SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTION 11(1), 11(4), 11B AND 11D OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 IN RESPECT OF WASANKAR WEALTH MANAGEMENT LIMITED, WASANKAR INVESTMENTS, MR. PRASHANT WASANKAR, MR. VINAY WASANKAR, MS. MITHILA WASANKAR, MR. ABHIJEET CHAUDHARI AND MS. BHAGYASHREE WASANKAR.

1. Wasankar Wealth Management Limited (hereinafter referred to as "WWML"), is registered as a stock broker with Inter Connected Stock Exchange Ltd. (SEBI Registration No. INB241474130) and also as sub-broker with Bombay Stock Exchange Ltd. (BSE) since March 06, 2013 and National Stock Exchange of India Ltd. (NSE) since January 29, 2013 having SEBI Registration Numbers INS01A552636 and INS23A550931, respectively. WWML is also registered as an investment adviser with SEBI (SEBI Registration Number INA000000219).

2. WWML was incorporated as a private limited company on July 16, 2008 with Mr. Prashant Wasankar and Mr. Vinay Wasankar as its promoters. Subsequently, WWML converted into a public limited company with effect from April 01, 2010. As per the available records, Mr. Prashant Wasnkar has 60% shareholding while his wife, Ms. Bhagyashree Wasankar has 37% shareholding in WWML. Mr. Prashant Wasankar, Ms. Mithila Wasankar and Mr. Abhijeet Chaudhari are the directors of WWML. The details of these promoters and directors are enumerated hereunder:

Sl. No.	Names	Designation	PAN	DIN
1	Mr. Prashant Wasankar	Promoter/Director	AAIPW1864A	02222183
2	Mr. Vinay Wasankar	Promoter	AALPW3215A	02217889
3	Ms. Mithila Wasankar	Director	ANFPM0123J	02748336
4	Mr. Abhijeet Chaudhari	Director	AIUPC8611M	02745525

3. Wasankar Investments (WI) is a proprietorship firm owned by Mr. Prashant Wasankar and is also registered as sub-broker with NSE with trade name Wasankar Investments (WI), (SEBI Registration Number INS236775719). As per the records, WWML and WI have the common address at 247 Wasankar House, Shivaji Nagar, Nagpur – 440010. For the sake of brevity, WWML, WI, Mr. Prashant Wasankar, Mr. Vinay Wasankar, Ms. Mithila Wasankar, Mr. Abhijeet Chaudhari and Ms. Bhagyashree Wasankar are hereinafter collectively referred to as "Mr. Prashant Wasankar and his connected/related entities" or by their respective

names.

4. SEBI received complaints stating *inter alia* that WWML and WI are collecting money from public in Nagpur promising a return of 300% on an investment for 48 months, a return of 250% on an investment for 30 months and a return of 125% return on an investment for 12 months. In this regard, SEBI sought copies of the complaints from the Economic Offences Wing, Nagpur (EoW).

5. SEBI sought explanation from Mr. Prashant Wasankar as to whether he or his connected/related entities have, directly or indirectly, collected money/deposit from the public. In this regard, Mr. Prashant Wasankar, *inter alia*, stated that:
   (a) He or his connected/related entities have not collected any money/deposit from the public.
   (b) Services offered by WWML or him are in the nature of facilitation of trading on NSE and BSE, advisory services, equity portfolio evaluation and restructuring, stock specific advice, etc. subject to the payment of membership fees.
   (c) The membership fees is charged for the services rendered, subject to service tax and other levies and returns filed in this regard with the respective tax departments.
   (d) Neither WWML nor he has issued post-dated cheques to their clients or any other individual.

6. During May 8-9, 2014, SEBI undertook an inspection at the offices of WWML and WI in Nagpur. Some of the findings of the inspection are as under:
   (1) WWML has other group companies, namely, Wasankar Agro Wealth Pvt. Ltd., H. & W. Agro Pvt. Ltd., Om Bhagwate Capital Services Pvt. Ltd. and Paridhi Trading Co. Pvt. Ltd. These entities are not registered with SEBI in any manner.
   (2) WWML and Mr. Prashant Wasankar solicited and mobilised funds/deposits from clients and general public for making investment primarily in the following two manners:

   A. First Method of mobilisation of funds from public-
   (a) Mr. Prashant Wasankar and his connected/related entities solicited and mobilised funds/deposits from their clients and other investors in the form of cash or cheque for making investments.
   (b) The clients/investors gave the cheques in the names of Mr. Prashant Wasankar and his connected/related entities.
   (c) In addition to these funds, the investors also paid the membership fees to WWML, WI or Mr. Prashant Wasankar.
   (d) In respect of such investments, Mr. Prashant Wasankar would issue a promissory note on the letter head of WI alongwith a certificate of investment in the name of WI acknowledging such investment by the investor.

(e) Mr. Prashant Wasankar would also issue post dated refund cheque(s) on the day of investment.

(f) The promissory note would contain details like the terms and conditions of the schemes. It would be signed by Mr. Prashant Wasankar and bear the stamp of WI.

(g) The details of the various schemes for which funds were collected by Mr. Prashant Wasankar and his connected/related entities are as under :-

Rate of interest			
Plans	**Members**	**Non Members**	**Minimum inv.**
Double	33 Months	48 Months	50K
Triple	48 Months	NA	5LK
Yearly Pay Out 25%, 27.5%, 30%, 32.5%	48 Months	NA	5LK
40%	18 Months	24 Months	50K
Yearly	25%	18%	50K
90 Days	5.25%	3.75%	1LK
Quarterly For 2 Years	5.25%	3.75%	1LK
Monthly	1.60%	NA	5LK
Terms and Conditions			
Loan Facility will be available to **Members** Only			
Pre-Mature withdrawal: For Non Members **4.00%** For Members **2.5%**. No spot charges with **one month notice**.			
If the document is misplaced, **FIR** and Indemnity process has to be completed and the final payment or renewed documents will only be made/issued **after Six months** of maturity.			
The above rates are subject to change without any prior notification			
OFFICE TIMINGS: MONDAY TO FRIDAY (10.30 AM TO 6 PM) SATURDAY (10.30 AM TO 4 PM) SUNDAY (10.30 AM TO 1 PM)			

B. Second Method of mobilisation of funds from public –

(a) The investor would give funds for investment partly in cash and partly in cheque. The cheque would be drawn in favour of the stock broker ISE Securities & Services Ltd. and a receipt for the cash as well as cheque would be issued to the investors by WWML.

(b) Mr. Prashant Wasankar would issue promissory notes to the investors containing details like maturity of the scheme and payment of the scheme amount.

(c) WWML collected funds/deposits from the investors even during the period when it was not registered as an intermediary.

(3) There are instances where payments have been made to the clients/investors by Mr.

Prashant Wasankar and his connected/related entities.

(4) Some of the post dated cheques issued by Mr. Prashant Wasankar for the payment of the maturity amount to the investors were observed to have been dishonoured.

(5) WWML paid an amount of ₹74.57 lakhs as incentives to its employees for the financial year 2012-13.

(6) WWML gave loans to certain individuals/entities as Inter Corporate Deposits to the tune of ₹11.78 crore during the period April, 2012 to March 2014.

(7) Mr. Prashant Wasankar and his connected/related entities have 63 bank accounts in various banks. The credits in these 63 bank accounts for the period April 2013 to May 20, 2014 amount to ₹111 crore (approx).

(8) There are 56 instances of cash deposits amounting to ₹1.61 crore in the 10 bank accounts of Mr. Prashant Wasankar and his connected/related entities in the Indian Overseas Bank.

(9) Mr. Prashant Wasankar is having 13 bank accounts in various banks and an amount of ₹40.23 crore has been deposited in his accounts.

(10) WWML has 10 bank accounts and an amount of ₹20.38 crore has been deposited during the period from April 01, 2013 to May 20, 2014 in its accounts.

(11) Mr. Prashant Wasankar has not traded in cash market.

(12) WWML has traded to the tune of ₹9.08 crore in F&O segment for proprietary trading from April 01, 2013 to May 20, 2014.

(13) The amount of deposits seen in the bank accounts is much more than the turnover during the period.

(14) The data maintained by WWML revealed that Mr. Prashant Wasankar and his connected/related entities collected the funds/deposits mostly from senior citizens and women from the states of Maharashtra, Andhra Pradesh, Bihar, Chhattisgarh, Chandigarh, Delhi, Columbus, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Orissa, Panjab, Tamil Nadu, Tripura, Uttar Pradesh, West Bengal. They also collected funds/deposits from some investors in the United Arab Emirates and the United States of America.

(15) There was huge mismatch in the data provided by WWML with regard to the number of clients and the fee collected from them. Prior to inspection, WWML had submitted that it had collected fee amounting to ₹16.02 crores from 2560 clients.

(16) However, as per the data maintained by WWML in its computer, WWML started collecting fees from the clients from the financial year 2008-09 onwards when it was not even a SEBI registered intermediary. One of files maintained by WWML in its computer has a list of 9576 clients/investors names and their mobile numbers. On its website, WWML claims to have a client base of more than 5000. The details as submitted by WWML and the details of the number of clients and the amount of fee collected by WWML as per the records in its computer are as under:

Sl. No.	Year	Number of clients		Membership fee collected (In ₹)	
		Submitted by WWML	In computer	Submitted by WWML	In computer
1	2008-09	Nil	286		28,30,000
2	2009-10	678	1502	2,84,75,000	3,11,84,000
3	2010-11	732	1258	4,28,15,000	4,34,75,000
4	2011-12	405	604	4,17,60,000	3,97,85,000
5	2012-13	745	722	4,72,03,874	7,22,61,250
6	2013-14	Nil	232		1,03,86,250
	TOTAL	**2560**	**4604**	**16,02,53,874**	**19,99,21,500**

(17) WWML did not maintain proper records pertaining to the investment advisory services provided to the clients.

(18) WWML offered various discount schemes for senior citizens.

(19) Some of the details regarding the discount schemes offered by WWML and as enumerated in one of the files named *"Anniversary Offer"* in its computer *are as under:*

"*Membership Discount for Limited period:*

i. Age 55 – 65 year - 50% off for 1 year @ 25000 and 3 year @ 62500 membership.
ii. Age 65 years and above - 75% off for 1 year @ 12500 and 3 year @ 31250 membership.
iii. For Family Member of Existing Member (below 55 years) - 25% off for 1 year and 3 year membership.
iv. Also Avail Complimentary Membership.
v. New Liquid Fund with flexibility available.
vi. Kindly RESTRUCTURE your Portfolio for better performance."

(20) Similarly, a file named "*Calling Script*" in the computer of WWML, purportedly meant for its wealth management activities, contained details as under:

"*Being anniversary, it's also time to thank you for the trust shown for last 24 years. We've introduced special offers exclusively for our members and their immediate family. (Confirm with the client if someone has already called in this regard, if the client says no, continue as under:*

i. We are offering Membership Discount for Limited period (Till 10th November 2013)
ii. Age 55-65 year - 50% off for 1 year @ 25000 and 3 year @ 62500 Membership (This offer has witnessed a great response since introduction in July 2013).
iii. Age 65 years and above -75% off for 1 year @ 12500 and 3 year @ 31250 Membership.
iv. For Family Member of Existing Member (below 55 years) - 25% off for 1 year and 3 year

*Membership. ***

v. *Also Avail Complimentary Membership.***

vi. *"If invest 15 lacs (Age 55-65 years)- Complimentary Membership and If invest 10 lacs (Age 65 years and above) - Complimentary Membership."*

vii. *"We have Liquid Plan –we can invest any amount and can withdraw anytime.(If client wants to know more about it then say that for more information will ask Wealth Manager to call)."*

viii. *"Even can Restructure your Portfolio for better performance. (If client wants to know more about it then say that for more information will ask Wealth Manager to call)."*

ix. *"We have Some New Plans. (If client wants to know more about it then say that for more information will ask Wealth Manager to call)."*

7. While SEBI was examining the matter, the EoW registered an FIR on May 09, 2014 against Mr. Prashant Wasankar, Ms. Bhagyashree Wasankar and other directors of WWML pursuant to a complaint by an investor for collecting huge funds from the said complainant and other investors by luring them into making investments and promising to pay higher returns on deposits. The said complainant also claimed to have been cheated by Mr. Prashant Wasankar and his connected/related entities who allegedly misappropriated the funds/deposits of the investors and refused to return principal amounts to the investors. The complainant has claimed to have been cheated by Mr. Prashant Wasankar and his connected/related entities to the tune of ₹2,74,36,000/-.

8. I find that the complaints by the clients/investors and/or other general investors of Mr. Prashant Wasankar and his connected/related entities regarding the collection of money by them and the investment certificates, promissory notes, the post dated cheques issued by Mr. Prashant Wasankar promising his investors guaranteed high return and details of various schemes as found in the computer of WWML are sufficient grounds to conclude that Mr. Prashant Wasankar and his connected/related entities had been collecting money from the public in the form of deposit schemes. The facts brought out above *prima facie* indicate that:
   (a) WWML solicited and collected funds/deposits from its clients/other investors for making investments on their behalf even when it was neither registered as a sub-broker nor as any other intermediary and as such acted in contravention of section 12(1) of the Securities and Exchange Board of India Act, 1992 (the SEBI Act) read with regulation 11(1) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 (the Stock Brokers Regulations).
   (b) Mr. Prashant Wasankar and his connected/related entities solicited and collected funds/deposits from their clients and other investors to make investment in certain schemes of WWML and WI that were in the nature of portfolio management schemes without obtaining registration as a portfolio management services as required in terms of section 12(1) of the SEBI Act read with regulation 3 of the SEBI (Portfolio Managers) Regulations, 1993 (the Portfolio Managers Regulations).
   (c) WWML, being a registered intermediary indulged in fund based activities involving

personal financial liability, which it cannot undertake, being a member of a recognised stock exchange and SEBI registered stock broker, sub-broker and as such contravened rule 8(3)(f) of the Securities Contracts (Regulation) Rules, 1957 (the SCRR).

(d) WWML and WI had dealt with other stock brokers for proprietary trading without obtaining prior permission from the stock exchanges and therefore did not comply with the requirements of SEBI Circular no. SEBI/MIRSD/Cir-06/2004 dated January 13, 2004.

(e) During the course of inspection, Mr. Prashant Wasankar and his connected/related entities furnished in-correct information to SEBI regarding their bank accounts thereby violated the provisions of regulation 21, and clauses A(1), A(2), A(3) and A(5) of the Code of Conduct for Stock Brokers read with regulations 9 and clauses A(1), A(2) and D(4) of the Code of Conduct for Sub-Brokers read with regulation 15 of the Stock Brokers Regulations.

(f) WWML did not maintain proper records regarding the investment advisory services provided to its clients and therefore contravened the provisions of regulation 19 and clauses 1 and 2 of the Code of Conduct specified in Schedule III read with regulation 15(9) of the SEBI (Investment Advisers) Regulations, 2013 (the Investment Advisers Regulations).

9. I find that the schemes devised/offered and operated by Mr. Prashant Wasankar through his connected/related entities, namely, WWML, WI, Mr. Vinay Wasankar, Ms. Mithila Wasankar and Mr. Abhijeet Chaudhari and his wife, Ms. Bhagyashree Wasankar were with their complete knowledge and as such they were not only responsible for misleading the clients of WWML and WI and other general investors from the public but also for collecting funds from them and promising unrealistic returns and for other contraventions as mentioned hereinabove. The relevant provisions of the SEBI Act, the SCRR and the Regulations are reproduced as following:-

Section 12(1) of the 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:

The SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992

"Conditions of registration.

9. Any registration granted by the Board under regulation 6 shall be subject to the following conditions, namely,-

(a)..............................

....

(f) he shall at all times abide by the Code of Conduct as specified in Schedule II; and

..................................."

"Registration as sub-broker.

11. (1) No sub-broker shall act as such unless he holds a certificate granted by the Board under these regulations.

.................................."

General obligations and inspection.

"15. (1) The sub-broker shall—

(a)................................

(b) abide by the Code of Conduct specified in Schedule II;

..................................."

"Obligations of stock-broker on inspection by the Board.

21. (1) It shall be the duty of every director, proprietor, partner, officer and employee of the stock-broker, who is being inspected, to produce to the inspecting authority such books, accounts and other documents in his custody or control and furnish him with the statements and information relating to the transactions in securities market within such time as the said officer may require.

(2) The stock-broker shall allow the inspecting authority to have reasonable access to the premises occupied by such stock-broker or by any other person on his behalf and also extend reasonable facility for examining any books, records, documents and computer data in the possession of the stock-broker or any other person and also provide copies of documents or other materials which, in the opinion of the inspecting authority are relevant.

(3) The inspecting authority, in the course of inspection, shall be entitled to examine or record statements of any member, director, partner, proprietor and employee of the stockbroker.

(4) It shall be the duty of every director, proprietor, partner, officer and employee of the stock broker to give to the inspecting authority all assistance in connection with the inspection, which the stock broker may reasonably be expected to give."

Code of Conduct for Stock Brokers

"A. General

(1) Integrity: A stock-broker, shall maintain high standards of integrity, promptitude and fairness in the conduct of all his business.

(2) Exercise of due skill and care : A stock-broker shall act with due skill, care and diligence in the conduct of all his business.

(3) Manipulation: A stock-broker shall not indulge in manipulative, fraudulent or deceptive transactions or schemes or spread rumours with a view to distorting market equilibrium or making personal gains.

………………………………………………………………………………………

(5) Compliance with statutory requirements: A stock-broker shall abide by all the provisions of the Act and the rules, regulations issued by the Government, the Board and the Stock Exchange from time to time as may be applicable to him."

Code of Conduct for Sub-Brokers

" A. General

(1) Integrity: A sub-broker, shall maintain high standards of integrity, promptitude and fairness in the conduct of all investment business.

(2) Exercise of due Skill and Care: A sub-broker, shall act with due skill, care and diligence in the conduct of all investment business.

....

D. Sub-Brokers vis-a vis regulatory Authorities

…………………………………………………………………………………

(4) Manipulation: A sub-broker shall not indulge in manipulative, fraudulent or deceptive transactions or schemes or spread rumours with a view to disturbing market equilibrium or making personal gains."

SEBI (Portfolio Managers) Regulations, 1993

Regulation 3 –

"No person shall act as portfolio manager unless he holds a certificate granted by the Board under these regulations: ………………."

The Securities Contracts (Regulation) Rules, 1957

"Qualifications for membership of a recognised stock exchange.

8. The rules relating to admission of members of a stock exchange seeking recognition shall inter alia provide that:

...

(3) No person who is a member at the time of application for recognition or subsequently admitted as a member shall continue as such if –

...

(f) he engages either as principal or employee in any business other than that of securities or commodity derivatives except as a broker or agent not involving any personal financial liability, provided that - ...."

SEBI Circular no. SEBI/MIRSD/Cir-06/2004 dated January 13, 2004:

"...........................

3.1 A stock broker/ sub broker of an exchange cannot deal with brokers/sub brokers of the same exchange either for proprietary trading or for trading on behalf of clients, except with the prior permission of the exchange. The stock exchanges while giving such permission, shall consider the reasons stated by the brokers/sub brokers for dealing with brokers/sub brokers of the same exchange and after carrying out due diligence allow such brokers/sub brokers to deal with only one stock broker/sub broker of the same exchange.

3.2 A stock broker/sub broker of an exchange can deal with only one broker/sub broker of another exchange for proprietary trading after intimating the names of such stock broker/sub broker to his parent stock exchange."

The SEBI (Investment Advisers) Regulations, 2013

"GENERAL OBLIGATIONS AND RESPONSIBILITIES

General responsibility.

15(9) An investment adviser shall abide by Code of Conduct as specified in Third Schedule."

"Maintenance of records.

19(1) An investment adviser shall maintain the following records,-

(a) Know Your Client records of the client;

(b) Risk profiling and risk assessment of the client;

(c) Suitability assessment of the advice being provided;

(d) Copies of agreements with clients, if any;

(e) Investment advice provided, whether written or oral;

(f) Rationale for arriving at investment advice, duly signed and dated;

(g) A register or record containing list of the clients, the date of advice, nature of the advice, the products/securities

in which advice was rendered and fee, if any charged for such advice."

"CODE OF CONDUCT FOR INVESTMENT ADVISER

1***. Honesty and fairness***

An investment adviser shall act honestly, fairly and in the best interests of its clients and in the integrity of the market.

2. ***Diligence***

An investment adviser shall act with due skill, care and diligence in the best interests of its clients and shall ensure that its advice is offered after thorough analysis and taking into account available alternatives."

10. By their acts and omissions, Mr. Prashant Wasankar and his connected/related entities have solicited, enticed and induced their clients and other investors to deal in securities and have also collected funds and deposits from their clients and other general investors through misrepresentation and allurement of high returns through various schemes to such clients and investors when in reality Mr. Prashant Wasankar and his connected/related entities had defaulted in making repayments/refunds to their clients and investors. They also solicited investments from the clients and other investors claiming to give high returns even when WWML was not a SEBI registered intermediary. This *prima facie* appears to be a representation made in a reckless and careless manner. In my view the *modus operandi* of Mr. Prashant Wasankar and his connected/related entities indicates a scheme, plan, device or artifice or contrivance that is, besides being in contraventions of the SEBI Act, the SCRR, the Regulations and the circular as discussed above, is 'fraudulent' as defined in regulation 2(1)(c) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "the PFUTP Regulations") which reads as under:-

Definition of "fraud" – Regulation 2(1)(c).

(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;

(2) a suggestion as to a fact which is not true by one who does not believe it to be true;

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

(4) a promise made without any intention of performing it;

(5) a representation made in a reckless and careless manner whether it be true or false;

(6) any such act or omission as any other law specifically declares to be fraudulent;

(7) deceptive behaviour by a person depriving another of informed consent or full participation;

(8) a false statement made without reasonable ground for believing it to be true;

(9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

And "fraudulent" shall be construed accordingly;

……………………………………………………………………………………."

11. In the light of the aforesaid observations, I, *prima facie*, find that Mr. Prashant Wasankar and his connected/related entities not only contravened the provisions of the SEBI Act, the SCRR, the Portfolio Managers Regulations, the Stock Brokers Regulations, the Investment Advisers Regulations and SEBI circular as discussed hereinabove but have also acted in fraudulent and deceitful manner which attracts prohibitions enshrined in section 12A (a) (b) and (c) of the SEBI Act and regulation 3 (b), (c) and (d) and regulation 4(1) and 4(2) (k) of the PFUTP Regulations which read as following:-

Section 12A of the SEBI Act-

"Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A. No person shall directly or indirectly -

(a) 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 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 recognised 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 recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;"

Regulation 3 of the PFUTP Regulations -

"3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

(a)…………………………………………………………………………………………………

(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."

"4. Prohibition of manipulative, fraudulent and unfair trade practices

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

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—

……………………………………………………………………………………

(k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors;

…………………………………………………………………"

12. Since the conduct of Mr. Prashant Wasankar and his connected/related entities is not in the interest of investors in the securities market, necessary action has to be taken against them immediately, else it may lead to loss of investor's trust in the securities market. I find that Mr. Prashant Wasankar and his connected/related entities made unrealistic claims of high returns as discussed earlier and by nature of their acts and omissions, they tried to solicit, entice and induce investors to deal in securities. They also solicited and collected funds/deposits from the public for making investment in securities market when they were not registered as an intermediary with SEBI. As a regulator of the capital markets, SEBI has the duty to safeguard the interest of the investors and protect the integrity of the securities market. I am convinced that this is a case where effective and expeditious action is required to be taken not only to prevent any further harm to investors but also to send a stern message to prevent any person from indulging in acts as observed in this case.

13. In addition to the contraventions as mentioned above, WWML was found to be engaged in fund mobilising activity from the public, through the issue of non-convertible preference shares and as such vide an *ad-interim ex-parte* order dated July 31, 2014, Mr. Prashant Wasankar and his connected/related entities were, *inter alia*, debarred from accessing the securities market. In my view, repeated fraudulent acts and delinquent behaviour of these entities does not bode well for the integrity, orderly development and smooth functioning of the securities market.

14. Considering the above, I, in exercise of powers conferred upon me by virtue of section 19 read with sections 11(1), 11(4), 11B and 11D of the SEBI Act by way of this *ex-parte* order:

    (i) direct Wasankar Wealth Management Limited (SEBI Stock Broker Registration no. INB241474130, Sub-Broker Registration No. INS01A552636 and INS23A550931, and Investment Adviser Registration No. INA000000219), Wasankar Investments (SEBI Sub-Broker Registration No. INS236775719), Mr. Prashant Wasankar, Mr. Vinay Wasankar, Ms. Mithila Wasankar, Mr. Abhijit Wasankar and Ms. Bhagyashree Wasankar to cease and desist from undertaking the portfolio management activities or any unregistered activity in the securities market, directly or indirectly, in any manner whatsoever;

(ii) prohibit Wasankar Wealth Management Limited, Wasankar Investments, Mr. Prashant Wasankar, Mr. Vinay Wasankar, Ms. Mithila Wasankar, Mr. Abhijit Wasankar and Ms. Bhagyashree Wasankar from mobilizing or pooling funds from its clients, other general investors or public and from offering any portfolio management activities or any other unregistered activity, in whatever form;

(iii) direct Wasankar Wealth Management Limited, Wasankar Investments, Mr. Prashant Wasankar, Mr. Vinay Wasankar, Ms. Mithila Wasankar, Mr. Abhijit Wasankar and Ms. Bhagyashree Wasankar to immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, websites, etc. in relation to the portfolio management activities or any unregistered activity in the securities market;

(iv) direct Wasankar Wealth Management Limited, Wasankar Investments, Mr. Prashant Wasankar, Mr. Vinay Wasankar, Ms. Mithila Wasankar, Mr. Abhijit Wasankar and Ms. Bhagyashree Wasankar to refund the monies so collected from their clients and other investors in its various schemes alongwith income, profits or returns promised to them under such schemes or interest at the rate of 10% per annum, whichever is higher, from the date of investment till the date of refund, within a period of seven days from the date of this order (i.e., by September 03, 2014) and submit a repayment report to SEBI in the following format:

<table>
<tr><th rowspan="3">Sl. No.</th><th rowspan="3">Name of the Client / Investor</th><th rowspan="3">PAN of Client / Investor</th><th rowspan="3">Address of Client/ Investor</th><th colspan="4">Refund Details</th></tr>
<tr><th colspan="2">From</th><th>To</th><th rowspan="2">Amount (₹)</th></tr>
<tr><th>Cheque No./Demand Draft/ NEFT details</th><th>Name of Bank</th><th>Cheque No./ Demand Draft/ NEFT details</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

(v) prohibit Wasankar Wealth Management Limited, Wasankar Investments, Mr. Prashant Wasankar, Mr. Vinay Wasankar, Ms. Mithila Wasankar, Mr. Abhijit Wasankar and Ms. Bhagyashree Wasankar from transferring the funds/deposits mobilised from the clients or other investors or from disposing of or alienating any asset that has been created from the funds/deposits received from their clients or other investors for purposes other than refund as directed hereinabove;

(vi) restrain the following entities from buying, selling or dealing in the securities market, either directly or indirectly, in any manner whatsoever, till further directions:

Sl. No.	Name of the person / entity	PAN
1.	Wasankar Wealth Management Ltd.	AAACW8073C
2.	Mr. Prashant Wasankar (Wasankar Investments)	AAIPW1864A
3.	Mr. Vinay Wasankar	AALPW3215A
4.	Ms. Mithila Wasankar	ANFPM0123J
5.	Mr. Abhijeet J. Chaudhari	AIUPC8611M
6.	Ms. Bhagyashree Wasankar	AALPW3274H

15. The above directions are without prejudice to the right of SEBI to take any other action that may be initiated against Wasankar Wealth Management Limited, Wasankar Investments, Mr. Prashant Wasankar, Mr. Vinay Wasankar, Ms. Mithila Wasankar, Mr. Abhijeet Chaudhari and Ms. Bhagyashree Wasankar and in accordance with law including the action in accordance with section 12 of the SEBI Act, 1992 and the provisions of the SEBI (Intermediaries) Regulations, 2008.

16. This order shall come into force with immediate effect. The stock exchanges and the depositories are directed to ensure that the above directions are strictly enforced.

17. A copy of the Order shall also be forwarded to the Enforcement Department, the Financial Intelligence Unit, the Economic Offences Wing and the Income Tax Department for taking further necessary action at their end, if any.

18. The entities/persons against whom this Order is being passed may file their objections, if any, within twenty one (21) days from the date of this Order and, if they so desire, may avail themselves of an opportunity of personal hearing before the Securities and Exchange Board of India at its Head Office at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400051 on a date and time to be fixed on a specific request in writing, to be received in this behalf from the entities/persons.

DATE: AUGUST 27th, 2014
PLACE: MUMBAI

RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA