (1) of the SEBI Act, 1992 read with regulation 3(1) of the IA Regulations, 2013.

6. The Noticees were called upon to show cause as to why suitable directions under Sections 11(1), 11(4), 11B (1) and 11D of the SEBI Act should not be issued against them and penalty be not imposed upon them under Section 11 (4A) and 11B(2) read with Section 15HB of the SEBI Act, 1992 for the violations alleged in the SCN.
7. The SCN issued to the Noticees was duly delivered to them through Speed Post. Consequent to the service of the SCN, Mr. Manish Dubey, by way of his email dated August 19, 2022, provided his response to the SCN. The submissions made by Mr. Manish Dubey are as under:

*In this regard I want to make a representation that the amount I have received in my bank account is not related in any manner to the security advisory services. I do not provide this kind of service, the amount which was wrongly credited in my bank account has been returned to a respected account holder.*

*We are also attaching a screenshot of their mail which was forwarded to you by the complainant.*

The Noticees enclosed to his above mentioned email copy of the emails of the two complainants i.e. Mr. Govind Kushwaha and Mr. Prathamesh Dharmadhikari.

8. The Noticees / Mr. Manish Dubey was provided an opportunity of hearing on October 12, 2022 through video conferencing. The said hearing notice was delivered to the Noticees through post. However, the Noticees have failed to appear for the hearing. In the interest of natural justice, Noticees were provided one more opportunity of hearing on November 09, 2022. The said hearing notice was also delivered to the Noticees through post on October 31, 2022.
9. The Authorised Representative (AR) of the Noticees Mr. Ashish M. Pareek, advocate appeared for the hearing before me on November 09, 2022 and

requested for adjournment of the hearing for another date on medical grounds. Therefore, following the principles of natural justice the hearing was adjourned to November 16, 2022. Accordingly, the Noticees and his AR appeared for hearing on November 16, 2022 before me through video conferencing. During the hearing the Noticees submitted that although the bank account with HDFC Bank was opened in the name of the Noticees, the same was operated by Mr. Pankaj Vinodiya, who was handling the transactions in the said bank account. In this regard, during the personal hearing, the Noticees were advised to submit their written submissions alongwith the proof thereof to substantiate their claim within one week of the hearing. Since the Noticees have not filed their submissions within the time specified, I note from the available records that a reminder was sent to the Noticees vide email dated November 25, 2022 advising them to file their post hearing written submissions. However, the Noticees failed to make the written submissions. Therefore, another reminder was sent to the Noticees to file their post hearing submissions vide email dated December 07, 2022. I note that an email dated December 07, 2022 was received from Shri Ashish Pareek, advocate of the Noticees informing that due to some medical emergency they were unable to file reply. In view of the principles of natural justice, the Noticees were advised to file their post hearing written submissions till December 12, 2022. However, the Noticees failed to file the written submissions even after the extended time. I note that the Noticees did not avail the various opportunities provided to them to participate in the proceedings including filing of their response.

10. In view of above, since the Noticees failed to file their post hearing written submissions within the specified time alongwith supporting evidences, I am inclined to deal with the matter on the basis of available records.

### **CONSIDERATION OF ISSUES AND FINDINGS**

11. I have considered the allegations made in the SCN along with the findings of the examination by SEBI stated therein, replies received in the matter from the

Noticees, oral submissions made during the personal hearing and other material available on record. The SCN, *inter alia*, alleged that the noticees had carried out investment advisory activities without obtaining registration from SEBI in violation of the provisions of Section 12(1) of the SEBI Act and Regulation 3(1) of the IA Regulations. The aforementioned provisions are produced hereunder for easy reference:

***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:”*

***Provisions of the IA Regulations:***

***Regulation 3 of the IA 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. In view of the allegations made in the SCN, the issues which arise for my consideration are as under:

- a) Whether the noticees were offering the services in the nature of investment advice and acting as investment adviser; and

b) Whether the said activities of the noticees have resulted in the violations of Section 12(1) of the SEBI Act and regulation 3(1) of the IA Regulations?

13. I have perused the material available on record and the following is observed:

- i. Two complaints were received by SEBI *inter alia* alleging that the Noticees were providing advisory services and that the Noticees deceived them by making false promise of assured profits.
- ii. The website with a domain name <https://www.thecapitalsolutions.in>, was found to be inactive. However, for the purpose of examination, the relevant pages of the website <https://www.thecapitalsolutions.in>, obtained after conducting a web search on 'www.whois.com' have been perused.
- iii. Through the said website the Noticees provided different services for trading in Indian Securities and commodity market. As brought out in the SCN, the website mentioned that –

*“The Capital Solutions is totally based on technical & fundamental analysis. Our goal is to achieve higher returns on our customer's investments. We provide trade alerts via sms every day. We provide recommendations Live through SMS and Chat room. Our SMS facility is very efficient system ensuring the instant delivery of Message without any loss of time. So, the clients get adequate time to enter into the trade and fetch the profit. At Shield research, we always guide you not guarantee you with the complete process of identifying the potential trade. Our expert advice on Equity or commodity, NSE, MCX & NCDEX, will help you earn more profits with the proper trading while you are new in the market. We provide services for both the beginner and the pro whether you are trading for first time in the market.*

*We provides dedicated financial products which includes high quality tips and excellent customer services. We assess your risk profile and financial needs carefully before, suggesting you a product.”*

- iv. The details of various services announced on the said website are as under:

| Basic Services                          | Special Services                                 | Spark Services                 | Splendid Services                             |
|---|--|--------------------------------|---|
| • Daily 2-3 Intraday Cash market calls. | • Daily 1 Intraday & 2 weekly Index Option Call. | • Daily 1 Intraday Premium & 1 | • Daily 1 Intraday Premium Cash market calls. |

| Basic Services  | Special Services   | Spark Services   | Splendid Services  |
|---|--|--|--|
| <ul style="list-style-type: none"> <li>• Delivery based momentum call per week.</li> <li>• Updates on important news &amp; information.</li> <li>• Calls will be given through SMS</li> <li>• Complete Support On Chat &amp; Direct Mobile Number</li> <li>• Regular updates on Global and National market trends</li> <li>• Daily NIFTY support and resistance levels and newsletter.</li> </ul> | <ul style="list-style-type: none"> <li>• Calls will be given for sectoral indices with good movement.</li> <li>• Clients earn good returns at a pre-defined risk.</li> <li>• Calls will be given through SMS</li> <li>• Adequate and prompt telephonic support from our dedicated</li> <li>• Regular updates on Global and National market trends</li> <li>• Daily NIFTY support and resistance levels and newsletter</li> </ul> | <ul style="list-style-type: none"> <li>Holding (2-3 Days) Premium Cash</li> <li>• Delivery based momentum call per week.</li> <li>• Updates on important news &amp; information.</li> <li>• Calls will be given through SMS</li> <li>• Complete Support On Chat &amp; Direct Mobile Number</li> <li>• Regular updates on Global and National market trends</li> <li>• Daily NIFTY support and resistance levels and newsletter.</li> <li>• World Market, Singapore Nifty &amp; Other Updates.</li> <li>• Regular updates on Global and National market trends</li> </ul> | <ul style="list-style-type: none"> <li>• Delivery based momentum call per week.</li> <li>• Updates on important news &amp; information.</li> <li>• Calls will be given through SMS</li> <li>• Complete Support On Chat &amp; Direct Mobile Number</li> <li>• Regular updates on Global and National market trends</li> <li>• Daily NIFTY support and resistance levels and newsletter.</li> <li>• World Market, Singapore Nifty &amp; Other Updates</li> </ul> |

- v. During examination of the matter, information with respect to the website [www.thecapitalsolutions.in](http://www.thecapitalsolutions.in) was sought from the registrar of the domain names i.e. Crazy Domains FZ-LLC. It was observed that the registered email address provided by Mr. Manish Dubey while registering the website was [marketexperts11@gmail.com](mailto:marketexperts11@gmail.com).
- vi. I note that, on the said website, under the section 'pricing', various service packages were offered by the Noticees. The minimum amount charged by the Noticees were ₹ 10,000 and the maximum amount charged was ₹ 2,80,000.



The duration of the services as disclosed on the website was in the range from monthly, quarterly, half yearly and yearly.

- vii. The prices for different services and packages were mentioned on the website and as mentioned in SCN are tabulated below:

| (Amount in ₹) |              |               |        |             |        |
|---------------|--------------|---------------|--------|-------------|--------|
| Stock Cash    |              | Splendid Cash |        | Spark Cash  |        |
| Monthly       | 10000        | Monthly       | 17000  | Monthly     | 35000  |
| Quarterly     | 25000        | Quarterly     | 45000  | Quarterly   | 90000  |
| Half Yearly   | Not captured | Half Yearly   | 80000  | Half Yearly | 150000 |
| Yearly        | 90000        | Yearly        | 150000 | Yearly      | 280000 |

- viii. I note from the above that the investment advisory services offered by the Noticees were in lieu of monetary considerations.
- ix. Upon perusal of the records, I note that, the above referred website had a customer care telephone number “7440667958” and email ids info@thecapitalsolutions.in and support@thecapitalsolutions.in. Further, the Noticees received fee for providing unregistered investment advisory services in his HDFC Bank Account no. 50200049846651 which was in the name of Mr. Manish Dubey and against each service advertised on the website, a link for payment was made available by the Noticee.
- x. From the Account Opening Form, Know Your Clients details and bank account statement as received from HDFC bank the following details were observed:

|  |  |
|--|--|
| Account Holder Name                              | Mr. Manish Dubey   |
| Account Type                                     | Current  |
| IFSC   | HDFC0000449  |
| Account opening date                             | September 3, 2020  |
| Branch   | Sagar, Madhya Pradesh  |
| Address (as per Aadhar Card of Mr. Manish Dubey) | S/o. Mr. Ramakant Dubey, Yadav Colony, Pyasi Ji Ke Gali, Madhukar Sah Ward, Sagar, Madhya Pradesh-470002 |
| Email  | marketexperts11@gmail.com  |

- xi. I have observed that the email address provided by the Noticees to Crazy Domains FZ-LLC, registrar of the domain names, while registering the website i.e. www.thecapitalsolutions.in and the email address provided while opening the bank account with HDFC Bank was same i.e. marketexperts11@gmail.com. As noted above, the bank account was opened in the name of Mr. Manish Dubey.
- xii. I also note from the bank statement of the abovementioned HDFC bank account of the Noticees that certain payments were received with narration 'Capital Solutions' or 'Capital Soluation', or 'Capital'. An illustrative list of such credit entries / transactions is as under:

| Date     | Particulars   | UTR No.      | Amount Credited (₹) |
|----------|---|--------------|---------------------|
| 03-05-21 | UPI-KUNDAN KUMAR-KK20688@OKAXIS-CNRB0000033-112315334280-CAPITAL SOLUATION                  | 112315334280 | 5000                |
| 27-05-21 | UPI-UPPALA CHANDRA SHEKA-9346832895@YBL-KKBK0007446-114729665913-ADV INT TO CAPITAL         | 114729665913 | 25000               |
| 27-05-21 | IMPS-114714342757-UPPALA CHANDRASHEKA-HDFC-XXXXXX6796-MB: GST IN ADV PAYMENT TO CAPITAL SOL | 114714342757 | 15020               |
| 18-06-21 | UPI-PATEL AYUSH-AYUSHPATEL232002@OKHDFC BANK-BARB0KARELI-116915095065-CAPITAL SOLUTIONS     | 116915095065 | 3000                |

Therefore, I note that the website for providing investment advisory services was run by the Noticees and funds were received in this bank account maintained with HDFC Bank which was made available on the Noticees' website for receiving fee for providing advisory services.

- xiii. It was revealed during examination of the aforesaid bank account statement as provided by HDFC Bank on July 16, 2021 that the total credit received in the said account was ₹61,99,172.50/-. . From the narrative of the transactions, it is found that the payments have, *prima facie*, come from various investors / clients for the purpose of availing investment advisory services. The aforesaid analysis further revealed that various credit entries/ transactions are appearing in the bank statement with narrations such as stock, investment, fee, advisory share, sharemarket, tips, investment advise, advisory fees, stock market fees, trading fees, fees for tips, trading options etc. which are in the nature of fees collected for rendering investment advisory activities. Further, there was certain credit entries in the bank account without any narration. An illustrative list of such credit entries / transactions are as under:

| Date     | Particulars   | UTR No.      | Amount Credited (₹) |
|----------|---|--------------|---------------------|
| 13-10-20 | UPI-JENIL NITINBHAI CHA-JENIL.CHAVDA@OKSBI-SBIN0001055-028714429807-STOCK                 | 28714429807  | 4200                |
| 18-01-21 | IMPS-101813452013-GURSEWAK SINGH-HDFC-XXXXXXXXX0563-INVESTMENT                            | 101813452013 | 2500                |
| 19-04-21 | UPI-MANJINDER SINGH-MSP231010-2@OKHDFCBANK-HDFC0005460-110916548532-FEE                   | 110916548532 | 5000                |
| 19-05-21 | UPI-RADHE SHYAM MEHALA-RADHEYSMEHALA968 OKSBI-SBIN0032425-113910164078-FOR ADVISE SHARE M | 113910164078 | 6500                |
| 26-05-21 | UPI-BHARAT VIDHURSINGH C-BHARATCHAWDA84-1@OKICICI-UBIN0556688-114609331340-FEES           | 114609331340 | 5000                |
| 24-06-21 | UPI-PRASHANT SUDHAKAR MA-MANEPRASHANT677OKAXIS-KKBK0001980-117513949232-SHAREMARKET       | 117513949232 | 5000                |

| Date     | Particulars  | UTR No.      | Amount Credited (₹) |
|----------|--|--------------|---------------------|
| 15-05-21 | UPI-SUNIL PANDURANG DHAR-PRATHAMESHD255@OKSBI-SBIN0003843-113513016571-UPI | 113513016571 | 1                   |
| 15-05-21 | UPI-SUNIL PANDURANG DHAR-PRATHAMESHD255@OKSBI-SBIN0003843-113513038165-UPI | 113513038165 | 20000               |

- xiv. The payments made by the Complainant Mr. Prathamesh Dharmadhikari, as evident from the corresponding transaction slips provided by the Complainant, as detailed are also reflected between May 14, 2021 to May 29, 2021 in HDFC Bank Account Number 50200049846651 pertaining to Mr. Manish Dubey. Details of the said transactions are provided at para 13(xxv) in subsequent paragraphs. I note that the said credit entries on various dates from the complainant in the bank account of Noticees do not have any narrations with respect to the purpose of such deposits. In this regard, two instances wherein the complainant made payments to the Noticees is given in the above table.
- xv. I note from the records that SEBI's examination has also revealed that a telegram channel "Trading View" was created on July 27, 2020 and since April 29, 2021 stock tips were being provided on the said channel regularly. In the description of the said channel it is mentioned that *"This official premium channel helps you all grow your investments by suggesting the highest probability trades."* The said channel has 387 subscribers. The Screen shots taken on September 16, 2021 of the said channel were provided to the Noticees. Further, from the call recordings provided by the Complainant Mr. Prathamesh Dharmadhikari, it is observed that the Noticees were providing investment advisory services to the investors through various means such as their website, telegram channel, phone calls. Transcript of one such call recordings is as follows:

|          |                  |
|----------|------------------|
| IA       | Good evening sir |
| Investor | Good evening     |

|          |  |
|----------|--|
| IA       | <i>R K baat kar raha hu...Apka appointment dala hua hai..company mein aaj aapne registration krwaya hai...kaha se baat ke rahe ho</i>  |
| Investor | <i>Maharashtra</i>   |
| IA       | <i>MH mien kaha se?</i>  |
| Investor | <i>Beed</i>  |
| IA       | <i>Mh k bahot sare humare clint hai...bahot time se kaam kr rahe hai....aur MH k Pune ki baat karu to mere chachaji DIG the...MH kafi lagav hai...aapka kitna investment leke challenge?</i>   |
| Investor | <i>50000</i>   |
| IA       | <i>Mein aapko bolunga ki investment jyada karo toh aap karenge?</i>  |
| Investor | <i>Yes</i>   |
| IA       | <i>Mein aako bata du ki 1 lakh invest nai krna...market mein investment matter nai krta..market mein aise kaam karenge jaise profit male...mein aapko bolu ki koi stock purchase krna hai wo stock purchase and sale ki piche koi reason hota hai...aapna jo kaam hoga wo proper hoga technical support se ..jaha pr aapko trading sb milega...mera jo working hota hai wo 3 month ka hota hai...usme aapko investment demat mein hona minimum 15000 - 20000 hona chahiye...1 lakh matter nai krta..wo tho koi bhi krva skte hai...chota se bada krna krna hai so minimum amount 20000 ka hoga...3 month ka service hoga</i> |
| Investor | <i>Thik hai</i>  |

- xvi. I note from the materials available on record that upon receipt of the complaints, SEBI, vide letter dated August 03, 2021 and further vide reminder letter dated August 16, 2021 advised the Noticees to provide information regarding the details of their clients to whom the Noticees have rendered investment advisory services and amounts received from them in HDFC Bank Account Number 50200049846651 towards consideration of the said investment advisory services.
- xvii. I note that by their letter dated September 27, 2021 to SEBI, the Noticees have submitted that they have not rendered any investment advisory service to investor or collected or received any payment for the services.
- xviii. I also note that in response to the SCN dated June 13, 2022, the Noticees Mr. Manish Dubey vide his letter dated July 19, 2022 has submitted that he is not involved in any kind of activity which is prohibited in SEBI Act and sought for additional time for submitting his detailed explanation. In this regard, I note

that by his email dated August 19, 2022, the Noticees has submitted that the amount was wrongly credited in his bank account and the same has been returned to the respective account holder.

- xix. I note that the Noticees have not denied that the said website i.e. [www.thecapitalsolutions.in](http://www.thecapitalsolutions.in) does not pertain to them. The Noticees have also not demonstrated about what business they were doing other than providing unregistered investment advisory services as a result of which credits were received in their account.
- xx. I have perused the complaints dated May 17, 2021 of Mr. Govind Kushwaha and June 18, 2021 of Mr. Prathamesh Dharmadhikari filed with SEBI against Capital Solutions vis-à-vis the contents of the two emails forwarded by the Noticees to SEBI i.e. one from the complainant Mr. Prathamesh Dharmadhikari dated July 25, 2022 and another email from Mr. Govind Kushwaha dated July 23, 2022 withdrawing their complaints against the Noticees. I note that the complainants used their same respective email id for making and withdrawal of their respective complaint.
- xxi. I note that the complainant Mr. Govind Kushwaha while filing his complaint dated May 17, 2021 with SEBI had *inter-alia* alleged that pursuant to receipt of a call on May 05, 2021 from Capital Solutions claiming to offer trading tips with 95% success rate and assurance of guaranteed profit, he had initially paid ₹5000 towards registration fees to the Noticees. Subsequently, the Complainant paid a total amount of ₹1,42,000 to the Noticees including a fee of ₹27,000/- (to hire a researcher as advised by Capital Solutions) and sums of ₹ 34,000/- and ₹ 32,000/-.
- xxii. Similarly, the other complainant Mr. Prathamesh Dharmadhikari had *inter-alia* alleged in his complaint dated June 18, 2021 that the Noticees have fraudulently extracted ₹1,50,000 from him in lieu of providing profits on carrying out intraday trades based on the advice of the Notices and also promised that value of the investment would become ₹8 Lakh in just 3 months' time. The

Complainant has provided multiple transaction slips for payment of about ₹1,28,000/- made to the Noticees in this regard. The complainant has also provided mobile number of the Noticees which is same as that is available on the Noticee's website. The complainant has also provided details of website, email ID, bank account details of the Noticees with his complaint.

xxiii. I have noted that the complainant Mr. Prathamesh Dharmadhikari, vide his email dated June 29, 2021 has *inter-alia* stated that after the cyber complaint was filed against Capital Solutions, the Noticees have refunded an amount of ₹1,40,000/- after making a loss of ₹20,000/-. Further, I have also noted that vide emails dated July 23, 2022 and July 25, 2022 respectively from Mr. Govind Kushwaha and Mr. Prathamesh Dharmadhikari, they have withdrawn their complaints filed against the Noticees stating that the complaints were wrongly filed by them. I note that the said two emails have similar contents and the same are reproduced below:

a. Email dated July 25, 2022 received from Mr. Prathamesh Dharmadhikari:

*I Mr. Dharmadhikari Prathamesh, aged- 19, Residence of City-Pune do hereby solemnly affirm and declare as under;*

- 1. That the complain I have made to Securities Exchange Board of India (hereinafter referred to as SEBI) Western Region office that I have been availed Share market Tip from Mr. Manish Dubey was not factual.*
- 2. That I have not rendered any Share Market Tip service or advisory from them.*
- 3. That I have not given Rs. 1,38,000 /- for Share Market advisory service.*
- 4. That I want to withdraw my complaint with SEBI against Mr. Manish Dubey as there is no relation for Share Market TIP with the said party or Group.*
- 5. That therefore I request authorities to may please withdraw the rose because of wrong complaint filed by me.*

6. *That my statements are true and correct.*

b. Email dated July 23, 2022 received from Mr. Govind Kushwaha :

*I Mr. Govind Kushwaha, aged-32, Residence of District-Surajpur, Chhattisgarh do hereby solemnly affirm and declare as under;*

1. *That I wrongly made complaint in the Securities Exchange Board of India (hereinafter referred to as SEBI) Western Region office that I have been availed Share market Tip from Mr. Manish Dubey.*

2. *That they have committed to give Share Market Tips and I incurred loss because of them*

3. *That I had given Rs. 1,42,000 /- for Share Market TIPS was wrongly complain in SEBI.*

4. *That I want to withdraw my complaint with SEBI against Mr. Manish Dubey as there is no relation for Share Market TIP with the said party or Group.*

5. *That therefore I request authorities to may please withdraw the charges rose because of wrong complaint filed by me.*

6. *That my statements are true and correct.*

The above mentioned emails from the complainants withdrawing their complaints appear to be an afterthought of the Noticees and filed after issuance of SCN dated June 13, 2022 by SEBI to the Noticees.

xxiv. I note that even though Capital Solutions has claimed in its email that the amount has been returned to the respective account holder as they were wrongly credited in his bank account, no evidence has been submitted by the Noticees. Further, the complainants have also not confirmed and produce any evidence regarding receipt of refund of such fund. Instead the complainants in their emails have submitted that they have not given the said funds to Capital Solutions and wrong complaint was filed by them with SEBI against Capital Solutions. Therefore, I note that the contents of initial complaint and withdrawal of complaint are contradictory. The deposit/transaction slip and credit entries reflected in transaction statement show the amount was paid by the



complainants and which was received by the Noticees. As mentioned above at para 7, even the noticees acknowledged that the amounts were received in their bank account. Irrespective of the complaints, SEBI has caused to issue the SCN after conducting independent examination on the activities of the Noticees and based on the findings and the materials collected during the said examination.

xxv. I note from the bank account statement of the Noticees maintained with HDFC Bank and from the transaction slips provided by the complainant Mr. Prathamesh Dharmadhikari that he made multiple payments to the Noticees from his bank account with State Bank of India between May 14, 2021 and May 29, 2021 as mentioned below:

| Date     | Particulars   | UTR No.      | Amount Credited (₹) |
|----------|---|--------------|---------------------|
| 14/05/21 | UPI-SUNIL PANDURANG DHAR-9561398100@AXL-SBIN0003843-113431364776-PAYMENT FROM PHONE | 113431364776 | 1.00                |
| 14/05/21 | UPI-SUNIL PANDURANG DHAR-9561398100@AXL-SBIN0003843-113435748763-PAYMENT FROM PHONE | 113435748763 | 4,999.00            |
| 15/05/21 | UPI-SUNIL PANDURANG DHAR-PRATHAMESHD255@OKSBI-SBIN0003843-113513016571-UPI          | 113513016571 | 1.00                |
| 15/05/21 | UPI-SUNIL PANDURANG DHAR-PRATHAMESHD255@OKSBI-SBIN0003843-113513038165-UPI          | 113513038165 | 20,000.00           |
| 15/05/21 | UPI-SUNIL PANDURANG DHAR-PRATHAMESHD255@OKSBI-SBIN0003843-113514394159-UPI          | 113514394159 | 1,999.00            |
| 15/05/21 | UPI-SUNIL PANDURANG DHAR-PRATHAMESHD255@OKSBI-SBIN0003843-113517821574-UPI          | 113517821574 | 19,800.00           |
| 15/05/21 | UPI-SUNIL PANDURANG DHAR-PRATHAMESHD255@OKSBI-SBIN0003843-113518183550-UPI          | 113518183550 | 22,000.00           |
| 16/05/21 | UPI-SUNIL PANDURANG DHAR-9561398100@PAYTM-SBIN0003843-113685264407-NA               | 113685264407 | 1.00                |
| 16/05/21 | UPI-SUNIL PANDURANG DHAR-SUDHARMADHIKARI1975@OKSBI-SBIN0003843-113618121451-UPI     | 113618121451 | 4,999.00            |
| 17/05/21 | UPI-SUNIL PANDURANG DHAR-SUDHARMADHIKARI1975@OKSBI-SBIN0003843-113708949452-UPI     | 113708949452 | 1.00                |

| Date     | Particulars   | UTR No.      | Amount Credited (₹) |
|----------|---|--------------|---------------------|
| 17/05/21 | UPI-SUNIL PANDURANG DHAR-SUDHARMADHIKARI1975@OKSBI-SBIN0003843-113708972437-UPI     | 113708972437 | 24,999.00           |
| 17/05/21 | UPI-SUNIL PANDURANG DHAR-SUDHARMADHIKARI1975@OKSBI-SBIN0003843-113710376955-UPI     | 113710376955 | 9,500.00            |
| 20/05/21 | UPI-SUNIL PANDURANG DHAR-SUDHARMADHIKARI1975@ OKSBI-SBIN0003843-114010722795-UPI    | 114010722795 | 5,000.00            |
| 20/05/21 | UPI-SUNIL PANDURANG DHAR-SUDHARMADHIKARI1975@OKSBI-SBIN0003843-114019236700-UPI     | 114019236700 | 5,000.00            |
| 21/05/21 | UPI-SUNIL PANDURANG DHAR-SUDHARMADHIKARI1975@OKSBI-SBIN0003843-114109417382-UPI     | 114109417382 | 10,000.00           |
| 29/05/21 | UPI-SUNIL PANDURANG DHAR-9561398100@YBL-SBIN0003843-114974119762-PAYMENT FROM PHONE | 114974119762 | 1.00                |
| 29/05/21 | UPI-SUNIL PANDURANG DHAR-9561398100@YBL-SBIN0003843-114992719423-PAYMENT FROM PHONE | 114992719423 | 8,990.00            |

xxvi. I note from the above payments made by the complainant to the Noticees that on five occasions on different dates before making final payment, penny drop was made by the complainant in the account of the Noticee. I have observed from the publicly available information on internet with respect to 'penny drop' that 'penny drop' verification is a form of bank account validation in which a penny i.e. ₹1 is deposited to ascertain correctness of a bank account before final amount is deposited in the said bank account. Therefore, the claim of Noticees that the amount was wrongly credited and also of the complainants that they have not given the said funds to Capital Solutions and wrong complaint was filed by them against the Noticees that he was providing advisory services, is not acceptable for the reasons mentioned above.

xxvii. I have also noted from perusal of the bank account statement of the Noticees maintained with HDFC Bank that most of the money which was collected by the Noticees from the investors/clients were withdrawn from ATM on multiple occasions i.e. an amount of ₹40,84,588.50 i.e. 65.89% of total credits received in the bank account were withdrawn from ATMs on different occasions. It is a

fact that once the money is withdrawn from ATM the trail of its further utilization cannot be identified. Further, in case the Noticees were carrying out any business other than providing investment advisory services, the same could have been identified either from the information they could have provided, in response to the communications from SEBI or from the payments they would have made for conducting their business from the said bank account. However, the Noticees failed to provide any information and/or evidence in this regard. Therefore, I note that no business other than advisory services was carried out by the Noticees. I also note that the intention of the Noticees was to mislead the investors under the guise of providing investment advisory services by promising assured profits. Therefore, I find and hold that the entire credits received in the said bank account was the fees which was collected by the Noticees from its clients as consideration for rendering unregistered advisory services.

- xxviii. Having concluded that the entire funds received in the HDFC bank account was received as consideration for carrying out unregistered advisory services, I note from the material collected during SEBI's examination that the said bank account has received a total amount of **₹ 61,99,172.50** during the period from September 03, 2020 till July 16, 2021. I also note that some of the credits in the said bank account were made with narrations such as stock, investment, sharemarket, fees, advice share market etc. and as noted above, the credits also involved penny drop to confirm or validate the bank account before making final payment by the investors/clients. Further, the email id i.e. marketexperts11@gmail.com provided while opening bank account and also while registering the website with registrar of domain was the same. The contents of the website of the Noticees and contents of the two complaints received by SEBI on the basis of which examination in the matter was conducted clearly indicates that the Noticees were carrying out investment advisory services. Also payments by certain clients were made with narration 'Capital Solutions' or 'Capital Soluation', or 'Capital' in the Noticees' HDFC

bank account mentioned above in this order. In view of the same, I cannot accept the argument of the Noticees that the amount was wrongly credited to their bank account or the amount received in their bank account is not related to the advisory services. As noted above, the bank account was opened in the name of Mr. Manish Dubey and if any amount was credited wrongly, the account holder should have immediately informed the concerned bank. Any ordinary prudent person will immediately inform the appropriate authorities viz. the concerned bank, police authorities etc. in respect of any such incidents happen in their bank account. I note that no material / documents are available on record which suggests that the Noticees have taken up the same with any authorities. I also note that the Noticees have not submitted any documents in this regard. The Noticees have stated that they have returned the money, however, they have not submitted any evidence to that affect that all the moneys credited in the said bank account with narration such as stock, investment, sharemarket, fees, advise share market, tarde slot, trading options, trading registration etc. have been refunded. Further, the Noticees have not provided any rationale for the credits in the said bank account viz. the source / reasons of credit of the sums. The Noticees have not provided evidence of any other business being carried out by them in respect of which the said credits were received in the said bank account. Therefore, in view of the above discussions, I do not find any merit in the argument of the Noticees that the amounts received from the two complainants were wrongly credited in their bank account.

- xxix. I also note that during the hearing held on November 16, 2022 before me, the Noticees submitted that the bank account with HDFC Bank was opened by the Noticees on behalf of some other person named Mr. Pankaj Vinodiya, who was dealing with the transactions in the said bank account. In this regard, during the personal hearing, the Noticees were advised to submit their written submissions alongwith the proof thereof to substantiate their claim. However, even after sending multiple reminders to the Noticees as mentioned at para 9

of this order, the Noticees neither filed post hearing written submissions nor provided any evidence in support of their claim made during hearing. Therefore, I note that the submissions made by the Noticees during personal hearing before me was a premeditated thought made with the intention of diverting the attention in the matter. In view of the lack of any supporting evidence, I reject the oral submissions made by the Noticees during personal hearing before me.

- xxx. As discussed and observed above, pursuant to the receipt of the complaints, SEBI has carried out an examination in this regard. The materials collected during SEBI's examination prove that the activities of the Noticees are in the nature of Investment Adviser, as defined in regulation 2(1)(m) of the IA Regulations. Therefore, I hold that the Noticees were carrying out activities in violation of the relevant provisions of the SEBI Act and IA Regulations.
- xxxi. In this regard, it is pertinent to observe that, in order to protect the interest of investors and to maintain integrity of the securities market, IA Regulations provide multiple safeguards to ensure that the investors who receive investment advice after being subjected to various regulatory mandates. One such safeguard is that any person carrying out investment advisory activities has to obtain a certificate of registration from SEBI as is required under regulation 3(1) of the IA Regulations and conduct its activities in accordance with the provisions of IA Regulations. Other safeguards provided under the IA Regulations *inter alia* include continued minimum professional qualification and net-worth requirement for the investment advisers, disclosure of all conflicts of interest, prohibition on entering into transactions on its own account by the investment adviser which is contrary to advice given to clients for a period of fifteen days from the day of such advice, risk profiling and suitability for all categories of investors, maintaining documents regarding process for selecting investments for client based on client's objective and risk profile, understanding the nature and risks of products or assets selected for clients, etc.

- xxxii. In this background, I observe that, unregistered investment advisers like the noticees expose investors to a great risk by misleading them. In the present case, it has been mentioned on the website that Capital Solutions is an advisory company, providing recommendations in Stock Cash, Future & Options, Bullions & Base Metal, Agri & Forex. The website displayed that services with names such as Basic, Splendid, Spark and Special services were being offered. The website has a section on pricing of various service packages offered. As against the requirements under the SEBI Act and the IA Regulations that an investment advisor should obtain a certificate of registration before rendering any investment advisory services. I find that the noticees were not holding certificate of registration from SEBI to act as an investment adviser. Thus, the claims / advertisements made on the website were misleading and were made to lure investors to avail the so called investment advisory services. One such instance I have noted is that the complainant Mr. Prathamesh Dharmadhikari had mentioned in his complaint that the Noticees had assured returns of ₹8 lakhs in 03 months' time to the complainant. Similarly, the other complainant Mr. Govind Kushwaha has mentioned in his complaint that the Noticees guaranteed profits to him. The noticees have held themselves out as investment advisor without holding certificate of registration from SEBI to act as an investment adviser and offered services through the website to investors with the objective of raising money through subscriptions to various plans as given in the website.
- xxxiii. I note that 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 the Board. Further, regulation 3(1) of the IA Regulations also 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 SEBI. It is pertinent to mention that Capital Solutions was never registered with SEBI as Investment Adviser.

xxxiv. The activities of the noticees, as brought out from the various materials described above, seen in the backdrop of the aforesaid provisions show that the noticees were holding themselves out and acting as investment adviser. However, the noticees have not registered themselves with SEBI in the capacity of an investment advisor. Hence, I find that these activities/ representations as being made by the noticees without holding the certificate of registration as investment adviser are in violation of Section 12(1) of SEBI Act read with regulation 3(1) of the IA Regulations.

xxxv. I note that the material available on record does not indicate the exact amount of fees collected by the Noticees, as result of providing investment advice to investors, in violation of the provisions of IA Regulations, 2013. However, I note that the complainant Mr. Govind Kushwaha has claimed that he had paid ₹1,42,000 to the Noticees and Mr. Prathamesh Dharmadhikari has claimed that the Noticees had extracted ₹1,50,000 from him for providing investment advisory services. Also certain credits were received in the HDFC bank account of the Noticees with narration 'Capital Solutions' or 'Capital Soluation', or 'Capital'. Further, even after the information was sought, the Noticees did not provide information regarding the details of their clients who had availed investment advisory services from them and amounts collected from them in HDFC Bank. The Noticees also failed to avail the opportunity granted to them during personal hearing before me to clarify their position by filing a written submission alongwith supporting evidences. As mentioned in the preceding paragraphs, I note that the total credit received in the said HDFC Bank account was **₹61,99,172.50** during the period from September 03, 2020 till July 16, 2021.

xxxvi. In light of the findings in the preceding paragraphs, I am of the considered view that the Noticees are liable to refund the aforementioned amount to its clients /investors.

14. I also note that the SCN also calls upon the Noticees to show cause as to why inquiry should not be held against them in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and penalty be not imposed under Section 11(4A), 11B (2) read with Section 15 HB of the SEBI Act, 1992 for the violations alleged hereinabove. In this regard, the relevant extracts of the aforesaid provisions are reproduced below:

***“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.”*

15. I note from the above that the noticees were offering investment advisory services and the noticees acted as investment adviser without obtaining registration from SEBI resulting in violation provisions of SEBI Act, 1992 and IA Regulations, 2013. Therefore, Noticees are liable for penalty under Section 11(4A), 11B (2) read with Section 15 HB of SEBI Act, 1992.

16. I further note that in the SCN the provisions of Section 15HB of SEBI Act, 1992 has been mentioned for levy of penalty for the alleged violations in the SCN. I note that the provision of penalty under Section 15HB is for contravention where no separate penalty has been provided in the SEBI Act, 1992. However, I note that Section 15EB of the SEBI Act provides for penalty for default by investment advisers and research analysts. I also note that the quantum of penalty under both the provisions i.e. Section 15HB and 15EB is similar. I note that quoting of wrong provisions of law will not entitle the Noticees to relief. In this regard I would like to place reliance on the order passed by Hon’ble Madras High Court in the matter of V.Nanthagopal vs Union Of India (W.P.No.457/2009 & M.P.Nos.1,2,3/2009 & M.P.Nos.1, 2 & 3/2010) wherein the Hon’ble Madras Court has held as under:



*“The learned counsel appearing for the petitioner would admit that the petitioner has quoted a wrong provision of law and that should not be put against the petitioner while deciding the writ petition and by merely quoting a wrong provision of law, it cannot be said that the authorities would refuse to look into provisions of statute and Act in accordance with law. I am inclined to accept the submission of the learned counsel appearing for the petitioner that the petitioner has quoted a wrong provision of law and this Court being court of equity, would consider the petitioner's case being a case of falling under the provisions of 20 and 21 of the Act since, the Hon'ble Supreme Court on several occasions held that quoting a wrong provision of law will not dis-entitled the party to the relief.”*

17. Further, in the matter of VLS Finance Vs. SEBI in Appeal No. 12/2000, the Hon'ble Securities Appellate Tribunal vide order dated October 31, 2000 had held as follows :

*“It is well settled that mere mention of a wrong provision of law, when the power exercised is available even though under a different provision is by itself not sufficient to invalidate the exercise of that power. There is a plethora of Supreme Court decisions of this dictum. Keeping in mind the said principle I have perused the provisions of the Act, to find out whether there is any other provision in the Act, under which monetary penalty as levied by the Adjudicating Officer is leviable for default under regulation 6. In my effort, I stumbled on the provisions of section 15A(b) of the Act. Under the said section if any person who is required under the Act or any rules or regulations made thereunder "to file any return or furnish any information, books or documents within the time specified therefor in the regulations, fails to file return or furnish the same, he shall be liable to a penalty not exceeding five thousand rupees for every day during which such failure continues". As far as the default part is concerned, i.e. failure to report the aggregate share holding of the acquirers, to the stock exchange and the company, the same squarely fits into the ambit of the said section 15A(b). Even though this section does not refer to the requirement to 'disclose', on a realistic interpretation it can be concluded that the, failure to disclose the holdings to the company and*

*the concerned stock exchange within the stipulated time by an acquirer would come under the purview of the section.”*

18. Therefore, I am of the view that the penalty as specified under Section 15HB of SEBI Act, 1992 can be imposed in the matter.

19. I note that while imposing penalty under the provisions of Section 15HB of SEBI Act, 1992 the factors enumerated in Section 15J of the SEBI Act, 1992 are to be taken into consideration, which provides as follows:-

**“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.*

*Explanation. —For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.”*

20. In this regard, I find that the SCN does not mention the amount of disproportionate gain or unfair advantage made as a result of the default or the amount of loss caused to an investor or group of investors as a result of the default. However, as stated in paragraphs 13(xxviii) and 13 (xxxv), Noticees had collected an amount of **₹ 61,99,172.50** in its HDFC Bank account No. 50200049846651 during the period from September 03, 2020 to July 16, 2021 in contravention of the provisions of the IA Regulations, 2013 and refund directions are being issued in respect of the said amount. In view of the same, I am of the considered view that the imposition of

penalty warranted in the instant proceedings, which would commensurate with the violation committed by the Noticees.

21. I also note that the SCN issued to the Noticees have *inter alia* advised to show cause as to why directions under Section 11D of the SEBI Act, 1992 shall not be issued against them. I note that directions under Section 11D of the SEBI Act is not warranted at this stage.

## **22. Order –**

22.1. I, in exercise of powers conferred upon me under sections 11(1), 11(4), 11 (4A), 11B (1), 11B (2) read with Section 19 of SEBI Act, 1992 and Rule 5 of the Rules hereby direct that: –

- i. Mr. Manish Dubey, Proprietor of M/s. Capital Solutions shall within a period of three (3) months from the date coming into force of this Order, refund the money received from any investor/client, as fees or consideration or in any other form, in respect of their unregistered investment advisory activities.
- ii. Mr. Manish Dubey, Proprietor of M/s. Capital Solutions shall issue a 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 from the date of this order. A period of two (2) months from the date of the public notice, as stated above, shall be provided to the investors/clients for submitting their claims.
- iii. The repayments to the investors/clients shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any other appropriate banking channels as permitted by Reserve Bank

of India, which ensures audit trails to identify the beneficiaries of repayments.

- iv. Mr. Manish Dubey, Proprietor of M/s. Capital Solutions 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, banks are directed to allow debit from the bank accounts of Mr. Manish Dubey, Proprietor of M/s. Capital Solutions, only for the purpose of making refunds to the clients/ investors who were availing the investment advisory services from Mr. Manish Dubey, Proprietor of M/s. Capital Solutions.
- v. After completing the aforesaid repayments, Mr. Manish Dubey, Proprietor of M/s. Capital Solutions shall file a report of such completion duly certified by an independent Chartered Accountant 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”, with a copy to the Division Chief, Securities and Exchange Board of India, 104-105, Satguru Parinay, Opposite, C-21, Mall, A.B. Road, Indore-452010, Madhya Pradesh, within a period of 15 days, after completion of three months from the coming into force of this order.
- vi. The direction at paragraph 22.1 (iv) above shall cease to operate upon filing of such report on completion of refunds to investors/clients, to the satisfaction of SEBI.
- vii. Mr. Manish Dubey, Proprietor of M/s. Capital Solutions is debarred from accessing the securities market, directly or indirectly and is prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner whatsoever, from the date of this order. The

debarment shall continue till the expiry of 02 (two) years from the date of completion of refunds to investors/ clients as directed in paragraph 22.1 (i) above.

- viii. The Noticees are also restrained from associating with any company whose securities are listed on a recognized stock exchange and any company which intends to raise money from the public, or any intermediary registered with SEBI in any capacity till the expiry of 02 (two) years from the date of completion of refunds to investors/ clients as directed in paragraph 22(i) above.
- ix. The Noticees are hereby imposed with, under Section 15HB of SEBI Act, 1992, a penalty of ₹ 2,00,000/-, and are directed to pay the penalty within a period of forty-five (45) days, from the date of receipt of this order;
- x. The Noticees shall remit / pay the said amount of penalties through either by way of Demand Draft in favour of “SEBI - Penalties Remittable to Government of India”, payable at Mumbai, or through online payment facility available on the website of SEBI, i.e. [www.sebi.gov.in](http://www.sebi.gov.in) on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of Chairman/ Members -> PAY NOW. In case of any difficulties in online payment of penalties, the said Noticees may contact the support at [portalhelp@sebi.gov.in](mailto:portalhelp@sebi.gov.in). The demand draft or the details/ confirmation of e-payment should be sent to “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” and also to e-mail id:- [tad@sebi.gov.in](mailto:tad@sebi.gov.in) in the format as given in table below:

|                 |  |
|-----------------|--|
| Case Name       |  |
| Name of Payee   |  |
| Date of Payment |  |
| Amount Paid     |  |
| Transaction No. |  |

|  |  |
|--|--|
| Payment is made for: (like penalties/<br>disgorgement/ recovery/ settlement amount/<br>legal charges along with order details) |  |
|--|--|

22.2. The direction for refund, as given in paragraph 22.1(i) above, does not preclude the clients/investors from pursuing other legal remedies available to them under any other law, against Mr. Manish Dubey and / or Capital Solutions for refund of money or deficiency in service before any appropriate forum of competent jurisdiction.

22.3. The order comes into force with immediate effect.

22.4. A copy of this order shall be sent to the Noticees, recognized Stock Exchanges, the relevant banks, Depositories and Registrar and Transfer Agents of Mutual Funds to ensure that the directions given above are strictly complied with.

**Sd/-**

**DATE: DECEMBER 23, 2022**

**S.V. MURALI DHAR RAO**

**PLACE: MUMBAI**

**EXECUTIVE DIRECTOR**

**SECURITIES AND EXCHANGE BOARD OF INDIA**