

Department: Investigation	Segment: All
Circular No: MSE/ID/15694/2024	Date: July 22, 2024

Subject: SEBI Order in the matter of Unregistered Investment Advisory by Shashikant Kumar (Owner of SM Global Research)

To All Members,

SEBI vide order no. QJA/GR/ERO/ERO/30575/2024-25 dated July 19, 2024 has issued the following directions in respect of Mr. Shashikant Kumar (Owner of SM Global Research) (PAN: CAXPK4388N) in the matter of Unregistered Investment Advisory.

- 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 SEBI order.
- 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 SEBI 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 SEBI order;
- 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;
- 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;
- After completing the aforesaid repayments, the Noticee shall file a report of such completion, as mentioned in SEBI order.
- 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;
- 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 SEBI order or till the date of filing of report, as directed in para 34 (e) of SEBI order, whichever is later;

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- h. The Noticee shall not undertake, either during or after the expiry of the period of restraint and prohibition, as mentioned in para 34(g) of SEBI order, 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 as mentioned in SEBI order.
- 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 SEBI 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.

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

It is clarified that the direction for refund as given in Para 34(a) of SEBI order, 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.

This order shall come into force with immediate effect.

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

**Vipul Vaishnav
Assistant Vice President**