National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/53808	**Date: September 22, 2022**
Circular Ref. No: 129/2022	

To All NSE Members,

Sub: **Final Order in the matter of Shri Maneesh Pavar, Proprietor: Mapple Research**

SEBI vide its Order no. WTM/AB/WRO/19481/2022-23 dated September 22, 2022, has hereby debarred below entity from accessing the securities market, directly or indirectly and are prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner whatsoever, for period of 6 months from the date of this order or till the expiry of 6 months from the date of completion of refunds to complainants/ investors as directed in para 21(a) of order, whichever is later.

Sr. No.	Details of Entity	PAN
1	Shri Maneesh Pavar, Proprietor: Mapple Research	BFDPP2246G

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:

Ms. Aishwarya Jagdish (Extension:24057), 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: - Final Order in the matter of Shri Maneesh Pavar, Proprietor: Mapple Research

WTM/AB/WRO/19481/2022-23

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:

Sr. No.	Noticee	PAN
1.	Shri Maneesh Pavar Proprietor: Mapple Research	BFDPP2246G

In the matter of Unregistered Investment Adviser

---

1. The present proceedings emanate from a show cause notice dated **August 10, 2021** (hereinafter referred to as "**SCN**") issued by Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") against Shri Maneesh Pavar, in his capacity as the sole proprietor of 'Mapple Research' (Maneesh Pavar and Mapple Research hereinafter collectively referred to as "the Noticees") wherein it was *prima facie* found that the Noticee was 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**"). The SCN called upon the Noticees to show cause as to why suitable directions should not be issued against the Noticees under Sections 11(1), 11(4) and 11B(1) of the SEBI Act, 1992.

2. I note that the SCN alleges the following:

   i. SEBI had received complaint dated June 16, 2016 from one complainant against Mapple Research.

ii. Vide complaint dated June 16, 2016, the complainant had, *inter alia*, alleged they he had lost Rs.5000 in the market based on the advice received from the Noticees. The Noticees have not refunded the amount despite several requests. The copy of the complaint dated June 16, 2016 was provided as an Annexure to the SCN.

iii. The complaint dated June 16, 2016 which was annexed with the SCN, stated that the Complainant received investment advisory services from Mapple Research for trading in share market on June 09, 2016 for which the Complainant paid Rs. 2000/-. The complainant submitted that after paying the fees he did not receive sufficient advise and that the Noticee repeatedly asked him to make more payments. The Complainant also submitted that he paid the fees of Rs. 2000 to the Noticee twice by mistake and did not receive refund of the extra fees even after requesting the Noticee. Moreover, the complainant made a loss of Rs. 5000/- on trading in the market as per the advise of the Noticee.

iv. The website of Mapple Research i.e. http://www.mappleresearch.com was not active. The archive pages of the website were downloaded from web.archive.org which revealed that the website of the Mapple Research disclosed that it was providing investment advisory services. In view of the above, the SCN alleged that Noticees were carrying out unregistered Investment Advisory services.

3. The SCN was served on the addresses of the Noticees by Registered Post on August 16, 2021. The Noticees did not submit any reply to the SCN. The matter was placed before me for granting personal hearing on December 28, 2021. In order to comply with the principles of natural justice a hearing was granted to the Noticees on March 22, 2022. The hearing notice dated January 25, 2022 was sent through Speed Post on three addresses of the Noticees as available on record. However, the hearing notice returned undelivered from all the addresses with the remarks “Returned Refused” and “No such person in the

address". Subsequently, hearing notice was served through publication in newspapers on February 22, 2022. On March 22, 2022, the Noticees failed to appear for the hearing and did not seek any adjournment for the hearing. In view of the same the hearing was concluded *qua* the Noticees.

Consideration of submissions and findings:

4. I have considered the allegations made in the SCN along with the findings of the examination by SEBI stated therein and material available on record.

5. In this regard, I note that the definition of Investment Adviser as given in Regulation 2(1)(m) of the IA Regulations, 2013 provides as follows:

> "investment adviser means any person, who for consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called;"

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

6. I note that, the website of the Noticees, http://www.mappleresearch.com *inter alia* claimed as follows:

> " Mapple Research provides research based Advisory tips in all trading market include Commodity, Forex, Comex and other trading market. Our company provides Commodity Trading, Swing Trading, Future Trading and Option Trading in Commodity & Bullion Market etc. Its working include research of trading market and providing platform for trading to all the traders.

We have a very creative and dedicated research team that always ready to fulfill the needs of our clients for giving all trading market Tips. We give personalized and exclusive service in trading market which consists of Intra Day / Positional / BTST / STBT. Our clients are very much satisfied with our work because we provide Online Trading services to them. Our company or website or website is responsible and trustworthy because we recognize the needs of our customer and provide Online Trading Tips at reasonable tariff. We offer recommendation in trading market and valuations based on strong technical analysis."

7. From the above, I note that the website http://www.mappleresearch.com provided personalized stock & commodity investment advisory tips to its clients. The website claimed that Mapple Research provides personalized and exclusive service which consists of Intra Day / Positional advisory tips for trading in the securities market. The website http://www.mappleresearch.com is trustworthy because it recognizes the need of the customers and provides online trading tips at reasonable tariff. The website also mentioned various subscription packages for availing investment advisory services.

8. From the print out of the web pages of the website, as available on record, the details of a few subscription packages are reproduced below:

Service Detail

Nifty Future

Rs. 15000	For 3 Months
Rs. 25000	For 6 Months
Rs. 40000	For 12 Months

9. In the present matter, investment advisory services were being offered through website http://www.mappleresearch.com *in lieu* of consideration. Following bank accounts were mentioned on the website, http://www.mappleresearch.com wherein investor could make payment of fees

for availing the investment advisory service which were being offered through the said website:

HDFC Bank	AXIS BANK	ICICI BANK
Account Number: 50200013713049	Account Number: 915020054967998	Account Number: 004105501111

Further the website also provided an option to make payment though PayUmoney payment gateway.

10. Accordingly, Account Opening Form, KYC for the aforesaid bank accounts were called from Axis Bank, HDFC Bank and ICIC Bank. From the Account opening form as provided by HDFC Bank, it is noted as under:

    a. All the three bank accounts were in the name of Mapple Research.

    b. Mapple Research is a proprietorship firm.

    c. Shri Maneesh Pavar was sole proprietor of Mapple Research and the nature of business as disclosed in the Account Opening Form is ‘Advisory Services’.

    d. The address of Mapple Research is “205, Royal Diamond Y.N Road, Indore, Madhya Pradesh – 452001.

11. Further, from the analysis of account statements of the aforesaid bank accounts, it is noted as under:

    a. During November 04, 2015 to October 14, 2016, an amount of Rs. 25,81,980.37 has been credited to the HDFC Bank Account of Mapple Research (Account No. 50200013713049). As on October 14, 2016 the account was found to be closed. The statement also showed that amounts received through Payumoney Payment Gateway were also credited in the HDFC account.

b. During November 21, 2016 to December 11, 2017, an amount of Rs. 4,46,868 has been credited to the Axis Bank Account of Mapple Research (Account No. 915020054967998). As on December 11, 2017 the account was found to be closed.

c. During November 05, 2015 to October 07, 2016, an amount of Rs. 38,29,197.28 has been credited to the ICICI Bank Account of Mapple Research (Account No. 004105501111). As on October 07, 2016 the account was found to be closed.

12. Moreover, from the narration column of transactions at ICICI Bank Account it has been observed that, money has been received for the purpose of 'share consultancy'. The account statement of the ICICI Bank Account was provided as an annexure to the SCN.

13. The total amount credited in aforesaid bank accounts disclosed on the website of Impact Research, is Rs. 68,58,045.65/-. These bank accounts wherein consideration / advisory fees were paid, have multiple credit transactions from various entities having narrations like 'share consultancy', 'Advisepaymapple', etc. Hence, it is inferred that the credits in the said bank accounts were towards fees received by the Noticees from various entities for the purpose providing advisory services through website http://www.mappleresearch.com.

14. From the aforesaid facts, I note that the Noticees were providing advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and as disclosed on the website of the Noticees the said advice was specific to the clients. Therefore, I find that Shri Maneesh Pavar, who is the proprietor of Impact Research, engaged in giving advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, through its website http://www.mappleresearch.com *in lieu* of consideration. From the discussion above, I find that the Noticees were giving investment advise, as defined in Regulation 2(1)(l) of IA Regulations, 2013.

15. 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. As noted above, the Noticees received total Rs. 68,58,045.65/-. in their bank accounts mentioned on their website for the investment advisory services provided by them. Hence, I find that the 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.

16. I also note that, it is imperative that any person carrying out investment advisory activities must 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:"*

17. 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.

18. 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 alongwith 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.

19. 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 although the Noticees were acting as an Investment Adviser, however, the Noticees were not registered with SEBI in the capacity of Investment Adviser. Hence, I find that these activities/ representations as were being carried out 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.

20. The Noticees in their bank accounts as mentioned in paragraph 12 above had received a total amount of Rs. 68,58,045.65/- during the period from November, 2015 to December, 2017 through unregistered investment advisory activities as observed above.

DIRECTIONS

21. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11(1), 11(4) and 11(B) read with of Section 19 of the SEBI Act, 1992, hereby direct that:

    a. The Noticees shall within a period of three months from the date coming into force of this direction, 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 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 direction;

    c. The repayments to the complainants/ investors shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments;

    d. The Noticees are prevented from selling their assets, properties and holding of mutual funds/shares/securities held by them in demat and physical form except for the sole purpose of making the refunds as directed above. Further, the banks are directed to allow debit only for the purpose of making refunds to the clients/ investors/ complainants who were availing the investment advisory services from the Noticees, as directed in this order, from the bank accounts of the Noticees;

    e. After completing the aforesaid repayments, within a period of 15 days, the Noticees shall file a report of such completion with SEBI addressed to the Division Chief, Market Intermediaries Regulation and Supervision

Department (MIRSD), Division of Registration-2, Investment Management Department, SEBI Bhavan II, Plot No. C7 G Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400051, duly certified by an independent Chartered Accountant and the direction at para 21(d) above shall cease to operate upon filing of such report on completion of refunds to complainants/ investors;

f. The Noticees are debarred from accessing the securities market, directly or indirectly and are prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of 6 months from the date of this order or till the expiry of 6 months from the date of completion of refunds to complainants/ investors as directed in para 21(a) above, whichever is later;

g. The Noticees shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in para 21(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.

h. The direction for refund, as given in para 21(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.

22. This order comes into force with immediate effect.

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

Sd-

Date: September 22, 2022 **ANANTA BARUA**

Place: Mumbai **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA