National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/53064	Date: July 22, 2022
Circular Ref. No: 95/2022	

To All NSE Members,

Sub: **SEBI Order in respect of Good Profit Advisory Company (Sole Proprietor Ms. S. Jansirani)**

This is with reference to NSE Circular No. NSE/INVG/46860 dated December 31, 2020, in respect of SEBI Order No. WTM/MPB/IMD/SRO/161/2020 dated December 29, 2020.

SEBI now vide its Order No. WTM/SM/SRO/SRO/17981/2022-23 dated July 22, 2022, has hereby debarred entity Good Profit Advisory Company and its sole proprietor Ms. S. Jansirani (PAN - AUBPJ4042N) 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 order or till the expiry of 2 (two) years from the date of completion of refunds to investors as directed in para 26(i) of the SEBI Order, whichever is later.

The order comes into force with immediate effect.

The detailed order is available on SEBI website (http://www.sebi.gov.in).

Further, the consolidated list of such entities is available on the Exchange website http://www.nseindia.com home page under "Home-Regulation-Members-Action against Members-Regulatory Actions".

Members are advised to take note of the above and ensure compliance.

National Stock Exchange of India

In case of any further queries, members are requested to contact the following officials:

Mr. Souradeep Ghosh (Extension: 23345), Mr. Anand Jangir (Extension:22385)
Direct No: 022-26598417/18 Fax: 022-26598195

For and on behalf of
National Stock Exchange of India Limited

Anand Jangir
Manager

ANNEXURE: SEBI Order in respect of Good Profit Advisory Company (Sole Proprietor Ms. S. Jansirani)

WTM/SM/SRO/SRO/17981/2022-23

SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: S. K. MOHANTY, WHOLE TIME MEMBER

ORDER

UNDER SECTION 11(1), 11(4) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

In respect of

Sl. No.	Name of the Noticee	PAN
1.	**Good Profit Advisory Company and its Sole Proprietor Ms. S. Jansirani**	**AUBPJ4042N**

Background

1. The present proceedings originate from an *ex-parte ad interim order* dated December 29, 2020 (hereinafter referred to as "***interim order***") passed by the Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") under Sections 11, 11B and 11D of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") against Good Profit Advisory Company (hereinafter referred to as "**Good Profit/*Firm***") and its sole proprietor Ms. S. Jansirani (hereinafter collectively referred to as "***Noticees***") as the unregistered investment advisory activities of the *Noticees* were *prime facie* found to be in violation of the provisions of Section 12(1) of the SEBI Act read with regulation 3(1) of the SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as "**IA Regulations, 2013**").

2. I note that the *interim order* passed in the matter contained following observations with respect to the *Noticees*:

   i. From the perusal of an application for registration as an Investment Advisor received from Ms. S. Jansirani it was found that she is the proprietor of Good Profit and is engaged in providing investment advice.

ii. It was found that Good Profit was operating two different websites under domain names- https://goodprofit.in/ and www.gpsa.in. Both the websites were found having displayed the same contact numbers and bank accounts information. As per the information gathered from the website https://goodprofit.in/, it was noted that Good Profit claimed to be one of the leading Share/stock Tips Providers in India, the best Stock Market Future Tips Provider, an accurate Stock Tips Provider who gives genuine and 100 accurate stock Calls through SMS and Hangouts to its paid customers and is providing accurate Stock Tips and Commodity Tips with 90%-95% which hits Target.

iii. It is further observed from the website www.gpsa.in of the *Firm* that it claims to be India's no. 1 trusted and one of the top 10 leading best and most genuine stock market advisory companies in India which essentially provides advice for Stocks- Equity Intraday Cash and F&O traded in the NSE and commodities (bullion, energy and metals) traded in MCX. The *Firm* further claims to be giving profit perpetually where every Client can make good returns always. Good Profit also claims to be one of the Best Reliable NSE Indian Stock Tips, Stock Future, Nifty Future, and MCX Commodity Tips at Tamil Nadu in India. It is observed that the *Noticees* are not registered with SEBI to perform the functions of an Investment Adviser in the securities markets.

iv. From the examination of the payment page as mentioned on the website https://goodprofit.in/, it is observed that the *Noticees* have bank accounts with Canara Bank, bearing Account No. 1021201011418, Tamilnadu Mercantile Bank having account number 153150050800516 and also Easebuzz Payment Gateway (hereinafter referred to as "**Easebuzz**") linked with ICICI Bank Account No. 618301501542 belonging to Ms. Jansirani through which payments could be made to it.

v. As per the information gathered from the bank statements collected from ICICI Bank, Canara Bank and Tamilnadu Mercantile Bank, it was observed that the total amount mobilized/credited by the *Noticees* in the said bank accounts stood at INR 29,99,297/- during the period September 05, 2017 to December 10, 2020.

3. On the basis of the aforesaid observations, the evidence gathered during examination and considering the nature of the alleged activities undertaken by the *Noticees*, it was thought proper to urgently pass an interim order and issue directions as a preventive measure for protecting the interest of investors in securities markets and consequently, following directions were issued against the *Noticees* in the *interim order*:

"22. In view of the above, pending conclusion of enquiry on granting of hearing opportunity as per this Order, I, in exercise of the powers conferred upon me by virtue of Section 19 read with Sections 11, 11(4), 11B(1) and 11D read with Section 19 of the SEBI Act, 1992, hereby issue by way of this interim ex-parte order, the following directions:

22.1 Good Profit and its Proprietor Ms. Jansirani 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. *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. submit complete 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.

22.2 If Good Profit or its Proprietor Ms. Jansirani 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. Good Profit or its Proprietor Ms. Jansirani 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.

22.3 ICICI Bank (Account Number 618301501542), Canara Bank (Account number 1021201011418) and Tamilnadu Mercantile Bank (Account Number 153150050800516) wherein Good Profit or its Proprietor Ms. Jansirani is holding bank accounts, are directed not to allow any debits/ withdrawals from and not to allow any credits to the said account, without the permission of SEBI. The payment gateway Easebuzz wherein Good Profit or its Proprietor Ms. Jansirani is holding an account shall be deactivated till further orders. The above said Banks and payment gateway are directed to ensure that all the above directions are strictly enforced.

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

- *Ms. Jansirani either individually or jointly.*

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

- *Good profit*
- *Ms. Jansirani either individually or jointly."*

4. The aforesaid *interim order* issued to the *Noticees* was also in the nature of a Show Cause Notice (hereinafter also referred to as "**SCN**") whereby the *Noticees* were called upon to show cause as to why the investment advisory plans floated and offered by them through their website(s) to the clients should not be held as "Investment Advisory Services" in terms of the IA Regulations, 2013 and thereby the activity of the *Noticees* be not treated as unregistered investment advisory activity being conducted in violation of the SEBI Act and relevant Regulations.

The *Noticees* were also asked to show cause as to why appropriate directions, under Sections 11, 11(4), 11B(1) and 11D of the SEBI Act and relevant SEBI Rules/Regulations, including appropriate 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 directions not to be associated with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI for a particular period should not be passed against them. The *Noticees* were also asked to explain as to why directions to refund, jointly and severally, the fees collected from the investors/clients for its unregistered IA activities, should not be issued against them under Sections 11 and 11B (1) of SEBI Act. The *Noticees* were provided with the opportunity to file their objections/reply, if any, within 21 days from the date of the *interim order* and were also provided with an opportunity of personal hearing before SEBI, on a date and time to be fixed on a specific request to be made by the *Noticees*, in that regard.

5. It is noted from the records available before me that the *interim order* was sent to the *Noticees* at the address available with SEBI i.e., *240(1), virudhunagar Road near Indian Oil Petrol Bunk Thirumangalam, Madurai-625706* through SPAD on December 30, 2020 and the same was delivered upon the *Noticees* on January 02, 2021. In response to the SCN, Ms. S Janisirani vide her email (i.e., sangaiyahjansi@gmail.com) dated January 02, 2021 filed her reply. Further, Ms. S Janisirani vide her email dated February 24, 2021 has requested to avail an opportunity of personal hearing. Accordingly, in conformity with the principles of natural justice, opportunities of personal hearing was granted to the *Noticees* on June 15, 2021 (communicated vide letter and email each dated March 11, 2021) and subsequently another opportunity for personal hearing was granted on January 20, 2022 which was communicated to the *Noticees* vide letter and email dated October 08, 2021. I note that both the letters (sent through SPAD) and emails were delivered to the *Noticees* and the proof of delivery is on record. In

response to the same, Ms. S Janisirani vide email dated October 08, 2021 has submitted her written response in this regard.

6. However, I note that no one appeared before me on the scheduled date of personal hearing i.e. January 20, 2022.

7. The summary of the written submissions made by the *Noticees* is as under:

    a) Ms. S jansirani does not have any other positions and trades in the securities market;

    b) The *Noticees* have shut the website & business and Easebuzz payment gateway;

    c) Ms. S jansirani has not received any payments in her personal accounts;

    d) The *Noticees* will not do any activities at the aforesaid address from where Good Profit was operating;

    e) The *Noticees* have not done anything intentionally.

<u>Consideration</u>

8. I have carefully perused the facts recorded in the *interim order*, replies of the *Noticees* and other materials available on record. After considering the charges levelled against the *Noticees* in the instant matter as spelt out in the *interim order*, it leads me to examine the following issue:

    - *Whether the acts of the Noticees as imputed in the interim order, have violated the provisions of the SEBI Act, 1992 and the IA Regulations, 2013, while providing the services related to Investment Advisory without having valid registration.*

9. Before I proceed to examine the issue framed above, it would be appropriate to refer to the relevant provisions of securities laws alleged to have been violated by the *Noticees*. Accordingly, the said provisions are being reproduced hereunder:

"SEBI ACT, 1992

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:

SEBI (INVESTMENT ADVISER) REGULATIONS, 2013

Application for grant of certificate.

3. (1) 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:

10. As stated earlier, SEBI received an application for registration of Investment Advisor from Ms. S. Jansirani on May 09, 2019. It was mentioned in the Form-A of the said application that she is the proprietor of Good Profit and is engaged in providing investment advice. On enquiry, she has stated that she was providing investment advice to clients and has collected fee from clients in the range of INR 20,000 to INR 38,000 and has collected maximum fee of INR 48,000 in a month. Good Profit is a sole proprietorship concern of Ms. S. Jansirani, having its registered address at *No. 240-1, Virudhunagar road, near Indian Oil bunk, Tirumangalam – 625706*. From further scrutiny, it has emerged that the *Noticees* were hosting a website http://goodprofit.in which was active during the time of examination. The said website was not found to be active at the time of passing of the *interim order*, however, from the snapshots of the webpages obtained from their website, it was observed that the *Noticees* were presenting their credentials before the clients/prospective clients claiming the following through their website:

    a) *Good Profit is providing NSE advisory tips in Intraday Equity plus, Future Intraday Tips, Intraday Call – Put Option Tips, Stock Future Intraday Tips, Intraday Call – Put Option Tips, Quality Premium Stock Option Tips, Jackpot Future Tips, Nifty-*

Bank Nifty Future (FUTIDX), Nifty-Bank Nifty, Option(OPTIDX), Big Profit Stocks (BPS), Positional Advice Future Stock Tips, Profit Treasure Stocks (PTS). It is also providing advice in commodity also. We are giving MCX advisory services in Bullion MCX Intraday Pack, Energy Intraday MCX, Base metal MCX Intraday and Positional Golden MCX Stocks.

b) *Good Profit give genuine and 100 accurate stock Calls through SMS and Hangouts to our paid customers. Good profit is providing Accurate Stock Tips and Commodity Tips with 90%-95% which hits Target.*

c) *Good Profit is one of the leading best Share/stock Tips Provider in India, Best Stock Market Future Tips Provider, Accurate Stock Tips Provider"*

11. I note that the following pricing details for availing various types of services/packages from them were also announced on the aforesaid website of Good Profit floated by the *Noticees:*

S.No.	**Package of advising services**	**2 Weeks Fee (in Rs.)**	**1 Month Fee (in Rs.)**	**3 Months Fee (in Rs.)**
1.	Base Metal MCX Intraday	5900	11800	35400
2.	Base Metal	4720	9440	28320
3.	Big Profit Stocks	9086	18172	54516
4.	MCX Bullion Option	4720	9440	28320
5.	Bumper Jackpot Future Intraday	8142	16284	48852
6.	Commodity Combo Pack	11800	23600	70800
7.	Daily Only One Sureshot Stock Future	4720	9440	28320
8.	Energy MCX Intraday	5900	11800	35400
9.	MCX Energy Option Intraday	4720	9440	28320
10.	Intraday Call Put Option	5074	10148	30444
11.	Intraday Equity Plus	4484	8968	26904
12.	Nifty Bank Futures	5310	10620	31860
13.	Bank Nifty Options	4720	9440	28320

14.	Positional Advice Future	8968	17936	53808
15.	Profit Treasure	10266	20532	61596

12. As recorded earlier at the time of passing of the *interim order*, it is observed that Ms. Jansirani had closed the website http://goodprofit.in and was later on operating through another website www.gpsa.in. From the examination of the said website, it was observed that the contact numbers and bank account details listed on the said website (www.gpsa.in) are the same as those published in the earlier website of Good Profit i.e., http://goodprofit.in. It is noted that the above said new website was active at the time of passing of the *interim order*. From the perusal of the website www.gpsa.in, it was observed that the *Noticees* were claiming the following before the clients/prospective clients through their website:

   a) *GPSA is one of the India's no 1 trusted, top 10 leading best and most genuine stock market advisory companies in India which essentially provides the advice for Stocks-Equity Intraday Cash and F&O traded in NSE and commodities (bullion, energy and metals) traded in MCX. GPSA is giving profit perpetually. Every Client can make good returns always. We are observed as one of the Best Reliable NSE Indian Stock Tips, Stock Future, Nifty Future, and MCX Commodity Tips at Tamil Nadu in India…*

   b) *We at www.gpsa.in ultimate aim is "give smart and decent profit" to our customers". We are contributed to give accurate stock advice and commodity advice with strong technical and talented people for continuous profit on investment..*

   c) *Intraday Equity Plus Services- Features:*

      - *Around 2-3 best intraday equity trading calls per day from Equity Cash market.*

      - *Investment amount require for NSE Cash market is Rs.7000-9000/*

- *We will give you appropriate intimation about best stock/share equity cash calls.*
- *Proper follow up about our intraday equity tips by our Technical Analysts.*
- *We are assuring you 91-94% or more than 95% accuracy on intraday basis in best genuine INTRADAY stock cash tips*
- *100% purely intraday equity cash calls/tips*
- *We suggest 2 Targets & only one Stop loss*
- *A strict Stop Loss is given by us for all the cash calls, to avoid maximum risk.*
- *A Proper Stop Loss is given by us for all the genuine and most accurate equity cash tips, to keep away from maximum risk*
- *You can get our customer support from 10AM-9PM on Working days.*
- *Accurate Intraday stock cash tips will be given through SMS by dedicated SMS Gateway and Instant Messenger(Hangouts)*

13. From the aforesaid narration of facts, it is absolutely clear that Good Profit, which is the sole proprietorship concern of Proprietor Ms. S. Jansirani was indeed engaged in giving advice in an unauthorized manner relating to investing in, purchasing, selling or otherwise dealing in securities and various other investment products of securities, as was proclaimed by Good Profit itself through its websites http://goodprofit.in and www.gpsa.in. It is also noted that the *Noticees* have announced to the public and prospective investors, the fees they charge for rendering various investment advisory services, which was ranging from INR 4,720/- on 2 weeks basis to INR 28,320/- on a quarterly basis, based on the package of advisory service selected by the respective clients, as displayed on the website http://goodprofit.in. Further, the subscription amount payable by the subscribers of different packages, as informed through the website www.gpsa.in was fixed at INR 4,700 for two weeks, INR 9,400/- for a month and INR 28,200/- for three months. Similar features are also noted for the services viz., Stock Future Intraday, Intraday Call Put Option Tips, Quality

Premium Stock Option Tips, etc. In this regard I note that one of the reasons which was inducing the investors for availing its services/packages, as mentioned in its websites, was that it claimed that "*Good Profit give genuine and 100 accurate stock Calls through SMS and Hangouts to our paid customers*" and "*Every Client can make good returns always*". At this juncture, it is pertinent to look at the definition of Investment Adviser (or short "**IA**") as articulated in regulation 2 (1)(m) of the IA Regulations, 2013 which states 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*". Further, I have also perused regulation 2(1)(l) of the IA Regulations, 2013 which 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.*"

14. In the light of the aforesaid definitions and the contents published on the websites of the *Noticees* as well as the allegations imputed in the *interim order*, I have to hold without any doubt that the *Noticees*, through their websites were offering investment advice as defined under regulation 2(1)(l) of the IA Regulations, 2013 by offering to give advice related to investing in, purchasing and selling of securities and also by offering various service packages to investors at large of the securities markets which were nothing but purely in the nature of providing the services of investment advisory.

15. The *interim order* has recorded that the aforesaid investment advisory services were being offered by the *Noticees* in lieu of monetary considerations which was being paid by the concerned investors directly into Canara Bank Current Account No. 1021201011418 and Tamilnadu Mercantile Bank Current Account No. 153150050800516. Further, it was observed that Good Profit was using Easebuzz Payment Gateway (hereinafter referred to as "**Easebuzz**") which is linked to the ICICI Bank Account No. 618301501542 belonging to Ms. S.

Jansirani. It is also noted that the websites of the *Noticees* were offering various types of investment advisory services with corresponding monetary considerations as fee and the details of the above mentioned bank accounts and Easebuzz were also mentioned under the payment option on the said websites advising the investors to pay into the said bank accounts as well as through Easebuzz. As noted above, a perusal of the Bank Account statements of Canara Bank, Tamilnadu Mercantile Bank and ICICI Bank belonging to the *Noticees* and of the KYC details and Account opening forms of these accounts reveal that an aggregate amount of around INR 29,99,297.29/- has been credited into the said bank accounts between September 05, 2017 to December 10, 2020 by way of 454 credit transactions, towards subscription fees in relation to the investment advisory activities carried on by it. It is also noted that the aforesaid bank accounts were active at the time of passing of the said *interim order* and there are numerous credit transactions/large number of payments received in these bank accounts and also through Easebuzz payment gateway. An illustrative list of narrations supporting the credit entries in the said bank accounts of the *Firm* which clearly show that these deposits were made out of rendering investment advisory services, as depicted in the *interim order* are as under:

Transaction Date	Description	Credited amount in (INR)
May 01, 2020	IMPS-CREDITT JEGATHEESANPOSITIONAL-HDFC-BANK-01/05/2020/10:08:2070560641	8400
Jun 04, 2020	IMPS- CREDITKALAIKKUMARAN MURUGA-FOR INDEXOPTIO-ICICI BANK-04/06/2020/19:25:3081382048	4720
Jun 04, 2020	MOB-IMPSCR/KALAIKKUMA/ICICIBANK// INDEXOPTI/ 9790442788/23/06/2020 17:55:44	4720
Jun 23, 2020	MOB-IMPSCR/KALAIKKUMA/ICICIBANK// TRADE/ 9790442788/09/07/2020 10:31:06	4720
Jul 09, 2020	MOB-IMPSCR/KALAIKKUMA/ICICIBANK//TRADE/ 9790442788/09/07/2020 10:31:06	4720
Jul 10, 2020	INET-IMPSCR/PARASHURAM/HDFCBANK// SERVICEPU/ 8867110368/10/07/2020 17:02:21	5192

Aug 16, 2020	MOB-IMPSCR/RAJKIRAN M/HDFCBANK//SERVICECH/9008180757/ 16/08/2020 12:33:42	4750
Oct 22, 2020	INET-IMPSCR/BABITA/HDFCBANKLT/50100162553241/ FUTURESTO/ 9215050225/22/10/2020 16:21:25	5500
Oct 26, 2020	MOB-IMPSCR/KALAIKKUMA/ICICIBANK/057301513458/ STOCKFUTU/ 9790442788/26/10/2020 08:55:52	5500
Dec 04, 2020	MOB-IMPS-CR/HAJIRAPV/THE SOUTH/0412053000000555/MBTIPS/ 7510393725/04/12/2020 19:02:35	10200
Oct 12, 2020	MOB-IMPSCR/SHUBHAM KU/PSB/12261000001896/GPSA/ 8447652263/11/10/20203:53:52 PM	2350
Oct 19, 2020	NEFT CR-SBIN0009150-GIRISH CHANDRAKALITA-GPSASBIN420293847215	9500
Oct 21, 2020	MOB-IMPSCR/SHUBHAM KU/PSB/12261000001896/GPSA/ 8447652263/21/10/202008:27:54	4700

16. In this regard, I note that the *Noticees* have not been able to contest these findings/charges stated in the SCN by producing any documentary evidence to the contrary and have merely stated that they have shut the business, closed the bank accounts etc.

17. Considering the aforesaid factual analysis about the activities of the *Noticees* based on proclamations made by them on their own websites, the details of payment received by the *Noticees* in the said bank accounts, the bank statements of the *Noticees* (supported by the KYC/ account opening forms/bank account statements documents of the *Noticees*), and most importantly, the fact that there has been no denial or objection by them to the charges/allegations levelled against the *Noticees* in the *interim order*, it leaves me with no option but to conclude that the alleged activities of the *Noticees* squarely fall under the category of Investment Adviser as defined under regulation 2 (1)(m) of the IA Regulations, 2013.

18. Further, the credit entries in the aforesaid bank accounts of the *Noticees* are supported by narrations such as trade, service, future stock, one week payment etc. and these entries clearly highlight the fact that the monies that were received in the said bank accounts and through Easebuzz payment gateway were received towards proceeds from the business operations of the *Noticees* as Investment Adviser. Moreover, considering the fact that the websites of the *Noticees* undisputedly claimed that the services rendered/offered were in the nature of investment advisory services and the *Noticees* were offering various subscription packages in various segments of the market viz, equity, derivatives, commodity etc. coupled with the fact that the said bank accounts were mentioned on the websites itself for receiving fees into it from the clients, it leads to an unassailable conclusion that the said pay-in amounts as reflected in the said bank accounts were in fact the amounts received towards consideration in lieu of the investment advisory services rendered by the *Noticees*. Therefore, there cannot be any doubt that the amounts that have been credited to the Canara Bank, Tamilnadu Mercantile Bank and Easebuzz payment gateway linked to ICICI Bank accounts of the *Noticees*, were indeed received by the *Noticees* in lieu of providing investment related services as indicated on the website of the *Noticees*.

19. Keeping in view the aforesaid undisputable facts and evidences, I have no doubt that in terms of regulation 2(1)(l) of the IA regulations, 2013 such kind of advisory services rendered by the *Noticees* in fact, constituted "investment advice" and the *Noticees* were providing investment advice, in lieu of monetary considerations which was received and credited into their aforesaid bank account. Therefore, there is no ambiguity left that Good Profit Advisory Company and its proprietor Ms. S. Jansirani were engaged in the business of providing investment advice to the public, in lieu of monetary consideration and were thus, acting as an 'Investment Adviser', as defined under regulation 2(1)(m) of the IA Regulations, 2013.

20. It is relevant to note here that in order to protect the interest of investors and to preserve the integrity of the securities market, the IA Regulations, 2013 provide

various safeguards to ensure that the interest of the investors who receive investment advice is protected. One such safeguard provided under the said Regulations is that any person carrying out investment advisory activities has to obtain registration from SEBI as mandated under regulation 3(1) of the IA Regulations, 2013, which, inter alia, provides that, 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 SEBI and has to conduct its activities in accordance with the provisions of IA Regulations, 2013. Further, various crucial safeguards provided under IA Regulations, 2013 include a minimum professional qualification and net-worth requirement for an entity/person to perform as a registered investment adviser, disclosure of all conflicts of interest, prohibition on investment adviser to enter into transactions on its own account which is contrary to the advice given by investment adviser to its clients for a period of 15 days from the day of such advice given, mandatory risk profiling of investors, maintaining documented process for selecting investments for clients based on client's investment objective and risk profile and understanding of the nature and risks of products or assets selected for such client, etc.

21. The activities of the *Noticees*, as brought out from various materials described above including their websites, seen in the backdrop of the aforesaid regulatory provisions show that the *Noticees* were holding themselves out and acting as an IA. However, it is noted that the *Noticees* are not registered with SEBI in the capacity of IA. Hence, I find that these activities/ representations as were being made by the *Noticees* without holding the certificate of registration as investment adviser are in violation of Section 12(1) of the SEBI Act, 1992 read with regulation 3(1) of the IA Regulations, 2013.

22. In order to ensure protection of investors who receive investment advice, it is imperative that any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and has to conduct its activities in accordance with the provisions of the relevant SEBI Regulations.

23. In my view, unregistered investment advisors like the *Noticees* in the present case can put the interest of the investors at great risk by misleading them or misutilising their funds to the detriment of the interest of the investors. In the present case, the *Noticees* on their websites have, *inter alia,* announced that Good Profit Advisory Company indulge in providing high accuracy NSE advisory tips in Derivatives like Nifty Futures and Options traded at the NSE, Commodity derivatives at MCX etc. The *Noticees* on their website have further represented that Good Profit Advisory Company is India's no. 1 advisory firm fully committed to give accurate stock advice and commodity advice with strong technical and talented people for continuous profit on investment and have also advertised that every Client can make good returns always.

24. As stated above, the SEBI Act, 1992 and the IA Regulations, 2013 mandate that an investment advisor has to mandatory hold a certificate of registration to act as such. However, as already pointed out above, the *Noticees* were not holding any certificate of registration from SEBI to act as investment advisor.

25. I note that the materials available on record do not indicate the exact amount of fees collected by the *Noticees*, as a result of providing investment advice to investors in violation of the provisions of the IA Regulations, 2013. However, the *interim order* records that the *Noticees* have received credits worth of INR 29.99 Lakh (INR 29,99,297.29/-) directly in their Canara Bank Account no. 1021201011418 & Tamilnadu Mercantile Bank Account No. 153150050800516 and also through Easebuzz payment gateway linked to ICICI Bank Account No. 618301501542 which were also published on their websites to enable the investors to make payment to the *Noticees*. I further note that the *Noticees* have preferred to remain absent from attending the personal hearing granted to them in the matter and have also chosen to remain silent and not filed any reply on the merit of the matter nor have they made any attempt to refute the allegations/observation recorded in the *interim order*. In view of the absence of any materials on record rebutting the observations made in the *interim order* including the estimation of the amount credited in the bank accounts of the

Noticees towards fee allegedly received by them in lieu of offering unauthorized/illegal investment advisory services, I am left with no other option but to conclude that all the sums of money received in the above named bank accounts of the *Noticees* were nothing but the monetary consideration received by them from the clients by way of providing investment advisory services and selling various investment packages to the investors in an illegal manner, in violation of the provisions of the IA Regulations, 2013.

26. In view of the foregoing discussions and my observations/findings about the activities engaged in by the *Noticees* in rendering investment advisory in unauthorized and illegal manner, as established in facts & circumstances of the case, in order to achieve the avowed object of SEBI Act, 1992, 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, while disposing of the allegations levelled in the *interim order* cum SCN hereby direct the following:

    i. The *Noticees* shall within a period of three months from the date of this Order, refund the money received from the clients / investors / complainant, as fees or consideration or in any other form, in respect of their unregistered investment advisory activities;

    ii. To give effect and implement the above direction, the *Noticees* shall cause public notice to be issued 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 their contact person such as names, addresses and contact details, within 15 days of coming into force of this Order;

    iii. 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;

iv. 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 account of the *Noticees*, wherein debit has been frozen by virtue of *interim order* dated December 29, 2020;

v. The *Noticees* shall resolve all the complaints pending against them and file a report of such resolution with SEBI addressed to the Division Chief, SEBI-Southern Regional Office, Overseas Towers, 7th Floor, 756-L, Anna Salai, Chennai – 600002, within a period of 30 days from date of this Order.

vi. After completing the aforesaid repayments, the *Noticees* shall file a report of such completion with SEBI addressed to the Division Chief, SEBI- Southern Regional Office, Overseas Towers, 7th Floor, 756-L, Anna Salai, Chennai – 600002, 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. The restraint on sale of assets in sub paragraph (iv) shall cease to operate once the refund to the investors is complete and the report as contemplated herein is filed;

vii. 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 02 (two) years from the date of this Order or till the expiry of 02 (two) years from the date of completion of refunds to investors as directed in sub-paragraph (i) above, whichever is later;

viii. 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 02 (two) years from the date of this Order or till the expiry of 02 (two) years from the date of completion of refunds to investors as directed in sub-paragraph (i) above, whichever is later;

ix. The *Noticees* shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in sub-paragraph (vii) and (viii) above, either directly or indirectly, investment advisory services or any other activity in the securities market without obtaining a certificate of registration from SEBI as required under the securities law.

x. The *Noticees* shall not to divert any funds collected from investors, kept in bank account(s) and/or in their custody except for the purpose of refund as directed in sub-paragraph (i).

xi. The *Noticees* shall 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 for the purpose of refund as directed in sub-paragraph (i) and until the refund is completed and a report as mandated under sub-paragraph (vi) is filed with SEBI.

27. The direction for refund, as given in paragraph 26(i) above, does not preclude the clients/investors of the *Noticees* from pursuing 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.

28. This Order shall come into force with immediate effect.

29. It is further clarified that during the period of restraint, the existing holding of securities including the holding of units of mutual funds of the *Noticees* shall remain frozen.

30. Obligation of the *Noticees*, in respect of settlement of securities, if any, purchased or sold in the cash segment of the recognized stock exchange (s), as existing on the date of this Order, can take place irrespective of the restraint/prohibition imposed by this Order, only in respect of pending unsettled transactions, if any.

Further, all open positions, if any, of the *Noticees* in the F & O segment of the stock exchange, are permitted to be squared off, irrespective of the restraint/prohibition imposed by this Order.

31. A copy of this Order shall be forwarded to the *Noticees*, the recognized Stock Exchanges, Depositories, Registrar and Transfer Agents and the Banks to ensure necessary compliance with the above directions.

Sd/-

DATE: JULY 22, 2022 **S. K. MOHANTY**

PLACE: MUMBAI **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA