National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/55943	Date: March 10, 2023
Circular Ref. No: 67/2023	

To All NSE Members

Sub: **SEBI Order in the matter of M/s. Moneyrise Research/Mrise Info**

SEBI vide its order no. WTM/AB/WRO/WRO/24505/2022-23 dated March 10, 2023 has hereby debarred following 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 months from the date of this order or till the expiry of 6 months from the date of completion of refunds to complainants/ investors along with depositing of balance amounts, if any, with SEBI as directed in para 25(a) and 25(e) of SEBI Order, whichever is later;

Sl. No	Name of Entity	PAN
1	Shri Shreyans Tongya, proprietor of Money Rise Research	ARPPT7709K
2	Shri Garvit Jain	ARDPJ0056B
3	Ms. Vishakha Ajmera	BIQPA7691N
4	Shri Abhishek Billore, proprietor of Mrise Info	BNGPB1731B

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 at the below mentioned link:

https://www.nseindia.com/regulations/member-sebi-debarred-entities

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. Sandesh Sawant (Extension: 22383)
Direct No: 022-26598417/18 Fax: 022-26598195

For and on behalf of
National Stock Exchange of India Limited

Sandesh Sawant
Senior Manager

ANNEXURE: - SEBI Order in the matter of M/s. Moneyrise Research/Mrise Info

SECURITIES AND EXCHANGE BOARD OF INDIA
FINAL ORDER

Under Sections 11(1), 11(4) and 11B (1) of the Securities and Exchange Board of India Act, 1992

Sl. No.	Name of the Noticee(s)	PAN
1	Shri Shreyans Tongya, proprietor of Money Rise Research	ARPPT7709K
2	Shri Garvit Jain	ARDPJ0056B
3	Ms. Vishakha Ajmera	BIQPA7691N
4	Shri Abhishek Billore, proprietor of Mrise Info	BNGPB1731B

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**".)*

1. The present proceedings emanate from show cause notice dated July 07, 2021 issued to Noticee nos. 1 to 4 and show cause notice dated December 20, 2021 issued in the name of Money Rise Research whose proprietor is Noticee no. 1 and Mrise Info whose proprietor is Noticee no. 4, (hereinafter collectively referred to as "**SCN**") by the Securities and Exchange Board of India (hereinafter referred to as "**SEBI**"). It was alleged 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. I note that the SCN alleges the following:
   a. SEBI received a complaint dated August 03, 2018 against Money Rise Research Advisory Company, Indore stating that the entity has been providing

investment advice/tips on trading calls with guaranteed return/profits to clients and that due to the trade done by the entity, the complainant incurred a loss of Rs. 1,06,913. The amount paid by the complainant was traced to the bank accounts of the entity. The complainant had also provided a statement containing 23 trading calls received from the entity during the period April 30, 2018 to May 21, 2018.

b. In a separate complaint, another complainant, *inter alia*, stated that Money Rise Research, which claimed to be registered with SEBI, promised returns of 25% on investment and that he transferred Rs. 1,20,000 to the entity's Axis Bank account and incurred loss. The amount paid by the complainant was traced to the bank accounts of the entity.

c. The first complainant paid the money to the Noticees through Payumoney and the same was subsequently transferred to the Axis bank account (a/c no. 915020013066326) of the Noticee. As per the Payumoney KYC, as on the date HDFC Bank (a/c no. 50200030818755) was linked to the aforesaid Payumoney account of the Noticee.

d. From the website contents available on www.indiamart.com (https://www.indiamart.com/money-rise/aboutus.html), it was observed that the following claims were made:

> *"Money Rise Research Advisors is fastest growing investment advisory company. Money rise Investment company provides recommendations in all segment of stock market like Capital Market, Commodity Market, Forex Market etc.*
>
> *….*
>
> *"We are offering free trial in stock cash, stock future, nifty/bank nifty, MCX, Ncdex & forex market. For getting free trial pack you can fill trial form from site or call us on 08871093332. For any query or feedback feel free to mail us on support@moneyrise.in"*

e. The following products and services are listed on the website of Money Rise Research:

Stock Cash, Stock Future Regular, Stock Option, Premium Equity Cash, Base Metal Pack, Premium MCX, Premium Stock Future, Energy Regular Pack, NCDEX Premium, NCDEX Regular, BTST/STBT, PCG Pack, Equity Combo Package, Bullions Pack, MCX Regular

f. Three bank accounts held respectively with Axis Bank (a/c no. 915020013066326), ICICI Bank (a/c no. 004104572217) and State Bank of India (a/c no. 63001760916) were also mentioned on the website for receiving payments.

g. As per the transaction statement received from Payumoney, a total of Rs. 1,46,99,120.36 were received during the period May 20, 2015 to November 02, 2018 from various people. All the money received in the Payumoney account during the period January 14, 2016 and June 22, 2018 amounting to Rs. 1,13,91,686.49, was credited to the Axis Bank Account No. 915020013066326. The money received in the Payumoney account during the period June 26, 2018 to November 3, 2018 was credited to the HDFC Bank Account No. 50200030818755.

h. Since the transactions from Payumoney were traced back to Axis Bank account, which is in the name of Money Rise Research and HDFC Bank account, which is in the name of Mrise Info, it was observed that Money Rise Research and Mrise Info are the same entities registered in different persons' name and both the entities are managed by a group of people who are connected to each other and carrying out investment advisory services without registering with SEBI.

i. The details of various bank accounts as mentioned on the website and/or linked to the Payumoney account of the Noticee are, *inter alia*, as follows:

HDFC Bank Account No. 50200030818755

- Name of the Account Holder: Mrise Info
- Type of business: Proprietorship
- Account Holder: Mr. Abhishek Billore
- Account Opening Date: April 25, 2018

- Nature of Business: IT Services
- Address of the entity: Office No. 102, Swastik chamber, 9, Manoramaganj, Indore, MP- 452001
- Annual turnover: Rs.25 lakh
- Date of Incorporation: January 25, 2018
- KYC document: copy of the Trade License issued by Nagar Palik Nigam, Indore, with following details:
    - Name of Company: Mrise Info
    - Name of applicant: Abhishek Billore
    - License Validity: April 1, 2018 to March 31, 2019
    - Date of Registration: April 19, 2018
- Credits received: Rs. 33,90,893.61
- The transaction statement shows various entries where the narration is trading advice/fee

<u>Axis Bank Account No. 915020013066326</u>

- Name of the Accountholder: Money Rise Research
- Type of Business: Proprietorship
- Proprietor: Shri Shreyans Tongya
- Nature of Business: Share commodity Advisors
- Business Turnover: Rs. 3 lakh
- KYC document: Certificate from a Chartered Accountant dated March 11, 2015 certifying that the nature of business activity is share, commodity & advisors
- As per KYC. Shri Garvit Jain is shown as joint account holder and also the authorized signatory for accessing the bank account
- Addresses of Mr. Shreyas Tongya: 67-A, Vandananagar, Sector-A, Indore – 452018
- Address of Mr. Garvit Jain: House no. 50, Mahakavi Kalidas Path, Barnagar, Ujjain, MP – 456771
- Credits received: Rs. 2,28,15,523.77

- The transaction statement shows various entries where the narration is “trading call”

ICICI Bank Account No. 004104572217

- Name of Account Holder: Ms. Vishakha Ajmera
- Type of Account – Salary account
- Address of Vishakha Ajmera : 249-B, Goyal Nagar, H.No 221, Tehsil – Indore, Dist.– Indore, PIN- 452018
- The above account is a salary account linked to Trifid Research, a registered Investment Adviser
- There are total 10 debit/credit transactions with Mr. Shreyans Tongya in the bank statement
- It is observed from bank statement, credit of funds have been received for the purpose of share advisory fees, nse tips, moneyrise, equity options, Research Exp., etc.
- Based on the transactions and narration in the statement, it is understood that this account was actively used for investment advisory activities by Mr. Shreyans Tongya for Money rise research

SBI Account No. 63001760916

- Account Holder Name: Ms. Vishakha Ajmera w/o Shri. Shreyansh Tonga
- Address: 249-B, Goyal Nagar, H.No 221, Indore, Tehsil – Indore, District – Indore, Pin – 452018
- Occupation: house wife
- Credits received: Rs. 10,25,279.51

j. The SCN notes that the Noticees were not registered with SEBI as investment adviser. It was, therefore, alleged that the Noticees were engaged in the activities of an ‘investment adviser’ as defined under Regulation 2 (1) (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.

k. 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 dated July 07, 2021 was served on the Noticees vide Speed Post. Vide letter dated August 02, 2021, the Noticees requested for an extension of two months, considering the pandemic situation, to file a reply in the matter. The SCN dated December 20, 2021 was sent to the respective proprietorships of the Noticees vide speed post. While the SCN was delivered to Money Rise Research, the SCN sent to Mrise Info returned undelivered. The Noticees filed their respective replies dated February 24, 2022 in the matter.

4. The matter was placed before me on February 24, 2022 for granting of personal hearing in the matter. The Noticees were granted an opportunity for personal hearing on May 10, 2022. On the scheduled date of hearing, the Authorized Representatives of the Noticees appeared before me and made submissions on behalf of all the Noticees, reiterating the written replies filed by the respective Noticees. The submissions of the Noticees, *inter alia*, are as follows:

Noticee nos. 1 and 2

4.1. The complaints pertain to year 2018 and the SCN has been issued with a delay of three years, which is barred by limitation act.

4.2. Money Rise Research (hereinafter referred to as "**Money Rise**") was owned and controlled by Shri Vikas Sultanekar, who is the proprietor of Money Rise and Noticee nos. 1 and 2 were employees of Money Rise. The Noticees submitted their KYC details and signed some blank account opening forms for opening salary account but to their knowledge, the said accounts were never opened. Noticee nos. 1 and 2 do not have any knowledge of existence of the Payumoney account and other bank accounts mentioned in the SCN and Shri Vikas Sultanekar misused their documents and opened these bank accounts. Noticee nos. 1 and 2 are a victim of the acts of Shri Vikas Sultanekar.

4.3. Ms. Vishakha Ajmera had nothing to do with Money Rise, she never worked for Money Rise and has no nexus with said transactions.

4.4. The complainant has not made any complaint against Noticee nos. 1 and 2 and has named other executives of Money Rise the company which was under the control and command of Shri Vikas Sultanekar.

4.5. The excerpts of the website, referred in the SCN, are taken from a website of Indiamart, which is a B2B website and anybody can make a profile in any name, the contents do not disclose any link with Noticee nos. 1 and 2.

4.6. Noticee nos. 1 and 2 have never had any contact with either of the complainants and never represented Money Rise to the complainants. However, in the interest of justice, if any innocent person has been cheated by the acts of Shri VIkas Sultanekar, Noticee nos. 1 and 2 are willing to refund the said amounts upon verification of payment receipts/transaction ID.

4.7. Noticee nos. 1 and 2 do not have any connection with other Noticees as alleged in the SCN. There is no material to show that Noticee nos. 1 and 2 has any connection with the said website mentioned in the SCN.

4.8. As per the definition, investment advice shall necessarily include financial planning, there is no allegation on the Notices nos. 1 and 2 and the entity that they were conducting financial planning. The business of the entity was that of Research Analyst and not Investment Adviser.

Noticee no. 3

4.9. Noticee no. 3 has also denied any link with the website or the entities mentioned in the SCN. The excerpts of the website, referred in the SCN, are taken from a website of Indiamart, which is a B2B website and anybody can make a profile in any name, the contents do not disclose any link of the Noticee with the said website.

4.10. Noticee no. 3 has denied any connection with or knowledge of the Axis Bank and HDFC Bank accounts mentioned in the SCN. While accepting that the ICICI Bank account belongs to her, she has denied that the funds were received for the purpose of share advisory fees. Noticee no. 3 has further stated that the payments and the narrations against those fund transfers were made by close family members and other were against bonafide job undertaken in investment education and have been made for personal reasons. In absence of any complaint, mere mention of share advisory fees, nse tips, Moneyrise etc. as narration against fund transfers in her bank account does not mean that funds have been received for investment advisory services. Further, w.r.t. SBI account, the Noticee has submitted that the SCN has mentioned credits from 2005 when the IA Regulations came in year 2013 and the Noticee was a minor in 2005.

4.11. The Noticee has submitted that SCN has included her name based on her relationship with Noticee no. 1 and certain transactions done by her husband in her account, which cannot be a ground under any law. There is no allegation that the personal accounts of the Noticee are linked with Money Rise, but the SCN has observed that the said accounts belong to Money Rise as she is the wife of Shri Shreyans Tongya.

4.12. The Noticee has submitted that on perusal of the annexures and contents of website mentioned in SCN it is evident that the said company was not an investment advisor but a research analyst as there was no financial planning involved.

4.13. No complaint was received by SEBI against the Noticee and the allegations against her stems from her relationship with Noticee no. 1 (husband of Noticee no. 3) and the fund transfers made by Noticee no. 1 into her account.

Noticee no. 4

4.14. Noticee no. 4 has denied any link or knowledge of the entity as mentioned in the SCN. Noticee no. 4 was an employee of Mrise Info, which is a company of Mr. Vikas Sultanekar. The Noticee had given his ID and address proof and signed blank account opening forms to open salary account but to his knowledge the said account was never opened. The Noticee left the job in November 2018.

4.15. The Noticee has denied any knowledge of the HDFC Bank and Axis Bank accounts mentioned in the SCN. He alleged that Mr. Vikas Sultanekar has misused his documents and he cannot be held liable for the acts of Mr. Vikas Sultanekar. He is a victim of acts committed by Mr. Sultanekar.

4.16. Mrise Info was into providing educational products in IT/ITES sector and the Noticee did not witness any investment advisory activity in the company.

4.17. The Noticee has denied any links with other individuals and website mentioned in the SCN. The Noticee has never represented Mrise Info to either of the complainants, however, in the interest of justice, he has offered to refund the money to any person who has been cheated by the acts of Mr. Sultanekar.

4.18. The business of the entity Mrise Info was not of Investment Adviser but Research Analyst as investment advice necessarily include financial planning and there is no allegation in the SCN that the entity or the Noticee were conducting financial planning.

Consideration of submissions and findings:

5. 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.

6. At the outset, I note that the Noticees have submitted that the proceedings suffer from delay. In this regard, I note that first complaint in the matter was received on August 01, 2017 and the second complaint was received on August 11, 2018. The complainant had also submitted receipts issued in the name of "MR Research" and "Money Rise Research" respectively. Investigation into the matter involved seeking relevant information from the service providers and Banks, analysis of transaction and account details received from multiple sources including Payumoney, Axis Bank, ICICI Bank, HDFC Bank and State Bank of India, analysis of fund transfer transactions in the various bank accounts held with aforementioned banks, analysis of the contents of the website, etc. The investigation in the matter could be completed on September 16, 2020. The matter was then processed through the internal approval process of SEBI. I also note that this was a period which saw frequent lockdowns in the wake of COVID-19 pandemic when various workplaces including SEBI offices were functioning with minimum allowed staff strength. The SCN in the matter was issued on July 07, 2021. Vide letter dated the Noticees sought an extension of time to file their reply. Subsequently a separate SCN dated December 20, 2021 was also issued in the name of respective proprietorships of Noticee no. 1 and 4. The SCN was served upon the Noticees through speed post, however, no reply was received from the Noticees. Thereafter, the file was placed before me on February 24, 2022 for granting a hearing to the Noticees. Personal hearing in the matter was scheduled for May 20, 2022. The Noticees filed a reply dated April 26, 2022 in the matter which was received in SEBI on April 27, 2022. I note that all supporting documents relied upon in the SCN have been provided to the Noticees. Therefore, I do not agree with the contention made by the Noticees that there was delay in issuance of SCN to the Noticees. Further, I note that in their reply the Noticees have not pointed out specifically as to how the purported delay, if any, has prejudiced the Noticees in putting their defence. I also note that the Noticees have not stated as to what record/document/evidence that could not be

accessed by them because of the purported delay in the matter. In view of the above facts, I find that no prejudice has been caused to the Noticees due to the purported delay in the issue of SCN nor have the Noticees been able to make out a case about any prejudice due to the purported delay in the issue of SCN. Thus, I find that the contention of alleged delay in the issuance of SCN, is not sustainable in the facts and circumstances of the present case.

7. The Noticees have contended that the complainant had not made any complaint against the Noticees and named other executives of Money Rise and that they never had any contact with the complainants. The Noticees have contended that they are not the proprietors of Money Rise and Mrise Info and that these entities were under the control of one Shri Vikas Sultanekar. The Noticees were only employees and had provided their KYC details to open salary account and the said accounts were never opened. The Noticees have also denied knowledge of any Payumoney accounts and other bank accounts and alleged that Shri Vikas Sultanekar has misused their documents and opened these bank accounts and they are victims of the acts of Shri Vikas Sultanekar. In this regard, I note that while the Noticees have claimed that the owner of Money Rise and Mrise Info is Shri Vikas Sultanekar and that they were merely employees, they have not submitted any documents/proof like salary slip, ID card copy, bank statement showing credit of salary etc. in support of their claims. Therefore, in absence of any evidence in support of their claims, I am not inclined to accept the claims made by the Noticees in this regard. Further, with respect to the Noticees' contention that they were not the proprietors of Money Rise and Mrise Info and that they had no knowledge of how their details and documents were used to open the bank account, I note that the account opening forms (AOF) and other KYC details were received from HDFC Bank and Axis Bank and Payumoney. From the details received from Payumoney, I note that the Payumoney account was linked to Axis Bank account and HDFC Bank account. The Payumoney account was linked to Axis Bank account of the Noticees till June 22, 2018 and to HDFC Bank account after that. From the AOF and KYC Details received from Axis Bank, I note that the Axis Bank AOF was signed by Noticee no. 1 and Noticee no. 2 on behalf of Money Rise. As per the field

verification forms for current account provided with the AOF, at the time of opening the bank account two Axis Bank officials visited the premises of Money Rise and the contact person for the visit was Noticee no. 1. The KYC documents provided by Axis Bank also includes a copy of registration certificate issued by District Labour Office, Indore, which bears the name of Money Rise and Noticee no. 1. The copy of registration certificate has also been signed and stamped by Noticee no. 1, as proprietor of Money Rise and verified by the bank officials with original. The Axis bank AOF, KYC documents and the verification done by Axis Bank officials shows that Noticee no. 1 and Noticee no. 2 opened the bank account in the name of Money Rise with Axis Bank. Even if one were to consider the claim of the Noticees that they signed blank AOF and provided KYC documents to Shri Vikas Sultanekar to open salary accounts, the Noticees have failed to explain why both Noticees signed the same form to open salary account. If the Noticees were signing blank AOFs to open salary account, they would have applied for separate salary accounts. Further, the Noticees have failed to explain how their signature appears on the copy of the registration certificate issued by District Labour Office, Indore, which bears the name of Noticee no. 1 as proprietor of Money Rise. The Noticees have also failed to explain how the verification done by Axis Bank could have been done without active participation of the Noticees. With respect to the bank account held with HDFC Bank, the AOF and KYC documents received from HDFC Bank shows that the AOF was signed by Noticee no. 4 on behalf of Mrise Info. Further, I note that the HDFC Bank officials have certified that they have seen the original KYC documents and that the customer signed in the presence of HDFC Bank official. The KYC documents provide by HDFC Bank includes a copy of the trade licence issued by Nagar Palik Nigam, Indore, to Mrise Info and which bears the name of Noticee no. 4 as the applicant. The copy of trade licence has also been signed and stamped by Noticee no. 1, as proprietor of Mrise Info and verified by the bank officials with original. The HDFC bank AOF, KYC documents and the verification done by HDFC Bank officials shows that Noticee no. 4 opened the bank account in the name of Mrise Info with HDFC Bank. Even if one were to assume that the claim of the Noticees that they signed blank AOF and provided KYC documents to Shri Vikas Sultanekar to open salary accounts, the Noticees have failed to explain how their signature appears on the copy of the trade licence issued by Nagar Palik Nigam, Indore, which bears the name of Noticee no. 4 as the applicant on behalf of Mrise Info. The Noticees have also failed to explain how the verification done by HDFC Bank could have been be done without active participation of Noticee no. 4. In view of the above, I note that the officials of the respective banks had carried out the customer identification and customer due diligence at the time of opening of the respective bank accounts after following the procedure laid down by Reserve Bank of India. The accounts have, therefore, been opened based on the documents provided by the respective Noticees and verified by the bank employees. In the said documents there is no mention of any Vikas Sultanekar. I also note that while the Noticees have alleged that their KYC and other documents submitted by them to Shri Vikas Sultanekar were misused to open the bank accounts, they have not made any submission or submitted any document/evidence to show that they have taken any action (civil or criminal) against the said Vikas Sultanekar for such misuse and fraud committed by him. Instead, I find that the Noticees have offered to refund any investors, who have been cheated by Shri Vikas Sultanekar. Therefore, on one hand the Noticees have alleged that their documents were misused by Shri Vikas Sultanekar and they are a victim of his acts, on the other hand the Noticees have offered to refund any investors cheated by Shri Vikas Sultanekar. Such rare generosity shown by Noticees towards fellow victims of fraud alleged to have been committed by other person, gives rise to an inference that such violations alleged in the SCN against the Noticees are correct and defence put forth by the Noticees, is mere afterthought. The above mentioned submissions of the Noticees leads to inference that the Noticees are in fact the respective proprietors of Money Rise and Mrise Info and also the beneficiaries of the respective bank accounts through which consideration was being received for the services offered by Money Rise and Mrise Info. In view of the above, I find that the contention raised by the Noticees that the complainant had not named Noticee no. 1 and Noticee no. 2 is of no consequence as it is clear that Noticee no. 1, Noticee no. 2 and Noticee no. 4 were proprietors of Money Rise and Mrise Info, respectively, and beneficiaries of the bank accounts held in the name of Money Rise and Mrise Info, respectively. The Noticees, by alleging that Shri Vikas Sultanekar owned and controlled Money Rise and Mrise Info and opened the bank accounts by misusing the documents submitted by the Noticees, have tried to mislead and cover up their role in the alleged violations in order to escape the consequences of the present proceedings. In view of the above, I find that the contentions made by the Noticees are untenable.

8. I note that 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;"*

9. Further, 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;"*

10. In this regard I note that as alleged in the SCN, the website available on www.indiamart.com (hereinafter referred to as "**Money Rise website**") (link: https://www.indiamart.com/money-rise/aboutus.html), claimed as follows:

> *"Money Rise Research Advisors is fastest growing investment advisory company. Money rise Investment company provides recommendations in all segment of stock market like Capital Market, Commodity Market, Forex Market etc.*
>
> *….*
>
> *"We are offering free trial in stock cash, stock future, nifty/bank nifty, MCX, Ncdex*

& forex market. For getting free trial pack you can fill trial form from site or call us on 08871093332. For any query or feedback feel free to mail us on support@moneyrise.in"

11. Money Rise website also claimed to provide the following products/services:

Stock Cash, Stock Future Regular, Stock Option, Premium Equity Cash, Base Metal Pack, Premium MCX, Premium Stock Future, Energy Regular Pack, NCDEX Premium, NCDEX Regular, BTST/STBT, PCG Pack, Equity Combo Package, Bullions Pack, MCX Regular

12. From the above, I note that Money Rise website claimed that Money Rise Research Advisors is an advisory company and offered recommendations in stock market, capital market, commodity market, forex market segments. The website also claimed to offer various products/services under different packages such as Stock Cash, Stock Future Regular, Stock Option, Premium Equity Cash, Base Metal Pack, Premium MCX, Premium Stock Future, Energy Regular Pack, NCDEX Premium, NCDEX Regular, BTST/STBT, PCG Pack, Equity Combo Package, Bullions Pack, MCX Regular. The website also provided details of the services offered under each package, e.g. for "Stock Cash" product the website stated

"In Stock Cash package we provide stock cash intraday tips for traders. We provide trading levels for buying and selling with proper targets and stop loss so traders can get maximum benefit out of intraday movement in securities on daily basis. This also reduces risk for traders as they book profits in the day itself so they don't have to take overnight market risk and also the margin requirement is not huge so traders with small amount of capital also participate in flourishing stock markets."

13. The Money Rise website also provided pricing details of the packages offered on the website. The pricing details of some of the services and packages offered on the website are as follows:

Stock Cash	
Monthly	*Rs. 6,000*
Quarterly	*Rs. 15,500*

Stock Future	
Monthly	*Rs. 7,000*
Quarterly	*Rs. 18,500*

Stock Option	
Monthly	*Rs. 5,000*
Quarterly	*Rs. 12,500*

Half Yearly	*Rs. 27,500*
Yearly	*Rs. 50,500*

Half Yearly	*Rs. 33,500*
Yearly	*Rs. 62,500*

Half Yearly	*Rs. 21,500*
Yearly	*Rs. 37,500*

14. I note that the Noticees have contended that the definition of "investment advice" under Regulation 2(1)(l) of IA Regulations, 2013 shows that investment advice shall necessarily include financial planning and the allegation in the SCN is that the Noticees were giving buy/sell recommendations in stock markets and there is no allegation in the SCN that the Noticees were conducting financial planning. The Noticees have also contended that a person who is providing buy/sell recommendations in stock market and is not undertaking any financial planning falls under the category of Research Analyst and not Investment Adviser. I note that the allegation in the SCN is that the Noticees were engaged in the activities of investment adviser without seeking registration from SEBI. In this regard, I note that Money Rise website also provided a link titled "risk profile' for carrying out risk profiling of clients which shows that the Noticees were undertaking risk profiling of the investors. Risk profiling is an essential for rendering investment advice wherein the focus is the investor's financial objective unlike research analyst activity wherein the focus is the securities irrespective of the risk profile of the investor. This indicates that the activities being undertaken by the Noticees were investment advisory activities. Further, with respect to the contention of the Noticees that investment advice shall necessarily include financial planning, I note that the definition of 'investment advice' as given under Regulation 2(1)(l) of the IA Regulations, 2013 first describes what is meant by investment advice and then uses the phrase "and shall include financial planning'. In "means" and "and shall include" definitions, "means" part gives the meaning of the term which is being defined and "and shall include" part specifies those things which may not otherwise get covered under the "means" part of the definition.[1] In the present case, the definition of 'investment advice' starts with the words, "*means advice relating to investing in purchasing, selling or otherwise dealing in securities or investment products*………." and then goes on to state that "*and shall also include financial planning".* As discussed before, it only shows that financial planning has been

[1] DAV College Trust and Management Society & Ors. Vs. Directorate of Public Instructions & Ors. (2019) 9 SCC 185 (Paras 15, 16 and 17)

specifically brought under the ambit of investment advice by using “and shall include” which otherwise may not get covered in the “means” part of the definition. The presence of “financial planning” in the “*and shall include*” part of the definition does not make “financial planning” an ingredient of the investment advice, rather it merely shows that “financial planning” is also investment advice independent of what has been stated in the “means” part of the definition. Therefore, the contention of the Noticees in this regard is untenable. In view of the above and the fact that the Money Rise website had a dedicated link titles ‘risk profile’ for risk profiling of investors, I find that the services and packages offered on the Money Rise website falls squarely under the definition of ‘investment advice’ as provided under Regulation 2(1)(l) of the IA Regulations, 2013. Regarding the contention of the Noticees that the giving of buy/sell recommendations without any financial planning falls under the activities of research analyst and not investment advisory, I note that definition of “research analyst” as given under Regulation 2(1)(u) of SEBI (Research Analysts) Regulations, 2014 (hereinafter referred to as “**RA Regulations, 2014**”), provides as under:

> *“(u) “research analyst” means a person who is primarily responsible for,-*
>
> *i. preparation or publication of the content of the research report; or*
>
> *ii. providing research report; or*
>
> *iii. making 'buy/sell/hold' recommendation; or*
>
> *iv. giving price target; or*
>
> *v. offering an opinion concerning public offer,*
>
> *with respect to securities that are listed or to be listed in a stock exchange, whether or not any such person has the job title of 'research analyst' and includes any other entities engaged in issuance of research report or research analysis.*
>
> *Explanation.-The term also includes any associated person who reports directly or indirectly to such a research analyst in connection with activities provided above;”*

The aforesaid definition of “research analyst” enlists certain activities, responsibility for which makes a person “research analyst”. A perusal of the aforesaid definition *prima facie* gives an impression that an entity performing all or any of the activities mentioned therein would qualify as "research analyst". However, when the said definition is read with other definitions and provisions of the RA Regulations, 2014 viz: definitions of "research entity" and "research report", it emerges that activities mentioned in Clauses (iii), (iv) and (v) must be part of research report as referred to in Clauses (i) and (ii) thereof. In other words, making buy/sell recommendations, giving price targets or opinion on a public offer must be contained in a research report. Therefore, the contention of the Noticees their act of giving buy/sell recommendation without any accompanied research analysis or report containing basis of investment decision, falls under the activities of "research analyst" is not correct.

15. Further, the SCN has alleged that as per the payment page on the Money Rise website, I note that in order to make payments for availing the services offered on the website, the following bank account details were provided on the website:

Account Name	Account No.	IFSC Code	Account Type	Branch Name
Money Rise Research	915020013066326	UTIB0001514	Current	Kanadiya Road, Indore
Vishakha Ajmera	004104572217	ICIC0000041	Saving	Malav Parisar, Indore
Vishakha Ajmera	63001760916	SBIN0030412	Saving	Goyal Nagar, Indore

16. The SCN alleged that these three bank accounts were mentioned on the Money Rise Website for receiving the fee towards services being offered through the website. In view of the fact that investment advice was being offered through the Money Rise website and the packages mentioned on the Money Rise website also had prices mentioned therein and payment details were also provided on the website, and that the said details were of the bank accounts of Noticee nos. 1, 2 and 3, the SCN has alleged find that 'investment advice' as provided under Regulation 2(1)(l) of the IA Regulations, 2013, in lieu of consideration, was being offered by Noticee nos. 1, 2 and 3. In this regard, I note that the Noticees have contended that the excerpts of the website mentioned in the SCN are taken from Indiamart, which is a B2B website and anyone can make a profile in any name and the Noticees have no link with the website or the entities mentioned in the SCN. Further, Noticee no. 1 and 2 have contended that they have no link with other

Noticees. In this regard, I note that during examination, SEBI procured the KYC document, Account Opening Forms and account statements of the aforementioned bank accounts. As discussed earlier in para 7 above, it has been found that the bank account held with Axis Bank belonged to Money Rise Research and the said account was opened by Noticee nos. 1 and 2. Further, from the documents received from ICICI Bank and State Bank of India, I note that the said accounts belong to Noticee no. 3. Noticee no. 3 has not denied that both these accounts belong to her, however, she has contended that the funds received in these accounts were not for the purpose of share advisory fees. Noticee no. 3 has also contended that there is no allegation in the SCN that her bank account was linked with Moneyrise Research. In this regard, I note that the Noticees have not explained that if they were not running the Money Rise website, then why were their bank accounts mentioned on the said website, for receiving the fee towards services being offered through the website. It defies logic that someone will create a website to offer advisory services and for receiving the consideration for such services, give the bank account details of the Noticees, thereby, depriving himself of the benefits of such activities. In view of the above, it is clear that Money Rise website was being run by the Noticee nos. 1, 2 and 3. I also note that the first complainant had made the payment to the Noticees through Payumoney account. SEBI procured the KYC documents from Payumoney as well. As per the documents received from Payumoney, the Payumoney account was linked to the Axis Bank account of the Noticee nos. 1 and 2, mentioned above and HDFC Bank account of Noticee no. 4. The SCN also observed that the payment made by the first complainant was credited to the Axis Bank account. Further, the second complainant had stated that he made the payment to the Axis Bank account. From the transaction statement of the Axis Bank account, it was observed that the monies paid by both the complainants were credited to the Axis Bank account. With respect to the contention of Noticee no. 3 that the funds received in her accounts were not for the purpose of share advisory fee but from close family members and payment against bonafide job undertaken in investment education and that the SCN has linked her bank account with investment advisory activities merely on the basis of narrations used in her bank account, I note that in case of several transactions in the bank accounts of Noticee no. 3 the narration includes words such as ‘share advisory fees’, ‘moneyrise’, ‘nsetips’, ‘moneyrise vinod’, ‘equity option’, ‘share tips fee’. Noticee no. 3 has also failed to provide any evidence in support of her claim that the said funds were received from family members or towards bonafide job undertaken in investment education. Further, Noticee no. 3 has also failed to explain that if the funds have been received from close family members then why narrations such as share advisory fee, nse tips, moneyrise, etc appear against the respective credits in the bank account statement. Receipt of such unexplained funds in the bank account of Noticee no. 3 and the fact that the bank accounts of Noticee no. 3 were mentioned on the Money Rise website for payment of fee, proves that funds were being received in the said bank accounts of Noticee no. 3 towards investment advisory services being offered through Money Rise website. With respect to the contention of Noticee no. 3 that there is no specific allegation against her in the SCN and that she has been made a Noticees based on her relationship with Noticee no. 1 and that there is no allegation in the SCN regarding her bank account were linked to Money Rise, I note that these contentions are factually incorrect and that the SCN contains specific allegation against Noticee no. 3 and evidence in support of the allegation that the bank account of Noticee no. 3 were mentioned on the Money Rise website and hence Noticee no. 3 was linked to the other Noticees and their proprietorship concerns. Further, allegations against Noticee no. 3 have been made, *inter alia*, on the basis of her account being mentioned on the Money Rise website and the credits observed in her account, which shows that the account of Noticee no. 3 was being used to receive fee for the services offered on the Money Rise website. Therefore, I view of the above, it is clear that the Money Rise website was being run by Noticee nos. 1, 2 and 3. As discussed earlier, Money Rise website was being used to provide investment advisory services. Therefore, the contentions made by the Noticees in this regard are untenable. In view of the above, I find that investment advisory services were offered through Money Rise website by Noticee nos. 1, 2 and 3. Further, since the Payumoney account of the Noticees was linked to the Axis Bank account of Noticee no. 1 and 2 held in the name of Money Rise, till June 22, 2018 and thereafter, with HDFC Bank account of Noticee no. 4 held in the name of Mrise Info, it is clear that these two entities, i.e. Money Rise and Mrise Info were created to offer investment advisory services and such services were offered, *inter alia*, through Money Rise website. Therefore, I find that 'investment advice' as provided under Regulation 2(1)(l) of the IA Regulations, 2013, in lieu of consideration, was being offered by the Noticees, *inter alia*, through Money Rise website.

17. During examination, SEBI also procured the transaction statements of the aforementioned bank accounts of the Noticees held with Axis Bank, HDFC Bank, ICICI Bank and State Bank of India and also from Payumoney. Noticee no. 3 has contended that the SCN mentioned credits in one of her bank accounts since 2005 when she was a minor and which is before the notification of IA Regulations, 2013. In this regard on examining the narrations in the aforementioned statements, the earliest entry depicting solicitation of clients for advisory purposes was observed in ICICI Bank Account pertaining to credit entry dated March 12, 2015, i.e. "Share Advisory". Therefore, the period considered for computation of fee towards unregistered Investment advisory services is taken from March 12, 2015 till respective dates of bank statements on record. It was noted that the credits received in the said bank accounts during the period were as follows:

Bank Name	Account Number	Statement period	Amount credited
Axis Bank	915020013066326	08-01-2016 to 17-11-2018	2,28,15,523.77
ICICI Bank	004104572217	12-03-2015 to 22-07-2020	15,37,600.46
State Bank of India	63001760916	19-03-2015 to 25-06-2020	6,48,772.51
HDFC Bank	50200030818755	25-04-2018 to 12-11-2018	33,90,893.61
		Total	2,83,92,790.35

18. From the aforesaid facts, I find that the Noticees were engaged in giving advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, *inter alia*, through Money Rise website, 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, are covered by the definition of "Investment

Adviser" as given in Regulation 2(1)(m) of the IA Regulations, 2013. As noted above, Rs. 2,83,92,790.35 were cumulatively received in the Noticees' bank accounts. Hence, I find that the Noticees were engaged in the business of providing investment advice to his clients, for consideration, and thus, acting as investment adviser, as defined under Regulation 2(1)(m) of the IA Regulations, 2013. In view of the above discussion, I also find that the contentions of the Noticees that the activities of Money Rise/Mrise Info were in the nature of research analyst or that the activities were in the nature of providing educational products, are untenable.

19. 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:"*

20. 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 have 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.

21. 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:

   a. 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;

   b. 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:
      i. 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;
      ii. An experience of at least five years in activities relating to advice in financial products or securities or fund or asset or portfolio management;
      iii. 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

c. 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.

22. 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 acting as an Investment Adviser, although they were not registered with SEBI in the capacity of Investment Adviser. 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.

23. As discussed in para 17 above, Rs. 2,83,92,790.35 were received in the four bank accounts of the Noticees held with, Axis Bank, ICICI Bank, State Bank of India and HDFC Bank, as fees for unregistered investment advisory activities. I note that while Noticee no. 3 has claimed that the funds in her account were received towards bonafide jobs undertaken in investment education or were received from family members, Noticee no. 3 has failed to provide any evidence in support of her claim. Other Noticees have simply claimed that the bank accounts were opened by a third party namely Shri Vikas Sultanekar and the said account do not belong to them. In view of the above, Noticee no. 3 is at liberty to provide necessary proof in support of her claims to the independent Chartered Accountant and the same may be considered by the independent Chartered Accountant while certifying the refunds made by the Noticees, as is being directed in para 25 below.

24. I also note that in the case of Shri C. Paranitharan and Others and Trend Market Advisory Services, SEBI had passed orders dated July 05, 2022 and July 07, 2022,

respectively, *inter alia* directing the Noticees therein to refund the fees or consideration received from investors in respect of their unregistered investment advisory activities. In the respective appeals filed against these orders by the respective Noticees, Hon'ble Securities Appellate Tribunal vide common order dated September 21, 2022 *inter alia* directed the appellants therein to deposit the balance amount after making refunds to investors, with SEBI. It was also directed that the balance amount deposited with SEBI shall be kept in escrow account for a period of one year and be distributed to any claimants and thereafter, the remaining amount, if any, will be deposited in the Investor Protection and Education Fund.

<u>Directions:</u>

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

a. The Noticees shall jointly and severally, within a period of three months from the date of this order, refund the money received from any clients/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 clients/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. After completing the refund as directed in para 25(a) above, within a period of 15 days, the Noticees shall file a report detailing the amount refunded to SEBI addressed to the Division Chief, Division of Registration-2, Market Intermediaries Regulation and Supervision Department (MIRSD), SEBI Bhavan II, Plot No. C7, G Block, Bandra Kurla Complex, Bandra (East) Mumbai - 400051. The report should be duly certified by an independent Chartered Accountant and indicate the amount, mode of payment by banking transactions, name of the parties, communication address, mobile numbers and telephone numbers etc.;

e. 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 Noticees. Thereafter, remaining amount if any will be deposited in the Investor Protection and Education Fund maintained by SEBI;

f. The Noticees are restrained from selling his assets, properties and holding of mutual funds/shares/securities held by him in demat and physical form except for the sole purpose of making the refunds/ depositing balance amount with SEBI, 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 and depositing balance amount with SEBI, as directed in this order, from the bank accounts of the Noticees;

g. 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 along with depositing of balance amounts, if any, with SEBI as directed in para 25(a) and 25(e) above, whichever is later;

h. Upon submission of report on completion of refunds to complainants/ investors to SEBI and deposit of the balance money with SEBI, if any, the direction at para 25(f) above shall cease to operate within 15 days thereafter;

i. The Noticees shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in para 25(g) 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.

26. The direction for refund and depositing the balance amount with SEBI, as given in para 25(a) and 25(e) 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.

27. This order comes into force with immediate effect.

28. 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: March 10, 2023 **ANANTA BARUA**

Place: Mumbai **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA