National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/53489	Date: August 30, 2022
Circular Ref. No: 114/2022	

To All NSE Members

Sub: Final Order in the matter of M/s. RNS Global Capital

SEBI vide its order no. WTM/AB/WRO/WRO/18783/2022-23 dated August 30, 2022, has hereby debarred below mentioned entities 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 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 complainants/ investors as directed in para 26 (a) of SEBI Order, whichever is later.

Sr. No.	Name of the Entity	PAN
1	Mr. Lakhan Chouhan (Proprietor of M/s. RNS Global Capital)	BBEPL5761P
2	Mr. Rohit Soni (Proprietor of M/s. RNS Global Capital)	FWWPS3378J
3	Ms. Shivani Thakur (Proprietor of M/s. RNS Global Capital)	ARRPT6562A

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:

National Stock Exchange of India

Mr. Abhishek Goenka (Extension: 23449), 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

National Stock Exchange of India

Annexure

Final Order in the matter of M/s. RNS Global Capital

WTM/AB/WRO/WRO/18783/2022-23

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:

Sl. No.	Name of the Noticee(s)	PAN
1.	Mr. Lakhan Chouhan (Proprietor of M/s. RNS Global Capital)	BBEPL5761P
2.	Mr. Rohit Soni (Proprietor of M/s. RNS Global Capital)	FWWPS3378J
3.	Ms. Shivani Thakur (Proprietor of M/s. RNS Global Capital)	ARRPT6562A

In the matter of Unregistered Investment Adviser

(The aforesaid entities are hereinafter individually referred to by their respective names or Noticee number and collectively as "the Noticees".)

Background:

1. The present proceedings emanate from a show cause notice dated July 31, 2021 (hereinafter referred to as "**SCN**") issued by the Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") to the Noticees, who are named as the proprietors of M/s. RNS Global Capital. It was *prima facie* found that the Noticees were engaged in investment advisory services without obtaining a certificate of registration from SEBI 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**").

2. The facts of the case, as mentioned in the SCN, are the following:

(i) SEBI had come across a website www.rnsglobalcapital.com in the archived pages at web.archive.org, which belonged to M/s. RNS Global Capital. On perusal of the web pages, *prima facie*, it was observed that M/s. RNS Global Capital was carrying out investment advisory activities. The said website is not active. However, from the archive pages of the website, downloaded from web.archive.org, it was observed that, inter alia, the following was disclosed on the website:

(a) *RNS Global Capital is a research house and an investment advisory company carrying out operations in the Indian equity & commodity market. We are a trusted name in the Financial Services arena.*

(b) *We generate intraday as well as delivery calls in Stock Cash, Future and Option along with MCX & NCDEX. We provide recommendations live through SMS & chat room services. Our SMS facility is a very effective system which ensures the instant messages delivery without any loss of time, so the clients get sufficient time to execute their trades in order to fetch maximum profit.*

(c) *Research team consist of highly qualified analysts including CFAs, MBAs (Finance), CAs, Engineers & Analytical experts who are skilled and impeccable in their analysis. These analysis, using their experience and latest software, are able to predict the movements of equity / commodity market in time and with a very high accuracy. As a result, using our tips, our clients gain the most out of the financial markets.*

(d) *Various services being offered on the website viz. Intraday Stock Cash, Stock Premium Cash, Positional Stock Cash Services, HNI Cash Services, Stock Future, Stock Future Premium, etc. The details of one of the services offered is as under-*

HNI Cash Services: *This is an exclusive product designed for High Net Worth Individual traders wherein they would be allotted a dedicated Research Analysts for handling their trades. In this unique service we will provide single* *intraday or holding recommendation in HNI Cash for those clients or traders who want to trade once in a day and want higher return on daily basis. This product is specifically designed to provide a single big target with calculated risk and rewards by tracking volume, open interest, technical patterns along with fundamental studies.*

Specialized Features:

- *We provide you around 1 stock cash calls daily*
- *Follow up messages of the call*
- *Nifty Reviews and support & resistance*
- *Stocks in news, Nifty & Bank Nifty trend and support & resistance*
- *World Market updates, SGX Nifty & Other updates*

(e) *Pricing for the services ranged between Rs. 15,000 per month for Stock Cash services to Rs 10 lakh per annum for Platinum Services in equity segment. For Future, the price for services ranged between Rs. 18,000 per month for Stock Future services to Rs. 15 lakh per annum for Platinum Future.*

(f) Contact details mentioned on the website are as follows-
RNS Global Capital, Metro Tower, Vijay Nagar, Madhya Pradesh
+91-9685066663
info@rnsglobalcapital.com

(ii) Further, as per the archive webpages of the website www.rnsglobalcapital.com, it is noted on the said website, there was a payment tab and an Easebuzz link https://easebuzz.in/pay/rnsglobalcapital.com, where the payments could be made. The details of Account Opening Form, KYC and Account statements of RNS Global Capital were sought from Easebuzz, which provided the following details with respect to M/s. RNS Global Capital:

(a) Name: RNS Global Capital
(b) Email: info@rnsglobalcapital.com
(c) Contact Number: 9111112977
(d) Bank Name: Vijya Bank
(e) Bank Info: RNS Global Capital

(f) IFSC Code: VIJB0007674

(g) Account Number: 767401013000007

(h) PAN ID: BBEPL5761P

(iii) From the analysis of transaction statements received from Easebuzz, it was observed that Easebuzz account was linked to 3 bank accounts. Subsequently, Easebuzz informed SEBI that M/s. RNS Global Capital had used 2 PAN cards and 3 Bank accounts to collect the payments. The total amount collected through Easebuzz payment gateway account was Rs. 23,91,277.79/-. Details of 2 Pan Cards and 3 bank accounts are tabulated as under:

Bank Name	Vijaya Bank	Vijaya Bank	Axis Bank
Account no	767401013000007	767400301000090	915010046377881
Account Name	RNS Global Capital	RNS Global Capital	Ms. Shivani Thakur

PAN no.	BBEPL5761P	ARRPT6562A
Account Name	Mr. Lakhan Chouhan	Ms. Shivani Thakur

(iv) As per the bank account details provided by the Easebuzz, the KYC, Account Opening Forms (AOF) and Bank account statements of the A/c (767401013000007), A/c (767400301000090) and A/c (915010046377881) were received from Vijya Bank/ Bank of Baroda and Axis Bank. The observations from the analysis of KYC, Account Opening Form and account statement obtained from the Banks are tabulated below:

Account Name	M/s. RNS Global Capital	M/s. RNS Global Capital	Ms. Shivani Thakur
Account No.	767401013000007	767400301000090	915010046377881
Proprietor	Mr. Lakhan	Mr. Rohit Soni	

PAN ID	BBEPL5761P	FWWPS3378J	ARRPT6562A
Bank Name	VijayaBank	VijayaBank	Axis Bank
Period of Statements	May 20, 2019 to March 13, 2020	Nov 02, 2017 to May 20, 2019	October 02, 2017 to July 19, 2020
Total Amount Credit in (Rs.)	Rs. 17,36,710.22/-	Rs. 58,36,294.00/-	Rs. 45,17,395.21/-

(v) The website of M/s. RNS Global Capital, www.rnsglobalcapital.com, disclosed that M/s. RNS Global Capital was providing investment advisory services. The payment tab on website also disclosed the link of Easebuzz https://easebuzz.in/pay/rnsglobalcapital.com, through which the payments could be made to avail advisory services. The Easebuzz account of RNS Global Capital was linked with its bank accounts with Vijaya Bank (A/c 767401013000007 and A/c 767400301000090) and Axis Bank (A/c 915010046377881), wherein multiple credit transactions from various entities have been done. Hence, it was inferred that those bank accounts were used for receipt of fees from various entities for the purpose providing advisory services.

(vi) It was prima-*facie* observed that there were large number of credits from several individual investors which were payments for availing various investment advisory products and services, as mentioned on M/s. RNS Global Capital's website viz. www.rnsglobalcapital.com. It was therefore alleged that the Noticees, who were the proprietors of M/s. RNS Global Capital, were engaged in the activities of an 'investment adviser' as defined under Regulation 2 (m) of the IA Regulations, 2013, without obtaining registration from SEBI, as required under Section 12(1) of SEBI Act, 1992 read with Regulation 3(1) of IA Regulations, 2013, thereby violating the said provisions of the SEBI Act, 1992 and the IA Regulations, 2013. The SCN had thus, called upon the Noticees to show cause as to why suitable directions under Sections 11(1), 11(4), and 11B (1) of the SEBI Act, 1992 should not be issued against them for the alleged violations.

3. The SCN was served on the Noticees vide Speed Post. In response to the SCN, Mr. Lakhan Chouhan and Mr. Rohit Soni replied vide their letters received by SEBI on September 08, 2021 and October 11, 2021, respectively. However, no reply whatsoever was received from Ms. Shivani Thakur. Subsequently, the Noticees were granted an opportunity of personal hearing which was scheduled on February 17, 2022. The hearing notices to the Noticees were sent through Speed Post. While Mr. Lakhan and Mr. Rohit Soni received the hearing notices issued to them, the hearing notice issued to Ms. Shivani Thakur returned undelivered. Subsequently, Ms. Shivani Thakur was intimated about the personal hearing scheduled on February 17, 2022 by way of newspaper publication on February 08, 2022 in the newspapers Nai Dunia (Hindi, Indore Edition) and the Times of India (English, Indore Edition).

4. Mr. Lakhan and Mr. Rohit Soni attended the personal hearing on February 17, 2022 by making personal appearance through video conferencing. However, Ms. Shivani Thakur failed to attend the said hearing, nor did she made any request for adjournment of hearing. Subsequent to the personal hearing on February 17, 2022, Mr. Lakhan and Mr. Rohit Soni vide their individual letters dated February 23, 2022 and February 25, 2022, respectively, filed their written submissions.

5. Mr. Lakhan vide his letters dated October 11, 2021 and February 23, 2022 and during the personal hearing on February 17, 2022 has submitted *inter alia* the following:

(a) The SCN alleges that the Noticee has operated a company by the name Royal Market. The Noticee denies the said allegation as he has never operated such company. He has no relation with the business of such company. The Noticee is an uneducated labourer and is currently working at a petrol pump.

(b) The Noticee had known Ms. Shivani Thakur for the last six years. The Noticee was earlier working in Desire Research Company as cleaner and as an office boy. Ms. Shivani Thakur used to be a manager there and the Noticee was working under her.

(c) In 2007, Ms. Shivani Thakur told the Noticee that she had started a company of her own and if the Noticee worked there in the same capacity of a cleaner / office boy, he would get a salary of Rs.7000 per month. The Noticee resigned from the previous company and joined Ms. Shivani Thakur's company. Ms. Shivani Thakur told the Noticee that since his salary would come into his bank account, he needed to open a bank account. Upon insistence from Ms. Shivani Thakur, the Noticee agreed to open a bank account and thereafter, Ms. Shivani Thakur obtained the Noticee's signatures on many documents. The Noticee is not aware of what those documents were nor was he given those documents to read. Since the Noticee is illiterate and does not have much knowledge, he signed the documents upon insistence by Ms. Shivani Thakur. Thereafter, Ms. Shivani Thakur kept the Noticee's passbook, cheque book, and ATM Card with herself and many times the Noticee withdrew money and handed over the same to Ms. Shivani Thakur on her instructions. Upon enquiry, Ms. Shivani Thakur never disclosed anything to him. The Noticee is not aware of how Ms. Shivani Thakur has used the documents taken by her from the Noticee. The Noticee never had knowledge about the misuse of Noticee's documents, ID Cards and bank accounts by Ms. Shivani Thakur.

(d) Upon receipt of the SCN, when the Noticee got the contents of the SCN read to him by his acquaintances and understood the same, he became aware that Ms. Shivani Thakur had misused the Noticee's name and the documents signed by him. Ms. Shivani Thakur's mobile number is switched off for many days and she is unreachable. The Noticee has no connection with the said business or the transactions. Everything was done by Ms. Shivani Thakur and the Noticee has been implicated by fraud and cheating. Thus, the Noticee requests that all proceedings should be conducted against Ms. Shivani Thakur.

(e) The Noticee has no knowledge of advisory services and share market and he has never worked in an advisory company in that capacity. The Noticee has not talked to any customer of the concerned Advisory Company, which can be verified from his call details. He has also not entered into any transaction with any customer of the concerned Advisory Company and all the transactions were done were entirely by Ms. Shivani Thakur.

(f) The Noticee is a poor labourer and is currently working at a petrol pump as air filler. His financial condition is very poor and he has no movable or immovable asset. Mr. Rohit Soni is also aware about the Noticee's condition and SEBI can get information about the Noticee from him.

(g) The Noticee is scared and worried after receiving the SCN. The Noticee's entire family is dependent upon him and therefore the Noticee is unable to spend time and money on these proceedings. He therefore prays that he be freed from these procreedings.

6. Mr. Rohit Soni vide his letters dated October 11, 2021 and February 23, 2022 and during the personal hearing on February 17, 2022 has submitted *inter alia* the following:

(a) The allegation in the SCN that the Noticee was operating RNS Global Capital is completely false. He has never operated that company nor does he have any connection with the business of that company. For last so many years, the Noticee has been working in a private company dealing with gas delivery and he has never had any connection with securities market.

(b) RNS Global Capital was operated by Ms. Shivani Thakur who was known to the Noticee. He came to know Ms. Shivani Thakur in 2015 when she was working in a company and the Noticee was engaged in gas business. As Ms. Shivani Thakur also stayed in Omax City, the Noticee often got meet her and became close friends. In 2016, Ms. Shivani Thakur told the Noticee that she wanted to start her own business. On enquiry, she told the Noticee that she had good knowledge of securities market and that having worked in different companies, she had good experience. For that reason, she wanted to start a business in securities market. She had experience of 2 years in Capital Via, 1-year experience in Pinnacle Investment, 2 years' experience in Desire Research and 1-year experience in Trade India.

(c) For doing the abovementioned business, Ms. Shivani Thakur asked for Noticee's help. She took the Noticee into confidence and stated that she did not have identity proof and other documents for doing the abovementioned business and that all her documents were incomplete and her correct address was also not mentioned in them. She requested Noticee to get her an office space and business documents using his own documents, so that she could do the business. Since Ms.Shivani Thakur was known to the Noticee, he trusted her and using his own identity proof and other documents he obtained municipal corporation gumasta, opened current account in a bank, took an office on rent by executing rent agreement in his own name and used his own documents wherever required to help Ms. Shivani Thakur start her business. Since the Noticee did not have any knowledge of such business, due to lack of knowledge, he got all the documents prepared in his own name and also gave his own mobile number. After doing business for almost one year, Ms. Shivani Thakur requested the Noticee to change the office. Thereafter, the Noticee again used his own documents to start her business at a new place and again got all the required documents in his own name.

(d) In Ms. Shivani Thakur's office, 5-6 people used to work with her. For doing the said business, they had also made a website through which they used to run the business. The Noticee many times enquired with Ms. Shivani Thakur regarding the said business as to how the said business was run and how any profit was generated. However, every time, Ms. Shivani Thakur used to avoid such discussion on some pretext. On repeated insistence by the Noticee, Ms. Shivani Thakur merely told him that she used to offer securities market related services and she used to charge people fees in lieu of such services. Almost six months after that, the Noticee came to know from his acquaintances that operation of such business requires license from government. Thereafter, the Noticee asked Ms. Shivani Thakur whether she had obtained any license or not. Ms. Shivani Thakur replied that she had already applied for the license which was under process. She also told the Noticee that she was an MBA from Acropolis College and that such license is granted only to a person holding MBA Finance degree. On being doubtful, the Noticee went to Ms. Shivani's college to enquire and came to know that she had not appeared at her fourth semester examination and that she had not passed the MBA course. When the Noticee talked to Ms. Shivani regarding this, she skirted the issue by falsely assuring that she would soon obtain the license. Due to this attitude of Ms. Shivani, the Noticee's doubts started increasing and he collected more information about her business and came to know that she was running her business without license in an illegal way.

(e) In the meantime, in order to mislead the Noticee, Ms. Shivani told her that since the Noticee did not have his own office, he should run his business from Ms. Shivani's office itself, as there was ample space and facilities there. Acting on this, the Noticee started running his gas business from Ms. Shivani's office and started visiting the said office daily. While doing his own work from the said office, the Noticee became aware of Ms. Shivani's illegal acts and he came to believe that she was operating such illegal business in the Noticee's name. The Noticee then asked Ms. Shivani to either obtain a license or to close the business. However, she kept giving false assurances and kept avoiding the issue and continued to run her business. Simultaneously, she put the entire responsibility of her business on the Noticee since the Noticee's documents had been used for the business.

(f) After few days, the Noticee started getting calls on his mobile number from unknown persons who told him that they had obtained his number since the same was linked to the bank accounts operated in the name of RNS Global Capital. They also told the Noticee that they had deposited money in the said account and demanded the money from him. When the Noticee talked to Ms. Shivani about the same, she gave him money for returning to people which he returned to concerned persons and made agreements with them. After returning money to such persons, Ms. Shivani told the Noticee that she would prepare an application for closing the bank account and asked the Noticee to submit the same to the bank. Accordingly, the Noticee closed the bank account. However, after some time, the Noticee came to know that the bank account which was earlier operated in his name was now being operated in the name of Mr. Lakhan, who was working as an office boy in the office of Ms. Shivani.

(g) Gradually, Ms. Shivani's criminal acts started coming to light and the Noticee asked her to close the business. He told her that if she continued her business and people kept asking for money, how he would repay them. She then assured the Noticee that he would not face any problem and that she was ready to accept all responsibilities. She kept giving false assurances and continued to run her business. Thereafter, the Noticee came to know from a person close to him that Ms. Shivani intended to implicate the Noticee. He told him that in case of any action, Ms. Shivani would tell that she used to work for the Noticee. Hearing this, the Noticee complained to Ms. Shivani who then told him that she was about to close her business in few days. Thereafter, Ms. Shivani got married to a lawyer and left for Delhi without telling him and also switched off her mobile. The Noticee has come to know that in the past also, the police have acted against Ms. Shivani for fraud relating to securities market.

(h) Ms. Shivani has misused the goodwill and the documents of the Noticee. She has criminally conspired against the Noticee, kept him in the dark and fled after implicating him. The Noticee has nothing to do with the said business and the same was operated entirely by Ms. Shivani Thakur. All the transactions were done by her. If the Noticee had any intention to commit fraud, he would not have given his own documents and mobile number everywhere.

(i) The amount of Rs.58 Lakh which, as per the SCN has been received in the Noticee's bank account, has no connection with securities market advisory services and all the credits and debits in his bank account are his personal transactions and are related to his gas agency business and property sell-purchase transactions, which he is willing to substantiate.

(j) The Noticee is very worried and scared after receiving the SCN. He requests that the allegations against him be dropped and action be taken against Ms. Shivani Thakur.

(k) After receiving the SCN, the Noticee has tried contacting Ms. Shivani Thakur many times. However, he has not been able to contact her nor she herself is cooperating in these proceedings.

(l) In the past, the Noticee had returned some money to a client and Ms. Shivani had promised to give back the said money to the Noticee. However, she never returned the money to the Noticee. Ms. Shivani has been habitually committing fraud and she has defrauded many persons of their money.

(m) The Noticee has never talked to any client of RNS Global Limited, which can be verified from his call details.

(n) The Noticee has no knowledge of securities market advisory services and has never dealt with the same. He had merely helped Ms. Shivani Thakur.

(o) The Noticee has no knowledge or contact with the person who created the RNS Global website or the payment gateway.

(p) Initially when the company was started, all the transactions used to happen in Shivani Thakur's account. After that, she started misusing the Noticee's accounts.

(q) The Noticee is the sole breadwinner for his family and his old parents are dependent on him. Currently, he is earning a living by engaging in packing business. He prays that he be freed from the proceedings.

Consideration of submissions and findings:

7. I have considered the allegations made in the SCN along with the findings of the examination by SEBI stated therein, replies received in the matter and submissions made by the Noticees during the personal hearing. I note that one of the Noticees, Ms. Shivani Thakur, has neither filed any reply to the SCN nor has she appeared at the personal hearing before me. It thus, appears to me that the said Noticee has nothing to submit in this matter and accordingly, I deem it fit to proceed on the basis of material available on record.

8. 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;"

9. Further, Regulation 2(1)(l) of 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;"

10. The website, being run by the Noticees, *inter alia* claimed as follows:

- *RNS GLOBAL CAPITAL is a research house and an investment advisory company carrying out operations in the Indian Equity & Commodity market. We are trusted name in the Financial Services Arena.*
- *RNS GLOBAL CAPITAL is a company that has been completely dedicated in creating awareness among its investors on better investment strategies of the stock market & the equity market.*
- *RNS Global Capital has 12 years of experience, 4800+ happy customers and 200+ Team Members*
- *RNS GLOBAL CAPITAL also believes that an educated customer is an empowered customer. To help our customers & non customers understand the financial markets better, we conduct regular webinars and seminars. A team of professionals is dedicated to this cause which ios 10-% free for all.*

  We generate intraday as well as delivery calls in Stock Cash, Future and Option along with MCX & NCDEX. We provide recommendations live through SMS & Chat room *services. Our SMS facility is a very effective system which ensures the instant messages delivery without any loss of time, so the clients get sufficient time to execute their trades in order to fetch maximum profit.*

- *RESEARCH TEAM consist of highly qualified analysts including CFAs, MBAs (Finance), CAs, Engineers & Analytical experts who are skilled and impeccable in their analysis. These analysis, using their experience and latest software, are able to detect the movements in Equity/Commodity market in time and with a very high accuracy. As a result, using our tips, our clients gain the most out of the financial markets.*
- *Packages offered on the website:*
  - *Equity*
  - *Future*
  - *Option*
  - *Nifty*
  - *Commodity*

- *Sample description of Packages mentioned on the Website:*
  Equity: Intraday Stock Cash
  RNS GLOBAL CAPITAL provides you accurate tips related to the stock and share market with great accuracy percentile. Our expert team works dedicatedly in order to make intense researches and then gives you calls to stock traders in NSE ensuring your profit.

  In Stock Cash Package we provide stock tips, intraday tips for intraday tardes. We provide trading tips and levels of buying and selling with proper targets and stop loss so that intraday trades can get maximum benefit out of intraday movement in stock market on daily basis. This also reduces the risk for traders as they book profits in the day itself on stock tips provided by us and they don't have to take overnight market risk and also the margin requirement is not huge so intraday traders with small amount of capital can also participate in flourishing stock markets and earn from our stock tips. Our Research Team does in-depth analysis using technical analysis, fundamental factors and economic factors to give best return with low risk in our intraday stock tips.
  Specialized Features:
  - *We provide you around 2-4 Intraday Stock cash calls daily.*
  - *Follow-up messages of the calls*
  - *Nifty Reviews and Support & resistance*
  - *Stocks in news, Nifty and Bank Nifty Trend and Support and resistance*
  - *World Market updates, SGX Nifty & Other Updates*

- *Stocks Quarterly result updates, RBI Policy updates*
- *Crucial Data like IIP, WPI and CPI updates to clients*

RNS Global Capital sample calls for Intraday Stock Cash:

- *Buy smartlink above 102 Target 104 SL 101*
- *Buy Aptech above 145 Target 147 SL 143*

Note: We do not have any refund policy, so won't entertain any money refund case. Profit and loss of services are totally borne by the clients.

- *Payment gateway mentioned on the website: easebuzz*
- *Sample Investment Advisory Services Package Pricing mentioned on the website:*

Name of the Package	***Monthly***	***Quarterly***	***Half-Yearly***	***Yearly***
Stock Cash Premium	*18,500*	*53,000*	*1,05,000*	*2,10,000*
Positional Cash	*35,500*	*77,000*	*1,80,000*	*3,50,000*
HNI Cash	*55,000*	*1,45,000*	*3,00,000*	*5,80,000*
Platinum Services	*1,20,000*	*3,00,000*	*5,50,000*	*10,00,000*

- *Contact Details: RNS Global Capital. Metro Tower, Vijay Nagar MP*
  Phone: +91-9685066663, +91-9685124163
  Email: info@rnsglobalcapital.com

11. From the above, I note that RNS Global Capital through its website www.rnsglobalcapital.com provided recommendations for trading in Indian Securities and commodity market. RNS Global Capital claimed to offer stock trading tips. Its website mentioned different segments for which it provided the tips, which included Equity, Futures, Options and Commodity. It claimed to have highly qualified and skilled professionals having good fundamental and technical knowledge in the Equity / Commodity market. It also claimed that the analyses by its Research Team using their experience and latest software, were able to predict the movements in Equity / Commodity market in time and with a very high accuracy and that as a result, using their tips, their clients gained the most out of the financial markets. As per the website, RNS Global Capital provided recommendations live through SMS and Chat room services.

12. I note that while one of the Noticees, Ms. Shivani Thakur, has not filed any reply to the SCN, the other Noticees, viz. Mr. Rohit Soni and Mr. Lakhan Chouhan, have not contested the fact that the website www.rnsglobalcapital.com was operational. However, they have contended that they had no role in running the said website and that RNS Global Capital was entirely being run by Ms. Shivani Thakur.

13. I further note that the investment advisory services offered by RNS Global Capital were in lieu of monetary considerations. I note that as on date, the website www.rnsglobalcapital.com is not active. However, from the print-outs of web-pages of the website, as available on record, I note that the prices for different services and packages were mentioned on the website, some of which are tabulated below:

Name of the Package	**Monthly**	**Quarterly**	**Half-Yearly**	**Yearly**
Stock Cash Premium	18,500	53,000	1,05,000	2,10,000
Positional Cash	35,500	77,000	1,80,000	3,50,000
HNI Cash	55,000	1,45,000	3,00,000	5,80,000
Platinum Services	1,20,000	3,00,000	5,50,000	10,00,000

14. I note that the Noticees were provided with print-outs of the web-pages containing the abovementioned details, as Annexure A to the SCN, and the Noticees have not contested above-mentioned details of the pricing of various services offered by RNS Global Capital.

15. I further note from the print-outs of the web-pages of the website www.rnsglobalcapital.com, which are available on record, that the said website had a payment link of EaseBuzz payment gateway through which payments could be made to RNS Global Capital for availing its Investment Advisory services. From the copy of email dated July 09, 2020 sent by Easebuzz to SEBI, I note that three bank accounts were linked to the said payment link. The details of the said bank accounts along with amounts credited in them during the relevant period, as seen from the bank statements available on record, are provided below:

Account Name	M/s. RNS Global Capital	M/s. RNS Global Capital	Ms. Shivani Thakur
Account No.	767401013000007	767400301000090	915010046377881
Proprietor	Mr. Lakhan	Mr. Rohit Soni	
PAN ID	BBEPL5761P	FWWPS3378J	ARRPT6562A
Bank Name	VijayaBank	VijayaBank	Axis Bank
Period of Statements	May 20, 2019 to March 13, 2020	Nov 02, 2017 to May 20, 2019	October 02, 2017 to July 19, 2020
Total Amount Credit in (Rs.)	Rs. 17,36,710.22/-	Rs. 58,36,294.00/-	Rs. 45,17,395.21/-

16. I note that during the examination, the details of aforesaid bank accounts of the Noticees were gathered from Vijaya Bank (now known as Bank of Baroda) and Axis Bank. A perusal of KYC forms, account opening forms and bank statement of the aforesaid bank accounts revealed the following:

   a. Two bank accounts (account nos. 767401013000007 and 767400301000090), which were opened with Vijaya Bank, were in the name of RNS Global Capital. These accounts were opened with the PAN of Mr. Lakhan (Noticee no. 1) and Mr. Rohit Soni (Noticee no. 2), respectively. One bank account (account no. 915010046377881), opened with Axis Bank, was in the name of Ms. Shivani Thakur.
   b. The total credits received in the aforesaid accounts are as follows:
      - 767401013000007 - Rs. 17,36,710.22/- (
      - 767400301000090 - Rs. 58,36,294.00/-
      - 915010046377881 - Rs. 45,17,395.21/-
   c. It is observed that there are numerous credit transactions / large number of payments received in the abovementioned bank accounts. From the narrative of the transactions, it appears that the payments have, *prima facie*, come from various investors / clients.

17. I note that a large number of credits were received in the bank accounts linked to Easybuzz payment link available on the website of RNS Global Capital during the period from October 02, 2017 to July 19, 2020 amounting to a total of Rs.1,20,90,399.43. I note that while Mr. Lakhan (Noticee no. 1) and Ms. Shivani Thakur (Noticee no. 3) have not contested the allegation in the SCN that the abovementioned bank accounts were used for receipt of fees from various entities for purpose of providing investment advisory services, Mr. Rohit Soni (Noticee no. 2) has contended that credit entries in his bank account pertain to transactions relating to his gas agency business and property related transactions and that he is willing to substantiate the same with proof. However, I note that the said Noticee has not submitted any documentary proof in support of his contention. Further, I note that Noticee no. 2 in his reply has stated that he had helped Noticee no. 3 to run her business by providing his documents, as Noticee no. 3 was not having complete documents of her. If it was so, then it defies the logic as to why would Noticee no. 2 would deposit money from his own business in the bank account of M/s. RNS Global, though it might have been opened with the documents of Noticee no. 2. It shows that whole defence put by Noticee no. 2 in his reply to the effect that he was not aware of the business of Noticee no. 3 and that everything was done by Noticee no. 2 to help Noticee no. 3, is concocted. The facts of the case shows that Noticee no. 2 along with Noticee no. 3 ran unregistered investment advisory service. Therefore, the contention of Noticee no. 2 that credit transaction in his Vijay Bank Account (No. 767400301000090), are from his other businesses, is not tenable. Further, since the Vijay Bank Account (No. 767400301000090) opened with his PAN was in the name of RNS Global Capital, the preponderance of probability indicates that the credits in the said bank account of RNS Global Capital were received towards investment advisory services. In the absence of sufficient explanation and supporting documents regarding the source of the incoming revenues in the abovementioned two bank accounts of RNS Global Capital (opened with the PAN of Noticee no. 1 and Noticee no. 2) and one bank account of Ms. Shivani Thakur, it is reasonable to conclude that all the credits

received in the said banks accounts were towards investment advisory services.

18. I note that Mr. Lakhan (Noticee no. 1) and Mr. Rohit Soni (Noticee no. 3) have contended that they were not involved in the operations of RNS Global Capital and that Ms. Shivani Thakur has misused the documents of the said Noticees for operating RNS Global Capital. However, I note from the said Noticee's submissions that they had willingly lent their names and documents for the said purpose. I further note that Noticee no. 1 and 2, except their bare statements, have not produced any supporting documents or proof to indicate that they were not the willing party to the act of unregistered investment advisory activities, as alleged in the SCN. Considering the same, I find their contentions to be untenable.

19. From the aforesaid facts, I find that Noticees were engaged in giving advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, through their website, www.rnsglobalcapital.com in lieu of consideration. I note 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. I find that in terms of Regulation 2(1)(l) of IA Regulations, 2013, the Noticees were providing "investment advice" through their aforesaid website. As noted above, the Noticees received Rs.1,20,90,399.43 in the bank accounts linked to the payment link mentioned on their website for the investment advisory services provided by them. Hence, I find that these services were being offered by the Noticees *in lieu* of the consideration, as noted above. Therefore, I find that Noticees were engaged in the business of providing investment advice to their clients, for

consideration, and thus, acting as investment adviser/s, as defined under Regulation 2(1)(m) of the IA Regulations, 2013.

20. 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:"*

21. It is relevant to note that in order to protect the interest of investors and to preserve the integrity of the securities market, IA Regulations, 2013 has been framed by SEBI which provide various safeguards to ensure that the interest of the investors who receive investment advice are protected. One such safeguard provided under the said Regulations is that any person carrying out investment advisory activities has to first obtain a certificate of 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 it has to conduct its activities in accordance with the provisions of IA Regulations, 2013. Further safeguards provided under IA Regulations, 2013 include continued minimum professional qualification and compliance with net-worth requirement for acting as an investment adviser, prior disclosure of all conflicts of interest, prohibition on entering into transactions which are contrary to advice given to the clients at least for 15 days from the date of giving advice to the clients, mandatory risk profiling of investors, maintaining documented process for selecting investment products 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.

22. I note that for seeking a certificate of registration for acting as an investment adviser, an entity is required to satisfy *inter alia* the following requirements, as provided under IA Regulations, 2013:

(i) An application for seeking certificate of registration to be made to Local Office, Regional Office or Head Office, of SEBI, as the case may be, in Form A as specified in the First Schedule to IA Regulations, 2013 along with requisite non-refundable application fee;

(ii) The applicant, in case of an individual investment adviser or its principal officer in case of a non-individual investment adviser shall be appropriately qualified and certified as under:

a) A professional qualification or post-graduate degree or post graduate diploma (minimum two years in duration) in finance, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognized by the Central Government or any State Government or a recognised foreign university or institution or association or a professional qualification by completing a Post Graduate Program in the Securities Market (Investment Advisory) from NISM of a duration not less than one year or a professional qualification by obtaining a CFA Charter from the CFA Institute;

b) An experience of at least five years in activities relating to advice in financial products or securities or fund or asset or portfolio management;

c) Applicant in case of individual investment adviser or its principal officer in case of a non-individual investment adviser, and persons associated with investment advice shall have, at all times a certification on financial planning or fund or asset or portfolio management or investment advisory services, from (a) NISM; or (b) any other organization or institution including Financial Planning Standards Board of India or any recognized stock exchange in India provided such certification is accredited by NISM.

(iii) Individual applicant must have net worth of not less than 5 lakh rupees and non-individual applicant must have net worth of not less than 50 lakh rupees.

23. The activities engaged in by the Noticees, as brought out from the various materials described above, seen in the backdrop of the aforesaid regulatory provisions show that the Noticees were holding itself out and was acting as an IA, although the Noticees were 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 mandatory certificate of registration as investment adviser, are in violation of Section 12(1) of SEBI Act, 1992 read with Regulation 3(1) of the IA Regulations, 2013.

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

25. I note that the Noticees have collected Rs.1,20,90,399.43, as discussed in para 19, above.

Directions:

26. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11(4) and 11B read with of Section 19 of the SEBI Act, 1992, hereby direct that:

a) The Noticees, viz. Shri Lakhan Chaohan, Shri Rohit Soni and Ms. Shivani Thakur, shall within a period of three months from the date coming into force of this order, jointly and severally, 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, viz. Shri Lakhan Chaohan, Shri Rohit Soni and Ms. Shivani Thakur, 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, viz. Shri Lakhan Chaohan, Shri Rohit Soni and Ms. Shivani Thakur, 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, within a period of 15 days, the Noticees, viz. Shri Lakhan Chaohan, Shri Rohit Soni and Ms. Shivani Thakur, 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, duly certified by an independent Chartered Accountant and the direction at para 26 (d) above shall cease to operate upon filing of such report on completion of refunds to complainants/ investors;

f) The Noticees, viz. Shri Lakhan Chaohan, Shri Rohit Soni and Ms. Shivani Thakur, 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 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 complainants/ investors as directed in para 26 (a) above, whichever is later;

g) The Noticees, viz. Shri Lakhan Chaohan, Shri Rohit Soni and Ms. Shivani Thakur, shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in para 26 (f) 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.

27. The direction for refund, as given in para 26 (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.

28. This order comes into force with immediate effect.

29. A copy of this order shall be sent to the Noticees, recognized Stock Exchanges, Banks, Depositories and Registrar and Transfer Agents of Mutual Funds to ensure that the directions given above are strictly complied with.

Sd/-

Date: August 30, 2022 **ANANTA BARUA**

Place: Mumbai **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA