

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER

INTERIM EX PARTE ORDER

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

In Re: Securities and Exchange Board of India and SEBI (Portfolio Managers) Regulations, 1993

In respect of:

S. No.	Name of the Entities	PAN
1	GJ Advisory Services and its Proprietor Mr. Gourav Jain	AEMPJ7099E
2	Profit Ideas Advisory Services and its Proprietor Ms. Poonam Jain	AFMPT0902K

In the matter of GJ Advisory Services and Profit Ideas Advisory Services

1. GJ Advisory Services (“**GJ Advisory**”) is the sole proprietorship concern of Mr. Gourav Jain, having address at New No 11, Old No. 27, 1st Floor, Al-Manor Apartments, Opp. IRS Steels, 2nd Cross, Jaibharat Nagar, Vivekananda Nagar, Bangalore 560033. Profit Ideas Advisory Services (“**Profit Ideas**”) is the sole proprietorship concern of Ms. Poonam Jain having the same address as GJ Advisory Services.
2. Securities and Exchange Board of India (‘SEBI’) received complaints against GJ Advisory and its proprietor Mr. Gourav Jain and Profit Ideas *inter alia* alleging that they are indulging in unregistered Portfolio Management Services.

2.1 Vide a complaint dated August 11& 12, 2019, one of the Complainants (JD) has *inter alia* alleged the following:

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- i. He has opted for PMS services in the month of April 2019 from a firm called GJ Advisory Services based in Bangalore.
- ii. Complainant and the said entity had agreed for profit sharing ratio of 70:30 and the account will be settled every three months.
- iii. Complainant has paid Rs.50,000 as advance fee and Rs.15 lakhs for trading.
- iv. During the initial 15 days, a profit of Rs.1,21,000 was made and the complainant has paid Rs.32,500 as profit to the said entity.
- v. Subsequently, a loss of Rs.11 lakhs was incurred in the complainant's account in the next three months.
- vi. When complainant started questioning the entity about the same, they blocked him from all contacts and chats and also has not taken any responsibility for losses nor returned the advance fee paid.
- vii. The entity is operating inter alia through the telegram channel @gjstocktips.

2.2 Another complainant vide complaint dated January 20, 2020 *inter alia* alleged the following:

- i. Mr Gaurav Jain is running an unauthorized paid tipping and PMS business via telegram channels viz., GJ STOCK TIPS, NEHA0103 and PROFIT IDEAS.
- ii. Mr.Gaurav Jain is collecting huge subscription fees duping small traders promising huge returns.

The complainant has attached the screenshots taken from telegram channel NEHA0103. Screenshots contained the details of the bank account details of GJ Advisory and Profit Ideas.

SEBI's EXAMINATION

3. In view of the complaints received, SEBI carried out an examination to ascertain whether unregistered portfolio management activities are being carried out by GJ Advisory and Profit Ideas. The preliminary examination entailed *inter alia* an analysis of investor

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complaints, analysis of their Telegram Channel communication and their bank account statements etc.

4. SEBI's preliminary examination brought out the following:

4.1 From the screenshots furnished by the Complainants, it is observed that Mr. Gourav Jain, is running a telegram channel @gjstocktips. In addition to the said collection of money in the name of GJ Advisory Services, money is also collected in the name of Profit Ideas Advisory Services through the Telegram Channel Profit Ideas and NEHA 0103.

4.2 As per the information received from the Bank Accounts mentioned on the screenshots shared by the Complainants, it is noted that Mr. Gourav Jain is the Proprietor of GJ Advisory and Ms. Poonam Jain is the Proprietor of Profit Ideas. Ms. Poonam Jain is the spouse of Mr. Gourav Jain.

4.3 As per the intermediary database of SEBI, it is observed that GJ Advisory or its proprietor Mr. Gourav Jain, Profit Ideas or its proprietor Ms. Poonam Jain are not registered with SEBI in any capacity.

5. I have perused the materials available on record such as investor complaints, information obtained from concerned Banks and information gathered from the Telegram Channel communication from GJ Advisory and Profit Ideas. An examination of the material available on record was made in order to verify whether GJ Advisory Services and Profit Ideas offered Portfolio Management Services and collected money from various investors without registration from SEBI. In this context, the following prima facie issues arise for determination in the instant matter:

Issue No.1: Whether the activities of GJ Advisory and Profit Ideas are in the nature of Portfolio Management Services?

Issue No.2: If answer to issue No. (i) is in affirmative, whether GJ Advisory and Profit Ideas have, prima facie, violated the provisions of section 12(1) of the SEBI Act and Regulation 3 of the PMS Regulations?

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Issue No.3: If answer to issue No. (ii) is in affirmative, who are responsible for the violations?

Issue No.4: If answer to issue No. (ii) is in affirmative, whether urgent directions, if any should be issued against them?

Issue no.1: Whether the activities of GJ Advisory and Profit Ideas are in the nature of Portfolio Management Services?

6. As regards the first issue, I note the following from the material available on record such as screenshots of Telegram Channels, documents furnished by the complainants, etc.:

6.1 From the extracts of telegram channel chats between the complainant (JD) and GJ Advisory, furnished by the complainant the following are noted:

“ ...21/03/2019, 1:11:32 PM] JD: just to want to check can we convert the remaining months fee to PMS...

GJ: How much is your capital available

GJ: where is ur trading account

JD: I can arrange 3-5 lakhs and if goes well I can put upto 10L

JD: I have in upstox

...

GJ: Profit sharing scheme 70:30

Min Amt: 5 Lacs

30% in 3 months

*Ex: *on 10lacs* 3 Lacs total profit in 3 months* then 2.10 Lacs urs 90K mine.*

GJ: It's very safe investment coz I personally would be handling your account and 99% will be doing equity cash positional trading

GJ: 25K advance fee, Every 3 months profit settlement 30% in 3 months and my 25K advance fees will be adjusted in my 30% profit sharing amount...

GJ: step 1: Do advance fee 25k transfer to my hdfc account for 5 Lacs PMS*

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HDFC Bank

Beneficiary: GJ Advisory Services

Current Account No:

50200033618449...

**Step 2* share the id and password details..."*

6.2 From the screenshots of telegram channel NEHA 0103 the following are noted:

"Another smart trader paid only 20,000 and opted PMS services with 20% discount on 25K fees and with 80:20 profit sharing ratio.

Merry Christmas discount offer is Live today

20% discount on 25K fees

(pay only 20,000)

+

80:20: profit sharing ratio

(Instead of 70:30)

If payment done today before 11.30 pm tonight....

Bank Transfer:

Profit Ideas Advisory Services

HDFC Bank

Current A/c No. 50200038813450...

Share id password details after payment screenshot..."

6.3 It is observed during the examination of telegram channel @gjstocktips and NEHA 0103 that Gourav Jain posted several screenshots of chats with various clients and their payments. From the perusal of such screenshots the following are observed:

- a. Gourav Jain had confirmed the receipt of fees for providing Portfolio Management Services.
- b. Gourav Jain asked for the user ID and password of the trading accounts of the clients.

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- c. A few screenshots show that clients have shared their trading accounts' user ID and passwords for the accounts held with Stock Brokers.
 - d. Gourav Jain also asked his clients to transfer his share of profit.
 - e. Funds were transferred to the accounts of GJ Advisory, Profit Ideas and Mr. Gourav Jain's personal account.
7. Further, I note the following information gathered from the Bank Account details, transaction documents and KYC documents collected from the banks viz., ICICI Bank and HDFC Bank :
- a) GJ Advisory Services has account in HDFC Bank (Account number: 50200033618449). As per the KYC documents, Mr. Gourav Jain is the sole proprietor of GJ Advisory Services.
 - b) Mr. Gourav Jain has account in ICICI Bank (Account number : 000201091685)
 - c) Profit Ideas Advisory Services has account in HDFC Bank (Account number: 50200038813450). As per the KYC documents, Ms. Poonam Jain is spouse of Mr. Gourav Jain and the sole proprietor of Profit Ideas.
8. Transactions observed in the abovementioned bank accounts are summarized as under:

Account Name/ Authorised Signatory	Account Number & Bank	Transaction Period	Total Credits (Rs.)	No. of credit txns.
GJ ADVISORY SERVICES / Gourav Jain, Proprietor	50200033618449 - HDFC Bank	14/09/2018 to 20/12/2020	2,76,82,842	1,949
Gourav Vijaykumar Jain/NA	000201091685 -ICICI Bank	29/05/2017 to 24/12/2020*	5,61,71,942	4,165

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Profit Ideas Advisory Services/ Poonam Jain, Proprietor	50200038813450 - HDFC Bank	23/04/2019 to 01/02/2020	50,68,264	572
		Total	8,89,23,049	6,686

**The account is active since 15-12-2007, however the credits to the bank account with narration "GJ Stocks", "Trade", "Stock" etc., have been observed only since 29-05-2017 and hence period is taken from 29-05-2017.*

8.1 From the analysis of Bank statements, a total of 6,686 credit transactions were made from different sources into the said accounts since May 29, 2017 and the total credit received in the aforesaid accounts is Rs.8,89,23,049/-.

8.2 Many transactions in the Bank statements of GJ Advisory and Gourav Jain have been noticed with description as Diamond Package, Options, PMS services, Guaranteed 30000 plan, and renewal for 6 months, stock fee, GJ stock call, advice charges, subscription etc. Similar narrations are also noted in the Bank Statements of Profit Ideas.

9. I have perused the definition of Portfolio Manager as given in regulation 2(cb) of PMS Regulations 1993, which states "*portfolio manager "means any person who pursuant to a contract or arrangement with a client, advises or directs or undertakes on behalf of the client (whether as a discretionary portfolio manager or otherwise) the management or administration of a portfolio of securities or goods or the funds of the client, as the case may be"*".
10. As per the definition of portfolio manager mentioned above, when there is a contract or arrangement between two persons to advise or direct or undertake on behalf of the other party management or administration of a portfolio of securities or the funds the first party can be called as portfolio manager. In the present case, though there is no material available on record to show that there is a formal written document between the clients

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and the Noticees, the fact that a) the trading accounts ID and password has been sought from the clients, b) the same has been given by the clients for trading, c) the fact that there is a confirmation of fee received by the Noticees d) the fact that the Noticees are seeking for their share of profit, e) the contents of the telegram channels chats with clients, f) screenshots of payments received from clients with the narrations as PMS services coupled with the credit transactions in the Bank Accounts amounting to Rs.8,89,23,049 with the narrations as PMS services as detailed in preceding paragraphs, it *prima facie* indicates that there is an arrangement between the clients and the Noticees to undertake the management of funds as well as securities on behalf of the clients.

11. It is well settled law that even an oral agreement can be valid and enforceable contract. Therefore, in the strict sense, it is not essential that a contract must be in writing. In this regard, I place reliance upon the various judgments of Hon'ble Supreme Court and High Courts in the matters of *Brij Mohan And Ors vs Smt. Sugra Begum And Ors 1990 (4) SCC and Smt. Sheela Gehlot vs Smt. Sonu Kochar And Ors. decided on September 06, 2005 and Nanak Builders and Investors Pvt. Ltd. v. Vinod Kumar Alag AIR 1991 Delhi 315*. In the present case as detailed in the preceding paragraph, I note that pursuant to an arrangement through Telegram Channel communication, GJ Advisory and Profit Ideas have undertaken the management of funds as well as securities of their clients and the fees/funds were collected through the Banks Accounts of GJ Advisory and Profit Ideas since 2018 and 2019 respectively.
12. As regards the bank account of Mr. Gourav Jain with ICICI Bank is concerned, I note from the screenshots of Telegram Channels that fees towards PMS were also credited to the said account. Though the said account is active since 2007, regular credits with the narration GJ Stocks", "Trade", "Stock" etc., were observed only from May 29, 2017. The description of credit entries, such as Diamond Package, Options, PMS services further demonstrates that the payment is *prima facie*, towards Portfolio Management Services rendered to its clients. In view of the above, I *prima facie*, find that the amounts credited

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to the account of Mr. Gourav Jain since May 29, 2017 is considered to be fees towards providing PMS to clients.

13. Thus from the discussion in the above paragraphs, there is prima facie evidence that GJ Advisory and Profit Ideas are acting as portfolio managers and engaged in 'portfolio management services', which falls under the definition of portfolio manager as defined under Regulations 2(cb) of PMS Regulations.

Issue No: 2 If answer to issue no. (i) is in affirmative, whether GJ Advisory services and Profit Ideas Advisory Services have, prima facie, violated the provisions of section 12(1) of the SEBI Act and Regulation 3 of the PMS Regulations?

14. In order to facilitate investor protection, it is imperative that any person carrying out portfolio management services has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of SEBI Regulations. Section 12(1) of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") reads as under:

*"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:"*

Similarly, Regulation 3 of PMS Regulations also provides *"No person shall act as portfolio manager unless he holds a certificate granted by the Board under these regulations".*

15. Thus, as per regulation 3 of PMS Regulations and Section 12(1) of SEBI Act, any person acting as portfolio manager and carrying out portfolio management services has to

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necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of SEBI regulations i.e. the registration of portfolio manager is mandatory.

16. The activities of GJ advisory and Profit Ideas as brought out from various materials described above, seen in the backdrop of the aforesaid provisions show that GJ advisory and Profit Ideas have acted as Portfolio Manager. However, no material was available on record to indicate that GJ advisory and Profit Ideas had a certificate of registration to act as Portfolio Managers. I also note that the Proprietors of GJ advisory and Profit Ideas viz., Mr. Gourav Jain and Ms. Poonam Jain respectively are also not registered with SEBI, in their individual capacity as a Portfolio Manager or in any other capacity. Therefore, the business activity carried out by GJ advisory and Profit Ideas i.e. management of funds and securities of clients pursuant to an arrangement *prima facie* indicates that GJ advisory and Profit Ideas are acting as unregistered portfolio managers and are engaged in providing unregistered Portfolio Management Services.
17. I also note that by virtue of providing unregistered Portfolio Management Services, GJ advisory and Profit Ideas had collected an amount of Rs.8,89,23,049 as fees towards management of funds and securities of clients.
18. Thus, the activities GJ advisory and Profit Ideas are *prima facie*, in violation of Section 12(1) of SEBI Act read with Regulation 3 of PMS Regulations.

Issue No.3: If answer to issue No. (ii) is in affirmative, who are responsible for the violations?

19. I note that Mr.Gourav Jain is the sole proprietor of GJ advisory. Ms. Poonam Jain is the sole proprietor of Profit Ideas. I note the legal status of the proprietary firm from the judgment of the Hon'ble Supreme court in *Ashok Transport Agency v. Awadhesh Kumar & another*, [(1998) 5 SCC 567] that “...*A proprietary concern is only the business name in which the proprietor of the business carries on the business. A suit by or against a proprietary concern is by or against the proprietor of the business...*”. Therefore, I

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find that Mr.Gourav Jain is liable for the acts of GJ advisory and Ms. Poonam Jain is liable for the acts of Profit Ideas.

Issue No.4: If answer to issue No. (ii) is in affirmative, whether urgent directions, if any, should be issued against them?

20. As a regulator of capital markets, SEBI has a statutory duty to protect the interests of investors in securities and promote the development of, and to regulate, the securities market. Section 11 of the SEBI Act has empowered it to take such measures as it thinks fit for fulfilling its legislative mandate. PMS Regulations have been formulated with the main objective of regulating such activities to safeguard the interests of investors and hence registration of such activities with SEBI has been made mandatory. PMS Regulations inter alia seek to create a structure within which portfolio managers will operate and also make them duly accountable for their services by requiring portfolio managers to comply with the relevant provisions of the PMS Regulations. The same is imperative for the protection of interests of investors and to safeguard the integrity of the securities market.
21. It is noted from material available on record that, money was credited to the Bank accounts of GJ advisory and Profit Ideas during the period of examination. This prima facie indicates that the GJ advisory and Profit Ideas are still carrying on their unregistered portfolio management services. Since the conduct of GJ advisory and Profit Ideas as mentioned above are not, prima facie, in the interest of investors and the securities market, therefore, urgent necessary action has to be taken against GJ advisory and Profit Ideas immediately, else it may lead to loss of investors' trust in the securities market. Further, in view of the facts and circumstance of the case, one cannot lose sight of the fact that the violations discussed hereinabove are ongoing which may lead to its engaging with more investors and they may continue to manage more and more money of investors. Furthermore, in case of non-redressal of investor grievances by GJ advisory and Profit Ideas, apart from the regulatory protection to investors, the normal remedies available to investors while dealing with a SEBI registered portfolio manager such as

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invoking the grievance redressal mechanisms, referring the matters to appropriate forum such as arbitration, etc. would not be available to the investors dealing with unregistered portfolio manager. Therefore, the impact of investors getting lured and affected by the unregistered portfolio management services is still looming large and is imminent. Further, the total amount of money, prima facie, observed to have been collected in the bank account of GJ advisory and Profit Ideas is approximately Rs.8,89,23,049/- which also indicates the magnitude of the prospective threat to the investors.

22. It is noted that permitting the investors to receive a portfolio management service from an unregistered entity, in effect means, the same is received from an unqualified person without following the safeguards mentioned in the PMS Regulations. An investor receiving a service from unregistered portfolio manager not in consonance with the PMS Regulations vis a vis an investor who receives such service from registered portfolio manager following the PMS Regulations stands in a disadvantageous position in respect of his protection as an investor as envisaged under the PMS regulations. An unregistered portfolio manager has not even satisfied the Regulator that he is a fit and proper person to hold the certificate of registration as portfolio manager. Availing of services from such persons are detrimental to investors and such unqualified services could result in irreparable detriment of the investors' interest as money is invested based on unqualified and un-regulated service. Exposing investors to such service also has the effect of interfering with the development of securities market, as victim of such services tend to lose faith in the securities market. Such an injury to the development of the securities market also qualifies as "irreparable injury" or "irreparable detriment" as the objective of SEBI as enshrined in the SEBI Act is not only the protection of investors but also orderly development of securities market.
23. Further, if an ex-parte order is not passed, many prospective investors may subscribe by parting with significant fees and handing over control over their funds / securities and this may cause irreparable injury to themselves as discussed earlier. However, if an ex-parte order is passed, what is at stake is right of the current Noitcees herein vis-a-vis

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multitude of prospective and current clients of the Noitcees. It may be noted that one of the underlying differences between the “ex-parte orders in the case of private suits” and “ex-parte public enforcement actions”, is the identification of the injured party. In private damage suits, the injured individual, as “whole”, is identifiable whereas ex-parte public enforcement actions, seeks to protect the floating multitude of investing public by preventing, continuous and imminent violations of the securities laws. Though, it can be argued that a final remedy by way of refund is available, as against the step of passing an ex-parte interim order, the potential loss to the investors on account of availing portfolio management services from an unqualified person and resultant loss of investor’s confidence and reliability of securities market, cannot be retrieved, if prima facie unregistered portfolio management services is permitted to be extended to the investors by not passing an *exparte-interim order* at this stage. Therefore, I consider the balance of convenience is also not in favour of the Noitcees.

24. Considering the facts and circumstances of the present matter and on the basis of *prima facie* findings, it is necessary to take urgent preventive action in this matter and to take immediate steps to prevent GJ advisory and Profit Ideas from managing any more funds from the public and indulging in unauthorized portfolio management activity. Such action needs to be taken not only to prevent any further harm to investors but also to preserve the integrity of the market.
25. As noted earlier, in the present case, prima facie violations of provision of section 12(1) of SEBI Act read with Regulation 3 of the PMS Regulations, have been noticed on the basis of the examination carried out by SEBI. It is pertinent to mention that several complaints have been filed against GJ advisory and Profit Ideas alleging unregistered PMS and collection of money/fees and the complainants have claimed refund of the money paid by them towards subscription of the services being offered by GJ advisory and Profit Ideas pursuant to the arrangement. One of the directions that can be passed against GJ advisory and Profit Ideas, subject to the adjudication of the allegation on the merits in the final order, under Sections 11(1), 11(4), 11B and 11D of SEBI Act is that

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of direction to refund the money collected by GJ advisory and Profit Ideas from their clients.

26. It is noted that entities covered in this order have already evaded the jurisdiction of SEBI by not subjecting themselves to the regulatory requirements of SEBI. With the initiation of quasi-judicial proceedings, it is imminent that GJ advisory and Profit Ideas may divert the money collected from clients. The same may result in defeating the effective implementation of the direction of refund, if any, to be passed after deciding the matter on merits. It therefore becomes necessary for SEBI to take urgent steps to prevent GJ advisory and Profit Ideas from diverting the money collected from the clients. It is also essential to take urgent steps to prevent them from alienating any assets, whether movable or immovable, or any interest or investment or charge in any of such assets, so that the final remedies, if any, do not become infructuous. In view of the facts and circumstances discussed hereinabove, and considering the interests of already existing clients of GJ advisory and Profit Ideas and also the interests of those who may fall prey to the unregistered portfolio management services being carried out by GJ advisory and Profit Ideas, the balance of convenience lies against GJ advisory and Profit Ideas, which requires immediate action against them including not to divert the money collected from the clients.
27. Further, as the bank accounts of GJ advisory and Mr. Gourav Jain are active, the balance of convenience demands the preventive measure of stopping the collection of money in the bank accounts of GJ advisory and Mr. Gourav Jain from investors. The same can be effectively achieved by an appropriate direction of stopping the credit into the said bank accounts. As GJ advisory and Gourav Jain have already evaded the jurisdiction of SEBI by prima facie, acting as unregistered portfolio manager, the balance of convenience also demands that GJ advisory and Gourav Jain are to be prevented from diverting the funds collected from the investors through the unauthorized PMS activity. Accordingly, an appropriate direction stopping debits from the bank accounts of GJ advisory and Mr. Gourav Jain have been incorporated.

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Order:

28. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4)(b), 11B (1) and 11D read with Section 19 of the SEBI Act hereby issue by way of this *interim ex-parte order*, the following directions –

28.1 GJ Advisory services and its proprietor Mr. Gourav Jain (PAN: AEMPJ7099E) and Profit Ideas Advisory Services and its proprietor Ms. Poonam Jain (PAN: AFMPT0902K) are directed to:-

28.1.1 *cease and desist from acting as a portfolio manager including the activity of acting and representing through any media (physical or digital) as a portfolio manager, directly or indirectly, and cease to solicit or undertake such activity or any other activities in the securities market, directly or indirectly, in any manner whatsoever until further orders;*

28.1.2 *not to divert any funds raised from investors, kept in bank account(s) and/or in their custody until further orders;*

28.1.3 *not to dispose of or alienate any assets, whether movable or immovable, or any interest or investment or charge on any of such assets held in their name, except with the prior permission of SEBI.*

28.1.4 *immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, websites, communications etc., physical or digital if any in relation to their PMS activity or any other unregistered activity in the securities market until further orders.*

28.1.5 *not to access the securities market and buy, sell or otherwise deal in securities in any manner whatsoever, directly or indirectly, until further orders;*

28.1.6 *to provide a full inventory of all assets held in their name, whether movable or immovable, or any interest or investment or charge on any of such assets, including*

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details of all bank accounts, demat accounts and mutual fund investments, immediately but not later than 5 working days from the date of receipt of this order.

28.1.7 To submit the number and details of the clients who availed Portfolio Management Services, money collected from them client wise and the amount of fee collected as Portfolio Manager to SEBI immediately but not later than 5 working days from the date of receipt of this order.

28.2 If GJ advisory or its Proprietor Mr. Gourav Jain; Profit Ideas or its Proprietor Ms. Poonam Jain has any open positions in any exchange traded derivative contracts, as on the date of the order, they can close out/ square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. GJ advisory or its Proprietor Mr. Gourav Jain; Profit Ideas or its Proprietor Ms. Poonam Jain are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order.

28.3 HDFC Bank (Account Number 50200033618449 in the name of GJ advisory) and ICICI Bank (Account Number 000201091685 in the name of Mr. Gourav Jain) are directed not to allow any debits/ withdrawals from and not to allow any credits to the said account, without the permission of SEBI. The above said Banks are directed to ensure that all the above directions are strictly enforced.

28.4 The Depositories are directed to ensure, till further directions, that they neither permit any debits nor any credits in the demat account held by:

- a. Mr. Gourav Jain either individually or jointly.*
- b. Ms. Poonam Jain either individually or jointly.*

28.5 The Registrar and Transfer Agents are directed to ensure, till further directions, that they neither permit any transfer nor redemption of the securities, including Mutual Fund units, held by:

- a. GJ Advisory Services*
- b. Mr. Gourav Jain either individually or jointly.*
- c. Profit Ideas Advisory Services*
- d. Ms. Poonam Jain either individually or jointly.*

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29. This Order shall also be treated as a show cause notice and GJ Advisory Services, its proprietor Mr. Gourav Jain and Profit Ideas Advisory Services and its proprietor Ms. Poonam Jain may show cause as to why the services offered by them should not be held as PMS in terms of PMS Regulations and thereby their activity be treated as unregistered activity under PMS Regulations, why appropriate directions, under Sections 11(1), 11B (1) and 11D of the SEBI Act and relevant SEBI Rules/Regulations including directions for prohibition on them from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for a particular period and directions not to be associated with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI for a particular period should not be passed against them. GJ advisory and its proprietor Mr. Gourav Jain are also show caused as to why directions to refund the fees collected from the investors/clients in the account of GJ Advisroy and personal account of Mr. Gourav Jain for the unregistered IA activities under Sections 11 and 11B (1) of SEBI Act, should not be issued against them. Further, Profit Ideas and its proprietor Ms. Poonam Jain is show caused as to why directions to refund the fees collected from the investors/clients in the account of Profit Ideas for the unregistered IA activities under Sections 11 and 11B (1) of SEBI Act, should not be issued against them.
30. The *prima facie* observations contained in this Order are made on the basis of the material available on record. In this context, GJ Advisory Services and its proprietor Mr. Gourav Jain and Profit Ideas Advisory Services and its proprietor Ms. Poonam Jain may, within 21 days from the date of receipt of this Order, file their reply, if any, to this Order and may also indicate whether they desire to avail an opportunity of personal hearing on a date and time to be fixed on a specific request to be made in that regard.
31. This order shall come into force with immediate effect and shall be in force until further orders. This order is without prejudice to the right of SEBI to take any other action that may be initiated against the aforementioned entity in accordance with law.

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32. A copy of this order shall be served upon all the entities, ICICI Bank, HDFC Bank, Stock Exchanges, Registrar and Transfer Agents and Depositories for necessary action and compliance with the above directions.

Date: January 04, 2021

MADHABI PURI BUCH

Place: Mumbai

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA

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