

National Stock Exchange of India Circular

Department: Investigation	
Download Ref No: NSE/INVG/54448	Date: November 15, 2022
Circular Ref. No: 173/2022	

To All NSE Members

Sub: Order in respect of Global Invest Consultant and Advisor/The Global SNC/The Global – Prop Mr. Rakesh Aashware

SEBI vide its order no.CGM/AA/QJC-1/WRO/WRO/21191/2022-23dated November 15, 2022, has hereby debarred the below entity 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 three (3) years from the date of the SEBI order or till the expiry of three (3) years from the date of completion of refunds to complainants/ investors as directed in para 30(b) of the SEBI Order, whichever is later.

Sr. No.	Name of the Entity	PAN
1	Global Invest Consultant and Advisor/The Global SNC/The Global (Prop:Mr. Rakesh Aashware)	DCTPA5983A

This Order shall come into force with immediate effect.

The detailed order is available on SEBI website (<http://www.sebi.gov.in>). Further, the consolidated list of such entities is available on the Exchange website <http://www.nseindia.com> home page under “Home-Regulation-Members-Action against Members-Regulatory Actions”.

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

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

Mr. Akshit Sachdeva (Extension: 23346), Mr. Atish Agarwal (Extension: 26026)
Direct No: 022-26598417/18 Fax: 022-26598195



National Stock Exchange of India

For and on behalf of

National Stock Exchange of India Limited

Atish Agarwal
Senior Manager

National Stock Exchange of India

ANNEXURE: Order in respect of Global Invest Consultant and Advisor/The Global SNC/The Global –Prop Mr. Rakesh Aashware

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTIONS 11(1), 11(4), 11(B) (1), 11(4A) AND 11(B) (2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 3(1) SEBI (INVESTMENT ADVISERS) REGULATIONS, 2013

In respect of

Sr. No.	Name of Noticee	PAN
1.	Global Invest Consultant and Advisor/The Global SNC/The Global (Prop: Mr. Rakesh Aashware)	DCTPA5983A

In the matter of Unregistered Investment Advisory Services

BRIEF BACKGROUND

1. Securities and Exchange Board of India (“**SEBI**”), pursuant to receipt of complaints dated October 29, 2020 and February 15, 2021, had conducted an examination into activities of Global Invest Consultant and Advisor/The Global SNC/The Global (hereinafter referred to as “**the Noticee**”), which is a sole proprietorship of Mr. Rakesh Aashware, to ascertain the veracity of the complaints and to determine whether there has been any violation of the provisions of Securities and Exchange Board of India, 1992 (“**SEBI Act, 1992**”), the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trading Practices in Securities Market) Regulations, 2013 (“**PFUTP Regulations**”), the Securities and Exchange Board of India (Investment Advisors) Regulations, 2013 (“**IA Regulations**”) and any other Rules or Regulations made thereunder by the Noticee.

2. From the examination of the aforesaid complaints, KYC documents and the screenshots of the website-www.theglobalsnc.com available on record, it was, *prima facie*, found that the Noticee engaged in investment advisory services without obtaining a certificate of registration from SEBI. Also, it was observed that the said Noticee is claiming to be registered with SEBI by stating the registration number as INB/F018652896 and INB/F/E105934896 by way of disseminating the said registration numbers on its website.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. A Show Cause Notice dated June 29, 2022 (“**SCN**”) was issued to the Noticee calling upon it to show cause as to why suitable directions under Sections 11(1), 11(4), 11(4A) and 11B(2) of the SEBI Act and penalty be not imposed under Section 15HA and 15EB of the SEBI Act for the violations alleged against it. The following documents were enclosed as annexures to the SCN:

Annexures to SCN	
Annex. No.	Particulars
1	Complaints against the Noticee vide letter dated October 29, 2020 and email dated February 15, 2021
2	Copy of email received from PhonePe regarding the beneficiary account details
3	Copy of Noticee’s Account Opening Forms, KYC details and bank account statements from ICICI Bank and IDBI Bank
4.	Copy of the website pages

4. The SCN was issued through registered post to the Noticee, at the addresses available on record, which returned undelivered. Thereafter, service of the said SCN was done by way of Affixture on July 09, 2022 and the report of the same is available on record. Further, the service of the said SCN was effected on July 20, 2022, through newspaper publication in the Times of India and Dainik Bhaskar, Indore newspaper

editions. The details of the allegations made in the said SCN against the Noticee, are given below:-

- i. SEBI had received two complaints dated October 29, 2020 and February 15, 2021 against the Noticee (sole proprietor being Mr. Rakesh Aashware) in which, the complainants had, *inter alia*, alleged that the Noticee is providing investment advisory services without obtaining certificate of registration from SEBI. Further, in one of the complaints, it was alleged that the Noticee is holding itself out as SEBI registered Investment Adviser by disseminating the registration numbers INB/F018652896 and INB/F/E105934896 on its website.
- ii. One of the complainants had provided the bank account details of ICICI Bank, Hoshangabad, Bhopal Branch, wherein the complainant had deposited the money and the other complainant had provided the details of payments made through PhonePe in IDBI Bank, TT Nagar, Bhopal Branch. Vide email dated January 31, 2022, SEBI had requested Phonepe to provide the account name and account number of the beneficiary alongwith the date of remittance to the beneficiary account and its bank name for the said transaction. On the same day i.e. January 31, 2022, Phonepe had intimated SEBI that the said payments have been credited to the Merchant Account in the name of 'The Global SNC', having bank account no. XXXX000041937 held with IDBI Bank, TT Nagar, Bhopal Branch.
- iii. Accordingly, ICICI Bank, Hoshangabad, Bhopal Branch and IDBI Bank, TT Nagar, Bhopal Branch were advised to provide the copy of Account Opening Forms, KYC details and bank account statements of the Noticee. The analysis of the information / documents furnished by ICICI Bank, Hoshangabad, Bhopal Branch as well those by IDBI Bank, TT Nagar, Bhopal Branch revealed the following details:
 - Entity Name – The Global
 - Proprietor- Rakesh Aashware

- Address- House No.119, Kumhar Mohalla, Bhagat Singh Nagar, Itarsi, Hoshangabad-461111, Madhya Pradesh

- iv. Further, upon analysis of the bank account statements received from ICICI Bank, Hoshangabad, Bhopal Branch, it was observed that the said bank account was credited with total amount of INR 40,39,733.61/- from the date of opening of account, i.e., August 5, 2020 till November 24, 2020 (excluding the initial deposit of INR 25,000/- at the time of opening the said bank account). The analysis of the bank account statements also revealed the following credit entries in ICICI Bank account, Hoshangabad, Bhopal Branch as stated in one of the complaints received by SEBI:

Date	Description	Amount (in INR)
29-09-2020	UPI/027388345056/NA/9929465033@payt/Paytm Payments	9900
30-09-2020	UPI/027404788886/NA/9929465033@payt/Paytm Payments	9100

- v. Similarly, the analysis of the bank account statement furnished by IDBI Bank, TT Nagar, Bhopal Branch, revealed that the said bank account was credited with total amount of INR 6, 79,301/- from the date of opening of account, i.e. January 5, 2021 to February 12, 2021 (excluding the initial deposit of INR 20,000/- at the time of opening the said bank account).
- vi. The analysis of the said statement also reflected the entries of the payments made by one of the complainants through PhonePe, with following details:

Date	Description	Amount (in INR)
01-02-2022	PhonePe	5,000
09-02-2022	PhonePe	40,000

vii. Apart from the above, the website with the domain name: www.theglobalsnc.com, was also examined. The contents of the said website, *inter alia*, revealed the following statements:

' Our team of licensed fiduciary advisors understands that every investor is unique. With the dynamic tools used by both you and your financial advisor we are able to identify and alert you to opportunities so you can act on them.

....

Our Skills

- *Consulting 90%*
- *Risk Profiling 80%*
- *Analysis 85%*
- *Research 70%*
- *Investment advice 95%'*

viii. It was also noted from the website that the Noticee had allegedly disseminated false and misleading information that it is a SEBI Registered entity with registration number as 'SEBI No. (NSE) INB/F/E 105934896, (BSE) INB/F 018652896'.

5. On perusal of the records, I note that the Noticee has not submitted any reply/ written submissions to the aforesaid SCN till date.
6. In order to meet the requirement of principles of natural justice, an opportunity of personal hearing was granted to the Noticee on October 17, 2022 and details of such Notice was published in the Times of India and Dainik Bhaskar, Indore newspaper editions on October 01, 2022. On the said date, the Noticee failed to appear, nor did he seek any adjournment of the hearing so scheduled.
7. Considering that all attempts have been made to deliver the SCN and the hearing Notice to the Noticee in terms of Rule 4(7) of the SEBI (Holding of Enquiries and Adjudication Proceedings) Rules, 1995 and that the Noticee has neither filed any

reply nor attended the personal hearing so scheduled, I am constrained to proceed ex-parte against the Noticee on the basis of material available on record.

CONSIDERATION OF ISSUES AND FINDINGS

8. I have carefully considered the allegations made in the SCN along with the findings of examination conducted by SEBI and material available on record.
9. The SCN alleges the violation of the following provisions of law by the Noticee:

SEBI Act, 1992

Registration of stock brokers, sub-brokers, share transfer agents, etc.

12. (1) *"No stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market shall buy, sell or deal in securities except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the regulations made under this Act:*

.....

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

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;*

SEBI (INVESTMENT ADVISER) REGULATIONS, 2013

Application for grant of certificate.

3. (1) *On and from the commencement of these regulations, no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board under these regulations:*

Provided that a person acting as an investment adviser immediately before the commencement of these regulations may continue to do so for a period of six months from such commencement or, if it has made an application for a certificate under sub-regulation (2) within the said period of six months, till the disposal of such application.

SEBI (PFUTP) REGULATIONS, 2013

2(c) *“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 4(2) (k) of PFUTP Regulations, 2003

4(2). Dealing in securities shall be deemed to be a manipulative fraudulent or an unfair trade practice if it involves any of the following:

(k) Disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities.

10. SEBI received complaints alleging that the Noticee was providing investment advisory services in lieu of consideration. Further, one of the complainants has stated that he had deposited the money through PhonePe in the ICICI bank account, Hoshangabad, Bhopal Branch. I note from the KYC Document provided by the ICICI bank, Hoshangabad, Bhopal Branch that the account is opened in the name of The Global (a proprietorship firm based in Bhopal) and Shri Rakesh Aashware is the proprietor of the said firm. Further, from the bank statement provided by ICICI bank, Hoshangabad, Bhopal Branch, I also note that Rs.9900/- and Rs.9100/- totaling to Rs. 19,000/- paid by one of the complainants could also be traced.
11. I note from the email received from Phonepe that payments made by another complainant have been traced and credited to the IDBI bank, TT Nagar, Bhopal Branch account in the name of ‘The Global SNC’.
12. Further, from the analysis of account statements of both the banks accounts, I note that various amounts were received by the Noticee from individuals wherein words like “share/trading/subscription/demat” were noticed in the description in the credits so received in ICICI Bank, Hoshangabad, Bhopal Branch Account (A/C No: 042705500272) of the Noticee totaling to Rs.40,39,733.61/- during the period August 05, 2020 to November 24, 2020. The Noticee has also received credit of Rs.6,79,301/- during the period from January 05, 2021 to February 12, 2021 in the

IDBI Bank account with TT Nagar, Bhopal Branch (A/C No: 0030102000041937). Further, it is noted that the amounts of Rs. 40000/- and Rs. 5000/- deposited by one of the complainants were also traced in the bank account statement of the account of the Noticee maintained in the IDBI Bank, TT Nagar, Bhopal Branch. Thus, a total of Rs. 47,19,0346.61 has been received by the Noticee in the bank accounts for the investment advisory services provided by it.

13. The Noticee had launched a website i.e. www.theglobalsnc.com offering advisory services in various segments. It is noted that the Noticee was never registered with SEBI, in any capacity as an intermediary. Having regard to the facts mentioned above, 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 disseminated false and misleading information through its website by stating that it is a SEBI registered entity having registration number SEBI No (NSE) INB/F/E 105934896, (BSE) INB/F 018652896.

14. It is noted that the definition of 'Investment advisor' as given in Regulation 2(1)(m) of the IA regulations 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;"

15. Further, Regulation 2(1)(l) of the IA Regulations 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;”

- 16.** The definition of ‘investment adviser’ states 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 those entities which are holding themselves out as investment advisers, such entity will be covered by the definition of “Investment Adviser” as given in Regulation 2(1)(m) of the IA Regulations. Hence, I find that these services were being offered by the Noticee in lieu of certain consideration.
- 17.** Moreover, from the narration column of transactions in ICICI Bank, Hoshangabad, Bhopal Branch account, it is observed that money has been received from individuals wherein words like “share / trading / trade / subscription / demat” appeared. Therefore, I find that the Noticee through its proprietor, Mr. Rakesh Aashware, was engaged in the business of providing investment advice to its clients, for consideration, and thus, is acting as an investment adviser, as defined under Regulation 2(1) (m) of the IA Regulations.
- 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:

 - (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 recognized 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. I note that the safeguards provided under IA Regulations, 2013 requires continued minimum professional qualification and net-worth requirement for investment adviser, including disclosure of all conflict of interest, prohibition on entering into transactions which are contrary to advice given for 15 days, risk

profiling of investors, maintaining documented process for selecting investment for client based on client's objective and risk profile, understanding the nature and risks of products or assets selected for clients, etc. These requirements are aimed at protection of investor interest.

20. As per Regulation 3(1) of IA Regulations, the registration of the investment advisers is mandatory. It provides that, *"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"*.

21. I am also of the considered view that by disseminating information that the firm is registered with SEBI through its website, the Noticee has knowingly misled the investors at large thereby engaging in acts, practices, course of businesses which operated as 'fraud' as defined under Regulation 2(1)(c) of the PFUTP Regulations. Regulation 4(2)(k) provides that dealing in securities shall be deemed to be a manipulative fraudulent or an unfair trade practice if it involves disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading and which is designed or likely to influence the decision of investors dealing in securities. In the case of **SEBI Vs. Kishore Ajmera (2016) 6 SCC 368**, the Hon'ble Supreme Court observed that,

"the SEBI Act and the Regulations framed there under are intended to protect the interests of investors in the Securities Market which has seen substantial growth in tune with the parallel developments in the economy. Investors' confidence in the Capital/Securities Market is a reflection of the effectiveness of the regulatory mechanism in force. All such measures are intended to preempt manipulative trading and check all kinds of impermissible conduct in order to boost the investors' confidence in the Capital market. The primary purpose of the statutory enactments is to provide enactment is to provide an environment conducive to increased participation and investment in the

securities market which is vital to the growth and development of the economy. The provisions of the SEBI Act and the Regulations will, therefore, have to be understood and interpreted in the above light”.

- 22.** It is also pertinent to refer to the observations of the Hon'ble Supreme Court in the case of **SEBI Vs. Kanaiyalal Baldevbhai Patel (2017) 15 SCC 1**, which are as under-

“The definition of 'fraud', which is an inclusive definition and, therefore, has to be understood to be broad and expansive, contemplates even an action or omission, as may be committed, even without any deceit if such act or omission has the effect of inducing another person to deal in securities. Certainly, the definition expands beyond what can be normally understood to be a 'fraudulent act' or a conduct amounting to 'fraud'. The emphasis is on the act of inducement and the scrutiny must, therefore, be on the meaning that must be attributed to the word “induce”

.....to make inducement an offence the intention behind the representation or misrepresentation of facts must be dishonest whereas in the latter category of cases like the present the element of dishonesty need not be present or proved and established to be present. In the latter category of cases, a mere inference, rather than proof, that the person induced would not have acted in the manner that he did but for the inducement is sufficient.”

- 23.** Thus, the Noticee by disseminating on its website that it is a SEBI registered Investment Advisor has knowingly published false and misleading information through its website thereby defrauding the investors at large by inducing them to execute trades in the market based on the advise provided with a promise of high returns and therefore, I find that the Noticee has violated the provisions of Section 12A (a), (b) and (c) of the SEBI Act read with Regulation 4(2) (k) of the PFUTP Regulations.

- 24.** In view of above, I note that the activities of the Noticee (Prop.Rakesh Aashware), show that it was acting as an investment adviser. However, neither the Noticee nor its proprietor were registered with SEBI in the capacity of Investment Advisor.

Hence, I find that these activities were being carried out by the Noticee firm without obtaining the necessary certificate of registration as an investment adviser and therefore, the Noticee has violated Section 12(1) of the SEBI Act along with Regulation 3 of the IA Regulations. Further, as concluded above, the Noticee by disseminating false and misleading information in its website showing the firm as SEBI Registered entity has violated the provisions of Sections 12A (a), (b) and (c) of the SEBI Act read with Regulation 4(2)(k) of the PFUTP Regulations, 2003.

25. The SCN referred above, also calls upon the Noticee to explain as to why appropriate penalty be not imposed upon it under Section 15EB and 15HA of SEBI Act, 1992 for the violations alleged in the SCN. Relevant extract of the penalty provisions, as existing at the time of violations, is reproduced, hereunder:

“Penalty for default in case of investment adviser and research analyst.

15EB. Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.”

“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.”

26. Upon consideration of the above penalty provisions, I find that Section 15HA and 15EB have been invoked in the present case for indulging in fraudulent and unfair trade practices related to securities by way of dissemination on the website of the Noticee that it is a SEBI registered Investment Advisor without obtaining a certificate of registration from the Board under the relevant Regulations. It has

been clearly established in the preceding paras that the Noticee had defrauded the investors at large by disseminating on its website that it was a SEBI registered investment advisor and mentioning certain registration numbers on it. In view of the same, I am of the considered view that penalty under Section 15HA of the SEBI Act is attracted in the instant case.

27. I also note that the above allegation that the Noticee has acted as an investment adviser without obtaining a certificate of registration from SEBI has been clearly established in the preceding paras and therefore, violated Regulation 3(1) of the IA Regulations read with Section 12 of the SEBI Act. I find that the penalty under Section 15EB of the SEBI Act, 1992 is clearly attracted.

28. For imposition of penalties under the provisions of the SEBI Act, 1992, 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.”

29. As discussed in the aforesaid paras, I note that a total of Rs. 47,19,0346.61 has been received by the Noticee in the bank accounts for the investment advisory services provided by it. There is no reply on record from the Noticee despite

having served the SCN and the hearing notice by way of affixture and newspaper publication. Thus, in the light of the findings in the preceding paras, I am of the considered view that the Noticee is liable for refund of the aforementioned amount collected as an unregistered investment adviser in addition to monetary penalties which are attracted for the said violations under Sections 15EB and 15HA of the SEBI Act.

ORDER AND DIRECTIONS

30. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B read with Section 19 of the SEBI Act, 1992, hereby issue the following directions:

- a. The Noticee firm through its proprietor 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;
- b. The Noticee shall, within a period of three months from the date coming into force of this direction, 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;
- 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 Noticee along with its proprietor 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 Noticee, as directed in this order, from the bank accounts of 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. C7, 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 the directions at para 30(a) and (b) above, duly certified by an independent Chartered Accountant and the direction at para 30(d) above shall cease to operate upon filing of such report on completion of refunds to complainants/ investors;
- f. The remaining balance amount shall be deposited with SEBI which will be kept in an escrow account for a period of one year for distribution to clients/complainants/investors who were availing the investment advisory services from the Noticee. Thereafter, remaining amount if any will be deposited in the ‘Investors Protection and Education Fund’ maintained by SEBI;
- g. In case of failure of the Noticee to comply with the aforesaid directions in sub-para (a) and (f), SEBI, on the expiry of the stipulated time period therein from the date of coming into force of this order, may recover such amounts, from the Noticee, in accordance with Section 28A of the SEBI Act, 1992 including such other provisions contained in securities laws;
- h. The Noticee is 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 Three (3) years from the date of this order or till the expiry of Three (3) years from the date of completion of refunds to complainants/ investors as directed in para 30(b) above, whichever is later;

- i. The Noticee is hereby imposed with a penalty of Rs.5,00,000/-(Rupees five lakh only) under Section 15HA of the SEBI Act, 1992 and Rs. 1,00,000/-(Rupees one lakh only) under Section 15EB of the SEBI Act, 1992 and further directed to pay the penalties within a period of forty-five (45) days, from the date of receipt of this order;
- j. The Noticee shall remit / pay the said amounts of penalty, either by way of Demand Draft in favour of “SEBI -Penalties Remittable to Government of India”, payable at Mumbai or through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of Chairman/ Members -> PAY NOW. In case of any difficulties in online payment of penalties, the Noticee may contact the support at portalhelp@sebi.gov.in. The demand draft or the details/ confirmation of e-payment should be sent to “The Division Chief, Market Intermediaries Regulation and Supervision Department (MIRSD), Division of Registration-2, SEBI Bhavan II, Plot no. C-7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai -400 051” and also to e-mail id:-tad@sebi.gov.in in the format as given in table below:

Case Name	
Name of Payee	
Date of Payment	
Amount Paid	
Transaction No.	
Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount/ legal charges along with order details)	

k. The Noticee firm shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in para 30(h) 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.

31. The direction for refund, as given in para 30(b) above, does not preclude the clients/investors to pursue the other legal remedies available to them under any other law, against the Noticee for refund of money or deficiency in service before any appropriate forum of competent jurisdiction.

32. This order shall come into force with immediate effect.

33. A copy of this order shall be sent to the Noticee through its proprietor Mr. Rakesh Aashware, 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.

Date: November 15, 2022

Place: Mumbai

**Dr. ANITHA ANOOP
QUASI-JUDICIAL AUTHORITY
SECURITIES AND EXCHANGE BOARD OF INDIA**