

Department: Investigation	Segment: All
Circular No: MSE/ID/13173/2023	Date : March 13, 2023

Subject: SEBI Order in the matter of M/s. Capital Gyan (Proprietor: Mr. Pranay Kumar)

To All Members,

SEBI vide order no WTM/AB/SRO/SRO/24398/2022-23 dated March 10, 2023 has issued the following directions for Mr. Pranay Kumar (Proprietor of M/s. Capital Gyan) (PAN: BTFPK4872B).

- a) The Noticee shall within a period of three months from the date of coming into force of SEBI order, refund the money received from any complainant/ investors, as fees or consideration or in any other form, in respect of their unregistered investment advisory activities;
- b) The Noticee, shall issue public notice in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of contact person such as names, addresses and contact details, within 15 days of coming into force of SEBI order;
- c) The repayments to the complainants / investors shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments;
- d) After completing the refund as directed in para 24 (a) of SEBI order, within a period of 15 days, the Noticee shall file a report detailing the amount refunded to SEBI addressed to the Division Chief, Division of Registration-2, Market Intermediaries Regulation and Supervision Department (MIRSD), SEBI Bhavan II, Plot No. C7, G Block, Bandra Kurla Complex, Bandra (East) Mumbai - 400051. The report should be duly certified by an independent Chartered Accountant and indicate the amount, mode of payment by banking transactions, name of the parties, communication address, mobile numbers and telephone numbers etc.;
- e) The remaining balance amount shall be deposited with SEBI which will be kept in an escrow account for a period of one year for distribution to clients/complainants/investors who were availing the investment advisory services from the Noticee. Thereafter, remaining amount, if any, will be deposited in the Investor Protection and Education Fund maintained by SEBI;
- f) The Noticee is restrained 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/ depositing balance amount with SEBI, as directed in SEBI order. Further, the banks are directed to allow debit only for the purpose of making refunds to the clients/investors/complainants who were availing the investment advisory services from the Noticee and depositing balance amount with SEBI, as directed in SEBI order, from the bank accounts of the Noticee;

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- g) The Noticee is debarred from accessing the securities market, directly or indirectly and are prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of 6 months from the date of SEBI order or till the expiry of 6 months from the date of completion of refunds to complainants/ investors along with depositing of balance amounts, if any, with SEBI as directed in para 24(a) and 24(e) of SEBI order, whichever is later;
- h) Upon submission of report on completion of refunds to complainants/ investors to SEBI and deposit of the balance money with SEBI, if any, the direction at para 24(f) of SEBI order shall cease to operate within 15 days thereafter;
- i) The Noticee shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in para 24 (g) of SEBI order, either directly or indirectly, investment advisory services or any activity in the securities market without obtaining a certificate of registration from SEBI as required under the securities laws.

The direction for refund and depositing the balance amount with SEBI, as given in para 24 (a) and (e) of SEBI order, does not preclude the clients/investors to pursue the other legal remedies available to them under any other law, against the Noticee for refund of money or deficiency in service before any appropriate forum of competent jurisdiction.

This order comes into force with immediate effect.

Members of the Exchange are advised to take note of the full text of the order available on SEBI's website [www.sebi.gov.in] and ensure compliance.

**For and on behalf of
Metropolitan Stock Exchange of India Limited**

**Vipul Vaishnav
Assistant Vice President**