

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER**

FINAL ORDER

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

**In Re: Securities and Exchange Board of India (Investment Advisers) Regulations,
2013, and the Securities and Exchange Board of India (Research Analyst)
Regulations, 2014**

In respect of:

Noticee No.	Name of the Entity	PAN
1	Indira Trading Company	AAFFI0479L
2	Mr. Pankaj Seth	COLPS0476M
3	Mr. Vishal Anaji Girkar	BAHPG8679M
4	Mr. Mohd. Zaid Siddique	CPDPS5191C
5	Mr. Joheph Chand Malikshaikh	BEPPM1043D
6	Mr. Girish Srichand Valecha	AIYPV3150A
7	Mr. Niwas A Kamble	BBPPK9582E
8	Mr. Jagdish Lalmani Gupta	ARLPG5832C

In the matter of Indira Trading Company

Background:

1. Securities and Exchange Board of India ("**SEBI**") received several complaints on SCORES alleging that an entity, namely, Indira Trading Company (hereinafter referred to as "**ITC**") is providing the services of investment adviser/ research analyst without SEBI registration.

2. It was observed that investors/ clients were being solicited by ITC through a website called www.bookprofit.co.in. The said entity was found to have been offering daily stock ideas in equity and future markets, intra-day, short term, long term ideas, etc. Although the website www.bookprofit.co.in is not accessible anymore, its archived pages have been examined.
3. Pursuant to the same, SEBI conducted a preliminary examination into the activities of ITC for possible violations of the SEBI Act, 1992, SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as “**IA Regulations**”) and the SEBI (Research Analyst) Regulations, 2014 (hereinafter referred to as “**RA Regulations**”).
4. The details of ICICI Bank account bearing number 188705000147 in the name of ITC, for the receipt of payment from the investors/clients, was provided on the website. SEBI sought the KYC/ AOF and account statements from ICICI Bank. Based on the information provided by ICICI Bank, it is observed that ITC is a partnership firm incorporated on December 22, 2014, with its partners as Mr. Pankaj Seth, Mr. Vishal Anaji Girkar, Mr. Mohd. Zaid Siddique, Mr. Joheph Chand Malikshaikh, Mr. Girish Srichand Valecha, Mr. Niwas A Kamble and Mr. Jagdish Lalmani Gupta (hereinafter, ITC and its partners are collectively called as the **Noticees**). The registered address of ITC is at Plot No- A- 423/424/425, Ram Nagar Road No-28, Wagle Indl Estate, Thane (W) – 400604.
5. SEBI, vide letter dated October 06, 2015, and reminder dated October 27, 2015, sought, *inter alia*, the following information/ documents from ITC:
 - 5.1. Details of registration with SEBI, if any.
 - 5.2. Point-wise comments with respect to compliance of the provisions of Chapter - 3 and the Schedule III of the SEBI (Investment Advisers) Regulations, 2013.
 - 5.3. Copy of bank account statements in which money is being collected from the investors, since the period it started offering the services.

- 5.4. Names of their clients to whom they have given advice/ recommendations and fees charged.
6. The letter dated October 06, 2015 was returned undelivered, while the reminder dated October 27, 2015, was delivered. However, no reply was received from ITC.
7. On perusal of the website of Indira Trading (www.bookprofit.co.in), it is observed that they have made the following declaration:

“Highlights of Services

- *Share market tips from our Research team and Experts*
- *Daily Stock ideas in Equity and Future markets,*
- *Intraday, short term, long term ideas, pre-market SMS on market for day,*
- *Ideas delivered during market hours*

About Us

- *“Indira Trading Company offers integrated stock market recommendation and financial guidance pertaining to stock market to its clientele spread across nation. INDIRA TRADING COMPANY offers technical ideas, fundamental calls, delivery calls, financial guidance, dedicated customer service. It offers technical ideas, fundamental calls, delivery calls, financial guidance, dedicated customer service*

Subscription

- *Fill registration form with all the required details correctly*
- *After registration a unique customer ID will be assigned*
- *You will start receiving Tips via SMS on your registered mobile number*

Getting Started

- *As soon as your account gets activated, you will start receiving stock tips and ideas*
- *Pay via online payment, cheque and bank deposit*

Ideas On Demand

For any query about any stocks, contact at support@bookprofit.co.in

- *Support and resistance level.*
- *Comment on stock (Buy, sell or hold)*
- *Detail information on any stocks*

*Above request should be sent at support@bookprofit.co.in.
Note: Per stock Rs.500 will be charged. Payment should be made in favour of Indira Trading Company. For more details, contact at support@bookprofit.co.in”*

8. The packages offered by ITC to its clients, as observed from its website, are as under:

8.1. Equity Intraday

8.2. Delivery Short Term/BTST

8.3. Derivatives Futures

8.4. Option Package

The cost of services varies according to the selected package and the time period of the service.

9. The fees for the aforesaid services, ranging from Rs. 10,000/- to Rs. 15,000/-, are levied by ITC on a monthly and quarterly basis. Details of one such package, as given on the website, are reproduced as under:

“Equity Intraday

1. *Get 102 ideas daily*

2. *Get 18-20 calls in a month*

3. *Cost of the package =Rs. 10,000 for 1 month”*

10. In view of the above mentioned observations, it was observed that ITC and its partners were, *prima facie*, engaged in providing investment advisory services and also services of research analysts to clients for consideration without registration with SEBI, and as a result of the same, they had, *prima facie*, violated Section 12(1) of SEBI Act, read with Regulation 3(1) of the IA Regulations and Regulation 3(1) of the RA Regulations. In view of the same and to protect the interests of investors, vide interim order dated March 17, 2016, the Noticees were directed to:

10.1. *Cease and desist from acting as an investment advisor or research analyst and cease to solicit or undertake such activity or any other unregistered activities in the securities market, directly or indirectly, in any matter whatsoever;*

10.2. *Not to divert any funds raised from investors, kept in bank account(s) and/or in their custody;*

10.3. *Immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, websites, etc. in relation to their investment advisory and research analyst activity or any unregistered activity in the securities market.*

10.4. *Furnish all the information sought by SEBI, vide letter dated October 06, 2015.*

11. It was also mentioned that the interim order shall be treated as a show cause notice and the Noticees may show cause as to, why the services/plans identified in the interim order should not be held as "Investment Advisory Services" and "Research Analyst Services" in terms of the respective Regulations and why appropriate directions, under Section 11 and 11B of the SEBI Act, 1992, and relevant SEBI Rules/Regulations including directions, prohibiting them from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for a particular period and to refund any money collected as fees, charges or commissions collected from the investors/clients/partners to the concerned clients/investors along with the requisite interest, should not be issued against them, for the alleged violations.

12. The Noticees were also given 21 days, from the date of receipt of the interim order, to file their reply, if any, and to indicate whether they desire to avail an opportunity of personal hearing, if they so desired.

Service of the Interim Order and Hearing Notice:

13. I note, from records available, that the interim order was served on the Noticees and in the interests of natural justice, they were also granted an opportunity of personal hearing on January 22, 2021. The details of serving of interim order and notice of personal hearing are as below:

Sr. No.	Name of Noticee	Date of serving interim order dated 17/03/2016	Date of serving notice of hearing to be held on 22/01/2021	Mode of serving Interim order	Mode of serving hearing notice
1	Indira Trading Company	December 15, 2020		Public Notice in newspaper, Hindustan Times, Navbharat Times and Loksatta	
2	Pankaj Seth				
3	Vishal Anaji Girkar				
4	Mohd. Zaid Siddique				
5	Joheph Chand Malikshaikh				
6	Niwas A Kamble				
7	Jagdish Lalmani Gupta				
8	Girish Srichand Valecha	December 15, 2020		Public Notice in newspaper, Hindustan Times, Navbharat Times and Loksatta and through email at 'girishvalecha32@gmail.com'*	

* Vide email dated January 19, 2021

14. I note that the Noticees failed to appear for the personal hearing on January 22, 2021. Further, there is no reply available on record to the interim order from any of the Noticees.

CONSIDERATION

15. I have considered the allegations and perused the material available on record, such as, information available on the archived pages of the website of ITC, information obtained from ICICI Bank, etc. I also note that the interim order has been served on the Noticees by way of paper publication and an opportunity of personal hearing was also granted to them, which was not availed by them. In view of the same, I note that there is no reply of the Noticees on record. On perusal of the material on record, the following issues arise for determination:

15.1. Issue No. 1: Whether ITC was holding itself out and/ or acting as an investment adviser and/ or research analyst?

15.2. ***Issue No. 2: If answer to Issue No. 1 is in affirmative, whether ITC has violated any provisions of the SEBI Act read with the provisions of the IA Regulations and/ or the RA Regulations?***

15.3. ***Issue No. 3: If answer to Issue No. 2 is in affirmative, who are liable for the violations committed?***

15.4. ***Issue No. 4: If answer to Issue No. 2 is in affirmative, then what directions need to be issued against those responsible for the violations?***

Issue No. 1: Whether ITC was holding itself out and/ or acting as an investment adviser and/ or research analyst?

16. I have perused the interim order dated March 17, 2016, for the, *prima facie*, finding of unregistered IA and RA services provided by ITC. I note the following material has been placed by ITC on its website, www.bookprofit.co.in:

“Highlights of Services

- *Share market tips from our Research team and Experts*
- *Daily Stock ideas in Equity and Future markets,*
- *Intraday, short term, long term ideas, pre-market SMS on market for day,*
- *Ideas delivered during market hours*

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Subscription

- *Fill registration form with all the required details correctly*
- *After registration a unique customer ID will be assigned*
- *You will start receiving Tips via SMS on your registered mobile number*

Getting Started

- *As soon as your account gets activated, you will start receiving stock tips and ideas*
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- *Support and resistance level.*
- *Comment on stock (Buy, sell or hold)*
- *Detail information on any stocks*

*Above request should be sent at support@bookprofit.co.in.
Note: Per stock Rs.500 will be charged. Payment should be made in favour of Indira Trading Company. For more details, contact at support@bookprofit.co.in*

17. The packages offered by Indira Trading to its clients, as observed from its website, are “Equity Intraday”, “Delivery Short Term/ BTST”, “Derivatives Future” and “Options Package”. It was observed that the cost of services varies according to the selected package and the time period of the service. Details of one such package, as given in the website, is reproduced as under:

Equity Intraday

1. *Get 102 ideas daily*
2. *Get 18-20 calls in a month*
3. *Cost of the package =Rs. 10,000 for 1 month*

18. The fees for the aforesaid services ranged from Rs. 10,000/- to Rs. 15,000/- and are levied by ITC on monthly and quarterly basis.

19. The bank statement for account number 188705000147 belonging to ITC was examined and the following is observed:

- 19.1. The details of the credits received in this account are as below:

A/c no. (Bank)	Date of Account Opening	Bank Statement Period	No. of Credit Transaction (approx.)	Date of last Credit	Total Credit in Rs (approx.)*	Closing Balance in Rs. (approx.)
188705000147 (ICICI Bank) Indira Trading Company	18/03/2015 (account closed on 22/03/2016)	24/03/2015 till 22/03/2016	399	22/03/2016	52,14,969/-	Nil

19.2. It is observed from analysis of the credits in the said bank statement that credits have been received by way of NEFT transfers, cash deposits, etc., from various individuals.

20. An examination of the documents of ITC shows the following:

20.1. The nature of business mentioned in the Partnership Deed is “Investment Advisory”, etc.

20.2. The nature of business in the AOF/KYC is “Services”, while the type of industry is mentioned as “Financial Services”.

20.3. In the letter addressed to ICICI Bank at time of account opening, it is mentioned that ITC shall carry out the business of “Financial Advisory”.

21. In light of the aforesaid discussions, on the basis of the material available on record, I observe that ITC has been putting information in public domain/ advertising by using website, namely www.bookprofit.co.in, about the various services offered by it in the securities market. The partnership deed of ITC mentions that the business intended to be carried out by the firm is “Investment Advisory”, while the AOF/KYC of the bank states that the business of the firm will be Financial Services/ Advisory. It is also observed that various plans/ packages are being offered by ITC to avail its services. In view of the above facts and circumstances, especially the contents of the website, coupled with the credit transactions in the bank account, details of which were given on the said website, it is inferred that the fees/ funds credited in the said bank account, were for the purpose of availing the services indicated on the website of ITC. Hence,

ITC was carrying out services related to investments in the securities market as mentioned on the website.

22. In this regard, I have perused the following provisions of the IA Regulations:

Regulation 2(l) of the IA Regulations:

“investment advice” means 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:

Provided that investment advice given through newspaper, magazines, any electronic or broadcasting or telecommunications medium, which is widely available to the public shall not be considered as investment advice for the purpose of these regulations;

Regulation 2(m) of the IA Regulations:

“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”.

23. In the light of the aforesaid observations, it is evident that the activities of ITC of giving trading tips, stock specific recommendations, etc. to investors, on payment of fees as per its packages, fall within the definition of Investment Advice, as per the IA Regulations. The act of ITC of providing such services for consideration falls under the definition of Investment Adviser, as defined by Regulation 2(m) of the IA Regulations. Therefore, I find that ITC was holding itself out and acting as an investment adviser within the meaning of the terms, as given in the IA Regulations.

24. I have also perused the following definitions in the RA Regulations:

Regulation 2(u) of the RA Regulations:

“research analyst” means a person who is primarily responsible for,-

i. preparation or publication of the content of the research report; or

ii. providing research report; or

iii. making 'buy/sell/hold' recommendation; or

iv. giving price target; or

v. offering an opinion concerning public offer,

with respect to securities that are listed or to be listed in a stock exchange, whether or not any such person has the job title of 'research analyst' and includes any other entities engaged in issuance of research report or research analysis.

Explanation.-The term also includes any associated person who reports directly or indirectly to such a research analyst in connection with activities provided above;

Regulation 2(w) of the RA Regulations:

“research report” means any written or electronic communication that includes research analysis or research recommendation or an opinion concerning securities or public offer, providing a basis for investment decision...

25. In view of the definitions given above, I find that ITC was offering research analyst services as defined under the RA Regulations. I am of the view that the said 'buy/sell/hold recommendations' and 'price targets' can be regarded as research analysis. Similarly, the service offered by ITC called 'Ideas on Demand' appears to be a service where any investor, for a payment of Rs. 500/- per stock, will receive detailed information on that stock, 'buy/ sell/ hold' recommendation on that stock, etc. I note that by the definition given in Regulation 2(w) of the RA Regulations these services offered by ITC would be included within the meaning of “research report”. Therefore, I find that ITC was holding itself out and acting as a research analyst within the meaning of the terms, as given in the RA Regulations.

26. In view of the above, on the basis of the material available on record, I note that the first credit in the bank account of ITC maintained with ICICI Bank was on March 24, 2015, while the last credit, on record, has been received on March 22, 2016. In view of the same, on the basis of the material available on record, I find that ITC was holding itself out and acting as an investment adviser and research analyst from March 24, 2015, till March 22, 2016.

Issue No. 2: If answer to Issue No. 1 is in affirmative, whether ITC has violated any provisions of the SEBI Act read with the provisions of the IA Regulations and/ or the RA Regulations?

27. Before proceeding further, I would like to refer to the provisions of Section 12(1) of the SEBI Act, the text of which are reproduced below:

SEBI Act

Registration of stock brokers, sub-brokers, share transfer agents, etc.

12. (1) 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:

28. In order to ensure that investors who receive investment advice or services of a research analyst are protected, it is imperative that any entity carrying out the activities of an investment adviser or research analyst has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of the relevant SEBI Regulations, which is mandated by Section 12(1) of the SEBI Act and is reproduced above.

29. Regulation 3(1) of the IA regulations, states 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”.

As per Regulation 3(1) of the RA Regulations:

“On and from the commencement of these regulations, no person shall act as a research analyst or research entity or hold itself out as a research analyst unless he has obtained a certificate of registration from the Board under these regulations.”

30. Thus, as per Section 12(1) of SEBI Act and Regulation 3(1) of the IA Regulations and Regulation 3(1) of the RA Regulations, any entity carrying out activities of an investment adviser or research analyst has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of SEBI regulations i.e., the registration of the investment advisers and research analysts is mandatory.
31. The activities of ITC, as brought out from the various materials described above, seen in the backdrop of the aforesaid provisions show that ITC was carrying out activities of an investment adviser and research analyst. Neither ITC nor any of its partners, in their individual capacity, hold a certificate of registration as an Investment Adviser or a Research Analyst nor are they registered with SEBI as an intermediary in any capacity.
32. I note here that ITC has been incorporated as a partnership on December 22, 2014. The date of the first credit in the ICICI Bank account bearing number 188705000147 is March 24, 2015. Hence, on the basis of the material available on record, I find that ITC was holding itself out and acting as an investment adviser and research analyst from March 24, 2015.

33. The proviso to Regulation 3 of the IA Regulations states that *“a person acting as an investment adviser immediately before the commencement of these regulations may continue to do so for a period of six months from such commencement or, if it has made an application for a certificate ... within the said period of six months, till the disposal of such application.”* Similarly, the proviso to Regulation 3 of the RA Regulations states that *“any person acting as research analyst or research entity before the commencement of these regulations may continue to do so for a period of six months from such commencement or, if it has made an application for a certificate of registration under sub-regulation (2) within the said period of six months, till the disposal of such application.”*
34. The IA Regulations were notified on January 21, 2013, and came into effect on April 21, 2013. Therefore, any person who had been providing investment advisory services before the IA Regulations came into effect can, by virtue of the proviso under Regulation 3, continue to do so without a certificate of registration till October 20, 2013, beyond which the said person would have to obtain a certificate of registration or may continue to do so till the time his application for registration is disposed of. Similarly, the RA Regulations were notified on September 1, 2014, and came into effect on December 1, 2014. As per the provisions of law, any person who had been providing research analyst services before the RA Regulations came into effect, could do so without a certificate of registration till June 1, 2015, beyond which the said person would have to obtain a certificate of registration or may continue to do so till the time his application for registration is disposed of.
35. I note that ITC has been holding itself out and acting as an investment adviser and research analyst after the IA and RA Regulations came into effect and was required to apply for registration as an investment adviser and research analyst under the respective regulations. However, the material on record shows that ITC has not made any application for registering itself as an investment adviser or research analyst with SEBI. Further, I find that the last credit in the ICICI Bank account is on March 22,

2016, and hence, ITC was providing investment advisory and research analyst services even as late as March 22, 2016.

36. In view of the above, I find that ITC, by virtue of holding itself out and acting as an investment adviser and research analyst, without obtaining registration from SEBI, is in violation of Section 12(1) of the SEBI Act and Regulations 3(1) of the IA and RA Regulations, respectively.

Issue No. 3: If answer to Issue No. 2 is in affirmative, who are liable for the violations committed?

37. I note that ITC is a partnership firm and has held itself out and acted as an investment adviser and research analyst. The details of the partners of ITC, as per partnership deed dated December 22, 2014, available on record, are as below:

Sl. No.	Name of the Partner	Capital and Share of Profit/ Loss
1	Pankaj Seth	1. All partners have contributed equal capital of Rs. 14,286/- each. 2. Profit/ loss shall be equally divided between the partners.
2	Vishal Anaji Girkar	
3	Mohd. Zaid Siddique	
4	Joheph Chand Malikshaikh	
5	Niwas A Kamble	
6	Jagdish Lalmani Gupta	
7	Girish Srichand Valecha	

38. As per Section 25 of the Indian Partnership Act, 1932 (hereinafter referred to as “IPA”), “every partner is liable jointly with all the other partners and also severally, for all acts of the firm done while he is a partner”. Section 25 of the IPA deals with situations where the act of the firm has caused loss/ injury to a third party. In this regard, reference can be also made to Sections 26, 27, 45, 48(b)(i) and 49 of the IPA which deal with the liability of the firm towards third parties. The liability of acting partners and non-acting partners (collectively known as firm) for injury to the third party is an outcome of joint and several liability of such partners under the IPA, irrespective

of whether the conduct (act of the firm) which gave rise to the loss/injury to the third party falls is also a violation of any provision under securities law.

39. However, a partner who indulges in such conduct/ omission, is also liable under securities laws, if his act/ omission results in the violation of any provision under securities law. I note that for the contravention of law committed by the firm, apart from the firm, the partners of the firm who, at the time of contravention, were having knowledge of the said contravention or the partners whose neglect contributes to the contravention of law, are also liable for said contravention of law committed by the firm. The said principle is embodied in Sections 27(1) and 27(2) of SEBI Act.

40. I note from the partnership deed of ITC that all the partners have been referred to as working partners and all partners shall devote full time and attention in the conduct of the affairs of the firm as required. There is no material on record to indicate that any of the partners of ITC have taken any steps to prevent the firm from committing the violations observed against it. This is despite the fact that details of the unregistered services provided by ITC were placed on its website, which provided the partners sufficient opportunity to enquire into whether the compliance of the respective provisions, which ITC has been found to be in violation of, has been done or not. I note that neither did the Noticees provide any reply to the allegations made in the interim order nor did they avail the opportunity of personal hearing. In the absence of any of their submissions and in view of the provisions of Section 27 of the SEBI Act, I am constrained to hold that all the partners mentioned in the table above, are liable with ITC for their activities, for their respective tenures as partners, for contravention of provisions of the SEBI Act, the IA Regulations and the RA Regulations by ITC.

Issue No. 4: If answer to Issue No. 2 is in affirmative, then what directions need to be issued against those responsible for the violations?

41. 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. Thus, power to take all measures necessary to discharge its duty under the statute which is a reflection of the objective disclosed in the preamble has been conferred in widest amplitude.
42. In the instant case, it is noted that ITC was soliciting and inducing the investors to deal in securities market by carrying out activities of an investment adviser and research analyst, without having obtained a certificate of registration as required under the IA and RA Regulations, respectively. I note from the material available on record viz., the bank statement for account number 188705000147 that ITC has collected Rs. 52.15 lakhs through its unregistered investment advisory and research analyst services during the period March 24, 2015, till March 22, 2016, and it would be reasonable that such funds collected are liable to be returned to the clients of ITC.
43. In view of the discussion above, appropriate action in accordance with law needs to be initiated against ITC and its partners. The interim order has contemplated issuing appropriate directions under Sections 11 (1), 11(4), 11B and 11(D) of the SEBI Act, 1992, and relevant SEBI Rules/Regulations, including directions, prohibiting them from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for a particular period and to refund any money collected as fees, charges or commissions collected from the investors/clients/partners to the concerned clients/investors.
44. Section 11B and Section 11(4) of SEBI Act are functional tools in the hands of the Board. In effect, Section 11B and Section 11(4) SEBI Act are some of the measures available to SEBI to enforce its prime duty of investor protection. SEBI is empowered to issue directions in the interests of investors of any person or class of persons referred to in Section 12 of the SEBI Act or associated with the securities market.

ORDER:

45. Therefore, I, in exercise of the powers conferred under Section 19 of the SEBI Act read with Sections 11(1), 11(4), 11B and 11D of the SEBI Act, hereby issue the following directions against the Noticees:

- 45.1. Noticee No. 1, Indira Trading Company, along with the other Noticees, shall forthwith, within three months of this Order coming into effect, jointly and severally, refund Rs. 52, 14, 969/- and any other amount, which has been received from the clients, during their tenures, in respect of the unregistered Investment Advisory services and unregistered Research Analyst services provided by them. The Noticees shall submit a report of the refund made to SEBI along with a certificate from a peer reviewed Chartered Accountant, who is in the panel of any public authority or public institution, within 15 days of completion of refund. For the purpose of this Order, a peer reviewed Chartered Accountant shall mean a Chartered Accountant, who has been categorized so by the Institute of Chartered Accountants of India ("ICAI") holding such certificate.
- 45.2. 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 persons such as names, addresses and contact details, within 15 days of this Order coming into effect.
- 45.3. The repayments to the clients shall be effected only through Bank Demand Draft or Pay Order both of which should be crossed as "Non-Transferable" or through any other appropriate banking channels with clearly identified beneficiaries.
- 45.4. The Noticees are directed not to divert any funds raised from investors, kept in bank account(s) and/or in their custody, except for the purpose of refunds to the clients.

- 45.5. 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 and deposit the proceeds in an Escrow Account opened with a nationalized Bank. Such proceeds shall be utilized for the sole purpose of making refund/repayment to the investors till the full refund/repayment as directed above is made.
- 45.6. The Noticees are directed not to, directly or indirectly, access the securities market, and are prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, from the date of this Order, till the expiry of four (04) years from the date of refund of the money as directed in paragraph 45.1 above.
- 45.7. The Noticees shall not undertake, either directly or indirectly, unregistered Investment Advisory activities and unregistered Research Analyst Services or any activity in the securities market without obtaining a certificate of registration from SEBI, as required under the securities laws, either during or after the expiry of period of debarment as mentioned in paragraph 45.6 above.
- 45.8. The Noticees are 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, from the date of this Order, till the expiry of four (04) years from the date of refund of the money as directed in paragraph 45.1 above.
- 45.9. In case of failure of the Noticees to comply with the aforesaid directions, SEBI, on expiry of the time given to furnish the report regarding completion of refund along with the certificate from a peer reviewed Chartered Accountant, may recover such amounts as directed in paragraph 45.1 above, in accordance with Section 28A of the SEBI Act, including such other provisions contained in securities laws.

46. The above direction for refunds/repayment to clients 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.
47. The above directions shall take effect immediately.
48. A copy of this order shall be served upon the Noticees, Stock Exchanges, Registrar and Transfer Agents and Depositories for necessary action and compliance with the above directions.

Sd/-

DATE: FEBRUARY 26, 2021

MADHABI PURI BUCH

PLACE: MUMBAI

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA