

**IN THE SECURITIES APPELLATE TRIBUNAL  
AT MUMBAI**

**DATED THIS THE 13<sup>TH</sup> DAY OF MARCH, 2026**

**CORAM: Justice P.S. Dinesh Kumar, Presiding Officer  
Dr. Dheeraj Bhatnagar, Technical Member**

**Appeal No.402 of 2023**  
**[Along with Misc. Application No.104 of 2026]**

1. Capitalaim Financial Advisory Pvt. Ltd.  
801, Airen Heights,  
Scheme 54, Vijay Nagar,  
Indore-452010, Madhya Pradesh.
2. Abhijeet Bajpai  
801, Airen Heights,  
Scheme 54, Vijay Nagar,  
Indore-452010, Madhya Pradesh. ...Appellants

(By Mr. Kushal Shah, CA with Dr. Keyur Shah, Advocate i/b.  
Prakash Shah & Associates for the Appellants.)

Securities and Exchange Board of India  
SEBI Bhavan, Plot No.C4-A,  
G-Block, Bandra Kurla Complex,  
Bandra (East), Mumbai-400051. ...Respondent

(By Mr. Sumit Rai, Advocate with Mr. Manish Chhangani, Mr.  
Sumit Yadav, Mr. Abhay Chauhan and Mr. Atul Agrawal,  
Advocates i/b. The Law Point for the Respondent.)

(By Mr. Arun Kumar Kushwaha, Authorised Representative for the  
Intervener.)

THIS APPEAL IS FILED UNDER SECTION 15T OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 TO SET ASIDE ORDER DATED JANUARY 9, 2026 PASSED BY THE SEBI.

THIS APPEAL HAVING BEEN HEARD AND RESERVED FOR ORDERS ON FEBRUARY 24, 2026 COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

### **ORDER**

**Per: Justice P. S. Dinesh Kumar, Presiding Officer**

This appeal is directed against order dated January 09, 2023, passed by the WTM<sup>1</sup>, SEBI<sup>2</sup>, debarring the appellants from accessing the securities market for a period of five years and directing them to resolve the complaints made on the SCORES<sup>3</sup> platform against appellant No.1, Capitalaim Financial Advisory Private Limited ('Capitalaim' for short).

2. We have heard Mr. Kushal Shah, learned Authorised Representative for the appellant, Mr. Sumit Rai, learned Advocate for the respondent and Mr. Arun Kumar Kushwaha, Authorised Representative for the intervener.

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<sup>1</sup> Whole Time Member

<sup>2</sup> Securities and Exchange Board of India

<sup>3</sup> SEBI Complaints Redress System

3. Brief facts of the case are:

- a) Capitalaim is a SEBI registered Investment Adviser since 2014 and the second appellant is its Director.
- b) An inspection was conducted by the SEBI into the affairs of Capitalaim for the period between November 2, 2019 and November 8, 2019.
- c) The inspection disclosed that appellants were in violation of the SEBI Act, 1992, SEBI (IA) Regulations<sup>4</sup> and SEBI (PFUTP) Regulations<sup>5</sup>. An interim order cum SCN<sup>6</sup> was issued by the SEBI restraining the appellants and other noticees from accessing the securities market. It was alleged in the SCN that the appellants had failed to carry out risk profiling and suitability assessment for their clients, charged unreasonable fees and defrauded the clients.
- d) Appellants filed their replies to the SCN. After hearing them, the impugned order has been passed.

4. At the outset, Mr. Kushal Shah, learned Authorised Representative of the appellants submitted that the appellants have already suffered debarment for 4 years and 5 months out

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<sup>4</sup> SEBI (Investment Advisers) Regulations, 2013

<sup>5</sup> SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003

<sup>6</sup> Show Cause Notice

of 5 years. They have resolved all the pending complaints on the SCORES platform. This Tribunal may consider the aspect of proportionality and hold the period of debarment suffered as sufficient. He further submitted that w.e.f. February, 2020, Capitalaim has stopped taking any new clients and as such the business is closed. Appellants have informed this fact to the SEBI.

5. With regard to violation of PFUTP Regulations, he submitted that the appellant Company was registered with the SEBI and is governed by IA Regulations. If an investment adviser violates IA Regulations, it does not automatically amount to violation of PFUTP Regulations. He submitted that there are no ingredients to prove that appellants have violated PFUTP Regulations and prayed that findings rendered in that aspect may be quashed.

6. Respondent has filed its reply and written submissions. In the written submissions, it is stated that all pending SCORES complaints have been resolved. In these circumstances, the only point that requires to be considered is the period of debarment.

7. We have carefully considered the rival contentions and perused the records.

8. Admitted position is, SEBI, by its interim order had restrained the appellants from accessing the securities market. In the impugned order, the period of debarment is quantified as five years. Reckoned from the date of interim order, 4 years and

5 months have elapsed. Appellants have also closed their business.

9. One Mr. Nandlal Kushwaha ('intervener/applicant') has filed an intervention application<sup>7</sup>. We have heard his son, Mr. Arun Kumar Kushwaha, Authorized Representative for the intervener. He contended that the impugned order records that Capitalaim has collected ₹18,34,813/- from him. In addition, the intervener has suffered a trading loss of ₹1,86,568/-. As on date, Capitalaim owes him sum of ₹4,74,253/- and prayed that Capitalaim may be directed to refund the said sum.

10. In reply, Mr. Shah for the appellants submitted that the intervener has settled the matter with Capitalaim and received a sum of ₹13,60,560/-. He referred to applicant's letter dated April 19, 2018, in support of his submission. He submitted that the application is not maintainable. Mr. Rai for SEBI also submitted that intervener had filed a SCORES complaint in 2018 claiming ₹18 Lakhs and subsequently settled the matter by receiving ₹13,60,560/-.

11. We have perused applicant's letter dated April 19, 2018, produced by the applicant himself<sup>8</sup>. It is signed by Mr. Arun Kumar Kushwaha, son of the applicant, who has argued before us on behalf of the applicant. The relevant paragraph in applicant's letter reads thus:

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<sup>7</sup> Misc. Application No.104 of 2026

<sup>8</sup> Annexed at Page 140 of Intervention Application

*“I agree in withdrawing all the complaints lodged against Capital Aim till this date Upon initiation of Refund of Rs.13,60,560/- (Thirteen Lac Sixty Thousand five hundred sixty only).”*

12. To a pointed query, the applicant admitted to have received the sum of ₹13,60,560/-. He reiterated that applicant was entitled for about ₹18 Lakhs and prayed that suitable directions may be issued.

13. Admittedly, applicant has settled his dispute in 2018. He cannot be permitted to approbate and reprobate. Hence, we find no merit in the intervention application<sup>9</sup>.

14. So far as appellants’ period of debarment is concerned, since the appellants have suffered substantial period and the business is also closed, in our view, the period of debarment already suffered is sufficient.

15. So far as the PFTUP allegations levelled against the appellants are concerned, we may record that there is no specific fact attributable towards violation of PFUTP Regulations. The allegation is general in nature suggesting that violation of IA Regulations amounts to committing fraud. We are unable to persuade ourselves to accept this line of argument. Investment Advisers are governed by IA Regulations. Normally, if an individual or a company violates the IA Regulations, they can be charged for those violations, unless a specific case is made out

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<sup>9</sup> Misc. Application No.104 of 2026

on the facts to demonstrate that there is violation of PFTUP Regulations. This Tribunal in *Pinnacle Market Investment Advisory Pvt. Ltd. & Others v. SEBI*<sup>10</sup> has taken a similar view. In our view, in the facts of this case, there is no violation of PFUTP Regulations.

16. Hence, the following:

**ORDER**

- (i) Appeal is ***allowed in part***. The period of debarment already suffered is held sufficient.
- (ii) The finding about violation of SEBI (PFUTP) Regulations is set aside.
- (iii) Misc. Application No.104 of 2026 (Intervention application) is dismissed.
- (iv) Pending interlocutory application(s), if any, stand disposed of.
- (v) No costs.

Justice P.S. Dinesh Kumar  
Presiding Officer

Dr. Dheeraj Bhatnagar  
Technical Member

13.03.2026

RHN

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<sup>10</sup> Appeal No.340 of 2023, decided on 06.09.2023 by the Securities Appellate Tribunal, Mumbai.