WTM/AS/MIRSD/MIRSD-SEC-2/31730/2025-26

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Section 12 (3) of the Securities and Exchange Board of India Act, 1992 read with Regulation 27 of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008

In respect of

Sr. No.	**Name of the Noticee**	**SEBI Registration No.**
1.	Podium Market Research Proprietor: Mr. Suman Kumar	INA300011706

In the matter of Podium Market Research, Proprietor: Suman Kumar

BACKGROUND

1. Podium Market Research, Proprietor: Mr. Suman Kumar (hereinafter referred to as **"Noticee"**) is registered as an Investment Adviser with the Securities and Exchange Board of India (hereinafter referred to as "**SEBI**"). The present proceedings have originated from the Enquiry Report dated August 21, 2024, (hereinafter referred to as **"Enquiry Report"**) submitted by the Designated Authority (hereinafter referred to as "**DA**"), in terms of the applicable provisions of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 (hereinafter referred as "**Intermediaries Regulations**").

2. SEBI had received complaints against the Noticee on the SEBI SCORES Portal and the same were analyzed to ascertain the possible violations, if any, of the provisions of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 (hereinafter referred to as **'IA Regulations'**) and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

(hereinafter referred to as **"PFUTP Regulations"**) and Circulars and Guidelines framed thereunder.

3. The summary of contraventions, observed pursuant to the analysis of aforementioned complaints, alleged to have been committed by the Noticee and the corresponding provisions of the IA Regulations and the PFUTP Regulations are given in the Table below:

Table 1

Sr. No.	Alleged Violations (summarized)	Regulatory provisions
1	Failed to maintain due care and diligence in maintaining confidentiality of information pertaining to SCORES complainants	Regulation 15(9) of the IA Regulations read with Clause 1, 2 & 4 of Code of Conduct in Third Schedule of the IA Regulations.
2	Collection of GST from clients during FY 2018-19 and 2019-20 without having GST registration.	Regulation 3(d) and Regulation 4(2)(p) of the PFUTP Regulations read with Clause 1, 5 & 8 of Code of Conduct under Third Schedule of IA Regulations.

4. Pursuant to the above, a Designated Authority (hereinafter referred to as **"DA"**) was appointed to enquire into and to submit a report pertaining to the aforesaid allegations. The DA issued a show-cause notice dated May 16, 2024 (hereinafter referred to as **"DA SCN"**) to the Noticee under Regulation 25(1) of the Intermediaries Regulations to show cause as to why appropriate recommendation should not be made against him in terms of Regulation 26 of the Intermediaries Regulations. The Noticee was advised to submit his reply, if any, within 21 days of receipt of the DA SCN. The digitally signed DA SCN was emailed to the Noticee on May 22, 2024.

5. In response to the allegations mentioned in Table 1 above, the Noticee, vide email dated June 30, 2024 submitted the reply dated June 28, 2024, to the DA SCN. Pursuant to the receipt of the said reply, an opportunity of personal hearing was granted to the Noticee by the DA on July 19, 2024, which was

availed by the Noticee. Further, the Noticee filed his additional submissions vide letter dated July 22, 2024.

6. After considering the allegations levelled in the DA SCN, reply filed by the Noticee and the material available on record, the DA submitted the Enquiry Report and made the following recommendation:

   "41. In view of the above observations and the violations committed by the Noticee, I hereby recommend that the certificate of registration granted to the Noticee (SEBI Registration No. INA300011706) be cancelled."

7. The DA report was forwarded to the Noticee in terms of regulation 27(1) of the Intermediaries Regulations, vide a Post Enquiry Show Cause Notice dated September 13, 2024 (hereinafter referred to as **"Post Enquiry SCN"**), whereby the Noticee was advised to file his reply to the Post Enquiry SCN along with supporting documents, if any.

8. The Authorized Representatives ('AR') of the Noticee, vide email dated October 9, 2024, sought inspection of documents in the matter which was granted, and availed by the AR of the Noticee on November 6, 2024. Pursuant to the completion of inspection of documents, vide email dated December 17, 2024, the Noticee was advised to file written submissions in the matter. The Noticee, vide email dated January 9, 2025, filed his written submissions dated January 3, 2025. Further, vide email dated January 15, 2025, the Noticee sought an opportunity of personal hearing in the matter. The Noticee was provided an opportunity of hearing on March 5, 2025 which was rescheduled to March 20, 2025 upon his request. The hearing was conducted as scheduled on March 20, 2025. The Noticee requested ten days' time to file additional submissions in the matter which was allowed and the Noticee, vide email dated April 1, 2025, filed his additional submissions.

9. The submissions dated January 3, 2025 and March 24, 2025, made by the Noticee, are summarized as under:

Failure to maintain confidentiality of information pertaining to his clients and SCORES complaints:

i. Mr. Prakash Kumar was one of the former employees of the Noticee (from July 1, 2019 to February 15, 2020) and had access to all the confidential information relating to the Noticee and the clients. It is an admitted fact that Mr. Prakash had created a fake email ID, complaince.podium@gmail.com, and instructed the clients, using this email ID, to deposit amounts in the bank account of Ms. Roshani Kumari. Further, it is also an admitted fact that they created a fake email ID of SEBI, sebipatna@gmail.com. Mr. Varad Sharma deposited ₹1,43,000 in the account of Ms. Roshani. Mr. Prakash was luring investors to file complaints against the Noticee and in order to make the fraudulent activity look genuine, he was advising the investors to keep SEBI in loop, by putting the fake email ID in CC. The investors filed the complaints on SCORES portal and these complaints were redirected by SEBI, for resolution, to suman20may@gmail.com, which is the actual email ID of the Noticee. Simultaneously, the Noticee has filed a complaint against Mr. Prakash and Ms. Roshani on June 5, 2025;
ii. SEBI has passed an adjudication order and imposed a penalty of ₹7,00,000 against Mr. Prakash and Ms. Roshani and thus, it is an established fact that the aforesaid individuals have perpetrated fraud against the Noticee;
iii. Mr. Pankaj Singh, in 2019, mobilized an amount of ₹4,02,640 from Dr. Mohammed Sadiq by misusing the name of the Noticee and the Noticee had filed a First Information Report (‘FIR’) on December 1, 2019 against Mr. Pankaj, but the police failed to take any action. Mr. Prakash

and Ms. Roshani, followed the same pattern and duped other 8 clients of the Noticee;

iv. The DA has failed to appreciate that Mr. Prakash, an ex-employee of the Noticee, had complete access to all the confidential information and it has been adjudicated by SEBI that he, along with Ms. Roshani, had perpetrated fraud on the Noticee;

v. The DA has admitted herself that Mr. Prakash and Ms. Roshani contacted the investors, without the knowledge of the Noticee, and used the Noticee's name to take money from the investors. They got funds transferred in their personal bank accounts by impersonating that they were acting on behalf of the Noticee. Thus, the DA has failed to appreciate that the Noticee was a victim of the fraud perpetrated by ex-employees;

vi. On perusal of the complaints relied upon by the DA, it is noted that the complainants had filed the grievance against unrelated third parties and not the Noticee. For instance, Mr. Ved Varad Sharma has stated in his complaint that, "*…Mr. Rahul Tomar Podium gave me huge loss in Nifty options My hard earned money was spoiled by Podium person…*" but Mr. Rahul was never associated with the Noticee. In the same complaint, it has also been alleged that Mr. Abhishek and Mr. Shubham Jain had allegedly committed fraud against Mr. Ved Varad Sharma but the said individuals, similar to Mr. Rahul, were never associated with the Noticee. Thus, it is clear that the complaints relied upon by SEBI are not really complaints against the Noticee;

vii. Noticee has a total of 379 clients, out of which, 34 clients had filed complaints against the Noticee. However, the tenure of service of the clients had already expired way before filing of the complaint. Thus, the actions of the complainants show that the complaints were filed under the influence of Mr. Prakash Kumar;

The Noticee collected GST from clients during FY 2018-19 and 2019-20 without having GST registration

i. The Noticee had initiated the process of obtaining the GST registration on April 10, 2019 and had shared the requisite documents with the authorities. However, there were certain technical difficulties in obtaining the GST certificate and thereafter, due to the COVID pandemic, the Noticee could not follow up with his GST consultant which further delayed the process. Without prejudice to the same, there are no complaints by any of the clients of the Noticee in this regard;

ii. Non-payment of the GST amount to the concerned authorities is beyond the regulatory purview/ jurisdiction of SEBI and therefore, SEBI cannot impose monetary penalty for non-payment of GST amount;

iii. SEBI has passed an Adjudication Order dated August 16, 2024 (hereinafter referred to as the **"AO Order"**) and imposed a penalty of ₹25,00,000 on the Noticee under similar allegations and aggrieved by the same, the Noticee has filed an appeal before the Hon'ble Securities Appellate Tribunal (hereinafter referred to **"SAT"**).

Mitigating Factors and Other Submissions

i. The Noticee has an unblemished track record in the securities market and neither SEBI nor any stock exchange has ever initiated any kind of an action;

ii. SEBI, vide order dated December 14, 2023, had, for the very said alleged violations, suspended the certificate of registration of the Noticee for a period of three months from the date of the order or until the Noticee renews the NISM certificates. The said suspension got over on May 29, 2024. Therefore, the Noticee has already undergone the suspension period and initiating the present proceedings is unjust and unfair;

iii. Allegations levelled in the present proceedings are also part of the AO order which has been challenged before the Hon'ble SAT and is *sub-judice,* as on date. Since the issue is *sub-judice* before the Hon'ble SAT, the present proceedings may be kept in abeyance till the disposal of the aforesaid appeal by the Hon'ble SAT.

CONSIDERATION AND FINDINGS:

10. I have carefully perused the Post-Enquiry SCN, the DA SCN, replies submitted by the Noticee and other material available on record. In the instant proceedings, the DA has recommended that the certificate of registration of the Noticee be cancelled.

11. I shall now proceed to deal with the allegations against the Noticee under the following heads:

Failure to maintain confidentiality of information pertaining to his clients and SCORES complaints:

12. It was observed that one Mr. Ved Varat Sharma filed a direct SCORES complaint on March 27, 2022 against the Noticee. Pursuant to the same, on March 30, 2022, Mr. Ved Varat Sharma received an email from the email id complaince.podium@gmail.com Account Head - Podium Market Research, wherein he was asked to deposit an amount of ₹1,43,000/. Mr. Ved Varat Sharma transferred ₹1,43,100/- via NEFT in the account of one Ms. Roshni Kumari on April 5, 2022 at 9:06 AM. Examination revealed that a *modus operandi* was in place wherein pursuant to filing of complaints on the SCORES Portal, the clients of the Noticee were contacted by third parties and were made to deposit certain amounts in different bank accounts. The Table below depicts the details of the investors who filed a SCORES complaint against the Noticee and were subsequently contracted by third parties to deposit money –

Table 2

Sr. No	Name of the complainant	IA fees collected by Podium (in ₹)	SCORES complainant ID	SCORES complaint filed date	Email id from whom SCORES complainant received - communications on behalf of Podium/ Suman Kumar / date	Date of deposit of money into Ms. Roshni Kumari's IDBI Bank A/C / Mr. Prakash Kumar's ICICI Bank A/c
1.	Arun Kumar Agarwalla	2,93,200/-	SEBIE/BH21/0000002/1	02/12/2020	Complains.podiummarketresearch@gmail.com on behalf of Account Head- Podium Research / December 10, 2020 and December 11, 2020	₹98,820/- on December 15, 2020 into **Ms. Roshni Kumari's** IDBI Bank A/C
2.	Pranati Sinha	1,65,603/-	SEBIE/BH20/0000502/1	28/11/2020	Not available	Total ₹97100/- ₹2000/- {in 2 transactions of ₹1000 each via NEFT and IMPS} on December 5, 2020 and (₹96,100/-on December 7, 2020 via IMPS) into **Ms. Roshni Kumari's** IDBI Bank A/C
3.	Ajay kumar Pandurang Patil	Not Available	SEBIE/BH20/0000314/1	29/05/2020	Not available	₹20500 on May 29, 2020 via IMPS into **Ms. Roshni Kumari's** IDBI Bank A/C
4.	Ajay kumar Pandurang Patil	Not Available	SEBIE/BH20/0000455/1	04/12/2020	Similar to complaint no. SEBIE/BH20/0000314/1 mentioned at Sr. no 3	
5.	Siddharth Kocharekar /SELF	1,40,000/-	SEBIE/BH20/0000262/1	23/05/2020	Not Available	₹14,000/- on May 23, 2020 via UPI ₹30,000/- on June 30, 2020 via UPI into **Ms. Roshni Kumari's** IDBI Bank A/C
6.	Ved Varat Sharma	7,95,000/-	SEBIE/BH22/0000111/1	27/03/2022 (Direct complaint)	complaince.podium@gmail.com on behalf of Account Head- Podium Market /March 30, 2022 In addition, complainant was advised to mark copy of all emails to	₹1,43100/- via NEFT on April 5, 2022 into **Ms. Roshni Kumari's** IDBI Bank A/C

					sebipatna@gmail.com	
7.	Mukund Bhardwaj	9,500/-*	SEBIE/BH21/0000034/1	29/12/2020	Not Available	₹20,000/- on January 21, 2021 paid to ICICI a/c no X6219 of **Mr. Prakash Kumar** - ICICI Bank A/c
8.	Rakesh Kumar Singh	2,31,500/-	SEBIE/BH20/0000318/1	10/06/2020	Not Available	₹24,000/- during June 2020 (₹10,000/- on 15/06/2020, ₹10000/- on 16/06/2020 and ₹4000/- on 29/06/2020 into ICICI a/c no X6219 of **Mr. Prakash Kumar** - ICICI Bank A/c

* the amount of fees has been mentioned as per the details provided by Noticee. However, it is gathered that Mr. Mukund Bhardwaj has transferred ₹1,98,000/- in February 2020 in the HDFC bank account of Mr. Suman Kumar HDFC (bearing a/c no. 50200038566753.)

13. It is observed from the Table above that Mr. Ved Varat Sharma, along with other complainants, sought refund of the advisory fees and, along with other complainants, was duped after receiving email communication from an email ID which was different from the registered email ID of the Noticee, luring the complainants to deposit money in the garb of depositing goods and services tax ('GST') for refund of fees. In view of the above, it was alleged that the Noticee failed to maintain due care and diligence in maintaining confidentiality of information pertaining to his clients and SCORES complainants and thereby violated regulation 15(9) of the IA Regulations read with clauses 1, 2 and 4 of Code of Conduct in Third Schedule of the IA Regulations.

14. The Noticee, in this regard, has argued that Mr. Prakash Kumar (one of the entities in whose account the money was deposited by the investors) was a former employee of the Noticee (till February 15, 2020) and had access to information about the clients. Admittedly, Mr. Prakash created a fake email ID (complaince.podium@gmail.com) and instructed the clients to deposit the amounts in the bank account of Ms. Roshani Kumari. Additionally, Mr. Prakash also created a fake email ID, sebipatna@gmail.com, and advised the investors to keep the said email in CC, to make the entire fraudulent activity look

genuine. The Noticee had filed a police complaint against Mr. Prakash Kumar and Ms. Roshani on June 5, 2025.

15. Further, the Noticee has also submitted that SEBI passed the AO order against Mr. Prakash Kumar and Ms. Roshani Kumari and imposed a penalty of ₹7,00,000/- each and thus, it is an established fact that these individuals have committed fraud against the Noticee. As argued by the Noticee, the DA has stated that Mr. Prakash and Ms. Roshani contacted the investors, without the knowledge of the Noticee, and used the Noticee's name to take money from the investors. They got funds transferred in their personal bank accounts by impersonating that they were acting on behalf of the Noticee. Thus, the DA, as per the Noticee, has failed to appreciate that the Noticee was a victim of the fraud perpetrated by ex-employees.

16. Additionally, it has also been submitted that the complaints filed on the SCORES portal were against third parties and not the Noticee and therefore it is clear that the complaints relied upon by SEBI are not filed against the Noticee. Further, the Noticee had a total of 379 clients, out of which 34 clients had filed complaints against the Noticee. However, the tenure of said clients had already expired before filing of complaint which insinuates that the complaints were filed under the influence of Mr. Prakash Kumar (ex-employee of the Noticee).

17. I have perused the submissions of the Noticee, vis-à-vis, the material available on record and, in my view, the present allegation/ issue hinges on the fact that the Noticee had failed to maintain the confidentiality of information of his clients. In this regard, the Noticee, in his reply dated January 3, 2025, has admitted that Mr. Prakash, during the course of his employment with the Noticee, had access to all the confidential information. It has not been disputed that such access/ information was subsequently misused by Mr. Prakash to dupe the clients of the Noticee. I note that the IA Regulations create a fiduciary

relationship between a registered investment adviser and his clients and therefore, it becomes the responsibility of the investment adviser to act with utmost care, honesty, fairness, and maintain the confidentiality of the information received from the clients. While Mr. Prakash, during the course of his employment, may have had access to the confidential information, it was imperative that the Noticee took requisite precautions to ensure that such data was not stolen/ misused by him after cessation of his employment. The material on record shows that the complaints were allegedly filed after Mr. Prakash had stopped working with the Noticee, which conclusively establishes that he had access to the confidential information even after he had stopped working for the Noticee and thus, the Noticee failed to ensure that the confidential information does not get leaked/ stolen.

18. As regards the Noticee's reliance upon the AO order and the imposition of penalty upon Mr. Prakash and Ms. Roshani, I note that the AO, in the said order has, *inter alia*, observed that "…*In view of the above, I observe that Noticee 2 and Noticee 3 duped and defrauded the clients of Noticee 1 in the name of refund*…" [Noticee 2 and 3 being Mr. Prakash Kumar and Ms. Roshani]. The said AO order, however, does not mention that Mr. Prakash and Ms. Roshani have perpetrated a fraud on the Noticee. In fact, the AO order relied upon by the Noticee holds him liable for failing to maintain the confidentiality of information pertaining to his clients and SCORES complaints. The relevant portion of the order is as under:

"43. In view of the above, I observe that the Noticee 1 failed to maintain due care and diligence in maintaining confidentiality of information pertaining to his clients and SCORES complainants and thereby violated Regulation 15(9) of SEBI (Investment Advisers) Regulations, 2013 read with Clause 1, 2 & 4 of Code of Conduct under Third Schedule of SEBI (Investment Advisers) Regulations, 2013."

19. In view of the aforesaid, it is established that Mr. Prakash and Ms. Roshani were in possession of the confidential information pertaining to clients of the Noticee and the Noticee failed to maintain the confidentiality of information of his clients. Therefore, I am in agreement with the observation of the DA and find the Noticee to be in violation of regulation 15(9) read with clauses 1, 2 and 4 of Code of Conduct in Third Schedule of the IA Regulations.

The Noticee collected GST from clients during FY 2018-19 and 2019-20 without having GST registration

20. During the course of inspection, it was observed that the Noticee collected GST from his clients without having a valid GST registration. Further, the Noticee collected GST from his clients, despite having Reverse Charge Mechanism ('RCM') clause in the invoices. Thus, the Noticee allegedly defrauded his clients by charging GST without having the requisite GST registration. In view of the above, it was alleged that the Noticee violated regulation 3(d) and regulation 4(2)(p) of the PFUTP Regulations read with clause 1, 5 and 8 of Code of Conduct in Third Schedule of IA Regulations.

21. In this regard, the Noticee has submitted that it had initiated the process of obtaining the GST registration on April 10, 2019 but the same could not be obtained due to certain technical difficulties and subsequently, on account of the COVID pandemic, the Noticee could not follow up with his GST consultant. Further, as argued, no complaints have been raised by any of the clients in this regard.

22. The Noticee has also submitted that non-payment of GST amount to the concerned authorities is beyond the regulatory purview/ jurisdiction of SEBI and therefore, SEBI cannot impose a monetary penalty for non-payment of GST amount. Further, SEBI had imposed a penalty of ₹25,00,000/- in the AO order for similar allegations wherein the Noticee had approached the Hon'ble

Securities Appellate Tribunal (hereinafter referred to as the **"SAT"**). Hon'ble SAT, vide order dated November 6, 2024, has observed as under:

"4. The learned Advocate for the Appellant submitted that out of total penalty of Rs. 25 lakhs, penalty of Rs. 10 lakhs has been imposed on the appellant for issuing invoices with GST, while he did not have GST registration. He contended that SEBI has no jurisdiction to examine this violation. Shri Manish Chhangani, learned Advocate for the respondent submitted that under the PFUTP Regulations, if the advisory acts in an unfair manner the penal provision of the regulation can apply. In our view, this is the matter for consideration at the time of final hearing. Hence there shall be interim stay on the directions subject to the appellant depositing penalty amount of Rs. 7,50,000/- with the respondent within four weeks from today. The said amount shall be deposited in an interest bearing account."

23. I have perused the submissions of the Noticee and I deem it important to first deal with contention of the Noticee as regards the jurisdiction of SEBI to adjudge the present issue. While it is correct that the non-payment of applicable GST amount to concerned authorities is beyond the regulatory purview of SEBI, the wrong on part of the Noticee in the present matter was to collect money from his clients (in addition to the applicable fee) in the guise of GST, which he was unauthorized to collect since he had no GST registration. As per the mandate of the SEBI Act, SEBI is duty bound to ensure that SEBI registered intermediaries do not misuse their position and do not trick their clients into paying sums/ amount, which the Noticee is not authorized to collect.

24. In this regard, the Noticee has admitted that he charged GST from his clients for the FY 2018-19 and 2019-20. It is noted from the invoices issued by Noticee during the FY 2018-19, 2019-20 that the Noticee charged GST on RCM basis from his clients. The details of few invoices issued by the Noticee are as follows-

S. No.	**Name of the Client**	**Date of Invoice**	**Amount of GST**	**RCM Yes/No**
1	Vad Varat Sharma	21/10/2019	21355	Yes
2	Vad Varat Sharma	21/10/2019	34322	Yes

S. No.	Name of the Client	Date of Invoice	Amount of GST	RCM Yes/No
3	Vad Varat Sharma	18/10/2019	15254	Yes
4	Vad Varat Sharma	15/10/2019	6864	Yes
5	Vad Varat Sharma	07/10/2019	762	Yes
6	Siddharth Kishor Kocharekar	27/11/2019	630	Yes
7	Siddharth Kishor Kocharekar	27/11/2019	2817	Yes

25. The sample invoice of Noticee is attached below-

Podium Market Research Investment Advisor

Podium Research

104 Archi Academy, Alinagar Colony,
Opp. Gulshan Plaza Apartment,
Anishabad Golamber,Patna-800002 (Bihar)
Complaint- info@podiumresearch.in
9631111938/ 9631111938

GSTIN: 10

SEBI Reg. No.- INA300011706

Invoice No : PMR-OCT-057
Invoice date : 21/10/2019
Reverse Charge (Y/N) : N
State : Bihar | Code 10
SAC CODE : 997156
Bill to Party :
Name : VAD VARAT SHARMA | Mobile 9711170557
Address: C-23, SF, CHANDER NAGAR JANAK PURI NEW DELHI, DELHI -110058
GSTIN :
State DELHI | Code 110058

S. No.	Product Descrip on	SAC Code	Dura ons	Rate	Amount	Discount	Taxable Value	Total
	PREMIUM CASH		31/12/2019 to 28/4/2020		140000		118644	140000

Total Amount before Tax | Amount

Total invoice amount in words: ONE LAKH FORTY THOUSAND RUPEES ONLY /-

Add: CGST

Bank Details : PAYU MONEY
PATNA
BIHAR

Rec. Pmt. Details

Add: SGST

Company Name :
Podium Market Research Investment Advisor

Add: IGST	21355
Total Amount GST	21355
Total Amount a er Tax	118644

Term & condi on | GST on Reverse Charge

26. The above invoice clearly shows that the Noticee was adding a composite GST amount (comprising SGST and CGST) in addition to the fee with specification as to '*total amount before tax'* and '*total amount after tax'.* In doing so, the Noticee was misrepresenting to his clients that he was authorized to collect GST over and above the fee from them. It is also noted from the aforesaid that while the invoice mentions a *'N'* against the reverse charge tab, in the terms and conditions section, the invoice mentions '*GST on reverse charge*'. In my

view, the above observations further strengthen the inference that the Noticee was not acting in a fair and transparent manner and by charging money (in the garb of GST) from his clients, without having a GST registration, the Noticee misrepresented / misinformed his clients and duped them into paying additional money. In this context, it also follows that the invoices raised by the Noticee were also false and incorrect since they did not give the correct description of the amount paid by the clients to them.

27. Regulation 3(d) of the of the PFUTP Regulations prohibits an entity from, directly or indirectly, engaging in any act, practice, course of business which operates or would operate as fraud/ deceit upon any person and regulation 4(2)(p) of the PFUTP Regulations prohibits a registered intermediary from predating or falsifying records. In the present case, as noted above, the Noticee by falsifying the GST details has defrauded his clients for undue monetary gains. In view of the same, I find that the Noticee has violated regulation 3(d) and regulation 4(2)(p) of the PFUTP Regulations read with clauses 1, 5 and 8 of the Code of Conduct in Third Schedule of the IA Regulations.

28. At this juncture, I deem it important to note that the Noticee has acquired the GST registration in May 2021.

29. Additionally, the Noticee has submitted that SEBI, vide order dated December 14, 2023, for very said alleged violations, had suspended the certificate of registration of the Noticee for a period of three months from the date of the order or until the Noticee renewed the NISM certificates and the said suspension got over on May 29, 2024. Thus, as submitted by the Noticee, he has already undergone the suspension period and initiation of present proceedings is unjust and unfair.

30. In this regard, a perusal of the aforesaid order reveals that the allegation against the Noticee in that order pertained to charging excess fees from his clients, maintenance of records and certifications' requirements. I find that the allegations, in the said order, were not the same as or connected to those in the present matter and therefore, the submissions of the Noticees in that regard are not tenable.

31. The Noticee has further submitted that allegations levelled in the present proceedings are also part of the AO order, which is *sub-judice* before the Hon'ble SAT and thus, the present matter may be kept in abeyance till the disposal of the aforesaid appeal. In this regard, I note that the purport and scope of Adjudication Proceedings and Enquiry Proceedings is different. While the Adjudication Proceedings are initiated for levy of monetary penalty on the entity, the Enquiry Proceedings are initiated for the purpose of issuance of appropriate directions against the entity as a SEBI registered intermediary. The present Enquiry Proceedings, wherein appropriate directions may be issued against the Noticee in terms of the Intermediaries Regulations are independent of the said Adjudication Proceedings, wherein a monetary penalty has been imposed against the Noticee, against which, the Noticee has preferred an appeal before the Hon'ble SAT.

CONCLUSION

32. In view of the discussion in the preceding paragraphs, I agree with the observations of the DA and find that the conduct of the Noticee was in violation of the following:
    a) Regulation 15(9) of IA Regulations read with clauses 1, 2 and 4 of Code of Conduct in Third Schedule of the IA Regulations for not maintaining confidentiality of information of the clients and SCORES complaints.
    b) Regulations 3(d) and 4(2)(p) of PFUTP Regulations read with clauses 1, 5 and 8 of Code of Conduct in Third Schedule of IA Regulations for

concealing details of not having a GST registration while charging GST from his clients.

33. Having observed as above, at this juncture I deem it necessary to discuss the nature of directions to be issued against the Noticee. The DA, in the enquiry report dated August 21, 2024, has recommended that the certificate of registration of the Noticee be cancelled. However, I am of the view that the violations established against the Noticee do not call for the most severe action. As regards the violation of not maintaining confidentiality of information of his clients, it is not the case that the Noticee was hand in gloves with Mr. Prakash and Ms. Roshani and made unlawful gains and duped his own clients. Also, while the Noticee misrepresented the fact of him having a proper GST registration to his clients, he has, as on date, obtained a GST registration.

34. At this juncture, I deem it fit to place reliance on the decision of the Hon'ble SAT in the matter of ***Brickwork Ratings India Private Limited v. SEBI***[1] wherein the Hon'ble Court, has discussed the doctrine of proportionality at length and has reiterated the settled legal position that the order/ directions issued shall be proportionate and commensurate to the violations committed. The Hon'ble SAT has, *inter alia,* observed as under in the said order:

> *"20. Considering the totality of the violations found we are of the opinion that the alleged violation of routine matters is not deliberate or fraught with malafides or fraud and therefore cannot result in the cancellation of the license. Regulation 26 and 27 of the Intermediaries Regulations requires the Competent Authority to pass appropriate orders and some of the measures have been indicated in Regulation 26. There is not even a whisper in the impugned order as to why these measures are not adequate or commensurate with the alleged violation. In our opinion proportionality in*

[1] Appeal No. 694 of 2022

punitive measures is a vital facet of Article 14 and a disproportionate punitive measure which is not commensurate with the violation would be totally violative of Article 14 of the Constitution of India as held by this Tribunal in Jindal Cotex Limited & Ors. vs SEBI, Appeal no. 76 of 2023 decided on February 23, 2023. Thus, in our opinion the order of cancellation of the license for the violations committed by the appellant is unjustified and is not commensurate with the alleged violations."

35. In view of the discussion in the preceding paragraphs, I am of the opinion that cancelling the certificate of registration of the Noticee may not be commensurate with the violations established against the Noticee.

ORDER

36. Considering the above, I, in exercise of the powers conferred upon me under Section 19 of the SEBI Act, 1992 read with Regulation 27(5) of the Intermediaries Regulations, suspend the certificate of registration of the Noticee, Podium Market Research, Proprietor - Mr. Suman Kumar, for a period of three months.

37. This order shall come into force with immediate effect.

38. A copy of the Order shall be served on the Noticee and the concerned Market Infrastructure Institutions for their information and record.

Sd/-

DATE: October 23, 2025 **AMARJEET SINGH**
PLACE: MUMBAI **WHOLE TIME MEMBER**
SECURITIES AND EXCHANGE BOARD OF INDIA