National Stock Exchange of India
Circular

Department: Investigation	
Download Ref No: NSE/INVG/53132	Date: July 28, 2022
Circular Ref. No: 99/2022	

To All NSE Members

Sub: **SEBI Order in the matter of National Investment Adviser Organization**

SEBI vide its order no. WTM/AB/WRO/WRO/18082/2022-23 dated July 28, 2022 has hereby debarred entity National Investment Adviser Organisation and Its Proprietor, Nitin Sharma (PAN:-DEXPS4241K) from accessing the securities market in any manner and are also prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of 6 (six) months from the date of this order or till expiry of 6 (six) months from the date of completion of the refunds to investors/clients as directed in paragraph 11(a) of the Order, whichever is later.

The Order shall come into force with the 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.

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

Mr. Rakesh Sharma (Extension: 24052), Mr. Anand Jangir (Extension: 22385)
Direct No: 022-26598417/18 Fax: 022-26598195

For and on behalf of

National Stock Exchange of India

National Stock Exchange of India Limited

Anand Jangir
Manager

Annexure

SEBI Order in the matter of National Investment Adviser Organization

SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

ORDER

UNDER SECTIONS 11(1), 11(4) AND 11B AND SECTIONS 11B(2) AND 11(4A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992.

IN RESPECT OF –

NOTICEE	PAN
NATIONAL INVESTMENT ADVISER ORGANIZATION AND ITS PROPRIETOR, NITIN SHARMA.	DEXPS4241K

IN THE MATTER OF UNREGISTERED INVESTMENT ADVISORY SERVICES BY NATIONAL INVESTMENT ADVISER ORGANIZATION.

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1. Securities and Exchange Board of India ("**SEBI**") had received a complaint from Mr. Amit Harchekar, stated to be the Chief Technical Strategist of a SEBI registered Research Analyst, which was forwarded through an e–mail dated February 14, 2017. In the aforesaid complaint, it was alleged that an unknown entity had launched a fake website in the name of *www.aplusanalytics.in*, which was similar to its website www.aplusanalytics.com and was promoting stock trading tips mostly in penny stocks.

2. Pursuant to receipt of the above mentioned complaint, SEBI had examined the matter and upon completion of the examination, had issued a Show Cause Notice dated January 1, 2021 ("**SCN**"), to National Investment Adviser Organization and its Proprietor, Nitin Sharma ("**Noticee /NIAO**") *inter alia* alleging that:

   i. The Noticee had carried out investment advisory activities without obtaining registration from SEBI in violation of the provisions of Section 12(1) of the SEBI Act, 1992 ("**SEBI Act**") read with Regulation 3(1) of SEBI (Investment Advisers) Regulations, 2013 ("**IA Regulations**").

   ii. The investment advisory activities carried out by the Noticee were *fraudulent* in nature and in violation of Sections 12A(a), (b) and (c) of the SEBI Act read with Regulations 3(a), (b), (c) and (d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ("**PFUTP Regulations**").

3. The Noticee was called upon to show cause as to why suitable directions under Sections 11(1), 11(4) and 11B(1) of the SEBI Act and penalty under Sections 11(4A) and 11B(2) read with Section 15HA and 15HB of the SEBI Act should not be issued /imposed against the Noticee for the violations alleged in the SCN.

4. The SCN which was issued through registered post, to the Noticee, at the address available on record, was return undelivered. Thereafter, service of the SCN on the Noticee, was effected on March 15, 2021, through publication in the Times of India and Dainik Bhaskar, Indore newspaper editions. Pursuant to service of the SCN, an opportunity of hearing was granted to the Noticee on June 1, 2021, which was subsequently rescheduled on account of the COVID 19 pandemic. Thereafter, a hearing notice dated April 22, 2022, was served on the Noticee through registered post, wherein it was informed that the Competent Authority had granted an opportunity of hearing to the Noticee on June 15, 2022.

5. The Noticee appeared in person for the hearing on June 15, 2022, and had made oral submissions on merit. Post completion of the hearing, the Noticee was granted seven days' time to submit written submissions in line with the oral arguments made by him, during the hearing. Subsequently, vide a letter dated June 21, 2022, the Noticee submitted its written submissions.

FINDINGS:

6. I have considered the SCN along with the replies /submissions made by the Noticees and all the material available on record. The SCN has alleged that the Noticee had carried out investment advisory activities without obtaining registration from SEBI in violation of the provisions of Section 12(1) of the SEBI Act and Regulation 3(1) of the IA Regulations. The aforementioned provisions of law read as under:

Provisions of the SEBI Act:

*"**Section 12 of the 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:*

Provided that a person buying or selling securities or otherwise dealing with the securities market as a 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 immediately before the establishment of the Board for which no registration certificate was necessary prior to such establishment, may continue to do so for a period of three months from such establishment or, if he has made an application for such registration within the said period of three months, till the disposal of such application:

Provided further that any certificate of registration, obtained immediately before the commencement of the Securities Laws (Amendment) Act, 1995, shall be deemed to have been obtained from the Board in accordance with the regulations providing for such registration."

Provisions of the IA Regulations:

*"**Regulation 3 of the IA Regulations – 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:

6.1 From the material available on record, the following is observed:

i. The Noticee's website i.e. *www.aplusanalytics.in* was found to be inactive when the examination was conducted by SEBI. However, for the purpose of the examination, the archived pages of the aforesaid website were downloaded from the Archives website: *archive.org*.

ii. Through its website, the Noticee had advertised itself as a Gujarat based financial planning and wealth advisory firm supported by a highly qualified research team comprising of 200 employees, offering fee–based packages for advisory services to more than 1000 investors /clients since 2008. On its website, the Noticee had offered advisory services (including tips on stock cash, futures and options, prompt technical analysis of the Indian stock markets through live market chart, intra–day option calls, MCX combo tips, etc.) for fourteen products such as intra–day cash, intra–day future, intra–day index, intra–day option, MCX bullion, MCX base metal, MCX energy, through monthly, quarterly, half–yearly and yearly packages with a minimum fee of ₹5000 and a maximum fee of ₹48000 per product. The Noticee's website also mentioned an HDFC Bank account no. 50200015543359, wherein the prospective investors /clients could deposit the requisite fee payments for availing of the stated advisory services. From the information received by SEBI from HDFC Bank vide its email dated April 24, 2020, the bank account was observed to be held in the name of the Noticee's sole proprietor, Nitin Sharma, with the account holder's e–mail given as nitinsharma@gmail.com (Nitin Sharma was the Noticee's sole proprietor and the same also stood confirmed from the information available on the Noticee's Facebook and LinkedIn profiles). Nitin Sharma was the sole operator of the Noticee's HDFC Bank account. In addition, for the period from November 17, 2015 to September 7, 2016, the Noticee's HDFC Bank account statement reflected various credit transactions totaling an amount of ₹5,54,353, with the last date of transaction being made on July 13, 2016.

6.2 The definition as given in Regulation 2(m) of the IA Regulations states that *'Investment Adviser'* shall mean "*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(l) of the IA Regulations defines *'Investment Advice'* as "*advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning."* The aforementioned definitions when viewed in light of the observations contained in the preceding paragraphs lead me to conclude that the Noticee had indeed held itself out as an *'Investment Adviser'* by offering to give investment advice (as defined under Regulation 2(l) of Investment Advisers Regulations) related to investing in, purchasing and selling of securities in lieu of consideration received through various investment packages offered for subscription on its website, to prospective investors /clients. In the instant proceedings, the Noticee had also failed to prove that the proceeds totaling ₹5,54,353, as received through several credit transactions in its HDFC bank account, were actually proceeds from any other source of business /activity. I am therefore, left with no option but to conclude that all such sums were nothing but consideration received by the Noticee from investors /clients, in lieu of investment advice offered through subscription to its investment advisory services. The bank account mentioned on the website for the purpose of receiving consideration for the services advertised on the website was held in the name of the Noticee's sole proprietor, thereby indicating that the beneficiary of the website, *www.aplusanalytics.in,* was indeed Nitin Sharma only.

6.3 Section 12(1) of the SEBI Act *inter alia* provides that no investment adviser shall buy, sell or deal in securities except under, and in accordance with, the conditions of a Certificate of registration obtained from the Board. Further, Regulation 3(1) of the Investment Advisers Regulations 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 the Board. It is pertinent to mention that the Noticee was never registered with SEBI, in any capacity as an intermediary. By operating as *'Investment Adviser'* as defined under Regulation 2(m) of the Investment Advisers Regulations, without obtaining registration from SEBI, I find that the Noticee had violated Section 12(1) of SEBI Act read with Regulation 3(1) of the Investment Advisers Regulations.

6.4.1 The SCN has also alleged that the investment advisory activities carried out by the Noticee were *fraudulent* in nature and in violation of Sections 12A(a), (b) and (c) of the SEBI Act read with Regulations 3(a), (b), (c) and (d) of the PFUTP Regulations. The aforementioned provisions of law read as under:

"Provisions of the SEBI Act:

12A. No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

Provisions of the PFUTP Regulations:

Regulation 2(1)(c) of the PFUTP Regulations:

"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 behaviour 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; …………….."

Regulation 3 of the PFUTP Regulations:

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under."

6.4.2 The Noticee had launched a website i.e. *www.aplusanalytics.in*, which amongst other things, shared a domain name similar to that of a SEBI registered intermediary, i.e. *www.aplusanalytics.com*. It is reiterated that the Noticee was never registered with SEBI, in any capacity as an intermediary. Having regard to the aforementioned, I find that the Noticee while actively holding itself out as an *'Investment Adviser'* despite not having been granted a valid Certificate of registration by SEBI, had knowingly misrepresented itself to investors /clients with the intention to induce them to trade in securities through subscription to the advisory services packages offered on its website. I am therefore, of the considered view that the above discussed activities of the *Noticee*, amounts to engaging in acts, practices, course of businesses which operated as *'fraud'* (as defined under Regulation 2(1)(c) of the PFUTP Regulations upon the public in connection with dealing in securities. Accordingly, I find that the investment advisory activities carried out by the Noticee were *fraudulent* in nature and in violation of the provisions of Section 12A(c) of SEBI Act and Regulations 3(d) read with Regulation 2(1)(c)(1), (2) and (3) of the PFUTP Regulations.

6.5.1 In its submissions, the Noticee had submitted that *"it was able to locate the complainant in Mumbai and it was informed to the Noticee that no complaint has been made by it. Therefore, someone has tried to frame the Noticee by filing false complaint."* I note that in these proceedings, the Noticee has never denied nor contested the observations regarding the website or the contents advertised therein, which have been discussed in detailed at paragraph 6.1. On the contrary, the Noticee has sought to discredit the complaint received by SEBI on the grounds that it was filed only with the intention of framing the Noticee. I have perused the complaint and it is observed that the complainant therein i.e. Amit Harchekar, had filed the complaint dated February 14, 2017, through an e–mail ID harc.amit@gmail.com stating that he was the Chief Technical Strategist of a SEBI registered Research Analyst. From the database for registered intermediaries as maintained by SEBI, the aforementioned e–mail ID was confirmed to be the registered e–mail ID of *'A PLUS Capital Services',* an existing SEBI registered Research Analyst (*'A PLUS Capital Services'*). I am therefore, not inclined to accept the Noticee's submission that the complaint was not genuine.

6.5.2 Without prejudice to the foregoing, even if it were to be accepted that the complaint was filed only to frame the Noticee, the examination conducted by SEBI pursuant to receipt of such complaint, did however reveal serious violations by the Noticee of the provisions of the SEBI Act, PFUTP

Regulations and IA Regulations. In other words, whether or not the complaint was genuine becomes immaterial since the examination did reveal several violations of the aforementioned securities laws, by the Noticee.

6.6.1 In its submissions, the Noticee had also submitted that *"The Noticee was a salaried person, working as HR Recruiter in an advisory company. After some time, one Jitendra Bhensadadiya and Bhavesh who had an advisory company in Surat wanted to start a business in Indore. They had called the Noticee for an interview and offered him the opportunity to work /partner up with them. The Noticee had a 33% share in partnership whereas 67% share was with Jitendra Bhensadadiya. The Noticee was made responsible for all the work related to HR Recruitment and admin whereas the money was to be invested by Jitendra Bhensadadiya and Bhavesh as they were the sponsors for the partnership. Subsequently, after 7–8 months, their business started incurring losses and as a result, the employees started leaving and therefore, Jitendra Bhensadadiya and Bhavesh decided to close the business. Since the Noticee did not have any job, he decided to run the business for some more time and accordingly, the accounts between him and Jitendra Bhensadadiya along with Bhavesh, were settled."* To substantiate its submissions, the Noticee had submitted a partnership deed purported to have been entered into between Nitin Sharma and Jitendra Bhensadadiya on November 20, 2015, for starting the business of stock market advisory services in the name and style of National Investment Adviser Organisation. The partnership deed *inter alia* provided for the following:

a. *"… As per the mutual understanding and cause of the business, Nitin Sharma, would be looking for the business setup and not investing financially as per their initial deal, while Jitendra Bhensadadiya would be responsible for the business set up capital*.
b. *As per the mutual understanding, both parties are agreeing in the manner that business profit and loss ratio would have shares 66.66:33.33%.*
c. *66.66% shares of profit or loss would be on the side of Jitendra Bhensadadiya and Nitin Sharma will share 33.33% of the firm's profit or loss.*
d. *As per the mutual understanding of both parties, initial registration of business setup will remain in the name of Nitin Sharma, just like shop act license, bank accounts, etc.*
e. *As per the deal business set up will be taken care of by Nitin Sharma, it means entire business procedure will be taken care of by him and giving him 100% presence in same firm at time, not in any other firm, as Jitendra Bhensadadiya is free to do any other commercial occupation as per mutual understanding of both parties. …"*

6.6.2 Upon a perusal of the document submitted by the Noticee which is stated to be a partnership deed entered into between Nitin Sharma and Jitendra Bhensadadiya, it is observed that the said document is more in the nature of an incomplete and draft agreement containing only the signature of the Noticee. Further, although the document contains a heading "Stamp Paper ₹200", the same surprisingly has not been executed on a Stamp Paper of equivalent value nor on any other Stamp Paper.

6.6.3 The Noticee has sought to rely on the aforementioned document to substantiate its submission that for the period from June 2015–May 2016, the business was not solely carried out by Nitin Sharma. I am not inclined to accept the aforesaid submission especially when the veracity of the partnership deed itself is highly questionable for the reasons stated above. On the contrary, in the very document itself, which was sought to be relied upon by the Noticee, it had been stated that Nitin Sharma was to be solely responsible for the entire setup of the Noticee including setting up of bank accounts, obtaining business licence, executing necessary agreements and running its operation.

6.7.1 In its submissions, the Noticee had further submitted that *"Subsequently, Sameer Singh Parihar had joined the Noticee in carrying on the business. However, as the business incurred heavy losses and the Noticee was not in a condition to continue carrying on such business, it decided to exit and hand over the entire business on to Sameer Singh Parihar May 23, 2016, after completing all the necessary legal formalities. Since the documents like Gumasta and Nagar Nigam licence were not in the name of Sameer Singh Parihar, the Noticee had agreed to allow the running and operation of its bank accounts to Sameer Singh Parihar for a period of one month."* In support of its contention, the Noticee had submitted a copy of a *Mutual Agreement* dated May 23, 2016, entered into between the Noticee and Sameer Singh Parihar. The Noticee has made an attempt to limit its liability for carrying out the unregistered investment advisory services at least for the period from May 2016 to September 2016 by submitting the aforesaid *Mutual Agreement*.

6.7.2 Incidentally, the *Mutual Agreement* purported to have been executed between the Noticee and Sameer Singh Parihar, also confirms that Nitin Sharma was the sole proprietor of the Noticee and the sole beneficiary of its bank accounts including the HDFC Bank Account No. 50200015543359, at least till May 23, 2016. It may be mentioned that Gumasta, Nagar Nigam licenses, etc. are issued by the relevant authorities, to the applicant, for specific purposes for which such application was made, only after verifying the credentials of such applicants. Any change in particulars like names, nature of business, etc. in said licenses would require explicit amendments on part of the issuing authorities after providing them with relevant documents just as a change of beneficiary in any bank account cannot be done without the express authorization from banks. In this regard, I find that although the *Mutual Agreement* provided by the Noticee details the transfer of business from the Noticee to Sameer Singh Parihar w.e.f. May 23, 2016, however, barring a copy of such *Agreement,* the Noticee has not provided any other documentary evidence to substantiate its submissions that it had indeed transferred its business to Sameer Singh Parihar or taken steps to effect the transfer of business to Sameer Singh Parihar even after elapse of considerable amount of time. In view of the aforesaid fact, the contention raised by the Noticee that it had transferred its business from May 23, 2016 to Sameer Singh Parihar post such purported *Mutual Agreement* cannot be accepted in the absence of any collaborating documentary evidence. Accordingly, I am of the view that the proceeds received in the Noticee's bank account (HDFC Bank Account no. 50200015543359) for the period from November 17, 2015 to September 7, 2016, are attributable to the Noticee and Nitin Sharma in view of the fact that he was the sole operator and beneficiary of said bank account.

7. The SCN had called upon the Noticee to show cause as to why a direction for refund of the money received from any complainants /investors, as fees or consideration in respect of their unregistered investment advisory activities, be not issued against it. As per the material available on record, the amount of fees collected by the Noticee in the bank account indicated on its website, as a result of providing *'Investment Advice'* to investors, amounted to ₹5,54,353. In light of the findings in the preceding paragraphs, I am of the considered view that the Noticee is liable to refund the aforementioned amount to its clients /investors. I however, note that the SCN does not identity any particular investor or any specific group of investors who have suffered losses due to unauthorized activity carried out by the Noticee.

8. The SCN had also called upon the Noticee to show cause as to why penalty under Section 15HA and 15HB of the SEBI Act should not be imposed against it. The relevant extracts of the aforesaid provisions are reproduced below:

"Penalty for fraudulent and unfair trade practices.

15HA.If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher

Penalty for contravention where no separate penalty has been provided.

15HB. Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees."

9. For the imposition of penalty under the provisions of the SEBI Act, Section 15J of the SEBI Act,1992 provides as follows:

*"**Factors to be taken into account while adjudging quantum of penalty.***

15J. *While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: —*

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

Explanation. —For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section."

10. In this regard, I find that SCN does not mention the amount of disproportionate gain or unfair advantage made as a result of the default or the amount of loss caused to an investor or group of investors as a result of the default. However, I find that the Noticee in their HDFC Bank account (50200015543359) which was in the name of 'National Investment Adviser organization' had total credit of ₹5,54,353 during the period between November 17, 2015 to September 7, 2016. Therefore, I am of the considered view that the imposition of minimum penalty is warranted in the instant proceedings, which would be commensurate with the violation committed by the Noticee.

ORDER:

11. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11, 11(4) and 11B(1), 11B(2) and 11(4A) read with of Section 19 of the SEBI Act, hereby direct that:

(a) The Noticee shall within a period of three months from the date of coming into force of this Order, refund the money received from any investors/clients, as fees or consideration or in any other form, in respect of their unregistered investment advisory activities;

(b) The Noticee 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. A period of two months from the date of the public notice, as stated above, shall be provided to the investors/clients for submitting any claims.

(c) The repayments to the investors/clients 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 Noticee is 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 from the bank accounts of the Noticee, only for the purpose of making refunds to the investors/clients who were availing the investment advisory services from the Noticee;

(e) After completing the aforesaid repayments, the Noticee shall file a report of such completion with SEBI addressed to the Division Chief, Division of Post-Inspection Enforcement Action, Market Intermediaries Regulation and Supervision Department, SEBI Bhavan II, 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 paragraph 11(d) above shall cease to operate upon filing of such report on completion of refunds to investors/clients, to the satisfaction of SEBI;

(f) The Noticee is debarred from accessing the securities market, directly or indirectly and is prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of 6 (six) months from the date of this Order or till the expiry of 6 (six) months from the date of completion of refunds to investors/clients as directed in paragraph 11(a) above, whichever is later;

(g) The Noticee is also imposed with, the penalty, as specified hereunder.

NAME OF NOTICEE	PROVISIONS UNDER WHICH PENALTY IMPOSED	PENALTY AMOUNT (IN RUPEES)
NATIONAL INVESTMENT ADVISER ORGANIZATION AND ITS PROPRIETOR: NITIN SHARMA	SECTION 15HA OF SEBI ACT	₹5, 00, 000/- (RUPEES FIVE LAKH)
	SECTION 15HB OF SEBI ACT	₹1,00,000/- (RUPEES ONE LAKH)

12. The above direction for refunds /repayment to clients /investors as given in paragraph 11(a) above, does not preclude such clients /investors to pursue other legal remedies available to them under any other law against the Noticees for refund of money or deficiency in service.

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

14. A copy of this Order shall be served upon the Noticee.

15. A copy of this Order shall also be forwarded to the recognised Stock Exchanges, Depositories, Banks and Registrar and Transfer Agents for necessary compliance with the above directions and also the Government of Madhya Pradesh for its information.

Sd/-

Place: Mumbai
Date: July 28, 2022

ASHWANI BHATIA
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA