

WTM/AB/WRO/WRO/10326/2020-21

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

UNDER SECTIONS 11, 11(4), 11B (1) and 11D OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992.

In respect of:

Noticee No.	Name of the entity	PAN No.
1.	Money Plus Research Advisory & Financial Services (Prop: Pravin Meshram)	FODPM0460J

-
1. The present proceedings have emanated from an ex-parte ad-interim order cum show cause notice dated August 14, 2020 (hereinafter referred to as “**the interim order**”) passed by Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) against Money Plus Research Advisory & Financial Services (hereinafter referred to as “**Money Plus**”) and its sole proprietor Shri Pravin Meshram, (hereinafter collectively referred to as “**the Noticees**”), as the Noticees were *prima-facie* found to have been providing investment advisory services without seeking registration from SEBI and also misrepresenting to investors that the Noticees had a certificate of registration for acting as an investment adviser from SEBI. By the interim order, following directions were issued:

“30. In view of the above, pending detailed investigation, I, in exercise of the powers conferred upon me by virtue of Section 19 read with Sections 11, 11(4), 11B and 11D read with Section 19 of the SEBI Act, 1992, hereby issue by way of this interim ex-parte order, the following directions:

- a) Money Plus and its Proprietor Pravin Meshram are directed to:
- i. Cease and desist from acting as an investment advisor including the activity of acting and representing through any media (physical or digital) as an investment advisor, directly or indirectly, and cease to solicit or undertake such activity or any other

activities in the securities market, directly or indirectly, in any matter whatsoever, until further orders.

- ii. Not to divert any funds raised from investors, kept in bank account(s) and/or in their custody until further orders.*
- iii. 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, including money lying in bank accounts except with the prior permission of SEBI.*
- iv. Immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, communications etc., physical or digital in relation to their investment advisory activity or any other unregistered activity in the securities market until further orders.*
- v. Not to access the securities market and buy, sell or otherwise deal in securities in any manner whatsoever, directly or indirectly, until further orders.*
- vi. If Money Plus and its Proprietor have 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. Money Plus and its Proprietor 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.*
- vii. 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 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.*
- viii. Bank of Baroda and IndusInd Bank wherein Money Plus (BOB Account No. 08260200001856 of Money Plus) and Pravin Meshram (IndusInd Bank Account No.100076322135) are holding bank accounts, are directed not to allow any debits/withdrawals from and credits to the said accounts, without the permission of SEBI. The Banks are directed to ensure that all the above directions are strictly enforced.*
- ix. The Depositories are directed to ensure that till further directions no debits are made in the demat accounts of Money Plus and its Proprietor Pravin Meshram.*
- x. The Registrar and Transfer Agents are also directed to ensure that till further directions the securities, including Mutual Fund units, held in the name of Money Plus and its Proprietor Pravin Meshram, are not transferred or redeemed.*

2. The interim order was also in the nature of a show cause notice wherein the Noticees were called upon to show cause as to why:

- a. the various representations made/ services offered by the Noticees in securities market may not be treated as a fraudulent practice/act/conduct, in terms of SEBI (Prohibition of fraudulent and unfair trade practices relating to securities market) Regulations, 2003 (**'PFUTP Regulations'**);
 - b. the investment advisory plans floated by the Noticees should not be held as "Investment Advisory Services" in terms of the SEBI (Investment Advisers) Regulations, 2013 (**'IA Regulations'**) and thereby the activity of the Noticees be treated as unregistered activity under the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act, 1992**") and relevant Regulations;
 - c. appropriate directions, under Sections 11, 11(4), 11B (1) and 11D of the SEBI Act, 1992 and relevant SEBI Rules/Regulations, including directions to continue the prohibition on them from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for a particular period;
 - d. directions to not be associated with any registered intermediary/ listed entity in the securities market, in any manner whatsoever; and
 - e. why any direction to refund the amount collected from the investors/clients for its various schemes under Sections 11 and 11B (1) of SEBI Act, 1992 should not be issued against them.
3. I note that the interim order, provided that the Noticees may file their objections/reply, if any, within 21 days from the date of the interim order and may also avail an opportunity of personal hearing before SEBI, on a date and time to be fixed on a specific request to be made in that regard. In this regard, it is noted that the Noticees neither filed any reply/objections to the interim order nor sought any personal hearing. However, in order to comply with the principles of natural justice, an opportunity of personal hearing was provided to the Noticee on December 17, 2020. On the scheduled date of hearing, the Noticee had visited the Indore Local Office of SEBI and he was heard through audio-video telephony between Local Office, Indore and Head Officer, Mumbai.

4. During the personal hearing, Noticee denied being involved in any investment advisory activity. I note that during personal hearing apart from general denial of allegations made in the interim order, the Noticee has not filed any reply or written submissions to the interim order. I also note that the Noticee has also not provided any evidence in support of his claim that he was not involved in offering unregistered investment advisory services.

5. In the present case, I find that interim order records that on the website of Money Plus, as existing on the date of the interim order, the following claims/information were displayed:

(a) Money Plus Research Advisory & Financial Services (Investment Adviser) is an ISO 9001 - 2008 certified Central India's leading Advisory in Equity, Commodity, Currency (Forex) & Comex Market. We are registered with SEBI (Securities & Exchange Board of India) under SEBI (Investment Adviser) Regulations, 2013 as an Investment Adviser.

(b) We are among the few organizations providing advisory services based on Technical and Fundamental analysis. Our research work which includes investment advisory on Indian Capital Markets, Commodity Market & Currency Market is mainly based on Technical Analysis and chart formations. Our team is highly skilled, experienced and dedicated. Our efforts are to provide more & more profit to our clients in every trade and to provide excellent financial planning. We provide investment advisory in the following segments:

- Equity Market (Stock Market / Capital Market)
- Commodity Market
- Currency (Forex) Market
- Comex Market

(c) Money Plus Research Advisory provides advisory services to clients with the help of SMS, Email, Telephonic support, and Live Chat by using state-of-the-

art technologies. By using best possible SMS gateway for advisory calls, we want to make sure that our advice reaches to the client within few seconds, so that they have adequate time to enter into the trade and maximize their profit.

(d) Pricing details for various packages:

Morning Shiners (Cash)		M2F Positional (Cash)	
Quarterly	20,000	Quarterly	35,000
Half Yearly	35,000	Half Yearly	60,000
Yearly	55,000	Yearly	1,00,000
Big Boys (Cash)		HNI Intraday Bazooka (Cash)	
Quarterly	45,000	Quarterly	1,50,000
Half Yearly	80,000	Half Yearly	2,50,000
Yearly	1,30,000	Yearly	4,00,000

(e) Payment to subscribe to the services could be made directly to the Bank of Baroda Ltd. account number 08260200001856 opened in the name of Money Plus.

- The interim order recorded that that Rs. 46,54,019/- were credited in aforesaid Bank of Baroda Ltd. account number 08260200001856 of Money Plus. Further, in the IndusInd Bank Account Number no. 100076322135 held in the name of Pravin Meshram, Proprietor of Money Plus, Rs. 7,31,204/- were credited. Thus, interim order records that amount of Rs. 53,85,223/- *prima facie* seems to have been collected by the Noticees. The interim order also recorded that Money Plus is proprietorship concern of Shri Pravin Meshram.
- The definition of investment adviser, as given in Regulation 2(m) of the IA Regulations, provides that investment adviser means “any person, who for

consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called". Regulation 2(l) of the IA Regulations defines investment advice as "advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning."

8. From the aforesaid facts, I find that Money Plus which is sole proprietorship firm of Shri Pravin Meshram was engaged in giving advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, through its website www.moneyplusresearch.com. In terms of Regulation 2(l) of Investment Adviser Regulations such an advice is "investment advice". Therefore, I find that Money Plus and its proprietor Shri Pravin Meshram were engaged in the business of providing investment advice to public, for consideration and were thus acting as an investment adviser, as defined under Regulation 2(m) of the Investment Adviser Regulations. Further, I find that Noticees were holding themselves out as a SEBI registered investment adviser, on their website.
9. I note that though Shri Pravin Meshram has submitted before me that he was not offering any investment advisory services, however, he has merely made a bald statement without providing any supporting evidence. On the other hand, the material available on record before me such as print out of the screenshots of the website of the Noticees, bank account statements of Noticees, KYC documents of Money Plus's Bank of Baroda account, shows that Money Plus was indeed offering investment advisory services. The activity of Money Plus, by virtue of its website contents, is holding itself to be giving trading tips, stock specific recommendations, etc., to the investors and general public. The fact that payment receipt to the complainant has been given indicating the payment was made for receiving investment advice and the receipt of money in the bank statements, shows, that the credit for payment of fees is in fact meant for the advisory services actually rendered by the Noticees. Therefore, I find that the Money Plus has not only held itself out as an investment adviser but has also acted as an investment

adviser for consideration.

10. Section 12(1) of the SEBI Act, 1992 provides 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:”

11. In order to protect the interest of investors and to maintain integrity of the securities market, IA Regulations provides that the investors who receive investment advice are protected, it is imperative that any person carrying out investment advisory activities has to necessarily obtain registration from SEBI as required under Regulation 3(1) of the IA Regulations, which provides that, *“On and from the commencement of these regulations, no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board under these regulations”* and conduct its activities in accordance with the provisions of IA Regulations. Such provisions of IA Regulations includes continued minimum professional qualification and net-worth requirement for investment adviser, disclosure of all conflict of interest, prohibition on entering into transactions which are contrary to advice given for 15 days, risk profiling of investors, maintaining documented process for selecting investment for client based on client's objective and risk profile, understanding the nature and risks of products or assets selected for clients, etc.

12. The activities of the Noticee, as brought out from the various materials described above, seen in the backdrop of the aforesaid provisions show that the Noticee is holding itself out and acting as an investment adviser. However, it is noted that the Noticee is not registered with SEBI in the capacity of Investment Advisor. Hence, I find that these activities/ representations as being made by the Noticee without holding the certificate of registration as investment adviser is in violation of Section 12(1) of SEBI Act, 1992 read with Regulation 3(1) of the IA Regulations.

13. I note from the contents of website that the Noticee has claimed to be a SEBI registered Investment Adviser, which in fact is not the case. Thus, I find that, the Noticee is not only knowingly concealing the fact that it is not registered with SEBI as an investment advisor but also making a false representation that it is registered with SEBI as Investment Adviser, thereby luring and inducing investors to deal in securities by availing its services.
14. The above discussed misleading representations are deceptive activities of the Noticee and therefore, fraudulent and are covered within the definition of “fraud” defined under Regulation 2(1)(c) of the PFUTP Regulations. It is noted that fraudulent activities/ conduct/ act/ practice of the Noticee as discussed above are in violation of provisions of Section 12A (c) of SEBI Act, 1992 and Regulations 3(d) and Regulations 4(1) and 4(2)(k) of PFUTP Regulations.
15. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11, 11(4), 11B(1) and 11D, read with of Section 19 of the SEBI Act, 1992 and Regulation 11 of the PFUTP Regulations, and in supersession of the directions in the interim order, hereby direct that:
- a. The Noticees shall within a period of three months from the date of this order, refund the money received from the clients/investors, as fees or consideration or in any other form, in respect of their unregistered investment advisory activities;
 - b. The Noticees 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 this Order;
 - c. The repayments to the clients/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. The Noticees are prevented from selling their assets, properties and holding of mutual funds/shares/securities held by them in demat and physical form except for the sole purpose of making the refunds as directed above. Further, the banks are directed to allow debit only for the purpose of making refunds to the clients/investors who were availing the investment advisory services from the Noticees, as directed in this order, from the bank accounts of the Noticees, wherein debit has been frozen by virtue of interim order dated August 14, 2020;
- e. After completing the aforesaid repayments, the Noticees shall file a report of such completion with SEBI addressed to the Division Chief, CIS Division, Investment Management Department, SEBI Bhavan, Plot No. C4 A, G Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400051, within a period of 15 days, after completion of three months from the coming into force of this order, duly certified by an independent Chartered Accountant;
- f. In case of failure of the Noticees to comply with the aforesaid directions in sub-para (a) and (e), SEBI, on the expiry of the stipulated time period therein from the date of coming into force of this order, may recover the amounts mentioned in para 6 above or any other amount as may be found to have been raised by the Noticees, from the Noticees, in accordance with Section 28A of the SEBI Act, 1992 including such other provisions contained in securities laws;
- g. The Noticees are 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 2 (two) years from the date of this order or till the expiry of 2 (two) years from the date of completion of refunds to investors as directed in paragraph 15(a) above, whichever is later;

- h. The Noticees are also restrained from 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 in any capacity for a period of 2 (two) years from the date of this order or till the expiry of 2 (two) years from the date of completion of refunds to investors as directed in paragraph 15 (a) above, whichever is later;
 - i. The Noticees shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in paragraph 15(g) and (h) above, 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.
16. The direction for refund, as given in paragraph 15(a) above, does not preclude the clients/investors to pursue the other legal remedies available to them under any other law, against the Noticees for refund of money or deficiency in service before any appropriate forum of competent jurisdiction.
17. This order comes into force with immediate effect.
18. A copy of this order shall be sent to the Noticees, recognized Stock Exchanges, the relevant banks, Depositories and Registrar and Transfer Agents of Mutual Funds to ensure that the directions given above are strictly complied with.

Sd/-

Place: Mumbai

Date: February 05, 2021

ANANTA BARUA

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA