

WTM/AB/WRO/WRO/14676/2021-22

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

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

In respect of:

	Name of the Noticees	PAN
1.	Gold Crude Research (Prop. Ramnarayan Sharma)	EDSPS4549M

In the matter of Gold Crude Research

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1. The present proceedings emanate from an interim order cum show cause notice dated December 07, 2020 (hereinafter referred to as “**the interim order**” or “**SCN**”) passed by the Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) against Gold Crude Research and its sole proprietor Mr. Ramnarayan Sharma (hereinafter also referred to as “**the Noticees**”) as the unregistered investment advisory activities of the Noticees were found to be in violation of the provisions of Section 12(1) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act, 1992**”) and Regulation 3(1) of SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as “**IA Regulations, 2013**”). Further, in the interim order, the activities of the Noticees were *prima facie* found to be fraudulent and manipulative and in violation of provisions of Section 12A (a), (b) & (c) of SEBI Act, 1992 and Regulations 3 (a),(b), (c) & (d) and Regulations 4(1) and 4(2)(k) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations, 2003**”). By the interim order, following directions were *inter alia* issued to Gold Crude Research and its Proprietor, Mr. Ramnarayan Sharma:

“.....

- 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 manner 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. 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.*
- vii. To submit the number and details of clients who have availed their investment advisory services and to submit details of fees collected from each such client, immediately but not later than 5 working days from the date of receipt of this order.*
- viii. To provide the details of all the bank accounts maintained by Gold Crude Research and its proprietor, Mr. Ramnarayan Sharma, individually and jointly.
.....”*

2. The interim order was also in the nature of a show cause notice asking the Noticees to show cause as to why suitable directions be not issued against them under Sections 11(1), 11(4), 11B and 11D of the SEBI Act, 1992 including directions, to prohibit them from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for a particular period and not to be associated with any registered intermediary/ listed company and any public company which intends to raise money from public in the securities market, in any manner whatsoever and to refund, jointly and severally, the fees collected from the investors/clients for its unregistered investment advisory activities.

3. The SCN *inter alia* alleged that the Noticees were engaged in investment advisory services without obtaining a certificate of registration from SEBI for the same as mandated under the SEBI Act, 1992 and the IA Regulations, 2013, in violation of Section 12(1) of SEBI Act, 1992 read with Regulation 3(1)

of the IA Regulations, 2013 as well as Section 12A (a), (b), (c) of SEBI Act, 1992 and Regulations 3 (a), (b), (c) & (d), 4(1) and 4(2)(k) of PFUTP Regulations, 2003.

4. The SCN was served on the Noticees. An email dated December 28, 2020 was received from the Authorized Representative (hereinafter referred to as “AR”) of the Noticees intimating that he would be representing the Noticees in the present proceedings and also enclosed authorization letter issued by the Noticees in his favour authorizing him to appear before SEBI in the present proceedings. The matter was placed before me for obtaining a hearing date on February 18, 2021 and an opportunity of hearing was granted to the Noticees on May 18, 2021. Thereafter, vide an email dated May 14, 2021, the Noticees sought an adjournment of the hearing stating that their counsel and AR were not available for personal appearance due to COVID- 19 pandemic. Meanwhile, the Noticee submitted a reply dated November 09, 2021. A further opportunity of hearing was granted to the Noticees on November 10, 2021. On the said date the AR of the Noticees appeared and made submissions and the hearing was concluded *qua* the Noticees.
5. I note that the following facts have been recorded in the SCN:
 - i) SEBI received an anonymous complaint from an email id, sebiwhistleblower@gmail.com against Gold Crude Research wherein, the complainant, *inter alia*, alleged that Gold Crude Research was illegally involved in advisory services. In view of the complaint received, SEBI carried out a preliminary examination in January, 2020 to ascertain whether unregistered investment advisory activities are being carried out by the firm. To that end, the website of the firm, www.goldcruderesearch.com, particulars of its bank accounts, KYC and Account Opening Forms of its bank accounts were perused to gather information. It was noted that above website was inactive as on date of the SCN. However, the print out of the web pages of the Noticees’ website was taken when the aforesaid website was active and had been placed on record. However, it was *prima facie* observed that the Noticees were also operating through another website namely,

www.goldcruderesearchcom.nowfloats.com. The reason for the aforesaid *prima facie* observation was that the information / material that was available on the firm's earlier website including its correspondence address, telephone number and email address, is same as that appears on the second website. Thus, *prima facie* the SCN states that the firm was also carrying out its activities under a different URL / web address.

- ii) SEBI's preliminary examination found that the proprietorship firm and its sole proprietor, Mr. Ramnarayan Sharma were not registered with SEBI in the capacity of Investment Adviser or in any other capacity. The examination also found that the website (first and second) provided information that the firm provides advisory services in the commodities and forex space and that the firm has bank accounts in SBI Bank Ltd., Axis Bank Ltd., ICICI Bank Ltd. and HDFC Bank Ltd. where multiple credits have been made from different sources.
- iii) The website of Gold Crude Research stated the following:
 - Under the heading "ABOUT" the following is noted:

"Gold Crude Research was initially was established in 2007 as Gold Crude Advisory, a provider of premium advisory services in the commodities and forex space. After acquiring a forex signals provider for the technology expertise, Gold Crude Research expanded its portfolio of services to include trading signals for commodities, forex, and indices. Gold Crude Research currently employs over 250 employees and it is headquartered in Dover, DE, with offices in Austria, Cyprus, France, Hong Kong, India, Japan, Taiwan and the UK. Gold Crude Research US Office address is Gold Crude Research LLC 8 The Green Suite #5322 Dover, DE 19901 It provides a full spectrum of services to the global trade - whether small scale or institutional investors, Gold Crude Research has flexible signal and portfolio management packages."
 - Under the heading "UPDATES" the following is noted:

"Gold Crude Research provides exceptional investment on high performing mcx, comex/nymex and forex services and technology for our..."

"Gold Crude Research gives extraordinary venture on high performing mcx Commodity Tips, comex/nymex signal, Daily Intraday Trading Tips, Gold live cost and forex administrations and innovation for our..."

“Our trading signals and advisory services are aimed toward empowering traders with the trading alerts and tips on market movements in the Forex, Commodities, and Index trading spaces.”

“Gold Crude Research is a leading financial services provider in Indore, India providing a full range of private equity advisory services. we advise companies with growth and profitability potential in raising equity.”

- Pricing details for various packages are mentioned on the website.
- Gold Crude Research has started its operation in 2007.
- Gold Crude Research offers advisory services in Commodity, Currency (Forex) and Comex Market to its clients as part of its advisory activity.
- The advisory business of Gold Crude Research is based on ‘subscription model’.
- The advisory fee is charged from clients based on the product subscribed and the subscription period.
- Advice given by Gold Crude Research is through email, telephonic support and SMS.
- Remittances into the bank accounts of Gold Crude Research, were also noted in the SCN.

Based on the above observations, the SCN has concluded that Gold Crude Research was engaged in investment advisory services and since neither Gold Crude Research, nor its proprietor had obtained a certificate of registration with SEBI as an Investment Adviser under the IA Regulations, 2013, the SCN has alleged that the Noticees have violated the provisions mentioned in para 1.

6. Vide a reply dated November 09, 2021, the Noticees have submitted the following:

- a. It has engaged in business of giving buy/ sell recommendations to its clients with regards to Commodity and Currency Market. However, the Noticee was not doing any financial planning which is the essence of investment advisory services. Therefore, the allegations that it was

involved in investment advisory business without obtaining registration is denied.

- b. It was chiefly involved in giving buy sell recommendations to its clients based offshore and involved in trading of commodities / currencies in foreign market which does not fall under the purview of SEBI. The Noticee was unaware of the legal position of merger of FMC with SEBI.
- c. The Noticee was never involved in giving buy /sell recommendation or otherwise engaged in any capacity with respect to listed shares and its futures and options contracts being traded on the stock exchange.
- d. The Noticee continued to give buy/ sell recommendations for commodities until December 2018 and thereafter completely ceased all operations. The Noticee is currently not involved in any activity in the securities market. Out of the total receipts of Rs. 2,95,32,574.00; Rs. 1,50,99,399.00 are received from foreign clients for buy/ sell recommendations in securities in foreign market not governed under SEBI.
- e. Further, the Noticee had stopped the operation of his business through the website www.goldcruderesearch.com since December 2018. However, the marketing pages, www.goldcruderesearch.nowfloats.com hosted on another website which is not owned or controlled by the Noticee. The Noticee has written several time to the owner of the aforesaid domain "nowfloats.com" to take down the pages, and after several requests the pages were taken down.
- f. 'Dealing in securities' as mentioned under the PFUTP Regulations, 2003 includes buying securities, selling securities, subscribing to any issue of securities, agreeing to buy securities, agreeing to sell securities, agreeing to subscribe to any issue of securities, otherwise transacting in any way in any securities. It is clear from the same that dealing in securities has three main dimensions which are i) buying, ii) selling, iii) subscribing of securities. However, it does not include any activity to influence the decision to buy, sell or subscribe or providing assistance to carry out aforementioned acts. The

aforementioned explanation connotes that the alleged expressions and omissions mentioned SCN where it is alleged that the Noticee has knowingly designed such expressions and omissions to influence the decision of investors in securities, are not covered by definition of dealing in securities and therefore not under the purview of the PFUTP Regulations, 2003.

- g. There are neither specific complaint/s of fraud being committed against anyone nor any matter reported to SEBI at any point of time and the entire case of PFUTP is built upon the information retrieved from the archives. The alleged expressions and omissions observed by the Hon'ble Member are unintentional and has not caused any harm to any investor.
 - h. The Noticee has neither by himself or through others purported to be a Registered Investment Advisor nor did he conceal the fact or lied to its clients regarding the status of its registration with SEBI.
 - i. The advice given to the clients were purely on the basis of technical analysis with the *bona fide* intention to optimize gains in the securities market. The advice given to deal in securities were at arm's length.
7. I have considered the allegations made in the SCN along with the findings of the examination by SEBI stated therein and reply received in the matter and submissions made by the Noticees during the hearing.
8. In this regard I note that the definition of Investment Adviser as given in Regulation 2(1)(m) of the IA Regulations, 2013 is as follows:

“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;”

Further, Regulation 2(1)(l) of the IA Regulations, 2013 states as follows:

“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;"

9. I note that, in the reply of the Notices it has been accepted that the website *www.goldcruderesearch.com* was run by them. I note that, in the websites *www.goldcruderesearch.com* and *www.goldcruderesearchcom.nowfloats.com*, it has been claimed that: *"Gold Crude Research provides exceptional investment on high performing mcx, comex/nymex and forex services...."* and *"Gold Crude Research is a pure play Financial Market Research and Advisory Company. We are a great player in the research of commodity market focusing on technical analysis to convert raw data and information into expert tips and decisions."* The websites *inter alia* claim further as follows:

- "With 1 tip per day of at least 96% accuracy, a stop-loss of 25 points and target of 40 to 60 points, you can be assured of daily gains with Gold Crude Research's sure shot commodity tips." - Crude Oil package
- "At Gold Crude Research we have helped many a trader in making profits in the energy markets consistently with our proactive support and follow up on trading Tips." - Energy Package.
- "When you subscribe to the bi-weekly calls on Crude oil and Natural Gas inventory from Gold Crude Research, you gain an early starter advantage in your crude investments. Combined with the lightning-fast analysis and demand forecast from the market experts at Gold Crude Research, you can expect a significant increase in both trade opportunities, as well as profits." -Inventory Special package
- "...we provide daily updates on support and resistance levels, targets and stop-loss, and timely updates on your trades to ensure you do not lose out on any of the entry, hold or exit opportunities during each trading day." – Bullion package

- From the description of the packages, it is observed that Gold Crude Research claims to make accurate forecasts and provides daily trading tips based on in-depth analysis (Crude Oil package), research on fundamentals and analysis of market trends (Energy package). Moreover, the packages offer includes 24x7 support, telephonic support alongside 1 daily call (Base Metal package). Under the heading “Updates”, it is observed that it has been claimed that Gold Crude Research sends regular trading alerts by SMS and email containing trading signals, daily.
- In its website under the section “Benefits of our forex comex signals” Gold Crude research is claiming that it provides risk management guide, low subscription fee, follow ups, etc.

10. Illustration of some of the subscription packages provided by Gold Crude Research on both the websites and the fees for the same, are as under:

Product	Monthly in Rs	Quarterly in Rs	Half-yearly in Rs	Yearly in Rs
Gold	16,700	40,000	75,000	1,25,000
Silver	15,700	42,000	72,000	1,25,000
Zinc	8,500	22,000	40,000	72,000
Natural Gas	7,500	18,000	42,000	80,000
Crude Oil	9,500	22,000	40,000	70,000
Bullion	32,000	84,000	1,20,000	2,04,000
Base Metal	17,000	48,000	76,000	1,38,000
Energy	14,500	36,000	65,000	92,000
Complete MCX Package	37,000	90,000	1,65,000	2,84,000
Inventory special Package	35,000	90,000	1,50,000	2,70,000
Imperial Package	44,000	1,10,000	1,90,000	2,50,000
Emerald Package	1,04,000	2,80,000	4,10,000	6,20,000
MCX HNI Package	2,54,000	6,00,000	10,000,00	15,000,00

11. It is also noted that the website of the Noticees provided several payment gateway links. I note that during the examination by SEBI, the details of bank

accounts of the Noticees were obtained from such a payment gateway provider and the following information gathered from the KYC, account opening forms and bank account statements collected from the banks viz., HDFC Bank and Axis Bank, have also been noted in the SCN:

- i) Gold Crude Research is a proprietorship concern of Mr. Ramnarayan Sharma. The communication address of the firm is mentioned as A-6, Chandra Nagar, Behind Swagat Garden, MR-9 Road Indore - 452010, Madhya Pradesh.
- ii) The nature of business is mentioned as service provider and under the heading "details of activity", it is mentioned as commodity research. In the Axis Bank Ltd. field verification form, under the heading "type of business activity", it is mentioned as advisory firm.

- 12. From the aforesaid facts, I find that Gold Crude Research which is proprietorship concern of Mr. Ramnarayan Sharma was engaged in giving advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, through its website. Therefore, I find that in terms of Regulation 2(1)(l) of IA Regulations, 2013 the Noticees were providing "investment advice" through its website(s).
- 13. Noticees have contended that since they were not providing any financial planning therefore, their activities did not fall in 'investment advice'. I note that, on a reading of the definition of 'investment advice' as given above, it is clear that the same is an inclusive definition, which is meant to bring financial planning also within the purview of the definition. In my view, 'financial planning' is not a *sine qua non* of an activity to be considered 'investment advice' under the IA Regulations, 2013 but is one of the facets of investment advice. Therefore, to mean that if an entity is not providing financial planning but satisfying all other ingredients of definition of investment advice, its activity would not amount to investment advice, is not correct. I observe that, if an entity is engaged in providing 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 *in lieu* of consideration, including entities which are holding themselves out as investment advisers, will be covered by the definition of 'Investment Adviser' as given in Regulation 2(1)(m) of the IA Regulations, 2013, even without providing any financial planning.

14. I also find that Gold Crude Research is holding itself out as an advisory service related to commodity derivatives market on its website. Moreover, it is also claiming in its website that it will provide signals/tips, i.e. advice related to trades in such commodity derivatives and follow up services on such tips. Moreover, under the section "Comex Services" the website claims that the services provided would be "tailored to the products in your portfolio". Therefore, from the above, I find that Gold Crude Research is engaged in providing advice relating to dealing in securities for the benefit of the client and is *also* holding itself out as investment adviser. Thus, in my view, the activities of Gold Crude Research satisfy the criteria given in the definition of 'investment advice' under Regulation 2(1)(l) of the IA Regulations, 2013.
15. I also find that these services were being offered by the Noticees *in lieu* of the consideration which could be paid by the investor concerned through the payment gateways, details of which were provided on the website of the Noticees. These payment gateways were linked to the bank accounts of Gold Crude Research. Further, the following remittances into the bank accounts of Gold Crude Research, have been noted in the SCN:

Sl. No.	Account Number & Bank	Period for which bank statement is obtained	Date of Last Transaction	Total Credits (Rs.)
1	50200008101391 - HDFC Bank Ltd.	1/7/2015 to 2/2/2020	11/12/2018	83,73,551
2	004105014344 - ICICI Bank Ltd.	1/7/2015 to 16/3/2020	3/11/2018	1,84,16,883
3	915020028986354 - Axis Bank Ltd.	30/6/2015 to 4/3/2020	10/12/2018	13,10,515
4	35103314773 - SBI Bank Ltd.	27/7/2015 to 2/2/2020	14/11/2018	14, 31,623
	Total			2,95,32,574

Therefore, I find that Gold Crude Research and its proprietor Mr. Ramnarayan Sharma were engaged in the business of providing investment advice to

public, for consideration and were also holding themselves out as an investment adviser, were thus, acting as an investment adviser, as defined under Regulation 2(1)(m) of the IA Regulations, 2013.

16. With respect to the contention of the Noticees that they were chiefly involved in giving buy/sell recommendations to their clients based offshore and involved in trading of commodities / currencies in foreign market which does not fall under the purview of SEBI, I find that no material has been produced by the Noticees regarding such offshore clients or whether such commodities related to which it was providing advisory were pertaining to the foreign market. I find that in many instances on its website, reference has been made to MCX which is an exchange operating in India. I also find that the bank account statements of the Noticees held with various banks as given above, does not indicate any remittances in foreign currency and there appears to be remittances through IMPS, UPI etc. In view of the same, I am unable to accept the submission of the Noticees in this regard. The Noticees have also submitted that the website www.goldcruderesearch.nowfloats.com was not controlled by them. However, I find that the Noticees have not submitted any correspondence with owner of the said domain requesting them to remove contents related to Gold Crude Research. From a perusal of the website nowfloats.com it appears that it is subscription based website for promotion of small businesses in India. Therefore, it is not possible that the said website was carrying content related to the Noticees without the Noticees having subscribed to the same. In view of the same, I am unable to accept the submission of the Noticees.
17. I also note that, it is imperative that any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of SEBI Act, 1992 and Regulations framed thereunder. Section 12(1) of SEBI Act, 1992 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.”

Further, as per Regulation 3(1) of IA Regulations, 2013 the registration of the investment advisers is mandatory. It 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”*.

18. The activities of Gold Crude Research, as brought out from the various materials described above, seen in the backdrop of the aforesaid provisions show that it was holding itself out and acting as an investment adviser. However, it is noted that neither Gold Crude Research, nor its proprietor are registered with SEBI in the capacity of Investment Advisor. Hence, I find that these activities/ representations were being made by Gold Crude Research without holding the certificate of registration as investment adviser and are in violation of Section 12(1) of SEBI Act, 1992 read with Regulation 3(1) of the IA Regulations, 2013.
19. Further, I find that Gold Crude Research was holding itself out as an investment advisor and offering services through its website to investors with the objective of making money / collecting fees through subscriptions without the required registration and thus, Gold Crude Research was not abiding by the compliances expected of an Investment Adviser as prescribed under the IA Regulations, 2013. Gold Crude Research on its website has *inter alia* claimed at least 96%/ 95% accuracy for its tips, a stop-loss of 25 points and target of 40 to 60 points and assured daily gains with its ‘sure shot’ commodity tips which could be availed by the investors by taking subscription on paying fees through the payment gateways details of which were available on the websites of the Noticees. Being in the business of financial markets Gold Crude Research would have been well aware that investments in the securities market are subject to market risks and in spite of the same, assuring high returns of 95-96% was either a reckless act on the part of Gold Crude Research or an active misrepresentation of the services provided by it. I note

that such promise of assured returns act as an inducement to investors to avail the services of Gold Crude Research for dealing in securities and such non-genuine and deceptive representations by Gold Crude Research were made with an intent to influence the investor to avail its unregistered advisory services and to deal in securities.

20. In this regard, I note that the definition of “*fraud*” under Regulation 2(1)(c) of the PFUTP Regulations, 2003 reads as under:

“.....“*fraud*” includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include--

- (1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;
- (2) a suggestion as to a fact which is not true by one who does not believe it to be true;
- (3) an active concealment of a fact by a person having knowledge or belief of the fact;
- (4) a promise made without any intention of performing it;
- (5) a representation made in a reckless and careless manner whether it be true or false;
- (6) any such act or omission as any other law specifically declares to be fraudulent;
- (7) deceptive behavior by a person depriving another of informed consent or full participation;
- (8) a false statement made without reasonable ground for believing it to be true;
- (9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

And “*fraudulent*” shall be construed accordingly;

I also note that under the PFUTP Regulations, 2003 the definition of ‘*fraud*’, is an inclusive definition and, contemplates even an action or omission, if such act or omission has the effect of inducing another person to deal in securities. I find that the deceptive conduct of Gold Crude Research as discussed above, has induced investors to deal in securities which also constitutes a ‘*fraud*’ under the PFUTP Regulations, 2003 and was in violation of provisions of Regulations 3 (a), 4(1) and 4(2)(k) of PFUTP Regulations, 2003.

21. I note that Mr. Ramnarayan Sharma is the sole proprietor of Gold Crude Research. I note the legal status of the proprietary firm from the judgment of the Hon’ble Supreme court in *Ashok Transport Agency vs. 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 find that all the acts carried in the name of Gold Crude Research are nothing but the acts committed by Mr. Ramnarayan Sharma who is its sole proprietor and thus Mr. Ramnarayan Sharma is in violation of Section 12(1) of SEBI Act, 1992 read with Regulation 3(1) of the IA Regulations, 2013 as well as Regulations 3 (a), 4(1) and 4(2)(k) of PFUTP Regulations, 2003.

DIRECTIONS

22. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11, 11(4) and 11B read with of Section 19 of the SEBI Act, 1992, hereby direct that:
- a. The Noticees shall within a period of three months from the date of this order, refund the money received from any complainants/ 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 complainants/ 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/ complainants who were availing the investment advisory services from the Noticees, as directed in this order, from the bank accounts of the Noticees;

- 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 and the direction at para 22(d) above shall cease to operate upon filing of such report on completion of refunds to complainants/ investors;
- f. 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 1 (one) year from the date of this order or till the expiry of 1 (one) year from the date of completion of refunds to complainants/ investors as directed in paragraph 22(a) above, whichever is later;
- g. 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 1 (one) year from the date of this order or till the expiry of 1 (one) year from the date of completion of refunds to investors/ complainants as directed in paragraph 22 (a) above, whichever is later;
- h. The Noticees shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in paragraph 22(f) and (g) 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.

23. The direction for refund, as given in paragraph 22(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.
24. This order comes into force with immediate effect.
25. 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.

Date: December 30, 2021

Place: Mumbai

**ANANTA BARUA
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA**