WTM/AB/WRO/ILO/11/2021-22

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

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

In respect of:

Noticee No.	**Name of the entity**	**PAN No.**
1.	M/s Wildstock (Proprietor: Mr. Sanjeev Singh)	EQSPS8015M

1. The present proceedings have emanated from an ex-parte ad-interim order cum show cause notice dated July 16, 2020 (hereinafter referred to as "**the interim order**" or "**SCN**") passed by Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") against M/s Wildstock and its sole proprietor Mr. Sanjeev Singh, (hereinafter collectively referred to as "**the Noticees**"**)**, as the unregistered investment advisory activities of the Noticees were found to be in violation of the provisions of Section 12(1) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act, 1992**") and Regulation 3(1) of SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as "**IA Regulations, 2013**"). Further, in the interim order, the activities of the Noticees were *prima facie* found to be fraudulent and manipulative and in violation of provisions of Section 12A (a), (b) & (c) of SEBI Act, 1992 and Regulations 3 (b), (c) & (d) and Regulations 4(1) and 4(2)(k) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations, 2003**). By the interim order, following directions were issued:

"M/sWild Stock and its Sole Proprietor, Mr. Sanjeev Singh, are directed to:

a) *Cease and desist from acting as an investment advisor including the activity of acting and representing through any media (physical or digital) as an investment advisor, directly or indirectly, and cease to solicit or undertake such activity or any other activities in the securities market, directly or indirectly, in any matter whatsoever, until further orders.*

b) *Not to divert any funds collected from investors, kept in bank account(s) and/or in their custody until further orders.*

c) *Not to dispose of or alienate any assets, whether movable or immovable, or any interest or investment or charge on any of such assets held in their name, including money lying in bank accounts except with the prior permission of SEBI.*

d) *Immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, communications etc., in relation to their investment advisory activity or any other unregistered activity in the securities market until further orders.*

e) *Not to access the securities market and buy, sell or otherwise deal in securities in any manner whatsoever, directly or indirectly, until further orders.*

f) *If M/s Wild Stock or its Sole Proprietor, Mr. Sanjeev Singh has any open positions in any exchange traded derivative contracts, as on the date of the order, they can close out/ square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. M/s Wild Stock or its Sole Proprietor, Mr. Sanjeev Singh are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order.*

g) *To provide a full inventory of all assets held in their name, whether movable or immovable, or any interest or investment or charge on any of such assets, including details of all bank accounts, demat accounts and mutual fund investments, immediately but not later than 5 working days from the date of receipt of this order.*

h) The Depositories are directed to ensure that till further directions no debits and credits are made in the demat accounts of M/s Wild Stock and its Sole Proprietor, Mr. Sanjeev Singh.

i) Banks, including Axis Bank, HDFC Bank, State Bank of India and Bank of India, wherein bank accounts are held in the name of Mr. Sanjeev Singh/ Ms Wild Stock, are directed not to allow any debits/ withdrawals from and credits to the said accounts, without the permission of SEBI. The Banks are directed to ensure that all the above directions are strictly enforced.

j) The Registrar and Transfer Agents are also directed to ensure that till further directions the securities, including Mutual Fund units, held in the name of M/s Wild Stock and its Sole Proprietor, Mr. Sanjeev Singh are not transferred or redeemed."

2. The interim order was also in the nature of a show cause notice wherein the Noticees were provided with the opportunity to file their objections/reply, if any, within 21 days from the date of the interim order and also to indicate whether they desire to avail an opportunity of personal hearing on a date and time to be fixed on a specific request to be made in that regard. The Noticees were granted an opportunity of hearing on January 18, 2021 wherein Mr. Sanjeev Sigh appeared and made submissions. He was directed to place his oral submissions on record and vide a reply dated February 08, 2021, he reiterated his submissions as follows:

a. The SEBI examination is one sided and did not consider all aspects of the matter.
b. He has not been given any details of complaints received against him.
c. As far as he knows the basis of the examination was one complaint wherein the complainant had been cheated on the basis of a fake website bearing the Noticees' name.
d. In this regard the Noticees had taken up the issue of the fake website with the service provider 'justdial' wherein a fake page bearing the Noticees' name had been floated and finally after follow up the page was closed.
e. In his bank KYC his business had been indicated as 'stockbroker' as an error.
f. He was engaged in trading of dead stock/ unsold securities investor of

companies which were in compliance with SEBI laws.

g. No SEBI official had ever carried out any inspection in his premises or taken any action against him.

h. The bank transactions mentioned in the interim order does not tally with the Noitcees' actual bank transactions. The transactions in the Noticees' accounts amount to less than Rs. 20 lakhs and most of it is between the Noticees' different accounts and thus appear large.

i. The Noticees are undergoing great hardship due to their bank accounts being frozen during the pandemic.

3. I find that the interim order passed in the matter contained following observations with respect to the Noticees:

(i) SEBI received complaints against Wildstock *inter alia* alleging that its representatives had induced them to avail its services by claiming that if the complainants invest in stocks with their help i.e., avail the investment advisory services of the Noticees, they will get a good return. For this service, the complainants had to pay a certain fee depending upon the type of plan availed by them. One of the complaints stated that upon payment of the full fee, the Noticees asked for additional payments in the name of updating their risk profile. Further, one of the complainants alleged that the Noticees has stopped receiving his calls when he had asked for the invoices of the payments made by him and have also caused significant losses to him.

(ii) In view of the complaints received, SEBI carried out a preliminary examination to ascertain whether unregistered investment advisory activities are being carried out by the Noticees. To that end the website of the Noticees, www.wildstocks.in and particulars of its bank accounts were perused to gather information. Currently the aforesaid website is not active. On visiting the website the following message is displayed: "*Your request cannot be processed due to pending renewal*". However, during the course

of preliminary examination, print outs of web pages of the website was taken and have been placed on record.

(iii) SEBI's preliminary examination found as follows:

i. The entity is not registered with SEBI.

ii. The website provides information that the entity offers products and services relating to equity market, future market, option market, index option and commodity market.

(iv) As per the archived information gathered from the website, *inter alia* the following claims are noted:

a. Under the heading "Why wildstock", the website claims as follows:
"*We have been handling finances and investments for a long time and the hefty experience makes our experts the best in the domain area of Investments and the subsequent Growth. We at Wildstock also understand that each individual would have his own earning and investment patterns, which are primarily governed by the per-annul influx of money, and the liabilities that are targeted at the end of the maturity term. We offer individual plans to suit your needs and do not focus on one standardized investment plan."*

b. Under the heading "Services" the website claims as follows:
Extensive & detailed Research to guide all kinds of investors.
Dedicated team of relationship managers.
Rich experience in share and stock broking.

c. On a further perusal of the website, it is observed that it claims that the Noticees provide services in equity segment, F&O segment and commodities segment of the market. As part of its services for the various segments of the securities market as mentioned above, multiple packages have been offered. For example, for equity segment it has Intraday Cash, Stock Cash Premium and Stock Cash HNI. Similar packages are there for other segments of the securities market. A few illustrations of subscription packages provided by M/s Wild Stock and the plans for the same are as under:
Equity Segment – Stock Cash Premium

This service is exclusively designed for traders who wish to avail higher returns with very less number of trades in a month with intraday outlook. These calls are totally based on technical analysis with strict stop loss to avail the customer with higher return & low risk.

- Risk Type: Moderate Risk

Service Features:

- In this pack we will provide you 4-6 calls in a week.
- Each call consists of 2 targets and 1 Stop loss.
- Maximum 1 open positions at a time.
- Proper follow-ups and Market News Updates.
- We provide our Clients very good accuracy in this service.
- Domestic and Global Market position Overview.

Plans:

- Monthly → Rs. 20,000/-
- Quarterly → Rs. 50,000/-
- Yearly → Rs. 1,75,000/-

Future Segment – Stock Future HNI

This pack facilitates client who wants to capture every pit & peak movement of the market. Jobbers pack is specially designed for traders who are trading dynamically in Intraday Future market segment. Here we are providing 3-5 daily intraday future market calls. With good accuracy we are delivering high profitable calls in this pack. Well timed client support is provided in order to meet unmatched client satisfaction

- Risk Type : High Risk

Service Features:

- In this pack we will provide you 4-5 calls of Intraday Future daily.
- Each call consists of 1 target and 1 Stop loss.
- Maximum 2 open positions at a time.
- Proper follow-ups and Market News Updates.
- We provide our Clients very good accuracy in this service.
- Domestic and Global Market position Overview.
- Number of Lots for particular trade will be decided by company.

- Swift & vital client support will be provided.

Plans:

- Monthly → Rs. 75,000/-
- Quarterly → Rs. 2,10,000/-
- Yearly → Rs. 4,00,000/-

Commodity Segment - Commodity Premium

This service is specially created for those who wish to earn high return on their investment in commodities market. In this segment we usually provide trading recommendation with bigger targets in bullion, base metal & energy. Traders are suggested to trade in multiple lots as accuracy is high in this segment. Calls are given by highly skilled research analysts who minutely track both Indian and International commodity market.

- Risk Type : High Risk

Service Features:

- In this pack we will provide you 4-5 calls in a week.
- Each call consists of 2 targets and 1 Stop loss.
- Maximum 1-2 open position at a time.
- Proper follow-ups and Market News Updates.
- We provide our Clients very good accuracy in this service.
- Domestic and Global Market position Overview.
- Compulsory to trade with minimum 2 lots.

Plans:

- Monthly → Rs. 30,000/-
- Quarterly → Rs. 80,000/-
- Yearly → Rs. 2,80,000/-

(v) On examination by SEBI, the following information was gathered from the KYC documents and bank account statements collected from the banks whose accounts were mentioned on the Noticees' website viz., State Bank of India, Axis Bank Ltd., HDFC Bank Ltd. and Bank of India.

a. As per the KYC documents of these bank accounts, the nature of business/ type of profession of the Noticees has been stated to be as follows:

Bank	Nature of business/ Type of profession
State Bank of India	Student
Axis Bank Ltd.	Salaried
HDFC Bank Ltd.	Stock Brokers / Stock Broking
Bank of India	Stock Market

b. From the KYC of account opening form of HDFC Bank Ltd., it is noted that the account is in the name of Wild stock and Mr. Sanjeev Singh is its sole proprietor. Wildstock was registered on 6/2/2018 under Shop and Establishment Act, 1958 with its registered office at B-3, 1st Floor, Vidya Nagar, Commercial Complex, behind Indian Oil petrol pump, Hoshangabad Road, Bhopal, Madhya Pradesh – 462026.

c. It is further observed from an internet search of the particulars of hosting of the website of Wildstock based on its domain name that the website of the firm was hosted for the first time on April 15, 2019 as available on www.whoisrequest.com/whois/wildstocks.in.

d. The transactions observed in the abovementioned bank accounts are summarized as under:

Bank Name	Bank Account No.	Account Opening Date	Account status as on date	Total Credit Received for the period mentioned
State Bank of India	31146241699	26/4/2010	Active	Rs. 10,69,789.03/- From 15/4/2019 to 18/2/2020)
Axis Bank	915010055728735	15/1/2016	Active but no transaction has taken place after 25/09/2019	Rs. 6,81,270.67/- From 15/4/2019 to 4/2/2020).
HDFC Bank	50200044312937	23/9/2019	Active	Rs. 22,36,549/-

Bank Name	Bank Account No.	Account Opening Date	Account status as on date	Total Credit Received for the period mentioned
				From 23/9/2019 to 4/2/2020.
Bank of India	903220110000361	23/8/2019	Active	Rs. 9,59,436.18/- From 23/8/2019 to 19/2/2020.

e. It is observed that there are large number of payments received through various payment gateways/ IMPS or NEFT. From the period of the transactions, it appears that the payments have come from various investors / clients in lieu of the purported 'recommendations' or 'calls' provided by the Noticees.

f. It is noted that M/s Wild Stock and its sole proprietor, Mr. Sanjeev Singh are not registered in any capacity with SEBI.

4. Thus, the interim order observed that *prima facie*, the Noticees are an investment adviser as defined under regulation 2 (m) of IA Regulations. Moreover, interim order also found that the activities of the Noticees such as offering tips, intra day calls, holding out to offer customised investment plans to its clients as opposed to having a standard investment plan, advertising to empower the retail community by sharing knowledge, providing superior tools and great support etc., on payment of fees, indicates that it is *prima facie* also holding out that it is providing investment advisory services.

5. From the details of transactions processed through payment gateways, account statements of the relevant bank accounts, KYC records of bank accounts/ payment gateways, material available on the websites of the Noticees and the complaint, interim order made the following *prima facie* observations:

i. Noticees are not registered as investment advisors with SEBI.

ii. The Noticees have floated their website viz www.wildstocks.in

iii. The activity of Noticees, through their website, of holding themselves out to be giving advice / recommendation in relation to securities being traded in the securities market and / or also in relation to commodities to the investors and general public, and payment receipts of the complainants indicating the payment was made for receiving investment advice, the bank statement *prima facie*, showing the credit *inter alia* for payment of fees, indicates that there is a preponderance of probability that Noticees, apart from holding themselves out as investment advisor(s), have acted as an investment advisor for consideration.

iv. The archived version of the website, as on the date of the interim order, reflect the bank account details/payment gateway through which the investors desirous of availing their services can make direct payment.

v. The website also gave details of QR code of e-wallets, viz., Phone Pe, BHIM, google Pay and PayTM.

vi. Credits have been received in the accounts of these unregistered Noticees.

6. I note that the definition of investment adviser, as given in Regulation 2(m) of IA Regulations, 2013, provides that 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 2(l) of the IA Regulations defines investment advice as "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."

7. I note that interim order alleges that Noticees were engaged in providing investment advisory services to the investors through the website, www.wildstocks.in. It has been alleged in the SCN that the said website belonged to Wildstock which is the sole proprietorship of Mr. Sanjeev Singh. In this regard, it has been contended by

the Noticees that it was a fake website and their names were misused for which they have taken up the matter with 'Justdial' and now this fake webpage is closed. Thus, in effect, Noticees have denied their connection with the website. Firstly, I note that 'Justdial' is not a domain provider. Justdial is only a database of business listings. Thus, 'Justdial' only provide the details of the businesses already in operation which have been enlisted on its platform by the owners of such business. Therefore, removing of any listing from the platform of "Justdial" merely indicates that prior to removal, such business was in existence. Interim order states that presently, the website is not active and during the preliminary examination of SEBI the said website was active when the printouts of its pages were taken by SEBI. Therefore, removal of listing of business of Noticees from "Justdial" is not of any consequence for the determination of present proceedings. I note that on the website four bank accounts viz: State Bank of India Bank Account No. 31146241699 (held in the name of Sanjeev Singh), Axis Bank Account No. 915010055728735 (held in the name of Sanjeev Singh)), HDFC Bank Account no. 50200044312937 (held in the name of Wildstock) and Bank of India Bank Account no. 903220110000361 (held in the name of Wildstock) were mentioned wherein investors could deposit the fees payable in lieu of the investment advisory services availed which were being offered through this website. On the basis of KYC documents pertaining to these bank accounts, as received from the respective banks, it was found that out of these four accounts two were in the name of Wildstock and two were in the name of Mr. Sanjeev Singh. KYC documents further revealed that Wildstock was sole proprietory concern of Mr. Sanjeev Singh. Now, the Noticees are contending that the website was fake where their identities were misused. Assuming, the said contention of the Noticees is correct, it is beyond comprehension and Noticees have also not explained, why someone will create a webpage using identity of the Noticees for giving the investment advice and mention the bank accounts of the Noticees allowing the fees collected through his illegal act to be deposited into the bank accounts of the Noticees. If someone had created fake website using identities of the Noticees for giving investment advice, then he would have mentioned his own bank account number for reaping the benefits of his illegal act and not of the Noticees. Furthermore, it is observed in the interim order that the bank accounts of the Noticees had collected fees. From the State Bank of India account statement of the Noticees, I find that around Rs. 10,69,789.03/- have been credited during the period

April 15, 2019 February 18, 2020, in the said Bank account. Similarly, from the Axis Bank account statement, I find that around Rs. 6,81,270.67/- have been credited during the period April 15, 2019 to February 04, 2020. Similarly, from the HDFC Bank account statement, I find that around Rs. 22,36,549/- has been credited from the period September 23, 2019 to February 04, 2020, in the said account and from the Bank of India account statement, I find that around Rs. 9,59,436.18/- has been credited from the period from August 23, 2019 to February 19, 2020, in the said account. If the Noticees were not aware as to why these amounts were being credited in their bank accounts they should have raised this issue with Police or the Cyber Cell or the banks, which is not the case with Noticees. Therefore, this contention of the Noticees in the facts and circumstances of the case, is untenable. It appears to be an afterthought in order to wriggle out of the consequences of these proceedings. Further contention of the Noticees is that the transactions mentioned in their bank accounts, as referred in the interim order do not tally with the actual transactions in their bank accounts, as the amounts are not matching. In this regard, firstly, I note that Noticees have not denied that the bank accounts referred to in the interim order do not belong to them. I note that transactions referred to in the interim order are on the basis of the bank account statements of the Noticees, as received from the respective banks. Therefore, entries in these statements are to be treated as *prima facie* evidence of such entry, in terms of Section 4 of the Bankers' Books Evidence Act, 1891. Noticees have not produced any bank statement of these accounts, in support of their contention. Thus, Noticees are accepting that these bank accounts, which as per interim order, were used for depositing of fees by the investors in lieu of investment advice provided/to be provided by the Noticees, belonged to them but merely disputing transactions therein without any supporting evidence. Therefore, I find that contention of the Noticees in this regard is untenable.

8. I note that Noticees on their website i.e. www.wildstocks.in represented that "*we continuously strive to empower the retail community by sharing knowledge, providing superior tools and great support, all at a minimal to zero cost. We have a team of highly skilled and intellectual staff, specialized in various segments, to help you in any kind*." From the KYC of account opening form of HDFC Bank Ltd., it is noted that the account is in the name of Wild stock and Mr. Sanjeev Singh is its sole proprietor. Noticees on their website also represented that: "*We have been handling*

finances and investments for a long time and the hefty experience makes our experts the best in the domain area of Investments and the subsequent Growth." I note that following pricing details for availing various services were mentioned on the website of the Noticees:

	Monthly	**Quarterly**	**Yearly**
Intraday Cash	10,000	25,000	90,000
Stock Cash Premium	20,000	50,000	1,75,000
Stock Cash HNI	75,000	2,10,000	4,00,000
Stock Future	12,000	35,000	1,20,000
Stock Future Premium	25,000	70,000	2,50,000
Stock Future HNI	75,000	2,10,000	4,00,000
Stock Option Call & Put Basic	10,000	25,000	90,000
Stock Option Premium	20,000	50,000	1,80,000
Stock Option HNI	50,000	1,30,000 (Half Yearly→ 2,50,000)	4,00,000
Index Option	5,000	12,000	30,000
Commodity Bullion	10,000	27,000	90,000
Commodity Base Metal & Energy	10,000	25,000	50,000
Commodity Premium	30,000	80,000	2,80,000
Commodity HNI	1,00,000	2,65,000	5,00,000

9. From the aforesaid facts, I find that Wildstock which is proprietorship concern of Mr. Sanjeev Singh was engaged in giving advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, through its website. I find that these services were being offered by the Noticees in lieu of the consideration which could be paid by the investor concerned in the State Bank of India Bank Account No. 31146241699 (held in the name of Sanjeev Singh) or Axis Bank Account No. 915010055728735 (held in the name of Sanjeev Singh) or HDFC Bank Account no. 50200044312937 (held in the name of Wildstock) or Bank of India Bank Account no. 903220110000361 (held in the name of Wildstock) or through e-wallets , details of which were provided on the website under Payment Details

Section. From the State Bank of India account statement of the Noticees, I find that around Rs. 10,69,789.03/- have been credited during the period April 15, 2019 February 18, 2020 , in the said Bank account. Similarly, from the Axis Bank account statement, I find that around Rs. 6,81,270.67/- have been credited during the period April 15, 2019 to February 04, 2020. Similarly, from the HDFC Bank account statement, I find that around Rs. 22,36,549/- has been credited from the period September 23, 2019 to February 04, 2020, in the said account and from the Bank of India account statement, I find that around Rs. 9,59,436.18/- has been credited from the period from August 23, 2019 to February 19, 2020, in the said account. In view of this, I find that Noticees were providing investment advice, in lieu of consideration. In terms of Regulation 2(l) of IA Regulations, 2013 such an advice is "investment advice". Therefore, I find that Wildstock and its proprietor Mr. Sanjeev Singh were engaged in the business of providing investment advice to public, for consideration and were thus, acting as an investment adviser, as defined under Regulation 2(m) of the IA Regulations, 2013.

10. Section 12(1) of the SEBI Act, 1992 provides 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:"*

11. In order to protect the interest of investors and to maintain integrity of the securities market, IA Regulations, 2013 provides safeguards to ensure that the investors who receive investment advice are protected. One such safeguard is that any person carrying out investment advisory activities has to obtain registration from SEBI as required under Regulation 3(1) of the IA Regulations, 2013. Regulation 3(1) 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"*

and conduct its activities in accordance with the provisions of IA Regulations. Further, safeguards provided under IA Regulations, 2013 includes continued minimum professional qualification and net-worth requirement for investment adviser, disclosure of all conflict of interest, prohibition on entering into transactions which are contrary to advice given for 15 days, risk profiling of investors, maintaining documented process for selecting investment for client based on client's objective and risk profile, understanding the nature and risks of products or assets selected for clients, etc.

12. The activities of the Noticees, as brought out from the various materials described above, seen in the backdrop of the aforesaid provisions show that the Noticees were holding themselves out and acting as an investment adviser. However, it is noted that the Noticees is not registered with SEBI in the capacity of Investment Advisor. Hence, I find that these activities/ representations as being made by the Noticees without holding the certificate of registration as investment adviser are in violation of Section 12(1) of SEBI Act, 1992 read with Regulation 3(1) of the IA Regulations, 2013.

13. In my view, unregistered investment advisors like the Noticees in the present case can put investors at great risk by misleading them. In the present case, Noticees on their website, *inter alia,* mentioned that: "*We have been handling finances and investments for a long time and the hefty experience makes our experts the best in the domain area of Investments and the subsequent Growth."* The Noticees also claimed that: "*We at Wildstock also understand that each individual would have his own earning and investment patterns, which are primarily governed by the per-annual influx of money, and the liabilities that are targeted at the end of the maturity term. We offer individual plans to suit your needs and do not focus on one standardized investment plan".* As stated above, SEBI Act, 1992 and IA Regulations, 2013 requires any investment advisor to hold a certificate of registration to act as such. I find that Noticees were not holding any certificate of registration from SEBI to act as investment advisor. Thus, the claims/representations made by the Noticees on their website were misleading and were made to allure investors to avail investment advisory services being offered by the Noticees. The Noticees have knowingly misrepresented on the websites floated by them that they are experts in stock market analysis and are experienced in

investment advisory. Without holding any registered Investment Advisor certificate, the Noticees offered investment advisory services through their website, to investors, with the objective of raising money through subscriptions to their various plans. The above discussed misleading representations are deceptive activities of the Noticee and therefore, fraudulent and are covered within the definition of "fraud" defined under Regulation 2(1)(c) of the PFUTP Regulations, 2003. It is noted that fraudulent activities/ conduct/ act/ practice of the Noticees, as discussed above, are also in violation of provisions of Section 12A (c) of SEBI Act, 1992 and Regulations 3(d) and Regulations 4(1) of PFUTP Regulations, 2003. Regulation 4(2)(k) of PFUTP Regulations, 2003, 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. In the present case, Noticees without holding certificate of registration as investment adviser, knowingly hold themselves as investment adviser on their website. Thus, I find that Noticees have also violated Regulations 4(2)(k) of PFUTP Regulations, 2003.

14. I note that the material available on record does not indicate the exact amount of fees collected by the Noticees, as a result of providing investment advice to investors, in violation of the provisions of the IA Regulations, 2013. However, interim order records that one complaint was received against the Noticees wherein the complainant had claimed that he had paid an amount of Rs. 35,000/- to the Noticees, for availing investment advisory services from them and another complaint wherein it was claimed that the complainant had paid Rs. 89,000/- to the Noticees for availing investment advisory services.

15. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11, 11(4),11B(1) and 11D,read with of Section 19 of the SEBI Act, 1992 and Regulation 11 of the PFUTP Regulations, 2003, and in supersession of the directions in the interim order, hereby direct that:

(i) The Noticees shall within a period of three months from the date of this

order, refund the money received from the clients/investors/complainant, as fees or consideration or in any other form, in respect of their unregistered investment advisory activities;

(ii) The Noticees shall issue public notice in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of contact person such as names, addresses and contact details, within 15 days of coming into force of this Order;

(iii) The repayments to the clients/investors shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments;

(iv) The Noticees are prevented from selling their assets, properties and holding of mutual funds/shares/securities held by them in demat and physical form except for the sole purpose of making the refunds as directed above. Further, the banks are directed to allow debit only for the purpose of making refunds to the clients/investors who were availing the investment advisory services from the Noticees, as directed in this order, from the bank account of the Noticees, wherein debit has been frozen by virtue of interim order dated July 16, 2020;

(v) After completing the aforesaid repayments, the Noticees shall file a report of such completion with SEBI addressed to the Division Chief, CIS Division, Investment Management Department, SEBI Bhavan, Plot No. C4 A, G Block, Bandra Kurla Complaex, Bandra (East) Mumbai – 400051, within a period of 15 days, after completion of three months from the coming into force of this order, duly certified by an independent Chartered Accountant. The restraint on sale of assets and bank accounts in para 15(iv) shall cease to operate once the refund to the investors is complete and the report as contemplated herein is filed;

(vi) In case of failure of the Noticees to comply with the aforesaid directions in sub-para (i) and (v), SEBI, on the expiry of the stipulated time period therein from the date of coming into force of this order, may recover the amounts mentioned in para 14 above or any other amount as may be found to have been raised by the Noticees, from the Noticees, in accordance with Section 28A of the SEBI Act, 1992 including such other provisions contained in securities laws;

(vii) The Noticees are debarred from accessing the securities market, directly or indirectly and are prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of 2 (two) years from the date of this order or till the expiry of 2 (two) years from the date of completion of refunds to investors as directed in paragraph 15(i) above, whichever is later;

(viii) The Noticees are also restrained from associating with any company whose securities are listed on a recognized stock exchange and any company which intends to raise money from the public, or any intermediary registered with SEBI in any capacity for a period of 2 (two) years from the date of this order or till the expiry of 2 (two) years from the date of completion of refunds to investors as directed in paragraph 15(i) above, whichever is later; and

(ix) The Noticees shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in paragraph 15(vii) and (viii) 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.

16. The direction for refund, as given in paragraph 15(i) above, does not preclude the clients/investors to pursue the other legal remedies available to them under any other law, against the Noticees for refund of money or deficiency in service before any appropriate forum of competent jurisdiction.

17. This order comes into force with immediate effect. However, in view of the exceptional circumstances emerged due to the outbreak of a COVID-19 and consequential lockdowns imposed in different parts of the country, the direction given in paragraph 15 (i) and (ii) above, shall come into force on July 01, 2021.

18. A copy of this order shall be sent to the Noticees, recognized Stock Exchanges, the relevant banks, Depositories and Registrar and Transfer Agents of Mutual Funds to ensure that the directions given above are strictly complied with.

Place: Mumbai **ANANTA BARUA**

Date: June 03, 2021 **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA