

National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/56421	Date: April 19, 2023
Circular Ref. No: 99/2023	

To All NSE Members

Sub: SEBI Order in the matter of Insight Research, Prop. Anil Gurjar

SEBI vide its order no. QJA/GG/WRO/WRO/25846/2023-24 dated April 19, 2023 has hereby debarred the entity Shri. Anil Gurjar Proprietor of Insight Research (PAN: BKAPG9965K) from accessing the securities market, directly or indirectly and is prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of 6 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 31(a) and 31(e) of SEBI Order, whichever is later;

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. Abhishek Goenka (Extension: 23449), Mr. Sandesh Sawant (Extension: 23345)

Direct No: 022-26598417/18 Fax: 022-26598195

National Stock Exchange of India

**For and on behalf of
National Stock Exchange of India Limited**

**Sandesh Sawant
Senior Manager**

ANNEXURE: - SEBI Order in the matter of Insight Research, Prop. Anil Gurjar

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

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

In respect of:

NOTICEE	PAN
Shri. Anil Gurjar Proprietor of INSIGHT RESEARCH	BKAPG9965K

In the matter of Unregistered Investment Adviser.

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) had received a complaint against Insight Research, which is a sole proprietorship concern of Mr. Anil Gurjar (hereinafter referred to as “**Noticee**”) from one, Shri. Manjit Singh Minhas (hereinafter referred to as “**Complainant**”), wherein, it was *inter alia* alleged that the Noticee was operating a website by the name www.insightresearch.in and the Complainant had invested Rs.1,49,700 and Rs.50,000 with the Noticee for share trading.
2. Pursuant to receipt of the above mentioned complaint, SEBI conducted an examination in the matter and thereafter, had issued a Show Cause Notice dated May 30, 2022 (hereinafter referred to as “**SCN dated May 30, 2022**”) and a Supplementary Show Cause Notice dated January 10, 2023 (hereinafter referred to as “**Supplementary SCN**” and both the aforesaid show cause notices are hereinafter collectively referred to as “**SCN**”), against the Noticee on the basis of findings contained in the examination report, *inter alia* alleging that the Noticee had carried out investment advisory activities and held themselves out as ‘*investment advisers*’ without obtaining a Certificate of registration from SEBI in

violation of the provisions of Section 12(1) of the SEBI Act, 1992 (hereinafter referred to as “**SEBI Act**”) read with Regulation 3(1) of SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as “**IA Regulations**”).

3. The facts of the case, as mentioned in the SCN, are as follows:

i. The Noticees through their website *www.insightresearch.in* (the website is no longer active; however, archive pages of the website were downloaded from *web.archive.org*), had *inter alia* stated that: “Here we are stand on only for providing accurate equity and commodity market tips to the clients with high accuracy. We believe on client satisfaction because we value your money. We offer customised intraday/positional tips based on research of the market to help our clients take advantage of the share market. Insight research financial services provide technical and fundamental research assistance for traders and investors. Our goal is to achieve higher returns on our customers’ investments. Our expert advise on equity or commodity market will help you earn more profits with a proper trading while you are new in the market.”

ii. Through their website, the Noticees had offered prospective clients, the following services:

- a. Stock cash tips
- b. Commodity tips
- c. Option tips
- d. Nifty future tips
- e. Stock future tips
- f. Base metals & energies
- g. Prime equity
- h. Smash equity

iii. The Complainant had mentioned in the complaint that the funds were transferred to the following bank account:

Name of bank	Account number	Name of account holder
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Bandhan Bank	50200017168710	Shri. Anil Gurjar
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- iv. The account statements, KYC details and Account Opening Form of the said account were examined by SEBI and it was noted that the account was opened in the name of one Shri. Anil Gurjar. It was also observed that the account was opened on September 13, 2020, and that from the date of opening till July 16, 2021, Rs. 6,77,830/- were credited in the said account.
 - v. In view of the above, it was alleged that the Noticee was engaged in the activities of an 'investment adviser' as defined under Regulation 2(1) (m) of the IA Regulations, without obtaining registration from SEBI, as required under Section 12(1) of SEBI Act read with Regulation 3(1) of IA Regulations, thereby violating the said provisions of the SEBI Act and the IA Regulations. The SCN had thus, called upon the Noticee to show cause as to why suitable directions under Sections 11(1), 11(4), 11B(1) and 11B(2) of the SEBI Act should not be issued against him for the alleged violations.
4. The SCN dated May 30, 2022 was issued through Speed Post which had come back undelivered with a remark "Item Returned Addressee moved". Thereafter, the service of the said SCN was effected through newspaper publications dated June 22, 2022 as detailed hereunder:

Noticee	Address	SCN No. and date	Newspaper where public notice was published
Insight Research (Proprietor: Shri. Anil Gurjar)	17 Shree Ram Nagar Bangli Square Nr. Kali Mata Mandir Indore (M.P.) 452016	SEBI/WRO/ILO/ MN/OW/P/23036/ 1/2022	English – Times of India (Indore edition) Hindi – Nai Dunia (Indore edition)

5. Vide letter dated September 16, 2022, another attempt to service the SCN dated May 30, 2022 was made to the office address of the Noticee as retrieved from the web archive of the Noticee's website. However, the said letter and a copy of the SCN dated May 30, 2022 came back undelivered with a remark "Item Returned No such person in the address". Thereafter, an attempt was made to affix a copy of the SCN dated May 30, 2022 on September 20, 2022 on two

different addresses of the Noticee. However, as noted from the “Report on service of Notice by way of Affixture”, the Notice was not allowed to be affixed. Thus, the service of the said SCN was again effected through newspaper publications dated October 06, 2022 as detailed hereunder:

Noticee	Address	SCN No. and date	Newspaper where public notice was published
Insight Research (Proprietor: Shri. Anil Gurjar)	302, Prince Plaza Second Floor Near Sapna Sangeeta Inox Indore (M.P.) 452001	Letter No. SEBI/WRO/ILO/NM/O W/P/48947/1/2022 dated September 16, 2022 forwarding SCN No. SEBI/WRO/ILO/MN/O W/P/23036/1/2022 dated May 30, 2022	English – Times of India (Indore edition) Hindi – Nai Dunia (Indore edition)

6. Pursuant to service of the SCN dated May 30, 2022 through newspaper publication, an opportunity of hearing was granted to the Noticee on November 03, 2022 through hearing notice dated October 18, 2022 sent to the two known address of the Noticee, which came back undelivered with a remark “Item Returned Addressee moved” and “Item Returned Insufficient Address”, respectively. The said hearing notice was also served through email to the Noticee’s email id: compliance@insightresearch.in and contact@insightresearch.in on October 19, 2022. Further, an attempt was made to affix the said hearing notice to the two last known addresses of the Noticee. However, as noted from the “Report on service of Notice by way of Affixture”, the hearing notice was not allowed to be affixed. Thus, the service of the hearing notice dated October 18, 2022 was again effected through newspaper publications dated October 29, 2022 as detailed hereunder:

Noticee	Address	SCN No. and date	Newspaper where public notice was published
Insight Research (Proprietor: Shri. Anil Gurjar)	17 Shree Ram Nagar Bangli Square Nr. Kali Mata Mandir Indore (M.P.) 452016	SEBI/WRO/ILO/NM/ OW/P/53164/1/2022 dated October 18, 2022	English – Times of India (Indore edition) Hindi – Nai Dunia (Indore edition)

	302, Prince Plaza Second Floor Near Sapna Sangeeta Inox Indore (M.P.) 452001	SEBI/WRO/ILO/NM/ OW/P/53165/1/2022 dated October 18, 2022	
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7. However, the Noticee neither filed any reply to the SCN dated May 30, 2022 nor appear for the hearing or requested for adjournment.
8. Thereafter, a Supplementary SCN along with hearing notice was issued through Speed Post which had come back undelivered with the remark "Item Returned No such person on the address". Further, the said hearing notice was also served through email to the Noticee's email id: compliance@insightresearch.in and contact@insightresearch.in on January 10, 2023. Thereafter, the service of the said Supplementary SCN and hearing notice was also effected through newspaper publications dated February 01, 2023 as detailed hereunder:

Noticee	Address	Suppl. SCN No. and date	Hearing Notice	Newspaper where public notice was published
Insight Research (Proprietor: Shri. Anil Gurjar)	17 Shree Ram Nagar Bangli Square Nr. Kali Mata Mandir Indore (M.P.) 452016	SEBI/WRO/ILO/NM/OW/P/01069/1/2023 dated January 10, 2023	SEBI/WRO/ILO/AM/OW/P/01109/1/2023 dated January 10, 2023	English – Times of India (Indore edition) Hindi – Nai Dunia (Indore edition)
	302, Prince Plaza Second Floor Near Sapna Sangeeta Inox Indore (M.P.) 452001	SEBI/WRO/ILO/NM/OW/P/01072/1/2023 dated January 10, 2023	SEBI/WRO/ILO/AM/OW/P/1110/1/2023 dated January 10, 2023	

9. However, I note that the Noticee neither filed any reply to the Supplementary SCN, nor appeared for the hearing scheduled for February 28, 2023 or requested for adjournment.
10. From the above, I note that considerable effort has been made to serve the SCN's and hearing notices to the Noticee and that the principles of natural justice

have been adhered to in this regard. However, I note that the Noticee has neither filed any reply to the SCNs nor availed the opportunity of personal hearing granted to it on two occasions or requested for adjournment of the same. Hence, I will proceed to consider the matter on the basis of the material available on record.

Consideration of submissions and findings:

11. I have considered the SCN along with all the material available on record. I note that the Noticee has not filed any reply to the SCN or made any submission for consideration during the course of these proceedings despite the opportunities granted to him.
12. The SCN has alleged that the Noticees had held themselves out as '*investment advisers*' without obtaining registration from SEBI in violation of the provisions of Section 12(1) of the SEBI Act read with Regulation 3(1) of the Investment Advisers Regulations. I note that the definition of Investment Adviser 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;"

Further, Regulation 2(1)(l) of IA Regulations defines 'investment advice' 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;"

13. In the instant proceedings, I note that the Complainant had alleged that the Noticee was operating a website by the name *www.insightresearch.in* and the Complainant had invested Rs. 1,49,700 and Rs. 50,000 with the Noticee for share trading. Upon examining the said website, it was observed that the website was providing “*accurate equity and commodity market tips to the clients with high accuracy*”. Further, as per the website “*We offer customised intraday/positional tips based on research of the market to help our clients take advantage of the share market. Insight research financial services provide technical and fundamental research assistance for traders and investors. Our goal is to achieve higher returns on our customers’ investments. Our expert advise on equity or commodity market will help you earn more profits with a proper trading while you are new in the market.*” From the same, it is observed that the website was offering customized intraday/positional tips to prospective clients. Further, it was observed that the website was offering the following services:

“Pricing Table:

Stock tips/ Nifty future tips/ Stock future tips/Index option tips/stock option tips	
<i>Evaluation pack</i>	2999/-
<i>Monthly</i>	9999/-
<i>Quarterly</i>	26999/-
<i>Half yearly</i>	50999/-
Option combo	
<i>Monthly</i>	17999/-
<i>Quarterly</i>	48499/-
<i>Half yearly</i>	97199/-
Prime cash/ Prime future/ Prime option	
<i>Evaluation pack</i>	10499/-
<i>Monthly</i>	34999/-
<i>Quarterly</i>	94999/-
<i>Half yearly</i>	178499/-
Cash/future/option	
<i>Monthly</i>	17999/-
<i>Quarterly</i>	48499/-
<i>Half yearly</i>	97199/-
BTST/STBT	
<i>Monthly</i>	14000/-
<i>Quarterly</i>	35700/-
<i>Half yearly</i>	63000/-

Yearly	126000/-
Positional cash	
Monthly	12000/-
Quarterly	30600/-
Half yearly	54000/-
Yearly	108000/-
Base metals/ energy/bullion	
Evaluation pack	4999/-
Monthly	14999/-
Quarterly	40499/-
Half yearly	80999/-
Bullion/ base metal/energy	
Monthly	9999/-
Quarterly	26999/-
Half yearly	50999/-
ABR Smash equity	
Monthly	105000/-
Quarterly	283500/-
Half yearly	535500/-
Yearly	1008000/-

Our main services:

Stock cash tips
 Commodity tips
 Option tips
 Nifty future tips
 Stock future tips
 Base metals & energies
 Prime equity
 Smash equity”

14. From the above, I note that the website was providing tips on stock cash, commodity, option, Nifty future, stock future, base metal & energies, prime equity and smash equity through different packages. Therefore, I find that the website was providing advice relating to purchasing and selling and dealing in securities through different packages to its clients i.e. it was providing investment advice. Since the same were being offered through Pricing Table indicating different packages, the details of which have been mentioned above, it is implied that the website was offering the investment advice to its clients *in lieu* of consideration. Therefore, I find that the Noticee was acting as an investment adviser as envisaged in Regulation 2(1)(m) of the IA Regulations.

15. I note that the Complainant had mentioned in the complaint that the funds were transferred to the following bank account:

Name of bank	Account number	Name of account holder
Bandhan Bank	50200017168710	Shri. Anil Gurjar

16. I note that the bank account statements, KYC details and Account Opening Form of the said bank account was examined by SEBI and it was noted that the account was opened in the name of one Shri. Anil Gurjar. I note that the bank account was opened on September 13, 2020, and that from the date of opening till July 16, 2021, a total amount of Rs. 6,77,830/- was credited in the said account of the Noticee. I note from the aforesaid bank account statement of Shri. Anil Gurjar, that there are various entries with the particulars/description given as “*insight res*” and “*insight research*”. Details of some of such entries are as given below:

Sr. No.	Date	Description	Withdrawal	Deposit
1.	16/10/2020	Deposit, DEPOSIT- IMPS/029013019400/JASWINDERS/Ratnak ar Bank/XXXXXXXXX0014/IMPS MBR Insight res. 16/10/2020- 130726		25,000
2.	17/10/2020	Deposit, DEPOSIT- IMPS/029106000564/JASWINDERS/Ratnak ar Bank/XXXXXXXXX0014/IMPS MBR Insight res. 17/10/2020- 061028		1,00,000
3.	17/10/2020	Deposit, DEPOSIT- IMPS/029105000589/JASWINDERS/Ratnak ar Bank/XXXXXXXXX0014/IMPS MBR Insight res. 17/10/2020- 055714		2,00,000
4.	30/10/2020	WITHDRAWAL, WDL- IMPS/030417011090/Insight research/AUBL0002314/XXXXXXXXXXXXX4 342/PAY	40,000	
5.	30/10/2020	WITHDRAWAL, WDL- IMPS/030417011090/Insight research/AUBL0002314/XXXXXXXXXXXXX4 342/PAY	10,000	
6.	31/10/2020	WITHDRAWAL, WDL- IMPS/030514007560/Insight research/AUBL0002314/XXXXXXXXXXXXX4 342/PAY	51,000	

17. I also note that the bank account statement also reflected receipt of funds from the Complainant, the details of which are given below:

“Transaction dated October 07, 2020 of Rs.10000/-(NEFTIN, NEFT /SBIN 120 281247529 /Mr MANJITSINGH GURMITSINGH MINHAS/ SBIN0010430 /00000033369850193//ATTN//Demat Account)”.

18. From the above bank account details, it is evident that Shri. Anil Gurjar was the beneficiary of the funds received by Insight Research and that the payment made by the Complainant was being made to Insight Research through the website www.insightresearch.in. As detailed in the aforesaid paras, I note that the Noticee has not filed any reply to the SCN to dispute the same. In view of the aforesaid facts, it is concluded that Shri Anil Gurjar was the proprietor of Insight Research and the website www.insightresearch.in was being run by Shri Anil Gurjar, who was the beneficiary of the funds received by Insight Research in lieu of investment advisory services provided on the website. Further, since the Noticee has not filed any reply in the matter, the aforesaid amount of Rs. 6,77,830/-, will be considered as the total amount received by the Noticee as payment for investment advisory services.
19. In this regard, it is appropriate to rely upon the Order dated February 11, 2014 of the Hon’ble SAT in ***Sanjay Kumar Tayal & Ors. vs. SEBI (Appeal no. 68 of 2013)***, wherein it had held that “... *Appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices.*”
20. In view of the aforesaid facts, I find that in terms of Regulation 2(1)(l) of IA Regulations, the Noticee was providing “investment advice” through the aforesaid website and acting as an “investment adviser”, in terms of Regulation 2(1)(m) of IA Regulations. As noted in the above para, the Noticee, while acting as investments adviser, received a total amount of Rs. 6,77,830/- in the bank Account No. 50200017168710 with Bandhan Bank.

21. I also note that, it is imperative that any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of SEBI Act and Regulations framed thereunder. Section 12(1) of SEBI Act 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.”

22. 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 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, 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. Further, safeguards provided under IA Regulations 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.

23. 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 along with requisite non-refundable application fee;
- (ii) The applicant, in case of an individual investment adviser or its principal officer in case of a non-individual investment adviser shall be appropriately qualified and certified as under:
 - a) A professional qualification or post-graduate degree or post graduate diploma (minimum two years in duration) in finance, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognized by the Central Government or any State Government or a recognised foreign university or institution or association or a professional qualification by completing a Post Graduate Program in the Securities Market (Investment Advisory) from NISM of a duration not less than one year or a professional qualification by obtaining a CFA Charter from the CFA Institute;
 - b) An experience of at least five years in activities relating to advice in financial products or securities or fund or asset or portfolio management;
 - c) Applicant in case of individual investment adviser or its principal officer in case of a non-individual investment adviser, and persons associated with investment advice shall have, at all times a certification on financial planning or fund or asset or portfolio management or investment advisory services, from (a) NISM; or (b) any other organization or institution including Financial Planning Standards Board of India or any

recognized stock exchange in India provided such certification is accredited by NISM.

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

24. The activities engaged in by the Noticees, as brought out from the various materials described above, seen in the backdrop of the aforesaid regulatory provisions show that the Noticees were holding itself out and were acting as an investment adviser, although the Noticees were not registered with SEBI in the capacity of an 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 read with Regulation 3(1) of the IA Regulations.
25. The SCN had called upon the Noticee to show cause as to why a direction for refund of the money received from any complainants /investors, as fees or consideration in respect of their unregistered investment advisory activities, be not issued against it. As discussed in para 16 above, as per the material available on record, the amount of fees collected by the Noticee in their bank accounts, as a result of providing '*Investment Advice*' to investors, amounted to Rs. 6,77,830/-. In view of the above, I am of the considered view that the Noticees are liable to refund the amount of Rs. 6,77,830/- collected as an unregistered investment adviser to their clients/ investors.
26. The Supplementary SCN referred above, also called upon the Noticee to explain as to why appropriate penalty be not imposed on him under Section 15EB of SEBI Act for the alleged violations. Relevant extract of the penalty provisions, 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.”

27. Upon a consideration of the above penalty provisions, I find that Section 15EB of the SEBI Act has been invoked for failing to comply with Regulations 3(1) of the IA Regulations, i.e. that no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board under these Regulations. I note that the above allegation that the Noticees has acted as an investment adviser without obtaining a certificate of registration from SEBI has been clearly established in the preceding paras and therefore, I find that the penalty under Section 15EB of the SEBI Act is clearly attracted.
28. For imposing of penalty under the provisions of the SEBI Act, Section 15J of the SEBI Act provides as follows:

“15J. Factors to be taken into account while adjudging quantum of penalty.

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 the Complainant had stated in his complaint that he had paid Rs. 1,49,700 and Rs. 50,000 to the Noticee but the Noticee has done nothing and cheated him. Further, from the material available on record, and discussed in para 16 above, I note that the amount of fees collected by the Noticees in the bank accounts, as a result of providing

‘Investment Advice’ to investors, amounted to Rs. 6,77,830/-. I also note that Noticee has not filed any reply in the matter even after multiple opportunities were granted to it.

30. In consideration of the above, I shall now proceed with the directions and imposition of monetary penalties.

ORDER

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

- (a) The Noticee shall within a period of three months from the date of this Order, refund the money received from any complainants /investors /clients, as fees /consideration or in any other form, in respect of their unregistered investment advisory activities;
- (b) The Noticee shall issue public notice in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of contact person such as name, address and contact details, within 15 days of coming into force of this order;
- (c) The repayments to the complainants/ investors/ clients shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments;
- (d) After completing the aforesaid repayments, within a period of 15 days, the Noticee shall file a report detailing the amount refunded, to SEBI addressed to the *Division Chief, Market Intermediaries Regulation and Supervision Department (MIRSD), Division of Registration-2, 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 Noticee. Thereafter, remaining amount if any will be deposited in the Investors Protection and Education Fund maintained by SEBI;
- (f) The Noticee is restrained from selling his 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/ 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 investors/ clients/ complainants who were availing the investment advisory services from the Noticee and depositing balance amount with SEBI, as directed in this order, from the bank accounts of the Noticee;
- (g) The Noticee is debarred from accessing the securities market, directly or indirectly and is prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of 6 (six) months from the date of this Order or till the expiry of 6 (six) months from the date of completion of refunds to investors/ clients along with depositing of balance amounts, if any, as directed in para 31(a) and 31(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 31(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 31(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.

(j) Noticee is hereby imposed with penalty as provided hereunder:

Violation	Provisions under which penalty imposed	Amount of Penalty (INR)
Section 12 (1) of SEBI Act read with regulation 3(1) of Investment Advisers Regulations	Section 15EB of the SEBI Act	Rs.1,00,000/- (Rupees one lakh only)

The Noticee is directed to pay the aforesaid penalty within a period of forty-five (45) days, from the date of receipt of this order;

(k) The Noticee shall remit/ pay the said amounts of penalty 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 EDs/CGMs -> PAY NOW. In case of any difficulties in online payment of penalties, the Noticee may contact the support at portalhelp@sebi.gov.in.

32. The above direction for refund and depositing the balance amount with SEBI, as given in paras 31(a) and (e) above, does not preclude such complainants/ investors/ clients to pursue 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.
33. This Order shall come into force with immediate effect.
34. A copy of this Order shall be served upon the Noticees. A copy of this Order shall also be forwarded to the recognised Stock Exchanges, Depositories, Banks and Registrar and Transfer Agents for necessary compliance with the

above directions and also the Government of Madhya Pradesh for its information.

Sd/-

Place: Mumbai

Date: April 19, 2023

**G P GARG
EXECUTIVE DIRECTOR
SECURITIES AND EXCHANGE BOARD OF INDIA**