

Department: Investigation	Segment: All
Circular No: MSE/ID/15013/2024	Date : March 11, 2024

Subject: SEBI Order in respect of Krishnamurthy G.

To All Members,

SEBI is with reference to Exchange circular no. MSE/ID/9478/2020 dated September 14, 2020, regarding SEBI vide order no. WTM/MPB/IMD-DoF-1/BLO/9007/2020 dated September 07, 2020 in respect of Krishnamurthy G. (PAN: BSFPK6683P).

SEBI now vide order no. WTM/AN/SRO/SRO/30076/2023-24 March 11, 2024 hereby issue the following directions:

1. Noticee, Krishnamurthy G. (PAN - BSFPK6683P), shall within a period of 3 (three) months from the date of coming into force of this Order, refund the monies (recorded in para 43 above read along with Annexure) received from Complainant/ investors/ clients, as fees / consideration, in respect of his unregistered investment advisory activities, along with interest at the rate of 12% p.a. from the date of receipt of the said fees / consideration till the date of refund.
2. The repayments to the Complainant / investors / clients shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any other appropriate banking channel, which ensures audit trail to identify the beneficiaries of repayments.
3. If attempts to refund the amount as directed in para 50.1 above fail, the remaining balance amount shall be kept in an escrow account with lien in favour of SEBI, for a period of one year for distribution to clients / investors who were availing the investment advisory services from the Noticee. Thereafter, the remaining amount, if any, shall be deposited in the Investors Protection and Education Fund, maintained by SEBI.
4. After completing the refund or depositing the amount in escrow account in accordance with directions at paragraph 50.1 and / or paragraph 50.3 as the case may be, the Noticee shall file a report detailing the same, which should be addressed to the "Deputy General Manager, SEBI-Southern Regional Office, Overseas Towers, 7th Floor, 756-L, Anna Salai, Chennai-600002". The above-mentioned report should be duly certified by an independent Chartered Accountant and should indicate the amount of refund, mode of payment by bank transactions, name of the parties, communication address, mobile / telephone numbers, amount deposited in the escrow account (as the case may be), etc.
5. The Noticee is restrained from selling or creating third party interest over his assets, movable or immovable, including securities except for the sole purpose of making the refunds to investors, as directed above. Further, the banks are directed to allow debits only for the purpose of making refunds to the Complainant/ investors/ clients who were availing the unregistered investment advisory services from the Noticee, as directed in this Order, from the bank accounts of the Noticee. This

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direction shall cease to operate within 15 days after submission of the report on the completion of refund.

6. The Noticee shall, with immediate effect be restrained/ prohibited from –
- i. accessing the securities market, directly or indirectly;
 - ii. buying, selling or otherwise dealing in the securities market, directly or indirectly; or
 - iii. 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.

The period of restraint shall continue till the completion of 6 months from the date of completion of refunds and submission of report, as directed at paragraph 50.4 above.

7. A penalty of INR 1,00,000 (Rupees One Lakh Only) is hereby imposed on the Noticee under Section 15HB read with Section 15EB of the SEBI Act. The Noticee is directed to pay the penalty within a period of forty-five (45) days from the date of receipt of this Order.
8. The Noticee shall remit / pay the said amount of penalty as specified in SEBI order.
9. The above direction for refund / repayment and / or depositing the balance amount (as the case may be) as directed above, does not preclude such complainant / investors / clients from pursuing legal remedies available to them under any other law against the Noticee for refund of money or deficiency in service.

This Order shall come into force with immediate effect.

For and on behalf of
Metropolitan Stock Exchange of India Limited

Vipul Vaishnav
Assistant Vice President