

National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/66438	Date: January 31, 2025
Circular Ref. No: 440/2025	

To All NSE Members,

Sub: SEBI Order in respect of Mr. Chanchal Agarwal (Proprietor of www.sharepati.com).

This has reference to SEBI Order no. QJA/AA/WRO/WRO-DIV-5/31173/2024-25 dated January 31, 2025 wherein, SEBI has restrained following entity from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of one (1) year from the date of this order or till the expiry of one (1) year from the date of completion of refunds to clients/ investors as directed, whichever is later.

Sr. No.	Name	PAN
1.	Mr. Chanchal Agrawal (Proprietor of www.sharepati.com)	AMZPA1678F

Further, SEBI has directed that if the Noticee has any open position in any exchange traded derivative contracts, as on the date of this order, he can close out/ square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The Noticee is permitted to settle the pay in and pay out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order.

The detailed order is available on SEBI website (<https://www.sebi.gov.in/enforcement.html>).

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>

National Stock Exchange of India

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

In case of any further queries, members are requested to email us at dl-invsg-all@nse.co.in

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

**Sandesh Sawant
Senior Manager**

Annexure: SEBI Order in respect of Mr. Chanchal Agarwal (Proprietor of www.sharepati.com).

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

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

In respect of:

Sr. No.	Noticee Name	PAN
1.	Mr. Chanchal Agrawal (Proprietor of www.sharepati.com)	AMZPA1678F

In the matter of Unregistered Investment Advisory Services by Mr. Chanchal Agrawal (Proprietor of www.sharepati.com)

BACKGROUND:

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) vide letter dated July 28, 2016 received complaint from M/s. Achievers Equities Ltd. (hereinafter referred to as “AEL”) against Sharepati.com (Proprietor: Chanchal Agarwal, PAN – AMZPA1678F) (hereinafter referred to as “Noticee”), inter alia, alleging that Chanchal Agarwal, who was an inactive client of AEL, was collecting money from the investors, through a website www.sharepati.com, using credentials of AEL as a stock broker for providing tips for stock and commodity recommendation and for opening of trading accounts. It was further alleged that there was a “payment gateway in the website through which any investor who wished to get tips for profit can pay in packages which directly went to the account mentioned in the website”.
2. Subsequently vide letter dated August 01, 2016, AEL informed that they received a complaint from one of the investors regarding fund transfer in the name of AEL. An email dated July 30, 2016 was attached with the letter. As per the aforesaid

email, one Mr. Prashant Uchil (hereinafter referred to as '**Complainant**') made payments amounting to Rs. 15,000 and Rs. 25,000 on July 19, 2016 and July 21, 2016 in bank account no. 044101601000239 maintained with Corporation Bank.

3. SEBI, on the basis of complaint received against the Noticee, conducted an examination into the affairs of 'www.sharepati.com' and its proprietor Mr. Chanchal Agarwal in order to ascertain whether there has been any violation of the provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act, 1992**"), and any Rules and/or Regulations made thereunder, including the SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as "**IA Regulations, 2013**"). On the basis of the examination conducted, it was, *prima facie*, observed that the Noticee was engaged in '*investment advisory services*' without obtaining the certificate of registration as required under the provisions of IA Regulations, 2013.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. A Show Cause Notice dated August 22, 2024 (hereinafter referred to as "**SCN**") was issued to the Noticee by Speed Post calling upon it to show cause as to why suitable direction(s), including directions for refund of monies collected as fees from the complainants/ investors, under Sections 11(1), 11(4) and 11B(1) of the SEBI Act, 1992, should not be issued against him and/or penalty as deemed fit under Section 11(4A) and 11B(2), read with section 15HB of SEBI Act, 1992 for the alleged violations of the provisions of Regulation 3(1) of the IA Regulations, 2013 read with Section 12(1) of the SEBI Act, 1992. The delivery of SCN was confirmed by the Noticee vide his email dated October 10, 2024. I note that the following documents were enclosed as annexures along with the SCN:

Table 1: Annexures to the SCN

Documents	Annexure
Copy of complaint from M/s. Achiievers Equities Ltd.	A
Screenshots of the webpages from website www.sharepati.com of Noticee taken from web.archive.org	B
Website screenshots provided by M/s. Achiievers Equities Ltd.	C
KYC/AOF details and statement of Erstwhile Corporation Bank (Merged with Union Bank of India) Bank account of Noticee	D
KYC/AOF details and statement of SBI account of Noticee	E
KYC/AOF details and statement of Bank of Baroda account of Noticee	F
Copy of letters issued by SEBI dated November 26, 2021 to the Noticee, during pre-SCN examination.	G
Copy of email dated November 29, 2021 received from Noticee in reply to SEBI's letter dated November 26, 2021.	H

5. I note that the SCN, *inter alia*, contained the following findings of examination:

5.1. That Chanchal Agarwal or sharepati.com is not registered with SEBI in any capacity as an intermediary.

5.2. In order to conduct examination and collect information, an attempt was made to browse the website of the Noticee viz. www.sharepati.com. However, the same was not active. Accordingly, the archive of the website as available on www.archive.org was accessed wherein it was observed that the Noticee had claimed the following on its website www.sharepati.com:

5.2.1. The website advertises itself as *“Share pati - Brokers & Advisors provides you Trading tip calls about the Indian stock markets with intense analysis done by our Team of Analysts. We have been providing valuable tips to our clients through various methods. We have helped lot of retail and HNI client through our tips services to fulfill financial goals...”*

5.2.2. It mentions offering tips around various services such as Stock Cash Tips, Stock Future & Option Tips, Index Future & Option Tips, Bullion Power Tips, Base Metals & Energy Power Tips, Agri Power Tips.

5.2.3. The said services were being offered for different time periods i.e. monthly, quarterly, half yearly and yearly. The fee charges ranged from Rs. 7,000/- to Rs. 2,40,000/-.

5.2.4. 'Free Trial' as well as paid trial services were offered to clients with assured accuracy.

5.3. It was further observed that the Noticee received the fees from investors in the following three bank accounts mentioned on its website:

Table 2: Details of bank accounts mentioned on the website

S. No.	Account Number	Bank Name	IFSC Code	Beneficiary Name
1	044101601000239	Corporation Bank	CORP0000441	Achiivers Equities Ltd Prop. Chanchal Agrawal
2	20101592505	State Bank of India	SBIN0030442	Mr. Chanchal Agrawal
3	30710100003839	Bank of Baroda	BARB0BHELXX	Mr. Chanchal Agrawal

5.4. On analysis of the bank statements of the aforesaid bank accounts, it was observed that an amount of Rs. 54,35,707/- (Fifty four lakhs thirty five thousand seven hundred and seven rupees) was received as fees from clients/ investors towards alleged investment advisory activity by the Noticee

6. In view of the above, the SCN alleged that the Noticee carried out unregistered investment advisory services without obtaining a certification of registration from SEBI and therefore, allegedly have violated the provisions of Regulation 3(1) of IA Regulations, 2013 read with Section 12(1) of the SEBI Act, 1992.

7. The Noticee furnished his replies to the SCN vide emails dated October 10, 2024 and October 13, 2024, *inter alia*, admitting to the charge of providing investor advisory services without obtaining the certification of registration as required under the IA Regulations, 2013 and further requested for an opportunity of personal hearing. Accordingly, an opportunity of personal hearing was granted to the Noticee on November 18, 2024, vide hearing notice sent by email dated November 13, 2024.
8. On the scheduled date of hearing i.e. on November 13, 2024, the Noticee appeared for the hearing through online mode and made submissions in line with his replies dated October 10, 2024 and October 13, 2024. The Noticee admitted to have carried out Investment Advisory Services SEBI during June 2016 – January 2017, through his website www.sharepati.com, without obtaining registration from SEBI and also informed that a case has been initiated against him before a court in Bhopal 8 (eight) years ago wherein he has given a Demand draft of seven lakh rupees which was the alleged amount collected by him by way of such Investment Advisory Services. Based on the aforesaid submissions, the Noticee was advised to produce relevant evidences segregating his personal transactions (if any) from advisory fees received and the details of litigation before the Bhopal Court wherein allegedly a Fixed Deposit was made by Noticee with respect to the present case. The Noticee filed his additional submissions vide emails dated November 27, 2024 and November 28, 2024.
9. The submissions made by the Noticee, in his replies/ submissions dated October 10, 2024, October 13, 2024, November 27, 2024 and November 28, 2024 and during the hearing held on November 18 2024, Including attachments/ annexures therein, in brief, are as under:
 - 9.1. That during 2012-2015, the Noticee suffered huge loss in share trading and started investment advisory services on the advice of one Mr. Narendra Asati.
 - 9.2. The website (www.sharepati.com) became operational on July 15, 2016 and he was not involved in investment advisory services before the said date.

- 9.3.** That he is presently doing a private job in a company and is not active by any means in the trading business with all Demat accounts being Nil.
- 9.4.** That all his bank accounts have been frozen since the last 8 years.
- 9.5.** That he has a registered court case against him with respect to the instant matter and has given a demand draft of Seven Lakh Rupees to the court, the amount is said to be the total amount received from www.sharepati.com. The Noticee has provided the following documents in support of his contention:
- 9.5.1.** Copy of First Information Report No. 0003, dated February 15, 2017 (hereinafter referred to as 'FIR').
- 9.5.2.** Copy of Order dated July 11, 2019 of the Hon'ble High Court of Madhya Pradesh in the matter of Chanchal Agrawal Vs. The State of Madhya Pradesh (M.Cr.C.No.11655/2019).
- 9.5.3.** Copy of Fixed Deposit Confirmation Advise from Bank of India for a principal amount of Rs. 9,43,515/- in the name of the Noticee payable to self due for maturity on July 22, 2029.
- 9.5.4.** Copy of Fixed Deposit Confirmation Advise of principal amount of Rs. 7,00,000/-, in the name of the Noticee payable to self due for maturity on July 22, 2024.
- 9.6.** That he is willing to pay/ refund the amount of Rs. 40,000/- (Forty Thousand Rupees) to the complainant, if SEBI ensures the following:
- 9.6.1.** That the complaint against www.sharepati.com will be closed.
- 9.6.2.** That SEBI will send a letter to banks to defreeze Noticee's accounts.
- 9.6.3.** That a NOC will be provided by SEBI which will be used by Noticee to end the litigation pending against him before Hon'ble Court in Bhopal.

CONSIDERATION OF ISSUES AND FINDINGS

10. I have carefully considered the allegation levelled against the Noticee in the SCN, the submissions made by the Noticee vide his replies/ submissions dated October 10, 2024, October 13, 2024, November 27, 2024 and November 28, 2024 and during the hearing held on November 18 2024.

11. I note that the issue that arises for consideration in the present proceeding is whether the Noticee has acted as an unregistered investment adviser in violation of the provisions of Section 12 (1) of the SEBI Act, 1992 read with Regulation 3 (1) of the IA Regulations, 2013.

12. In this regard, I note that the definition of 'Investment Adviser' as given under 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;"

13. Further, Regulation 2(1)(l) of the IA Regulations, which defines 'investment advice', reads 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;"

14. For ease of reference, the provisions of the SEBI Act, 1992 and IA Regulations, 2013 alleged to have been violated by the Noticee are reproduced as under:

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"

IA 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”.

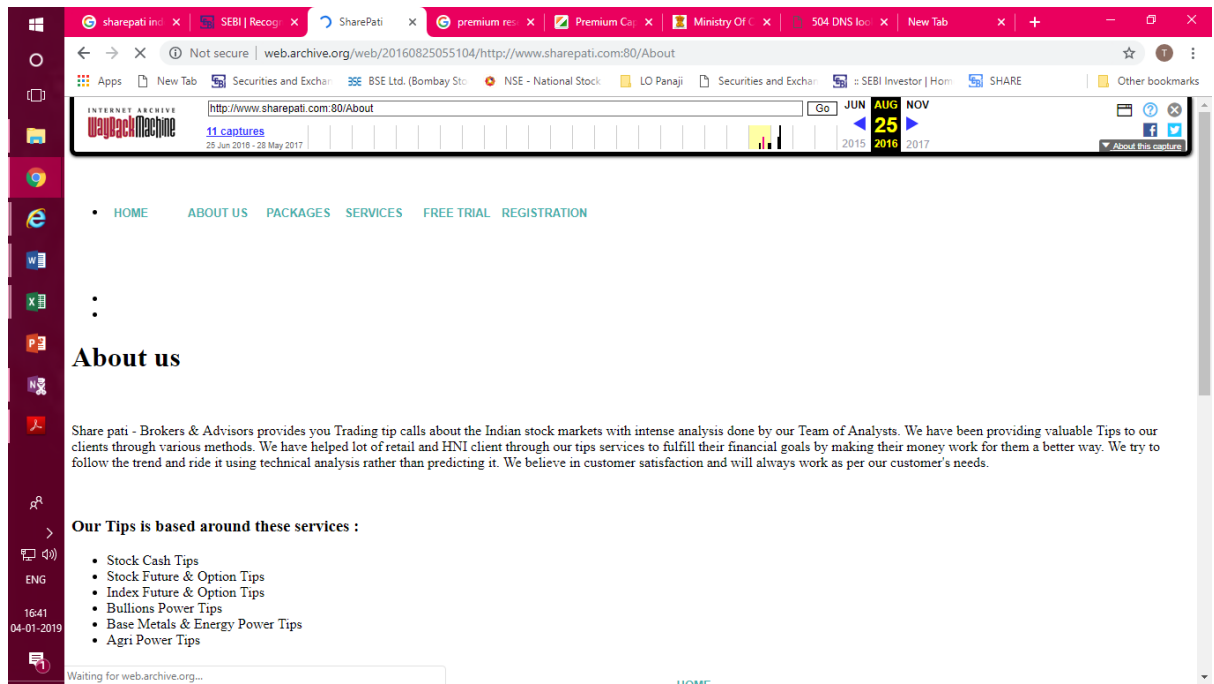
15. I note from the material available on record that, SEBI received complaint from AEL on July 28, 2016, *inter alia*, stating that the Noticee was collecting money from investors in the name of AEL for ‘*providing tips for stock & commodity recommendation etc and has also indulged in opening the trading account of the client. However, the manner in which they are trading on behalf of clients could not be traced*’. AEL provided the KYC data, website screenshots and client registration documents of the Noticee alleging that the Noticee was misusing the brand name/goodwill/ reputation of AEL to carry out fraudulent activity.
16. Subsequently, vide letter dated August 01, 2016, AEL informed that they had received a complaint from one of the investors regarding fund transfer in the name of AEL in a Corporation Bank A/c. and requested to initiate necessary actions as the same may adversely affect their business. I note that two emails dated July 30, 2016 and August 01, 2016 received from the Complainant were attached with the AEL’s letter, *inter alia*, stating that the Complainant made payments amounting to Rs. 15,000 and Rs. 25,000 on July 19, 2016 and July 21, 2016 in bank account no. 044101601000239 maintained with Corporation Bank. The complainant further stated that the Noticee committed fraud by calling to and asking him to open trading account with AEL.
17. From further analysis of the complaints and bank/payment gateway accounts, I find that the payments claimed to have been made by the complainant could also be traced to the Noticee’s Corporation Bank Account mentioned in Paragraph no. 5.3 above. The details of payments made by the complainant are as under:

Table no. 3: Details of transactions made by complainant

Tran Date	Particulars	Debit	Credit	Balance
19-07-2016	NEFT from PRASHANT RAMAPPA UCHIL Ref:N201160170688773 Dt:19072016 SI:000005 Orgn:HDFC0000001		15,000.00	34,884.00
21-07-2016	NEFT from PRASHANT RAMAPPA UCHIL Ref:N203160171387006 Dt:21072016 SI:000018 Orgn:HDFC0000001		25,000.00	74,884.00

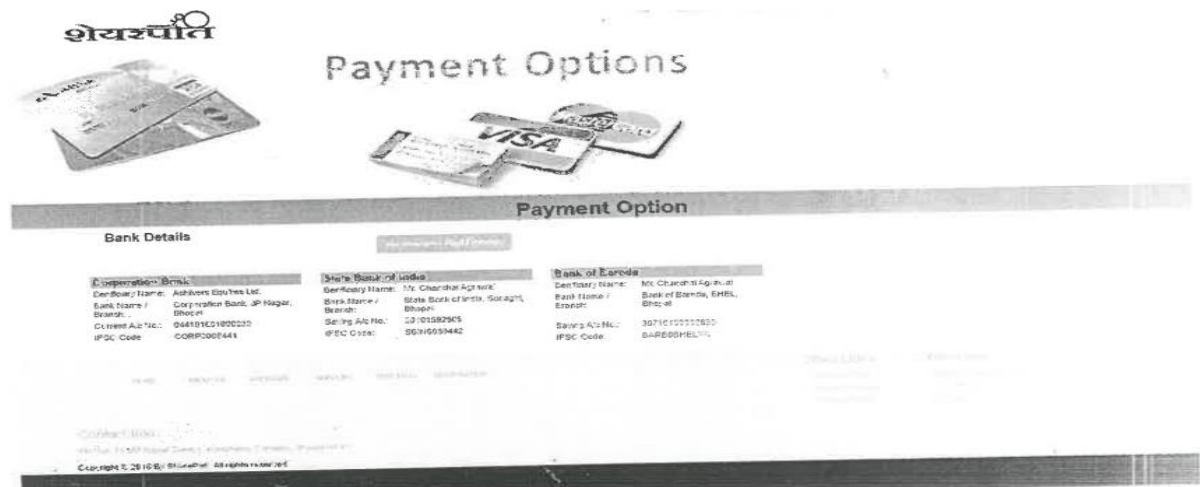
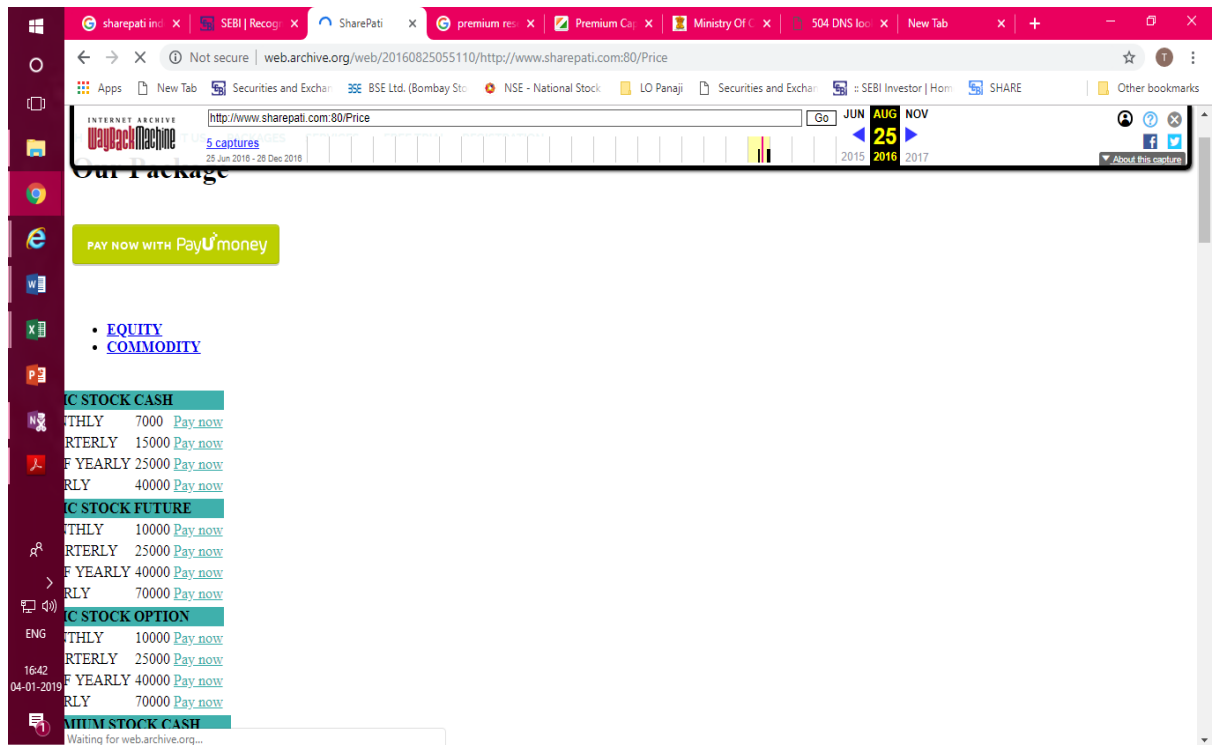
18. Further, on perusal of the webpages of the website 'www.sharepati.com' of the Noticee, I note that the Noticee in the 'About Us' section of this website, *inter alia*, stated that,

"Share pati – Brokers & Advisors provides you Trading tip calls about the Indian stock markets with intense analysis done by our Team of Analysts. We have been providing valuable Tips to our clients through various methods. We have helped lot of retail and HNI client through our tips services to fulfill their financial goals by making their money work for them in a better way. We try to follow the trend and ride it using technical analysis rather than predicting it." The screen shot of the relevant webpage is as under:



19. Further, from the aforesaid website, it was also found that the Noticee was providing investment advisory services by offering subscription through various packages viz. stock cash, stock future, option services, BTST services etc. with subscription fees ranging from Rs. 7,000/- per month to Rs. 2.5 Lakh per annum. The website also displayed the details of the bank accounts as mentioned at paragraph no. 5.3 above under the head '*Payment Options*' for receiving fees/ subscription monies from its clients.

The screenshot of the website displaying the various bank account details and the information about various packages offered by the Noticee are reproduced below:



20. On perusal of the above screenshots as well as contents of the website www.sharepati.com, I find that the Noticee was indeed involved in offering investment advisory services for fees/ consideration, without seeking registration from SEBI. From the post-hearing written submissions made by the Noticee, I also note that he has also admitted that he was providing investment advisory services and that the website 'www.sharepati.com' became operational on July 15, 2016. I note that in support of his claim that the website was created on July 15, 2016, the

Noticee has furnished copies of few emails communications with Mr. Sanjay Gupta and Mr. Deepak Mishra, who he claims to be the website developers. I note that none of these emails prove the claims of the Noticee that the website was created on July 15, 2016. However, the contents of the website, clearly shows that the Noticee was offering investment advisory services. I note that in terms of Section 12 (1) of the SEBI Act and Regulation 3 (1) of the IA Regulations, no investment adviser shall act as an investment adviser or hold itself out as an investment adviser unless it has obtained a certificate of registration from SEBI.

21. I note that the safeguards provided under IA Regulations, 2013 requires continued minimum professional qualification (Reg. 7) and net-worth requirement (Reg. 8) for investment adviser, including disclosure of all conflict of interest (Reg. 15(5)), prohibition on entering into transactions which are contrary to advice given for 15 days (Reg. 15(7)), risk profiling of investors (Reg. 16), maintaining documented process for selecting investment for client based on client's objective and risk profile (Reg. 19), understanding the nature and risks of products or assets selected for clients, etc. These requirements are aimed at protection of investor interest.
22. I note that the activities of the Noticee as described in the preceding paragraphs, was that of an investment adviser. However, the Noticee was not registered with SEBI in the capacity of Investment Adviser. Therefore, I find that the Noticee has violated Section 12(1) of the SEBI Act, 1992 along with Regulation 3 of the IA Regulations.
23. It has been submitted by the Noticee that there is a registered court case against him with respect to the instant matter and that he has given a DD of Seven Lakh Rupees to the court, the Noticee claims that the said amount to be the total amount received by the him from his business at www.sharepati.com.
24. I note that, vide its letter dated February 10, 2017, addressed to the Additional Director General of Police, Special Task Force, Madhya Pradesh, Bhopal, SEBI had requested to take legal action against certain entities who were engaged in illegal financial activities. The Noticee herein was one of the entities mentioned in

the aforesaid letter. On the basis of the aforesaid SEBI letter, an FIR was filed under the relevant sections of the Indian Penal Code, 1860 and Information Technology Act, 2008 against the Noticee, who was arrested on November 14, 2018. It is against this arrest that the Noticee filed an application for bail under Section 439 of Cr.P.C in which Hon'ble High Court of Madhya Pradesh, vide its Order dated July 11, 2019, *inter alia*, granted bail to the Noticee subject to the Noticee depositing a sum of Rs. 7,00,000/- in FD in any nationalized bank and depositing receipt of the FD before the concerned Court and on furnishing a personal bond in the sum of Rs. 50,000/-.

25. On perusal of the aforesaid Order of the Hon'ble Madhya Pradesh High Court dated July 11, 2019, I note that although the proceedings therein were initiated on complaint made by SEBI, the proceedings are criminal in nature for the offenses of cheating and forgery and not for acting as an investment advisor without obtaining registration from SEBI. The relevant observations of Hon'ble High Court of Madhya Pradesh in this respect are as under:

"During investigation, it was found against the applicant Chanchal Agrawal that he was running company Sharepatti.Com Bhopal by exhibiting false registration number showing that the company was registered with SEBI. In this regard applicant prepared fake documents. He also got payment gateway on the basis of forged documents and used to give investment advice to innocent people and took a huge amount from them by making them believe that he was the SEBI registered investment advisors. Thus he cheated them. A search was also conducted by the STF at the office of applicant in which they seized laptop, hard disc of computer, RAM dump, Mobile Phone, Sim Card, list of mobile numbers of customers, mobile phone bills, diaries etc.

Learned counsel for the applicant submits that the applicant has not committed any offence and has falsely been implicated in the offence. It is alleged that applicant used to run the company Sharepati.com, Bhopal, and advised people to invest in the stock, by misrepresenting themselves as entities registered with SEBI. However in this regard police recorded the case diary statements of only seven people. From their statements it appears that applicant took a total Rs.1,59,000/- from them. In the memorandum of applicant recorded by the police it is mentioned that applicant received Rs. 7,00,000/- from investors. The applicant is ready to deposit that amount under protest. He further submits that the applicant is in custody since 14/11/2018. Charge-sheet has been filed and the conclusion of trial is likely to take a long time, hence prayed for release of the applicant on bail.

Learned counsel for the State opposed the prayer submitted that the applicant gave advice investment to innocent people and took money from them on the basis of forged documents showing himself as a SEBI registered company and thus he cheated them, so applicant should not be released on bail.

Although, it is alleged that applicant cheated many innocent investors but in this regard police recorded the statements of only 7 investors. The amount which was allegedly embezzled by the applicant appears only to be Rs.1,59,000/-. Even applicant in his memorandum admitted that he took Rs.7,00,000/- from various persons, applicant is ready to deposit Rs.7,00,000/- under protest, he is in custody since 14/11/2018 and trial will take considerable time to conclude, so without commenting anything on the merits of the case, the application is allowed and it is directed that the applicant be released on bail subject to depositing a sum of Rs.7,00,000/- in fix deposit in any nationalized bank and on depositing receipt of that F.D. before the concerned Court and on furnishing personal bond in the sum of Rs.50,000/- (Rs. Fifty Thousand only) with one surety in the like amount to the satisfaction of the concerned C.J.M./trial Court for her appearance before the trial Court on all such dates as may be fixed in this behalf by the trial Court during the pendency of trial.”

26. In light of Paragraph no 24 and 25 above, I note that the proceedings initiated by the Special Task Force Madhya Pradesh against the Noticee are for criminal offenses of cheating and forgery are distinct and independent from the present proceedings, which are civil in nature and for allegedly acting as unregistered investment advisor. I also note that there is no verification of quantum of money collected by the Noticee in the aforesaid criminal proceedings. While the Noticee has claimed that only Rs. 7 Lakhs have been collected from investors by him, seven of the investors whose diary statements were recorded by the Madhya Pradesh Police have claimed that they have paid a total of Rs. 1,50,000/- to the Noticee.

27. The SCN also calls upon the Noticee to explain as to why appropriate penalty be not imposed upon him under Section 15HB of the SEBI Act, 1992 for rendering investment advisory services before March 08, 2019, without obtaining certificate of registration. Section 15HB of SEBI Act, 1992, reads as under:

“Penalty for contravention where no separate penalty has been provided. 15HB.

Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.”

28. For the investment advisory services offered by the Noticee before March 08, 2019 in violation of Regulation 3(1) of the IA Regulations read with Section 12(1) of the SEBI Act, 1992, I find that, The Noticee is liable for imposition of penalty under Section 15HB of the SEBI Act, 1992.

29. It is relevant to mention here that for determining the amount of penalties to be imposed under the provisions of the SEBI Act, 1992, guidance is provided under Section 15J of the SEBI Act, 1992, which is reproduced as:

“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.”

30. The SCN has brought out the quantum of investment advisory fees collected by the Noticee from the investors. However, I note that the SCN does not indicate any loss that was caused to the investors owing to the defaults of these Noticees. I also note that the collection of such advisory fees by the said Noticees was illegal and thus, apart from imposition of penalty, these circumstances also warrant issuance of appropriate directions under Section 11(1), 11B(1) and 11(4) of the SEBI Act, 1992.

Calculation of amount to be Refunded.

31. From the bank statements of the Noticee available on record, I note that the Noticee's accounts were credited with the following amounts:

S.No.	Account Number	Bank Name	Period	Credits Received
1	044101601000239	Corporation Bank	July 21, 2014 to May 12, 2017	Rs. 13,74,858/-
2	20101592505	State Bank of India	June 19, 2012 to June 25, 2021	Rs. 47,50,315/-
3	30710100003839	Bank of Baroda	January 02, 2013 to April 04, 2017	Rs. 1,07,59,255/-
Total				Rs. 1,68,78,428

32. During the pre-SCN examination conducted by SEBI, vide letter dated November 26, 2021, the Noticee was called upon to provide details with respect to the names of the clients, amounts collected, Bank accounts in which the amounts were collected, date on which the amounts were collected, etc. However, in response to the aforesaid, Noticee vide his email dated November 29, 2021 submitted that his bank accounts were frozen since February 28, 2017 and it was not possible to provide information regarding credit entries.
33. On non-receipt of information from the Noticee as sought vide email dated November 26, 2021. SEBI did an analysis of the aforesaid three bank accounts of the Noticee and in its SCN dated August 22, 2024 (which also included bank statements as Annexures), alleged that an amount of Rs. 54,35,707/- (Fifty four lakhs thirty five thousand seven hundred and seven rupees) has been received as fees from clients/ investors towards alleged investment advisory activity by the Noticee. Further, at the personal hearing held on November 18, 2024, the Noticee was advised to produce relevant evidence for controverting (if any) the said amount as alleged in the SCN. I find that the Noticee has not adduced any evidence in this regard. Further, from the order of the Hon'ble Madhya Pradesh High Court dated July 11, 2019, I note that the Noticee has claimed to have collected only Rs. 7 Lakhs from the investors. However, the bank account statement of the Noticee narrate a different story. On perusal of the bank statements of the Noticee, I find credit entries with the narration such as 'investment, trading, INB deposit/ investment, phone no. 9424443343' (Noticee's mobile no. as per KYC). The aggregate of entries with such narrations across the three bank accounts of the Noticee comes to Rs. 54,35,707/- (Corporation Bank A/c. Rs. 13,74,858/-, SBI A/c. Rs. 22,66,935/- and Bank of Baroda A/c. Rs. 17,93,914/-). I note that despite having put to notice, the Noticee has failed to adduce any evidence to controvert the said amount. In light of the said facts, I am constrained to consider the amount of Rs. 54,35,707/- to be the amount collected as fees by the Noticee for the investment advisory services provided by him without obtaining a certification of registration from SEBI.

ORDER AND DIRECTIONS

34. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11(1), 11(4), 11(4A), 11B (1) and 11B (2) of the SEBI Act, 1992 and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, do hereby pass the following directions:

- 34.1.** The Noticee, Mr. Chanchal Agrawal (Proprietor of www.sharepati.com) shall, within a period of three (3) months from the date coming into force of this direction, refund the money received from any complainants/ investors/ clients, as fees or consideration or in any other form, in respect of their unregistered investment advisory activities;
- 34.2.** The Noticee, Mr. Chanchal Agrawal (Proprietor of www.sharepati.com) 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;
- 34.3.** 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;
- 34.4.** The Noticee, Mr. Chanchal Agrawal (Proprietor of www.sharepati.com) is 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 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;

- 34.5.** After completing the aforesaid repayments, the Noticee shall file a report of such completion with SEBI addressed to the “Division Chief, SEC-5, 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 34.1 and 34.2 above, duly certified by an independent Chartered Accountant and the direction at para 34.4 above shall cease to operate upon filing of such report on completion of refunds to complainants/ investors;
- 34.6.** 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;
- 34.7.** In case of failure of the Noticee to comply with the aforesaid directions in subparagraph 34.1 and 34.5 above, 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;
- 34.8.** 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 one (1) year from the date of this order or till the expiry of one (1) year from the date of completion of refunds to clients/ investors as directed in paragraphs 34.1 and 34.6 above, whichever is later;
- 34.9.** The Noticee shall not undertake, either during or after the expiry of the period of debarment / restraint as mentioned in paragraph 34.8 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.

34.10. The Noticee is hereby imposed with monetary penalties as provided hereunder:

Name of the Noticee	Provisions under which penalty is imposed	Amount of penalty (Rs.)
Mr. Chanchal Agrawal (Proprietor of www.sharepati.com)	Section 15HB of the SEBI Act, 1992	Rs. 1,00,000/-

34.11. The Noticee shall remit / pay the said amounts of penalty within a period of 45 days from receipt of the order 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.

35. It is hereby clarified that if the Noticee has any open position in any exchange traded derivative contracts, as on the date of this order, he can close out/ square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The Noticee is permitted to settle the pay in and pay out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order.

36. The direction for refund, as given in paragraph 34.1 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.

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

38. A copy of this order shall be sent to the Noticee, recognized Stock Exchanges, the Banks, Depositories and Registrar and Transfer Agents of mutual funds to ensure that the directions given above are strictly complied with.

Sd/-

Date: January 31, 2025

Place: Mumbai

**Dr. ANITHA ANOOP
CHIEF GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA**