



<b>Department: Investigation</b>	<b>Segment: All</b>
<b>Circular No: MSE/ID/16489/2024</b>	<b>Date: December 18, 2024</b>

**Subject: SEBI Order in the matter of Unregistered Investment Advisory by Mr. Sunil Kumar Ray (Proprietor of Trade Show Advisory).**

To All Members,

This has reference to SEBI Order no. QJA/GR/SRO/SRO/31046/2024-25 dated December 17, 2024 wherein, SEBI has debarred following entity from accessing the securities market, directly or indirectly and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of two years from the date of SEBI order or till the date of filing of report, as directed in para 35(e) of SEBI order, whichever is later.

<b>Sr. no.</b>	<b>Name of Entity</b>	<b>PAN</b>
1.	Sunil Kumar Ray (Proprietor of Trade Show Advisory)	BWLPR2195D

This order shall come into force with immediate effect.

Members of the Exchange are advised to take note of the full text of the order available on SEBI's website [www.sebi.gov.in] and ensure compliance.

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

**Vipul Vaishnav - Assistant Vice President**

### **Metropolitan Stock Exchange of India Limited**

Registered Office: 205A, 2nd Floor, Piramal Agastya Corporate Park, Kamani Junction, LBS Road, Kurla (West), Mumbai – 400070.  
Tel: +91-22-6112 9000 | customerservice@msei.in | www.msei.in | CIN: U65999MH2008PLC185856

## SECURITIES AND EXCHANGE BOARD OF INDIA

## ORDER

Under Section 11(1), 11(4), 11(4A), 11B (1) and 11B (2) of the Securities and Exchange Board of India Act, 1992 read with Rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995.

In respect of:

Name of the Noticee	PAN
Mr. Sunil Kumar Ray (Proprietor of Trade Show Advisory)	BWLPR2195D

**In the matter of Unregistered Investment Advisory by Mr. Sunil Kumar Ray (Proprietor of Trade Show Advisory).**

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**BACKGROUND**

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) had conducted an examination based on the complaint dated January 12, 2023, against Mr. Sunil Kumar Ray, proprietor of Trade Show Advisory (referred to as Mr. Sunil Roy in the complaint) (hereinafter referred as the ‘Noticee’), wherein he was prima facie observed to be carrying out unregistered investment advisory (UIA) activities in violation of provisions of Section 12A (a), (b), (c) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “SEBI Act”) , Section 12(1) of SEBI Act read with Regulation 3(1) of SEBI (Investment Advisers) regulations, 2003 (hereinafter referred to as “IA Regulations”) as well as provisions of Regulations 3(a), (b), (c), (d), 4 (1) and 4 (2) (k) of SEBI

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*Order in the matter of Unregistered Investment Advisory activities by Mr. Sunil Kumar Ray (Proprietor of Trade Show Advisory)*

(prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations**”).

### **SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING**

2. On the basis of findings of the examination, SEBI issued Show Cause Notice dated September 06, 2024 (“**SCN**”) to the Noticee which, *inter-alia*, alleged the following:
- (a) The complaint dated January 12, 2023, contained the following information;
    - i. The Noticee’s mobile number was 959XXXX413, he was running an UIA firm, under the name of Trade Show Advisory, for a year and a half.
    - ii. The website, email ID and contact details of the UIA firm are <https://tradeshowadvisory.com>, [info@tradeshowadvsirory.com](mailto:info@tradeshowadvsirory.com) and 7022862217 respectively.
    - iii. The following are the bank account details of the Noticee;
      - a. ICICI Bank account no. 141XXXXX2178 (IFSC- ICIC0001418) and
      - b. Bank of Baroda account no. 198XXXXXXXX0859 (IFSC- BARBOBYRASA).
  - (b) Thereafter, vide email dated January 13, 2023 and reminder email dated December 18, 2023, additional information was sought from the complainant in connection with his complain but no reply was received.
  - (c) Further, the examination observed that Trade Show Advisory was not registered with SEBI in any capacity.
  - (d) Thereafter, based on the bank details provided by the complainant, details were sought from the respective banks. Where in it is observed from the bank KYC and UCC data, that the Noticee was the proprietor of Trade Show Advisory and his PAN is BWLPR2195D. As also as per the said PAN, his complete and

correct name is 'Sunil Kumar Ray' and not 'Sunil Roy' as mentioned by the complainant.

(e) Also, information regarding date of creation of the website <https://tradeshowadvisory.com/>, could not be retrieved except the snapshot of the website from October 03, 2020 observed from <http://web.archive.org/>.

(f) Subsequently, during the examination, the following was observed from the webpages of the Noticee;

- i. Homepage: *Trade Show Advisory is the symbol of trust, prosperity and courage. We enable ..... This makes us complete stock market advisors.*
- ii. Keywords from disclaimer section: *Investment in equity share has its own risks; ....; Tradeshowadvisory.com has license to provide investment advice; Tradeshowadvisor.com is registered investment advisor.*
- iii. Under Private Policy part of the website, the term investment advisor was used "*Trade Show Advisory (Investment Advisor)*".
- iv. Other keywords noticed from the website: "*Mission is to become the most preferred and most trusted globally recognized stock market advisor*".
- v. Upon analyzing the contents of the website, it was observed that the Noticee was offering investment advice by falsely stating that he is a registered investment advisor. It is also seen in various parts of website that the term "*investment advisor*" or "*stock market advisor*" has been used.
- vi. Further, it was also observed from the website that various packages/subscription plan at normal/premium and HNI category for various products i.e., Equity cash/option/future and MCX bullion/metal/energy, for different durations 1/3/6/12 months were being offered by the Noticee with features to get intraday tips daily/weekly. In this regard, the snapshots of the relevant webpages were provided in the SCN.

- vii. The amount of these packages/subscriptions were observed to be in the range of Rs.9,999 to Rs.110,000 and the assured returns were also part of packages/subscriptions plan offered by the Noticee through his website.
- viii. Current status of website: It is observed that the website is not accessible post SEBI's letter/email dated April 25, 2023 wherein directions were given to the Noticee, to stop all unregistered investment advisory or any other unregistered activity in the securities market.
- ix. Further, no details of Trade Show Advisory were found upon search made on other social platforms such as Facebook, Telegram etc.
- (g) In this regard, vide letter dated April 25, 2023, the Noticee was advised to submit the information relating to the services offered by him under the name of Trade Show Advisory, was also advised to refrain from providing all unregistered investment advisory services or any other unregistered activities in the securities market with immediate effect, was also advised to withdraw and remove all advertisements, representations, communication etc. both in physical and digital form in this regard, immediately and submit compliance report by April 30, 2023.
- (h) In response, vide email dated April 29, 2023 and letter dated May 16, 2023, the Noticee stated that he has not performed any unregistered investment advisory services or any other unregistered activities in the securities market and further stated that all contents have been removed from the website and sought additional time till May 15, 2023 to provide a complete reply. However, subsequently, the Noticee stated that the compliance advice was void and incorrect however, as an act of abundant caution, he complied with it on April 26, 2023.

- (i) The Noticee also stated that there is a case of fraud or misrepresentation or impersonation. In order to cross verify the possibility of fraud, KYC (Know Your Customer) data provided by the banks were analysed and it was observed that the signatures, e-mail ID and mobile number of the Noticee on his letter dated May 16, 2023 and on his bank KYC were the same.
- (j) Next, the Unique Client Code (UCC) details of the Noticee were obtained from Exchanges and the relevant details are given below:

Table 1

Particulars	NSE	BSE
Name & PAN	Sunil Kumar Ray BWLPR2195D	Sunil Kumar Ray BWLPR2195D
Address	S/o Bindeshwar Ray, Ward 1, Gram Post Chatra Madhubani, Bihar, india 847228	S/o Bindeshwar Ray, Ward 1, Gram Post Chatra Madhubani, Bihar, india 847228
Email & Phone	<a href="mailto:sunilk.gbs@gmail.com">sunilk.gbs@gmail.com</a> 959XXXX413	<a href="mailto:sunilk.gbs@gmail.com">sunilk.gbs@gmail.com</a> 959XXXX413
Bank Details	ICICI Bank a/c no. 313XXXXX2881 Kotak Mahindra Bank a/c no. 141XXX5540	ICICI Bank a/c no. 313XXXXX2881 Kotak Mahindra Bank a/c no. 141XXX5540

- (k) Based on the name 'Trade Show Advisory' and PAN of the Noticee, details regarding the registered authorised person, if any, was sought from Exchanges (BSE, NSE, MCX & MSEI), however, there was no such entity.
- (l) Subsequently, copies of Account opening form, KYC documents and bank statements of all four bank accounts of Noticee were sought from banks from the date of opening of accounts. Details provided by the banks are summarized as below:

Table 2

Details of Bank Accounts	Name of Bank	Account details	Address & contact details
Account name: TSA (Proprietor: Sunil Kumar Ray PAN- BWLPR2195D)	Bank of Baroda	Current Account no. 198XXXXXXXX0859 Date of A/c opening: 03.09.2020	Address: 39/21 4 <sup>th</sup> cross, 2 Main, Balaji nagar BTN, Bengaluru 560029  Email ID: <a href="mailto:sunilk.gbs@gmail.com">sunilk.gbs@gmail.com</a> Mobile No. 959XXXX413
	ICICI Bank	Current Account no. 141XXXXX2178 (Date of A/c opening: 09.09.2020)	

(Bank accounts were mentioned in the website only)			Address as per aadhar card: S/o Bindeshwar Ray, Ward 1, Gram Post Chatra, Madhubani, Bihar-847228
Account name: Sunil Kumar Ray PAN- BWLPR2195D)  (Received through UCC data)	ICICI Bank	Saving account no. 313XXXXX2881 Date of A/c opening: 13.11.2019	Bank has stated that account was opened through digital mode using Aadhaar based biometric authentication
	Kotak Mahindra Bank	Account no. 141XXX5540 Date of A/c opening: 11.08.2020	

(m) It is also observed that the Noticee also has a fixed deposit account in ICICI Bank with FDR No. 313213001860 having balance of Rs. 25,218/-

(n) It is observed from the information provided by banks that two bank accounts viz., Bank of Baroda (bank a/c no. 198XXXXXXXX0859) and ICICI Bank (bank a/c no. 141XXXXX2178), were registered in the name of Trade Show Advisory with the Noticee as the proprietor and were operational from September 2020. While, the other two bank accounts viz., ICICI Bank A/c no. 313XXXXX2881 and Kotak Mahindra Bank A/c no. 141XXX5540, are registered in the name of only the Noticee. The ICICI bank A/c No. 313XXXXX2881 was operational from November 2019.

(o) From the KYC documents of the Noticee provided by Bank of Baroda for A/c No. 198XXXXXXXX0859, it is observed that Trade Show Advisory was incorporated in 02.09.2020. From Registration Certificate of Establishment (Form C) obtained as part of KYC, the following is observed:

- i. Establishment name: Trade Show Advisory
- ii. Name of employer: Sunil Kumar Ray
- iii. Nature of Business: Stock market advisor, Stock Market Intelligence and Analytics

(p) It is also mentioned in the registration certificate that Trade Show Advisory was registered as a commercial establishment under Karnataka shops and

commercial establishment Act, 1961 on August 08, 2020 and registration is valid up to December 31, 2024.

(q) Based on the search made on the website <https://services.gst.gov.in/services/searchtp>, it is observed that Trade Show Advisory is registered under GST with GSTIN 29BWLPR2195D1Z3 and PAN BWLPR2195D (i.e. PAN of Shri Sunil Kumar Ray). It is also observed that all the services registered under GST are related to stock market services viz., Financial Consultancy services, Market research services, Brokerage and related securities and commodities services including commodity exchange services and Services related to administration of financial market.

(r) The bank transactions were analyzed either from the date of opening of bank accounts or from date of registration of Trade Show Advisory, whichever is later, till the date of examination viz., January 23, 2024. However, credit transactions related to investment advisory services were found only in 2 accounts and the summary of credit transactions received in the said 2 accounts from the date of opening of bank accounts is given below:

Table 3

Transaction Period#	Account Name	Bank account No.	No. of all credit transactions	Total of all credit transactions (in Rs.)	Balance as on 23.01.2024 (in Rs.)
09/09/2020 to 23/01/2024	TSA	ICICI bank A/c no. 141XXXXX2178	3923	2,75,10,681	Nil balance as on 30.08.2023 (credit transactions are available till 30.08.23 only)
11/08/2020 to 23/01/2024	Sunil Kumar Ray	ICICI bank A/c no. 313XXXXX2881	1438	1,73,84,990	117/- on 23.01.2024
#The transaction period is from the date of registration of establishment of TSA or date of account opening whichever is later till January 23, 2024					

(s) An independent examination of the credits received in the aforementioned bank accounts of the Noticee was carried out based on the package amount and narrations/ descriptions of the bank transactions. The relevant observations are as under:

**Order in the matter of Unregistered Investment Advisory activities by Mr. Sunil Kumar Ray (Proprietor of Trade Show Advisory)**



i. Based on package amount:

From website data, it is observed that the Noticee was providing intraday tips to the public via four products namely, Equity, MCX, Index and Deliverer under various monthly plans upon charging an amount for the subscription/package as detailed below:

Table 4

<b>Name of product/Package/Plans</b>
Equity Cash Normal/Premium/HNI-1/3/6/12 Months
Equity Future Normal/Premium/HNI-1/3/6/12 Months
Equity Option Normal/Premium/HNI-1/3/6/12 Months
MCX Normal/Premium/HNI-1/3/6/12 Months
MCX Bullion Normal/Premium/HNI-1/3/6/12 Months
MCX Metal Normal/Premium/HNI-1/3/6/12 Months
MCX Energy Normal/Premium/HNI-1/3/6/12 Months
Index Future Normal/Premium/HNI-1/3/6/12 Months
Index Option Normal/Premium/HNI-1/3/6/12 Months
Long term future plans Normal/Premium

As the Noticee is GST compliant, the details of subscription amount under above packages is categorized in four possible scenarios:

Table 5

<b>Package/Subscription amount (excluding GST) (in Rs.)</b>	<b>Package/Subscription amount (amount rounded off to the nearest Rs.10) (in Rs.)</b>	<b>Package/Subscription amount including GST (in Rs.)</b>	<b>Package/Subscription amount including GST (amount rounded off to the nearest Rs.10) (in Rs.)</b>
9999	10000	11799	11,800
11999	12000	14159	14,160
14000	14000	16520	16520
14999	15000	17699	17,700
15999	16000	18879	18,880
21000	21000	24780	24780
24999	25000	29499	29,500
26999	27000	31859	31,860
29999	30000	35399	35,400
32999	33000	38939	38,940
34999	35000	41299	41,300
39999	40000	47199	47,200
42999	43000	50739	50,740
49999	50000	58999	59,000
51999	52000	61359	61,360
55999	56000	66079	66,080

Package/Subscription amount (excluding GST) (in Rs.)	Package/Subscription amount (amount rounded off to the nearest Rs.10) (in Rs.)	Package/Subscription amount including GST (in Rs.)	Package/Subscription amount including GST (amount rounded off to the nearest Rs.10) (in Rs.)
59999	60000	70799	70,800
64999	65000	76699	76,700
66999	67000	79059	79,060
69999	70000	82599	82,600
72999	73000	86139	86,140
74999	75000	88499	88,500
85999	86000	101479	1,01,480
99999	100000	117999	1,18,000
110000	110000	129800	1,29,800
119999	120000	141599	1,41,600
139999	140000	165199	1,65,200

Rate of GST has been taken @ 18% based on the rates available on the website of 'Central Board of Indirect Taxes and Customs' for Heading 9971 and 9983.

ii. Based on the narrations/ descriptions of bank transactions:

Analysis of the credit transactions based on key terms in connection with investment advisory services viz., trading, trade, advisory, calls, premium, Nifty etc.

Detailed Bank wise analysis of various credit transactions based on the above two criteria are given below:

A. Credit received in ICICI Bank A/c No. 141XXXXX2178 of the Noticee:

The credit transactions were analyzed based on the package amount and narration of the transaction and accordingly, the following were found in the bank statement, in connection with providing investment advisory services.

Table 6

Category of Credit transactions	No. of Credit transactions	Amount in Rs.
Amount tallying with package amount	452	79,39,559
Narration having keys words	219	18,54,802
combination of Package and narration	59	10,84,096
Total	730	108,78,457

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Clarification for the aforementioned transactions were sought from the Noticee vide email dated February 02, 2024 for which he had submitted transaction-wise reply vide email dated February 07, 2024. The Noticee had stated that 8 out of 730 credit transactions amounting to Rs.6,11,000 pertain to loan taken by him and transfer from other banks. With respect to the remaining transactions, the Noticee has stated that the money was collected as service charges towards providing of services related to Stock Market -Research Analysis, Technical Tools, News, Web sites, Analytical Report various tools available publically. In this regard, the excerpt of the Noticee's with respect to the 8 transactions are given below:

Table 7

Account Number	Customer Name	Date of transaction	Narration	Credit Amount (in Rs.)	Comments of Noticee
141XXXXX2178	Trade Show Advisory	16-12-2021	MMT/IMPS/135023 177459/Return/NAZIM PASH/IDBI Bank	50000	Hand Loan Repaid from Nazim Pasha
		24-01-2022	MMT/IMPS/202421 594245/Safan/Sir /DBSS0IN0811	100000	Loan from Mr Safan
		25-04-2022	MMT/IMPS/211518 907361/Borrowings/ TRADESHOWA/Bank o	125000	Transferred from My saving account
		02-05-2022	MMT/IMPS/212215 688192/Borrowings/ TRADESHOWA/Bank o	100000	Transferred from My account
		31-05-2022	MMT/IMPS/215116 400280/Credit/TRADESHOWA/Bank of Ba	80000	Transferred from My account
		07-09-2022	MMT/IMPS/225019 351024/Credit/TRADESHOWA/Bank of Ba	60000	Transferred from My account
		07-11-2022	MMT/IMPS/231120 504999/Credit/TRADESHOWA/Bank of Ba	55000	Transferred from My account

Account Number	Customer Name	Date of transaction	Narration	Credit Amount (in Rs.)	Comments of Noticee
		07-12-2022	MMT/IMPS/234117093407/Credit/TRADESHOWA/Bank of Ba	41000	Transferred from My account

The reply given by the Noticee with respect to the remaining 722 transactions is given below:

Table 8

Sr. no.	Account Number	Customer Name	Date of transaction	Narration	Credit Amount	Comments
1	141XXX2178	Trade Show Advisory	24/09/20	MMT/IMPS/026818331923/Advisory/YOGESH K K/HDFC Ban	24999	Service charges towards providing of Stock Market -Research, Analysis, Technical Tools, News, Web sites, Analytical Report various tool from publically available --- do --- --- do ---
722						

It is observed that the Noticee has not raised any dispute with respect to the credit transactions identified based on the packages (i.e., the calculation of package amount including/excluding GST with/without rounding off to nearest ₹10), except for 4 credit transactions for which the Noticee has given clarifications. Hence, it is observed that the Noticee has collected Rs.1,02,67,457 towards unregistered investment advisory services, based on 722 credit transactions including the amount of Rs.76,29,558 from 448 credit transactions which were identified based on packages (452 identified transactions based on packages minus 4 transactions for which the Noticee has provided clarifications). The details of the 448 credit transactions are detailed below:

Table 9

Package/Subscription amount (excluding GST)		Package/Subscription amount (amount rounded off to the nearest Rs.10)		Package/Subscription amount including GST		Package/Subscription amount including GST (amount rounded off to the nearest Rs.10)		Total	
No. of credit transactions	Credit Amount (in Rs.)	No. of credit transactions	Credit Amount (in Rs.)	No. of credit transactions	Credit Amount (in Rs.)	No. of credit transactions	Credit Amount (in Rs.)	No. of credit transactions	Credit Amount (in Rs.)
28	3,40,980	368	64,31,000	1	47,198	51	11,10,380	448	76,29,558

**B. Credit received in ICICI Bank A/c No. 313XXXXX2881 of the Noticee:**

The abovementioned bank account was examined for the period from August 11, 2020 to January 23, 2024 (balance available on January 23, 2024 was Rs.130). Upon analyzing, following credit transactions appear to be collected by the Noticee in connection with providing investment advisory services:

Table 10

Category of Credit transactions	No. of Credit transactions	Amount in Rs.
Amount tallying with package amount*	205	52,13,000
Narration having keys word: Stockseducation	53	247,482
combination of Package amount* and narration 'Stockseducation'	7	121,000

*\*Based on Package/Subscription amount excluding GST rounded off to the nearest Rs.10*

Vide email dated February 14, 2024, clarification was sought from the Noticee with respect to the aforementioned credit transactions along with supporting documents. The Noticee, vide email dated February 22, 2024, provided his reply for all credit transactions (except for credit transactions which were less than ₹5000) observed in his bank account ICICI Bank A/c No. 313XXXXX2881. Summary of the reply is given below:

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Table 11

<b>Reply of the Noticee w.r.t credit Transaction</b>	<b>Count of Credit transactions</b>	<b>Sum of Credit Transactions (in Rs.)</b>
Transferred from current a/c.	302	49,70,939
Hand loan from friend	113	23,20,597
Rent received	35	3,08,500
Transferred for GST payment from CA	20	15,51,407
Transferred from my personal saving a/c.	20	23,58,290
Amount received towards stock analysis reports	18	3,06,500
Cash deposit	16	5,18,900
Repaid hand loan from friend	11	2,88,500
House rent refund deposit	8	5,90,000
Reversal entry	8	2,26,800
Transaction failure	8	12,82,000
Bob	7	1,21,500
Loan received	6	1,19,000
Credit taken back	3	72,805
Transferred for salary from current a/c.	3	5,25,000
Transferred from demat a/c.	3	2,26,110
Fees for tuition given	2	28,000
Repaid from friend	2	3,28,000
Salary received	1	52,447
Transferred for rent from current a/c.	1	1,00,000
Transferred from HDFC mutual fund towards redeemed	1	8,859
<b>Grand Total</b>	<b>588</b>	<b>1,63,04,154</b>

It is observed from the clarification provided by the Noticee that majority of the transactions were in connection with money transferred from other bank accounts of the Noticee and loan from friend. Therefore, it is observed that 481 out of 588 credit transactions were received on account of transfer from other bank accounts, loan from friends and rent received.

Further, with respect to credit transaction shortlisted in table above based on the packages, it is observed that 123 out of total 205 credit transactions amounting to Rs.28,54,000 are pertaining to amount transferred from other bank account of the Noticee i.e. ICICI Bank A/c No. 141XXXXX2178. Out of remaining 82 credit transactions, 42 credit transactions amounting to Rs.10,86,000 pertain

to loan received from friends etc., and the rest 40 credit transactions amounting to Rs.12,73,000 are with respect to other miscellaneous transactions as mentioned in above table.

With respect to credit transactions having key word in narration 'stockseducation', the Noticee has replied that such credit is received towards STOCK ANALYSIS REPORTS. As the statement given by the Noticee was without any evidence, an email dated February 23, 2024 was sent to the Noticee to provide all the relevant details including following:

- i. Details of Stock analysis report provided by the Noticee.
- ii. Details such as Name, PAN etc. of entities to whom such Stock analysis report was provided.
- iii. Details of platform through which such Stock analysis report were provided i.e. website, Facebook etc.

The Noticee, vide (two) emails dated February 23, 2024 provided his response which was unclear despite being advised to provide point wise reply to all queries along with copy of stock analysis report. Further, the replies were also devoid of any supporting evidences. Thus, a total of 60 credit transactions (as indicated in Table) comprising of 53 transactions with the keyword 'stockseducation' amounting to Rs.2,47,482 and 7 transactions totalling Rs.1,21,000 with keyword 'stockseducation' and which also match with package amount are considered as collected by the Noticee during the course of providing investment advisory services.

3. Thus, from the examination carried out and based on the submission of the Noticee, a sum of at least Rs.1,06,35,939 (i.e. (i.e. Rs.1,02,67,457 from ICICI bank account 141XXXXX2178 plus Rs.3,68,482 from ICICI bank account 313XXXXX2881)1,02,67,457 from ICICI bank account 141XXXXX2178 plus Rs.3,68,482 from ICICI bank account 313XXXXX2881) have been considered as fees collected by the Noticee towards unregistered investment advisory services.

4. The said acts of investment advisory were carried out by the Noticee without obtaining registration from SEBI. In this regard, “investment advice” and investment adviser’ defined under Regulation 2(1)(l) and 2(1)(m) of IA Regulations respectively are as under:

**2(1)(l).** *“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.”*

**2(1)(m).** *“investment adviser means any person who for consideration, is engaged in the business of providing 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.”*

5. Based on the facts stated in the said SCN, it was alleged that the Noticee was engaged in the activities of an investment adviser without obtaining the requisite registration from SEBI, as required in terms of Section 12(1) of the SEBI Act read with Regulation 3(1) of IA Regulations.

6. Further, it is also observed and alleged that the contents on the website taken together with Whatsapp chats of the complainant with the Noticee regarding investment advisory services and the collection of fees indicate that the activities of Noticee are fraudulent in nature and are covered within the definition of “fraud” as defined in Regulation 2(1)(c) & (3) of PFUTP Regulations, 2003, which reads as under:

**“Definitions**

2. (1) *In these regulations, unless the context otherwise*

.....

c) *“fraud” includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in Securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include-*

(1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;



.....

(3) an active concealment of a fact by a person having knowledge or belief of the fact;

.....

.....

And “fraudulent” shall be construed accordingly

...”

7. On combined reading of provisions mentioned above it can be inferred that the activities/ dealings of the Noticee are in the fraudulent in nature and accordingly, he has violated Regulations 3(a), (b), (c), (d), 4 (1) and 4 (2) (k) of PFUTP Regulations, 2003, Section 12A (a), (b), (c) of SEBI Act, 1992 read with Regulation 3 (1) of the IA Regulations, 2013.
8. Therefore, the Noticee was called upon to show cause as to why suitable directions under Sections 11(1), 11(4) and 11B (1) of the SEBI Act, 1992 including direction of refund of fees/monies collected from the investors should not be issued against him and why inquiry should not be held against him in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and penalty be not imposed upon him under Section 11 (4A), 11B (2) read with Section 15EB and 15HA of the SEBI Act, for the aforesaid violations.
9. SCN dated September 06, 2024 was sent to the Noticee through SPAD and e-mail at the addresses of the Noticee, available on record. The SCN sent vide SPAD and by e-mail were duly delivered. Thereafter, vide- email dated September 25, 2024, the Noticee had sought additional time to file his reply in the matter, which was granted till October 11, 2024. Subsequently, the Noticee vide- e-mail dated October 15, 2024 has filed his reply to the SCN. Next, in the interest of natural justice, the Noticee was granted an opportunity of personal hearing on November 22, 2024, which was duly attended by the Authorized representative (AR) of the Noticee.
10. The summary of the Noticee’s reply dated October 15, 2023 are as under;

- The submitted that as per GST records his main business is Financial Consultancy and Market Research Analysis.
- The Noticee submitted that inadvertently, not having proper knowledge he may have erred while creating his official website and other documents
- Complaints made are frivolous and not have done any fraudulent activities with mens rea. Therefore, a fit case to close with some admonishments.
- All activities including GST Registration are closed and no such activities are carried out by the Noticee. Therefore, request to drop the proceedings against the Noticee.

### **CONSIDERATION OF ISSUES AND FINDINGS**

11. I have considered the material available on record including complaint, the SCN, Noticee's reply, Bank statements, KYC documents, Account opening forms etc.

12. I note that following issues arise for consideration in the present case: -

***A. Whether the Noticee acted as an unregistered investment advisor in contravention of Section 12(1) of the SEBI Act and Regulation 3 (1) of the IA Regulations and whether the conduct of the Noticee can be construed as 'fraud' in terms of the Regulation 2(1)(c) of PFUTP Regulations and consequently he is in violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(k) of SEBI PFUTP Regulations read with Section 12 A (a), (b) and (c) of the SEBI Act?***

***B. If answer to issue no. A is in the affirmative, what penalty and/or directions should be passed against the Noticee?***

13. Before proceeding further, it is pertinent to refer to the relevant provisions of the SEBI Act, PFUTP Regulations and the IA Regulations which are reproduced hereunder: -

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*Order in the matter of Unregistered Investment Advisory activities by Mr. Sunil Kumar Ray (Proprietor of Trade Show Advisory)*

## **SEBI Act**

### **Section 12 (1) - Registration of stock brokers, sub-brokers, share transfer agents, etc.**

*" 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:"*

### **Section 12A - Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control**

*"No person shall directly or indirectly-*

- a. use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;*
- b. employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognized stock exchange;*
- c. engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognized stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;"*

## **IA Regulations**

**Regulation 2(1)(g) – Definition of Consideration**

*“consideration” means any form of economic benefit including non-cash benefit, received or receivable for providing investment advice;*

**Regulation 2(1)(l) – Definition of Investment Advice**

*“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 Provided that investment advice given 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;”*

**Regulation 2(1)(m) – Definition of Investment Adviser**

*“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;”*

**Regulation 3(1) – Requirement of Registration from SEBI to act as Investment Adviser**

*“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:”*

**Prohibition of Fraudulent and Unfair Trade Practices Regulations, 2023 (PFUTP Regulations)**

**Section 3 - Prohibition of certain dealings in securities**

*“No person shall directly or indirectly-*

- (a) buy, sell or otherwise deal in securities in a fraudulent manner*
- (b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*
- (c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;*
- (d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under”.*

**Section 4- Prohibition of manipulative, fraudulent and unfair trade practices**

*(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets.*

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

*...*

*.....*

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

**Issue A: Whether the Noticee acted as an unregistered investment advisor in contravention of Section 12(1) of the SEBI Act and Regulation 3(1) of the IA Regulations and whether the conduct of the Noticee can be construed as ‘fraud’ in violation of Regulations 3(a),(b), (c), (d), 4(1) and 4(2)(k) of SEBI PFUTP Regulations read with Section 12 A (a), (b) and (c) of the SEBI Act?**

14. I now proceed to consider the matter on merits.
15. I note from the submissions of the Noticee that by stating that inadvertently and not having proper knowledge he may have erred while creating his official website and other documents, the Noticee has admitted to have provided unregistered investment advisory services. In this regard, it is to be noted that it is a settled principle that '*Ignorantia juris neminem excusat*' which means that 'ignorance of law is no excuse for breaking it'. Further, he submitted that the complaints made against him in this regard are frivolous and he has not done any fraudulent activities with *mens rea*, which further substantiates the charges alleged against the Noticee. In this regard, I note that the Noticee has not submitted any documents or has provided sufficient reasons to prove his genuine intent behind his false claims. Therefore, the Noticee's argument that there was no malafide intention on the part of the Noticee as the breach was purely unintentional, does not stand. The Noticee has also submitted that he has ceased all his activities related to unregistered investment advisory services now and requested to drop the said proceeding against him. In this regard, I note that the contention of the Noticee that later on he had ceased all his activities related to unregistered investment advisory services has no merit to it, as it does not take away from the fact that during the relevant period, he was involved in unregistered investment advisor activities and has knowingly and deliberately misled the complainant and other clients.
16. In this regard, I note that Regulation 2(1) (m) of the IA Regulations defines the term '*investment adviser*'. As per Regulation 2(1) (m) of the IA Regulations, investment adviser means any person, who is engaged in the business of providing investment advice to clients or other person or group of persons for consideration. Further, it includes any person who holds himself out as an 'investment adviser'. Regulation 2(1)(m) of the IA Regulations refer to terms 'consideration' and 'Investment advice'. As per Regulation 2(1)(g) of the IA Regulations, consideration means any form of economic benefit including non-cash benefit, received or receivable for providing

investment advice. As per Regulation 2(1)(l) of the IA Regulations, '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. However, advice given through newspaper, magazines, any electronic or broadcasting or telecommunications medium, which is widely available to the public, shall not be an investment advice within the meaning of Regulation 2(1)(l) of the IA Regulations.

17. From the facts mentioned in the SCN it is observed that the Noticee's website, explicitly stated that the Noticee has the license to provide investment advisory service. Further, the Noticee has also admitted to the same vide his reply dated October 15, 2024. Accordingly, the Noticee has collected Rs.1,06,35,939/- (i.e. Rs.1,02,67,457 from ICICI bank account 141XXXXX2178 plus Rs.3,68,482 from ICICI bank account 313XXXXX2881) as fees in lieu of investment advice during the relevant time period. Further, it is also noted from Subscription/Package details in website, the Noticee has assured daily returns to investors thereby luring and inducing them to deal in securities by availing his services. Thereafter, in this regard, it was observed that neither the Noticee nor Trade Show Advisory are registered with SEBI as an intermediary or in any other capacity. Thus, not being registered with SEBI but still advertising on his website about providing investment advice means that the Noticee was intentionally providing misleading information. Also by mentioning that the Noticee has the license to provide investment advisory service the Noticee knowingly and deliberately misled the complainant and other clients.
18. This clearly indicates that the Noticee was engaged in investment advisory service relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, through his 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 is holding himself out as investment adviser, will be covered by the definition of 'Investment Adviser' as given in Regulation 2(1)(m) of the IA Regulations, 2013. I find that in terms of Regulation 2(1)(l) of IA Regulations, 2013, the Noticee was providing Investment advisory services through his website. As noted above, the Noticee received Rs.1,06,35,939/- as consideration for the investment advisory services provided by him. Hence, I find that these services were being offered by the Noticee to be in lieu of the consideration, as noted above. Therefore, I find that the Noticee was engaged in the business of providing investment advice to his clients, for consideration, and thus, acting as an investment adviser, as defined under Regulation 2(1)(m) of the IA Regulations, 2013. From the discussion above, I further find that the Noticee was holding himself out to be Investment Adviser as given in Regulation 2(1)(m) of the IA Regulations, 2013.

19. Further, I note that the Noticee has not made any submissions to prove that these funds were earned from other source of income. Hence, I find that these services were being offered by the Noticee for the consideration, as noted above. Therefore, I find that the Noticee was engaged in the business of providing investment advice to his clients, for consideration, and thus acted as an investment adviser, as defined under Regulation 2(1)(m) of the IA Regulations.

20. I also note that, in terms of Section 12(1) of the SEBI Act and Regulation 3(1) of the IA Regulations, 2013, the registration of the investment advisers is mandatory. It provides that, "*On and from the commencement of these regulations, no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board under these regulations*".

21. It is imperative that any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and conduct their activities in accordance



with the provisions of the SEBI Act 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.”*

22. Therefore, 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 the IA Regulations:

- i. An application for seeking certificate of registration to be made to Local Office, Regional Office or Head Office, of SEBI, as the case may be, in Form A as specified in the First Schedule to IA Regulations, 2013 along with requisite nonrefundable application fee;
- ii. The applicant, in case of an individual investment adviser or its principal officer in case of a non-individual investment adviser shall be appropriately qualified and certified as under:
  - a. A professional qualification or post-graduate degree or post graduate diploma (minimum two years in duration) in finance, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognized by the Central Government or any State Government or a recognized foreign university or institution or association or a professional qualification by completing a Post Graduate Program in the Securities Market (Investment Advisory) from NISM of a duration not less than one year or a professional qualification by obtaining a CFA Charter from the CFA Institute;

- b. An experience of at least five years in activities relating to advice in financial products or securities or fund or asset or portfolio management;
  - c. Applicant in case of individual investment adviser or its principal officer in case of a non-individual investment adviser, and persons associated with investment advice shall have, at all times a certification on financial planning or fund or asset or portfolio management or investment advisory services, from (a) NISM; or (b) any other organization or institution including Financial Planning Standards Board of India or any recognized stock exchange in India provided such certification is accredited by NISM.
- iii. Individual applicant must have net worth of not less than 5 lakh rupees and non-individual applicant must have net worth of not less than 50 lakh rupees.
23. Further, the IA Regulations provides for the minimum professional qualification and prescribes mandatory net-worth requirement. Further, it inter-alia provides for disclosures of any conflict of interest, risk profiling of clients, maintenance of records related to client assessments and the suitability of advice. The prescriptions in the IA Regulations are intended to safeguard the interest of investors and curb the perpetration of unregistered entities entering the field of investment advisory services and indulging in unscrupulous market practices.
24. In view of the above, I find that aforesaid total credit of Rs.1,06,35,939/- have been considered as fee for investment advisory services provided by him while acting as an investment adviser without obtaining certificate of registration from SEBI. In view of the above, I find that the Noticee, by acting as investment adviser within the meaning of the IA Regulations and without obtaining certificate of registration from SEBI, has acted in total disregard to the requirements of law and has violated Regulation 3(1) of the IA Regulations and Section 12(1) of the SEBI Act.
25. The SCN also alleged that the contents on the Noticee's website are fraudulent in nature and are covered within the definition of 'fraud' in terms of the Regulation 2(1)(c) of PFUTP Regulations, which is in violation of Regulations 3(a), (b), (c), (d), 4(1) and

4(2) (k) of SEBI PFUTP Regulations read with Section 12 A (a), (b) and (c) of the SEBI Act.

26. As regards the allegation of fraud, I note that the Noticee has made false claims in its website that it is a registered Investment Advisor and has license to provide investment advice and while seeking registration from Karnataka shops and commercial establishment Act 1961 by stating the nature of business as 'Stock Market Advisor' without obtaining certificate of registration from SEBI. Further, the Noticee, by guaranteeing returns, to the investors which intended to induce/influence them to invest their money in share market. The said assurance of loss recovery without any basis and further assured maximization of returns etc., are an active concealment of the material fact that every investment in the market is subject to market risk. In my view, promising assured returns/ assured loss recovery in securities market amounts to misrepresentation and misleading the investors. Such reckless conduct intended to induce investors to deal in securities constitutes 'fraud' under the PFUTP Regulations.
27. Further, the observation recorded by the Hon'ble Supreme Court of India in the matter of **SEBI Vs. Kanaiyalal Baldevbhai Patel** [(2017) 15 SCC 1] is worth quoting: "...A person can be said to have induced another person to act in a particular way or not to act in a particular way if on the basis of facts and statements made by the first person the second person commits an act or omits to perform any particular act. The test to determine whether the second person had been induced to act in the manner he did or not to act in the manner that he proposed, is whether but for the representation of the facts made by the first person, the latter would not have acted in the manner he did...". Therefore, I am constrained to observe that the acts of resorting to misrepresentation and spreading falsehood about, promise of assured profit/unreasonably high returns/assured loss recovery etc. are fraudulent in nature, having the potential to fraudulently induce the investors to deal in securities by availing of his services.

28. I further note that Regulation 3 prohibits certain dealings in securities wherein manipulative or deceptive methods are used, or any entity employs any device or scheme or artifice to defraud in connection with dealing in or issuing securities and also engage in any act, practice, course of business which operate as fraud or deceit upon any person in connection any dealing in or issue of securities. Further, I also note that Regulation 4(2)(k) provides that dealing in securities shall be deemed to be a manipulative fraudulent or an unfair trade practice if it involves disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading and which is designed or likely to influence the decision of investors dealing in securities. Therefore, I note that the Noticee was indeed involved in mis-selling of services to his clients by making false and misleading statements of providing guaranteed returns to the investors.
29. Thus, I note that the Noticee, by assuring guaranteed returns with respect to their investment advisory related plans and by knowingly publishing false and misleading information, defrauded the potential investors by inducing them to invest in the shares based on the advice of promising guaranteed returns and therefore, I find that the Noticee has violated the provisions of Regulation 3 (b), (c) & (d), 4(1) and 4 (2)(k) of the PFUTP Regulations read with Section 12A(a), (b), (c) of the SEBI Act.
30. In view of above, I am convinced and would like to conclude that these activities were being carried out by the Noticee without obtaining the necessary certificate of registration as an investment adviser and therefore, the Noticee has violated the provisions of Section 12(1) of the SEBI Act read with Regulation 3 of the IA Regulations. Further, as concluded above, the Noticee, by making fraudulent and misleading dissemination of information with respect to assurance of guaranteed returns has also violated the provisions of Regulation 3(b), (c) & (d) and 4(1) and 4 (2)(k) of the PFUTP Regulations read with Section 12A(a), (b), (c) of the SEBI Act.

***Issue B: If answer to issue no. A is in the affirmative, what penalty and/or directions should be passed against the Noticee?***

31. I note that the SCN has called upon the Noticee to show cause as to why appropriate penalty be not imposed upon him under Section 15EB and 15HA of SEBI Act for the violations alleged in the SCN. Sections 15 EB and 15HA of the SEBI Act are extracted hereunder: -

**Penalty for default in case of investment adviser and research analyst**

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

**Penalty for fraudulent and unfair trade practices**

*“15 HA - If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher”.*

32. I note that Section 15J of the SEBI Act provide for factors which are required to be considered for adjudging quantum of penalty. Section 15J of the SEBI Act reads as follows: -

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

***15J.*** *While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: —*

- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
- (b) the amount of loss caused to an investor or group of investors as a result of the default;*
- (c) the repetitive nature of the default.”*

*Explanation. —For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.”*

33. The activities of the Noticee, as brought out above, seen in the backdrop of the aforesaid provisions show that he was acting as an investment adviser without holding the certificate of registration as investment adviser. Additionally, the violations of PFUTP Regulations have also been established against the Noticee. As a regulator of the capital markets, SEBI has the duty to safeguard the interests of investors and protect the integrity of the securities market. Since, the conduct of Noticee mentioned hereinabove is not in the interest of investors and the securities market, necessary action has to be taken against him. Therefore, I find that the Noticee has violated the provisions of Section 12(1) of SEBI Act read with Regulation 3(1) of the IA Regulations and Regulation 3 (b), (c) & (d), 4(1) and 4 (2)(k) of the PFUTP Regulations read with Section 12A(a), (b), (c) of the SEBI Act. In view of the above, I am convinced that this is a fit case where suitable directions need to be issued and appropriate monetary penalty also needs to be imposed on the Noticee.

34. As observed above, I note that the Noticee received total credit of amounts to the tune of Rs.1,06,35,939/-, is collected towards unregistered investment advisory services. These being the proceeds of an illegal activity, are liable to be refunded to the respective clients.

#### **DIRECTIONS**

35. 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), 11B (2) and 19 of the SEBI Act, and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, do hereby issue the following directions:

- (a) The Noticee shall refund all the money collected/received from any investors / complainants, as fees or consideration or in any other form, in respect of his unregistered investment advisory activities immediately, and in any case, within a period of three months from the date of this order.

- (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, about this Order and shall give details of modalities for refund, including the details of contact person such as name(s), address(es) and contact detail(s) of person(s) to be approached for refund, within 15 days from the date of receipt of this order;
- (c) The repayments to the complainants/investors shall be effected only through electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments;
- (d) The Noticee is prohibited from selling his assets, properties including mutual funds/shares/securities held by him in demat and physical form except for the purpose of effecting refunds as directed above. Further, the banks are directed to allow debit from the bank accounts of the Noticee, only for the purpose of making refunds to the clients who were availing the investment advisory services from the Noticee;
- (e) After completing the aforesaid repayments, the Noticee shall file a report of such completion with SEBI addressed to the "*Division Chief, Division of Post-Inspection Enforcement Action, Market Intermediaries Regulation and Supervision Department, SEBI Bhavan II, Plot No. C7, G Block, Bandra Kurla Complex, Bandra (East) Mumbai –400051*", within a period of 15 days, after expiry of four months from the date of public notice, as directed above, duly certified by an independent Chartered Accountant and the direction at para 35(d) above shall cease to operate upon filing of such report;
- (f) The remaining balance amount shall be deposited with SEBI which will be kept in an escrow account for a period of one year for distribution to clients/complainants/investors who were availing the investment advisory services from the Noticee. Thereafter, remaining amount, if any, will be deposited in the 'Investors Protection and Education Fund' maintained by SEBI;

- (g) The Noticee is debarred from accessing the securities market, directly or indirectly and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of two years from the date of this order or till the date of filing of report, as directed in para 35(e) above, whichever is later;
- (h) The Noticee shall not undertake, either during or after the expiry of the period of restraint and prohibition, as mentioned in para 35(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;
- (i) The Noticee is hereby imposed with penalty of Rs.5,00,000/- (Rupees Five Lakh Only) under Section 15HA of the SEBI Act and Rs.1,00,000/- (Rupees One Lakh Only) under Section 15EB of the SEBI Act;
- (j) The Noticee shall remit / pay the said amount of penalty, within a period of forty-five (45) days from the date of receipt of this order, through online payment facility available on the website of SEBI, i.e. [www.sebi.gov.in](http://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](mailto:portalhelp@sebi.gov.in).
- (k) In case of failure of the Noticee to comply with the aforesaid directions in subparagraph (a) and (i), 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 including such other provisions contained in securities laws.

36. For any non-compliance of this order, the Noticee shall be subject to strict action under the applicable provisions of the law, including prosecution.

37. It is clarified that the direction for refund as given in Para 35(a) 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.

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

39. A copy of this order shall be sent to the Noticee, all the recognized Stock Exchanges, the relevant banks, Depositories, Registrar and Transfer Agents of Mutual Funds and BSE Administration and Supervision Ltd., to ensure that the directions given above are strictly complied with.

**Date: December 17, 2024**

**Place: Mumbai**

**G RAMAR  
CHIEF GENERAL MANAGER  
SECURITIES AND EXCHANGE BOARD OF INDIA**