

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: SANTOSH KUMAR MOHANTY, WHOLE TIME MEMBER

CONFIRMATORY ORDER

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

In respect of:

Sl. No.	Name of the Noticee	PAN
1.	M/s Money Classic (Proprietor: Mr. Deepak Mishra)	BLVPM9284R

Background

1. M/s Money Classic, Proprietor Mr. Deepak Mishra, (hereinafter referred to as 'Noticee') is registered as an Investment Adviser (hereinafter referred to as 'IA') under the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 (hereinafter referred to as the 'IA Regulations') with effect from April 7, 2014. As per records available, the registered office of the Noticee is 203, Modi Mansion, EB250, Scheme No. 94, Ring Road, Indore 452010.
2. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had received 255 complaints against the Noticee through SCORES wherein allegations like fraud, cheating, services not rendered, asking for more money etc., have been alleged by the complainants against the Noticee. On the basis of such complaints, the Noticee was selected for inspection as part of the inspections to be carried out for FY 2019-20, by SEBI. Accordingly, a pre-inspection questionnaire was sent to its registered address and another one to the correspondence address as available on record. However, the pre-inspection questionnaire letters were returned undelivered from both the addresses. Even the site visits by SEBI officers did not yield any result, as the premises at both the addresses were observed to be closed.

3. Accordingly, SEBI carried out a preliminary examination based on the information and details received from the complaints and by scrutinising *Noticee's* bank accounts (Axis Bank Ltd., Indore Main Branch, A/c No.: 914020017622338 & ICICI Bank Ltd., New Palasia Branch, A/c No.: 144105500304). Though, the website of the *Noticee*, <http://moneyclassicresearch.com>, was not active at the time of examination, the website's content was accessed through the web archive pages. The aforesaid examination was carried out to ascertain as to whether investment advisory activities were being carried out by the *Noticee* as per the applicable rules and regulations.
4. The preliminary examination by SEBI resulted in revealing the following facts:
 - 4.1. As on November 22, 2019, there were 35 complaints pending against the *Noticee*, for redressal. Out of these 35 complaints, 25 complaints were pending for redressal by the *Noticee* for more than 6 months.
 - 4.2. It was also observed that the *Noticee* has not filed an Action Taken Report in respect of the 10 complaints and in respect of another 7 complaints, the Action Taken Report has been filed after 30 days.
 - 4.3. From the Axis Bank Ltd. bank statement of the *Noticee*, it was observed that, there were credit entries till August 1, 2019. The cumulative credit amount was Rs. 87 lakh.
 - 4.4. The archived pages of *Noticee's* website show that Mr. Deepak Mishra, the Proprietor, was also its Compliance Officer. It was also seen that the *Noticee* had a presence on social media platforms such as Facebook and Twitter and that the pages/ accounts were still accessible to clients/ investors.
5. On the basis of the aforesaid findings from the preliminary examination, the evidence gathered during the preliminary examination and considering the fact that the *Noticee* was untraceable, in order to protect the interest of investors in securities market and, as a preventive measure, an *Interim Order* dated December 27, 2019 (hereinafter referred to as "*Interim Order*") was passed against the *Noticee* to prevent the *Noticee* from carrying on investment advisory activities which were *prima facie* not being

performed in due compliance of the provisions of Securities and Exchange Board of India (Intermediaries) Regulations, 2008 (hereinafter referred to as “Intermediaries Regulations”) and IA Regulations. Consequently, the following directions were issued against the *Noticee* and its proprietor Mr. Deepak Mishra, in the aforesaid *Interim Order*: -

“

- a) *The Noticee/ its proprietor Mr. Deepak Mishra is restrained from buying, selling or dealing in the securities market or associating themselves with securities market, either directly or indirectly, in any manner whatsoever, till further directions. If the Noticee/ its proprietor Mr. Deepak Mishra has any open position in any exchange traded derivative contracts, they are permitted to close out/ square off such open positions within a month from the date of receipt of this Order.*
- b) *The Noticee/ its proprietor Mr. Deepak Mishra and any person while working under it/ him or under its/ his instructions as employee or otherwise, shall cease and desist from undertaking the activity of investment advisory services, including the activity of acting and representing through any media (physical or digital) as an investment advisor, directly or indirectly, till further orders.*
- c) *The Noticee/ its proprietor Mr. Deepak Mishra is directed 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.*
- d) *The Depositories are directed to ensure that till further directions no debits are made in the demat accounts of the Noticee/ its proprietor Mr. Deepak Mishra, held jointly or severally.*
- e) *The Banks are directed to ensure that till further directions no debits/ withdrawals are made from and credits are made to the bank accounts held by the Noticee/ its proprietor Mr. Deepak Mishra, jointly or severally.*

- f) *The Registrar and Transfer Agents are also directed to ensure that till further directions the securities held in the name of the Noticee/ its proprietor Mr. Deepak Mishra, jointly or severally, are not transferred."*
6. The aforementioned *Interim Order* issued to the *Noticee* / its proprietor, Mr. Deepak Mishra was based on certain *prima facie* observations which were made on the basis of the material available on record and the *Interim Order* was based on the above narrated *prima facie* case and was passed keeping in view the balance of convenience in the interest of investors. In this context, it is noted that the *Interim Order* contains a provision in terms of which, 21 days' time was afforded to the *Noticee* / its proprietor, Mr. Deepak Mishra to file objections, if any, and to avail an opportunity of personal hearing before SEBI, on a date and time to be fixed in that regard.
7. I note from the records available before me that the *Interim Order* which was sent to the registered office of the *Noticee* had come back undelivered. A copy of the *Interim Order* was also sent to the *Noticee* on its registered email id. Thereafter, a public notice dated September 7, 2020 was issued in The Times of India and Dainik Bhaskar informing about the *Interim Order* which was published on September 28, 2020. However, no reply from the *Noticee* / its proprietor, Mr. Deepak Mishra, has been received in the present matter.
8. Subsequently, in the interest of Principles of Natural Justice, an opportunity of personal hearing was granted to the *Noticee* / its proprietor, Mr. Deepak Mishra on April 20, 2022. The hearing notice dated February 25, 2022, informing the *Noticee* about the scheduled hearing was sent to the *Noticee's* the registered office and the other correspondence address, as available on record. However, the said personal hearing notices came back undelivered, with remark "*addressee left without instructions*". The personal hearing notice was also sent to the *Noticee* on its registered email id and other email ids, as per the records. Afterwards, the personal hearing notice was served on the *Noticee* / its proprietor, Mr. Deepak Mishra by way of newspaper publication in The Times of India (Indore and Rewa editions) and Nai Dunia (Satna and Indore editions). However, on the day of the scheduled hearing, no

one appeared for personal hearing, nor any letter/ representation of any sort was received from the *Noticee*.

9. In this regard, I find that the facts at this stage are clear to make a *prima facie* view that not only the *Noticee* and its proprietor, Mr. Deepak Mishra, are untraceable but also there are at least 44 pending investor complaints which are yet to be redressed by the *Noticee*. Moreover, the records *prima facie* show non-submission and delayed submission of Action Taken Reports, by the *Noticee* to SEBI. Additionally, the very fact that the *Noticee* and / or its proprietor, Mr. Deepak Mishra, is absconding, *prima facie* goes to the very root of the requirement of the *Noticee* and / or its proprietor, Mr. Deepak Mishra, being a 'fit and proper person'.
10. On the other hand, I find that the *Noticee* and / or its proprietor, Mr. Deepak Mishra has failed to avail the opportunity provided to them to present *Noticee's* case. Consequently, nothing has been brought on record for consideration explaining as to why the directions issued under the *Interim Order* require modification. Further, no material has been found by SEBI since passing of the *Interim Order* which would warrant any change in the directions passed vide the *Interim Order*.
11. In view of the above, I find no reason to deviate from the *prima facie* findings recorded in the *Interim Order* that the conduct of the *Noticee* and / or its proprietor, Mr. Deepak Mishra, with regards to non redressal of investor grievances and non-submission and delayed submission of Action Taken Reports to SEBI, *prima facie* appears to be not in the interest of investors and the securities market. The investment advisory activities which were *prima facie* not conducted within the prescribed framework of securities laws, have resulted in filing of numerous complaints against the *Noticee* and / or its proprietor, Mr. Deepak Mishra. Moreover, the *Noticee* and / or its proprietor, Mr. Deepak Mishra, is absconding. Thus, pending completion of an inspection /examination, I find no reason to modify the directions issued vide the *Interim Order*. Consequently, I do hereby confirm the directions made with respect to the *Noticee* and / or its proprietor, Mr. Deepak Mishra in the *Interim Order*.
12. This Order shall come into force with immediate effect.

13. A copy of this Order shall be served upon *Noticee* and / or its proprietor, Mr. Deepak Mishra, all the recognized Stock Exchanges, Depositories, Registrar and Transfer Agents and Banks for necessary compliance with the above directions.

Date: May 27, 2022

Place: Mumbai

-Sd-

S. K. Mohanty

Whole Time Member

Securities and Exchange Board of India