

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTIONS 11(1), 11(4), 11(4A), 11B (1) and 11B (2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) ACT, 1992 READ WITH SECTION 12(1) OF SEBI ACT AND REGULATION 3(1) OF THE SEBI (INVESTMENT ADVISERS) REGULATIONS, 2013 AND UNDER SECTION 15-I OF THE SEBI ACT, 1992 READ WITH RULE 5 OF THE SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995.

In respect of:

Noticee No.	Name of Noticee	PAN
1.	Ms. Meenu Sharma	KXYPS9957R
2.	Ms. Neha Goel Proprietor : P.C.Global Research	AVJPG5829K

In the matter of Unregistered Investment Advisory Services

BACKGROUND OF THE CASE

1. The Securities and Exchange Board of India (hereinafter referred to as "SEBI"), received complaints that investment advisory services were offered to them by Commodity Pandit. SEBI conducted an examination in order to ascertain the veracity of the complaints and to determine whether there has been any violation of the provisions of Securities and Exchange Board of India, 1992 ("SEBI Act, 1992"), the Securities and Exchange Board of India (Investment Advisors) Regulations, 2013 ("IA Regulations") and any other Rules or Regulations made thereunder, by the Noticee.
2. Based on the examination of the aforesaid complaints, archived webpages of the website www.commoditypandit.com and the analysis of the bank accounts of the Noticees, it was, *prima facie*, found that the Noticees have been providing

investment advisory services without obtaining a certificate of registration from SEBI, thereby violating Section 12 (1) of the SEBI Act, 1992 read with Regulation 3 (1) of the IA Regulations, 2013.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. A common Show Cause Notice dated 11.06.2024 (hereinafter referred to as “SCN”) was issued to the Noticees calling upon them to show cause as to why suitable directions under Sections 11(1), 11(4) and 11B (1) of the SEBI Act, 1992 including directions for debarment, refund of fees / monies collected from the investors should not be issued against them for the alleged violations of the SEBI Act and the SEBI (Investment Advisers) Regulations, 2013 (**IA Regulations**). The Noticees were also called upon to show cause as to why inquiry should not be held against them in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and penalty be not imposed upon Noticees under Section 11(4A), 11B(2) read with Section 15EB and Section 15HB of the SEBI Act, 1992 for the alleged violations. The following documents, *inter alia*, were enclosed as annexures to the SCN:

Table A

Annexures to SCN	
Annex. No.	Particulars
A	Copy of complaint received from the complainants
B	Copies of SEBI’s correspondence with the complainants and their replies.
C	Copies of SEBI’s correspondence with the Noticees
D	Copy of email dated 24.03.2023 received from Phonepe.
E	Copy of email dated 27.03.2023 received from ICICI Bank.
F	Copies of emails / correspondence with PayU Money
G	Screenshot of website www.commoditypandit.com

H	Complete bank statements received from ICICI Bank for Commodity Pandit / Meenu Sharma
I	Complete bank statements received from ICICI Bank for PC Global Research /Neha Goel

4. The SCN has *inter alia* alleged the following which is summarized hereinbelow:-
- 4.1 SEBI received complaints against Commodity Pandit from certain complainants who had alleged that they had made payments to avail investment advisory services and had incurred losses based on the tips provided by Commodity Pandit.
- 4.2 The complainant i.e. Ankit Chavda (*hereinafter referred to as **Ankit***) had made payment for the services through UPI at mobile number 8218996001 which was shared by Commodity Pandit with him. Accordingly, SEBI sought details from PhonePe which provided the bank account details of ICICI Bank which was linked to the mobile number wherein payment was made. Based on the details from the Account Opening Forms (AOF), Know Your Customer (KYC) and bank statement it was noted that the Account No.1900XXXX318 was in the name of Meenu Sharma (i.e Noticee 1). During examination, certain information was sought from Noticee 1 i.e Commodity Pandit / Services / Meenu Sharma e.g. details of the products / services / activities offered alongwith date of commencement, list of clients, fees charged, mode of receipt of payment from the clients, details of advices provided, details of payment gateways, brochures, pamphlets, website, copy of bank statement, etc. However, no reply was received.
- 4.3 On an analysis of the bank account, it was seen that there were narrations depicting the advisory fees for various packages offered by Commodity Pandit and there were 438 credit entries for a total amount of Rs.43,22,718 in the bank account of Meenu Sharma during the period 17.01.2020 to 24.09.2020.
- 4.4 Another complainant i.e. Nitin M Parab (*hereinafter referred to as **Nitin***) also alleged that he had received calls for advisory services from Commodity Pandit. The complainant also provided the screenshots of Payu Money links through which he had made payments to avail the services. It was observed

that these payments were linked to the ICICI Bank account of PC Global Research : Sole Proprietor Neha Goel (**Noticee 2**). Further, it was also observed that there were debit entries from one of the bank accounts of Noticee 2 to the complainant.

- 4.5 As the bank accounts mentioned at Para 4.4 above belonged to PC Global Research /Neha Goel, information was sought regarding the products / services offered by PC Global Research / Neha Goel /Commodity Pandit vide letter / email dated 28.02.2024 and reminder letter / email dated 30.03.2024. Noticee 2, did not provide the information that was sought, but had replied as “Neha Goyal’ vide email dated 03.04.2024 stating that she has stopped the services by the end of 2020 and had sought additional time to provide the details. Noticee 2 did not deny the allegation of engaging in unregistered investment advisory services.
- 4.6 Noticee 2, however, did not provide the requisite information. It was observed that the email from which Noticee 2 had sent her reply vide email dated 03.04.2024 was matching with the email ID of registered IA i.e Neha Goel. Further, the correspondence address of noticee 2 was also matching with the registered entity.
- 4.7 The complainant has however, alleged that he had made a payment to Commodity Pandit through the PayU Money link. Hence, it was inferred that Neha Goel / PC Global Research was receiving fees for advisory services in the name of Commodity Pandit from its clients. Hence, although Noticee 2 was registered in her individual capacity as an Investment Advisor, she was carrying out services / assisting Commodity Pandit to carry out the unregistered activities.
- 4.8 Various connections / commonalities were observed between Noticee 1 and Noticee 2 i.e common email IDs, mobile numbers, common website.
- 4.9 The entities viz Commodity Pandit , Meenu Sharma and PC Global Research are not registered with SEBI. Neha Goel is registered with SEBI in her individual capacity. However, she has carried out investment advisory work through Commodity Pandit which is unregistered.
- 4.10 On the basis of the complaints, archived webpages of Commodity Pandit, narrations in the bank statements of the noticees it was *prima facie* observed

that the Noticees held out as an investment adviser without obtaining certificate of registration from SEBI.

5. The SCN dated 11.06.2024 was sent by Speed Post with Acknowledgment Due and vide email to the available addresses of the Noticees. The SCN sent through SPAD returned undelivered. The delivery was attempted through affixture. However the affixture for Noticee 1 was not completed due to incomplete address and affixture was not permitted at the premises of Noticee 2. Hence the delivery of SCN alongwith hearing notice was finally completed through newspaper publication in the Times of India, New Delhi (English) and Dainik Jagran (Hindi) on 08.08.2024. The hearing was scheduled for the noticees on 20.08.2024. However, the authorized representative for Noticee 1 sought for adjournments and the hearing was finally held for Noticee 1 on 25.09.2024. No reply was received from Noticee 2 till then.

6. Further, the Noticee 1 provided her reply to the SCN through her authorized representative i.e. CS Raghav Agarwal, RA & Co. Companies Secretaries LLP vide letter dated 20.09.2024 sent through email. The reply states, *inter alia*, the following which has been summarized for sake of brevity-
 - 6.1 Noticee 1 had acquired the website and digital assets in January 2020 which were previously operated by Noticee 2 and this has resulted in certain misunderstandings and confusion amongst the clients of both the noticees.
 - 6.2 Neha Goel is responsible for her actions, receipts, and any commitments made prior to the acquisition. Noticee 1 has no connection to these prior activities and shall only be accountable for transactions and services rendered under her management post-acquisition.
 - 6.3 It was never the intention of Noticee 1 to operate in contravention of the SEBI regulations and any perceived oversight was unintentional.
 - 6.4 The claims made by Ankit, the complainant against Noticee 1 are baseless and devoid of merit. Complainant had alleged that Noticee 1 had claimed to provide SEBI registration number after payment.
 - 6.5 However, sequence of payment by the complainant i.e Ankit clearly shows that he made two separate payments one on 26.02.2020 and three days later

on 29.02.2020 he made another payment, although the noticee did not provide any SEBI registration number to him as alleged by complainant. Hence no misleading statements of being registered with SEBI were made by the Noticee 1.

- 6.6 Ankit has not provided any verifiable statements or documents to substantiate his claims of loss amounting to Rs.80,000/-.
- 6.7 It is acknowledged that the complainant made a payment of Rs.15,551/- in two instalments of Rs.5,551/- on 26.02.2020 and Rs.10,000/- on 29.02.2020 through UPI linked to mobile No. 8218996001 and which was linked to the ICICI Bank account No. 1900xxxx318 mentioned in the SCN.
- 6.8 SEBI should not misconstrue the entire credit entries amounting to Rs.43,22,718/- towards the activities under investigation. These entries are personal in nature, comprising interest payments, temporary family loans, earnings from cooking classes and assistance from family and friends during the COVID-19 lockdown. Importantly, for any transactions linked to the alleged activities, Noticee 1 had explicitly requested her clients availing the services that the purpose be clearly mentioned, ensuring they are easily distinguishable from other personal credits. Hence, SEBI should make distinction between these personal entries and transactions under scrutiny. Noticee will provide any additional documentation or clarification to substantiate this.
- 6.9 It is acknowledged and fully accepted that the 60 credit entries identified by SEBI, totaling Rs. 8,09,125/- are related to the investment advisory services. The Noticee does not contest the validity of these entries.
- 6.10 Further, the noticee had implemented a clear and deliberate practice where clients were specifically instructed to mention the purpose of their payments in the transaction narration when subscribing to any investment advisory service. This was done to ensure full transparency and distinguish the professional transactions from any unrelated personal or other business transactions. The noticee's intention was to operate with transparency and maintain organized records, reflecting a sincere effort to provide appropriate and clear services to her clients, even in the absence of formal SEBI registration.

- 6.11 The bank account was not under the name of 'Commodity Pandit' which demonstrates that the account was not exclusively intended for investment advisory services. Rather it was a personal account used for a variety of transactions and not solely for advisory services.
- 6.12 Noticee 1 ceased rendering the advisory services and thus closed the bank account on 24.09.2020 as soon as she became aware of need for formal registration demonstrating her willingness to comply with the regulations.
- 6.13 The payments made by Nitin, another complainant pertain to the payments through PayU money link registered in the name of Neha Goel (Noticee 2) and hence should be addressed by her. Noticee 1 has not taken any fees from the other complainant and hence should be addressed by Noticee 2.
- 6.14 Noticee 1 contests the claim that she was carrying out investment advisory services in association with Neha Goel, Proprietor PC Global Research (i.e. Noticee 2). Hence any financial activities associated with this account are solely the responsibility of Noticee 2.
- 6.15 Noticee 1 has never collaborated or operated with Noticee 2 in any capacity and hence should not be linked to her or her activities. However, Noticee 1 acknowledges and admits to rendering investment advisory services without prior registration with SEBI.
- 6.16 The connections in the SCN between Noticee 1 and Noticee 2 are solely due to the acquisition of digital assets from Noticee 2. Both the noticees operated independently and the acquisition of the assets has caused confusion among the clients.
- 6.17 Noticee 1 acquired the website in January 2020 and thereafter voluntarily ceased business operations in September 2020 and hence the website is inaccessible due to non renewal of website domain or server payment.
- 6.18 Noticee acknowledges that she is not a registered investment adviser and is unable to comment on the registration status of noticee 2. She denies carrying out any advisory activity collectively with Noticee 2.
- 6.19 The reason for violation was solely due to lack of professional guidance. The noticee was completely naïve and unaware of the SEBI Act and IA Regulations.

7. The Noticee 2 provided her reply to the SCN through the same authorized representative i.e. CS Raghav Agarwal, RA & Co. Companies Secretaries LLP, vide letter dated 30.09.2024 sent through email. The reply states, *inter alia*, the following which has been summarized for sake of brevity-
- 7.1 The potential reason for the confusion stems from the transfer of the website and other assets, including mobile numbers to Meenu Sharma. Any services provided using the website or mobile numbers from January 2020 onwards were solely under the management and responsibility of Meenu Sharma.
- 7.2 Noticee 2 was initially unaware of the SCN except for an email she received to which she responded, confirming that she had ceased rendering services.
- 7.3 Noticee 2 and Noticee 1 mutually agreed out of their own free will to transfer the assets in January 2020 as Noticee 2 desired to reduce the professional burden due to her pregnancy and family responsibilities.
- 7.4 Noticee 2, proprietor of erstwhile M/s. P.C.Global Research is a SEBI registered Investment Adviser holding registration No.INA100010970. Beyond transfer of assets, the Noticee 2 has no further association or involvement with Meenu Sharma i.e. Noticee 1.
- 7.5 The Noticee 1 has received the funds transferred by the complainant Ankit in February 2020 to Commodity Pandit pursuant to the transfer of the digital assets in January 2020. Hence, Noticee 1 should address this.
- 7.6 Regarding the other complainant i.e Nitin, Noticee 2 acknowledges the receipt of payments made by him i.e. totaling Rs. 1,74,797/- .
- 7.7 These payments were made on mutual understanding and agreement between Nitin and Noticee 2 in an informal agreement without a written contract. The complainant has availed the services and it is unreasonable to provide complete refund especially when substantial time, resources and infrastructure have been devoted to delivering these services.
- 7.8 Due to the persuasion of Nitin and commitment to make partial refund, Noticee 2 has refunded a total amount of Rs.50,000/- (i.e Rs.10,000/- each on 12.10.2021 and 17.11.2021 and Rs.30,000/- on 30.11.2021). The complainant has persisted in raising questions about payments made but had conveniently omitted mention of the refunds he has already received. His

selective disclosure reflects an attempt to exaggerate and present misleading allegations against the noticee.

- 7.9 Noticee has made partial refunds to Nitin despite absence of any valid ground for such a claim. It is unjust to demand a full refund after utilizing the services and the noticee cannot be held responsible for the losses that are neither documented nor proved to be connected to her advice.
- 7.10 Noticee was unable to respond to the notice appropriately because she does not fully understand the legal terminology used in such communications and as she is a registered IA there was no reason for her to consider the allegations of unregistered IA activities.
- 7.11 Noticee has changed her address and is currently in the process of updating her details with SEBI and BASL.
- 7.12 It is clarified that 'Neha Goyal' and 'Neha Goel' refer to the same person as she sometimes uses 'Goyal' instead of 'Goel' for astrological reasons. Noticee acknowledges that she uses differing spellings in official communications but due to complexity of updating all official records, she chose not to initiate such changes.
- 7.13 Noticee acknowledges ownership of website until December 2019 and confirms bank account was in her name as proprietor of M/s P.C.Global Research, a proprietorship firm.
- 7.14 Since the transfer of the website and other digital assets to Meenu Sharma, the noticee 2 denies any involvement in assisting her or Commodity Pandit in any capacity.
- 7.15 Noticee has not created any platform under the name of P.C.Global Research to reach out to the public, except for registering with GST and opening a bank account with that trade name. Therefore noticee was in no way assisting Commodity Pandit which is a website belonging to Meenu Sharma
- 7.16 Noticee 2 is a SEBI registered investment advisor and was operating as a SEBI registered IA. Payments received in her bank account were for legitimate advisory services rendered by her as well as other unrelated personal transactions.
- 7.17 Regarding the connections of the noticees, with the transfer of digital assets, the mobile numbers 9557530026 and 8218996001 were transferred to

Noticee 1 by handing over the SIM card since it was associated with the website and used for client inquiries. The noticee chose to transfer the contact numbers to avoid any undue stress during her ongoing pregnancy, ensuring a smooth transition of communication while stepping back from her business responsibilities.

7.18 The Noticee has shifted her residence.

7.19 The two noticees have operated independently since the transfer.

7.20 All the activities conducted under the trade name 'PC Global Research' are linked to the same PAN. She has charged fees from her clients in the name of PC Global Research as a registered IA.

8. During the personal hearing held on 25.09.2024, the authorized representative appeared on behalf of Noticee 1 via Webex and reiterated the submissions made vide letter 20.09.2024. The Noticee 1 was advised to provide the proof / agreement entered into between the noticees w.r.t. acquisition of digital assets viz mobile phone, email IDs and website as well as the legality of using the mobile phone of another user. The evidence of the consideration paid to Noticee 2 for the acquisition of the digital assets was also sought. Further, Noticee 1 was also asked to provide cogent evidence for the other bank entries which were not related to IA activities and which according to the noticee pertained to interest payments, temporary family loans, earnings from cooking classes and assistance from family and friends as stated in her reply.

9. The personal hearing for Noticee 2 was held 04.10.2024 and the same authorized representative who had appeared on behalf of Noticee 1 appeared on behalf of Noticee 2 as well. The personal hearing was held via Webex. During the personal hearing, the Noticee 2 was advised to confirm whether the website i.e. Commodity Pandit contained the registration details of Neha Goel, her registration number alongwith documentary evidence of it. As she was a registered IA, information was also sought from her as to whether she had informed SEBI about the change in person operating her IA services and whether she has paid the renewal fees for her continued registration.

10. The noticees submitted their reply post hearing. The post hearing reply sent vide email dated 10.10.2024 of Noticee 1 is summarized herein below:-

10.1 The agreement between Meenu Sharma and Neha Goel was oral and mutually agreed upon under which the digital infrastructure, including the use of website name 'Commodity Pandit' was transferred from Neha Goel to Meenu Sharma from January 2020. The contract was verbal and fully recognized under the Indian Contract Act of 1872 and it was agreed that Meenu Sharma would have exclusive control and management of the website, email IDs, mobile numbers and digital assets. A consideration of Rs.10,000/- was paid in cash by Meenu Sharma to Neha Goel thereby concluding the transaction.

10.2 Despite the lack of formal written agreement, both the parties have consistently upheld the terms making it a valid contract under Section 2 and 10 of the Indian Contract Act, 1872.

10.3 All the credit entries need to be distinguished as not all of them pertain to unregistered investment advisory services. SEBI has specifically highlighted 60 entries totaling Rs.8,09,125/- which are unreservedly admitted as receipts relating to unregistered investment advisory services

10.4 As regards no narration against the credit entry of the complainant, the noticee 1 has further undertaken a rigorous and honest examination of the bank account and have identified 80 entries totaling Rs. 10,50,575/- (higher than original figure in SCN). Hence the total amount of credits pertaining to unregistered IA activities is Rs.10,50,575/-

10.5 If the Noticee 1 had any intention to circumvent the transparency of her transactions it is highly unlikely that she would insist upon her clients to explicitly mention the purpose of payment. This instruction was diligently followed by many clients.

10.6 If intention of the noticee 1 was to deceive or operate unlawfully, she could have easily reversed or corrected her bank entries to show them as erroneous, especially at the point in time when the transactions were made. But she has not done so, further proving that her actions are transparent.

10.7 Despite being unregistered, her behavior reflects honesty and good faith in conducting her business.

- 10.8 It is unfair to hold the noticee responsible for an omission made by the client by not giving proper description in the narration. The complainant did not mention in the bank credit narration that payment was for advisory services
- 10.9 It is unjust and unreasonable to presume all credit entries in the bank account pertain to investment advisory services based on a single anomalous case. There are receipts which are categorically unrelated to any advisory services e.g. credits of savings bank interest, opening cheque credited by noticee's daughter, cash back credits and FD closure proceeds from ICICI Bank and other petty amounts.
- 10.10 During Covid-19 lockdown, the Noticee 1 took assistance of family and friends for the purpose of extending humanitarian assistance to help those in need. There are debit entries to the tune of Rs.12,08,825/- which were utilized for purchasing pulses in bulk to distribute to those affected by Covid. To substantiate the claims, the noticee has enclosed invoices totaling Rs.7,31,570/-. The purchase of goods in large quantities (approx. 9,300 kilograms of pulses) could not have been for personal or household consumption, thus reinforcing that this was done to support others during crisis.
- 10.11 There are additional entries for which invoices are currently unavailable due to non-cooperation from certain wholesalers despite of payments made through official banking channels. Hence, it is evident that not all the credit entries relate to business activities, many were directed towards philanthropic effects during the crisis.
- 10.12 She has conducted cooking classes during this period, generating a total income of Rs.1,59,936/-, personal loans from family and close friends amounting to Rs.3,35,942/- including a loan of Rs.1,00,000/- from her daughter for the purpose of opening her bank account.
11. The post hearing reply of Noticee 2 is summarized herein below:-
- 11.1 Neha Goel is a registered Investment Adviser with IA registration No.INA100010970 since June 2018.
- 11.2 Neha Goel has obtained GST registration number and has a trade name "P C Global Research" as she is the proprietor for the business purpose.

- 11.3 To accommodate her clients' preference and maintain ease of transaction Noticee 2 obtained 2 bank accounts one in her individual name and other under her trade name.
- 11.4 Noticee 2 has fully transferred her digital assets to Meenu Sharma specifically the supplementary mobile numbers used for telemarketing as well as email IDs and website domain "commoditypandit.com". While communication via email was limited, Neha Goel secured these email IDs primarily to prevent any potential misuse of a name similar to her website.
- 11.5 She opted for a domain name "commoditypandit.com" as a feasible choice for her business needs since securing a domain like "Neha Goel" would have cost over Rs.1.5 lakhs at the time.
- 11.6 It must be emphasized that while Neha Goel transferred redundant digital infrastructure, including the website to Meenu Sharma in January 2020, she did not transfer any of her registered mobile numbers, email addresses or registration details with SEBI. At no point did Neha Goel authorize the use of her SEBI registration by Meenu Sharma.
- 11.7 Neha Goel informed her clients that she was discontinuing her services and had transferred control of the digital infrastructure to Meenu Sharma, absolving herself of any responsibility for Meenu Sharma's action.
- 11.8 The agreement between them was oral and mutual and is valid under the Indian Contract Act of 1872. Meenu Sharma assumed exclusive control and management of all digital assets. A consideration of Rs. 10,000/- was received by Neha Goel from Meenu Sharma thereby concluding the transfer. Although no written agreement was executed, both parties have honored the terms.
- 11.9 Neha Goel never mentioned the details of the registration number with SEBI on the website although the same is required in terms of sub-para (ix) of Part 2 of SEBI Circular SEBI/HO/IMD/DFI/CIR/P/2020/182 dated 23.09.2020 as Neha Goel had already transferred the control, management and ownership of the website and related digital assets to Meenu Sharma.
- 11.10 Regarding the requirement of informing SEBI in so far as any change in the person operating Neha Goel's registered IA services, no such transfer of business operations ever took place. Neha Goel has always been sole

operator of her SEBI registered IA services and at no point did she transfer control of her business, client responsibilities or bank account related to those services to any other individual, including Meenu Sharma. Hence, there was no obligation or necessity to inform SEBI about any operational changes as no changes occurred.

11.11 Neha Goel has only transferred her surplus, redundant digital assets which were no longer of use to her and had no bearing on her SEBI registered activities.

11.12 She confirms that she has paid the renewal fees to SEBI.

CONSIDERATION OF ISSUES AND FINDINGS

12. I have considered the allegations made in the SCN, submissions of the noticees and the documents available on record. I note that the issue for consideration is whether the Noticees 1 and 2 have provided investment advisory services without obtaining a certificate of registration from SEBI in violation of Section 12 (1) of the SEBI Act, 1992 read with Regulation 3 (1) of the IA Regulations, 2013.

13. I note that in the matter under consideration, there are 2 complainants i.e Ankit and Nitin who have both alleged that they were offered investment advisory (IA) services / tips by Commodity Pandit. Ankit has also provided the website link i.e. <https://www.commoditypandit.com>.

14. Based on the documents on record, written and oral submissions of the noticees, I note that the matter involves allegation against both a registered investment advisor (i.e Noticee 2 who is SEBI registered investment advisor) and an unregistered investment advisor (Noticee 1) for unregistered IA activities. Both the noticees have been clubbed together as during the examination these noticees had not provided their replies or information that was sought from them with respect to the unregistered IA activities. Further Noticee 2 also did not refute the allegation of carrying out unregistered investment advisory activities when she replied during the examination vide email dated 03.04.2024.

15. Noticee 1 has admitted in her reply post issuance of SCN that she is an unregistered IA. She had not provided the information that was sought from her during the examination. I note that the information was sought by SPAD as well as email which was sent to email id (servicexxx555@gmail.com) which also appears in the bank account opening form of the noticee. Noticee 2 had also not provided the information which was sought from her during the examination. Especially w.r.t Noticee 2 who is a SEBI registered investment adviser, I note that during examination, information was sought from her vide letter dated 28.02.2024 which was delivered to her on 11.03.2024 through post. The letter was also sent vide email dated 28.02.2024 with reminder emails sent to her on 19.03.2024 and 30.03.2024 (email ID neha29xxxx1980@gmail.com). Noticee 2 replied vide email dated 03.04.2024 (replied as "Neha Goyal") only stating that she had stopped the services end of 2020 and she did not have much records and would share the details sought as soon as possible. In her reply vide email dated 03.04.2024, the Noticee 2 had neither informed that she was a SEBI registered investment adviser nor did she deny the allegation of engaging in unregistered IA activities. Further, she also did not provide the details which she has stated she would send later.

16. Further, while replying to the SCN, the authorised representative of Noticee 2 in reply dated 30.09.2024, has stated that *"...our Client informed via email that she had ceased providing services. However, she was unable to respond to the notice appropriately because she does not fully understand the legal terminology"* In this regard, I note that the Noticee 2 has stated that she is a "Post Graduate" against her qualification in the Form A, while seeking registration as an investment adviser with SEBI. I note that basic information regarding her activities was sought from her during examination. As a registered intermediary she could have sought clarification, if required, on the information which was sought from her. However, the Noticee neither sought clarification nor provided the details.

17. Further, during examination, based on available records there were many commonalities which connected both the noticees and were considered to be jointly conducted for the alleged unregistered IA activities; viz

17.1 The email ID registered by PC Global Research with PayU money is the same email ID used by Commodity Pandit i.e commoditypandit@gmail.com and panditcommodity@gmail.com (also available on the archived webpages).

17.2 The link on which payment was made by Nitin (during December 10-14, 2019) to Commodity Pandit belonged to Noticee 2. Further, there were debit entries amounting of Rs.50,000 from the bank account of Noticee 2 to the Nitin.

17.3 The mobile number registered by PC Global Research with PayU money i.e 9557530026 is the same as informed by Ankit who had complained against Commodity Pandit.

17.4 The mobile number of PC Global Research i.e. 8218996001 which was registered with PayU Money is the same number through which Ankit had made payment to Commodity Pandit and is also the number appearing on the website.

18. The Noticee 2 in her reply to the SCN and post hearing reply has now stated that she is a SEBI registered IA. She has also stated that she has transferred her “redundant” digital assets i.e website, mobile numbers and email ids to Noticee 1. The contract was done verbally / orally and Noticee 1 paid Noticee 2 a sum of Rs. 10,000/- in cash towards consideration for the said acquisition of digital assets. I note that both the Noticees have not provided any cogent evidence to prove this transaction. Further, both the noticees have also stated that the acquisition / transfer of these digital assets are valid as per the Indian Contract Act, 1872.

19. In this regard, I have perused Section 10 of the Indian Contract Act, 1872 which states the following : *“What agreements are contracts.—All agreements are contracts if they are made by the free consent of parties competent to contract, for a lawful consideration and **with a lawful object**, and are not **hereby expressly declared to be void**. Nothing herein contained shall affect any law in force in India and not hereby expressly repealed by which any contract is required to be made in writing or in the presence of witnesses, or any law relating to the registration of documents. “* .

20. Further, Section 23 of the Indian Contract Act, 1872 provides an insight into what consideration and objections are lawful and what are not and is reproduced below:-

“23. What considerations and objects are lawful, and what not.—The consideration or object of an agreement is lawful, unless—

it is forbidden by law ; or

is of such a nature that if permitted, it would defeat the provisions of any law; or

is fraudulent ; or

involves or implies injury to the person or property of another; or

the Court regards it as immoral, or opposed to public policy.

In each of these cases, the consideration or object of an agreement is said to be unlawful.

Every agreement of which the object or consideration is unlawful is void. “

(Emphasis added)

21. In the light of Section 23 of the Indian Contract Act, 1872 it is very clear that the object of the contract should not be to defeat the provisions of any law. The Noticee 2 being a registered investment advisor has transferred her website, email IDs and phone numbers through which she was conducting her IA services to Noticee 1 who is not a registered IA. The noticee 2 was using the Commodity Pandit website for her IA activities. The contents of the website (archived webpages) were perused which states, *inter alia*, “ *COMMODITY PANDIT is one of the fastest growing Advisory which contains not only Technical Analytical ability, but Excellent in data Production and Technical Skills.....The Complex and Diverse nature of Market means that COMMODITY PANDIT advisers rapidly develop areas of specialist knowledge all Segment of Markets.....Our clients trust our accuracy & getting good profit & continuously maximising their capital....Competency – We keep abreast of relevant trends and changes in MCX and financial management.....*”. Hence as a registered IA by transferring the credentials associated with her SEBI registration i.e. website, telephone numbers, email IDs, she has allowed the same to be used for unregistered investment advisory services. The submission regarding sale of digital assets etc. appear to be an afterthought. Further, even if one were to consider the sale of the website to be valid, one cannot rule out the danger of investors not having the knowledge that

the website, telephone numbers and email ID were being handled by an unregistered IA. The same is also evident from the complaint filed by Ankit who has stated that he was informed that Commodity Pandit (i.e Meenu Sharma) is a registered investment adviser. Although the Noticee 2 has claimed that she informed her clients about the sale of her digital assets to Meenu Sharma, she has not provided any cogent proof for it.

22. I further note, *inter alia*, that the Noticee 2 through her actions has facilitated Noticee 1 (unregistered investment adviser) in circumventing the requirements of the SEBI (Investment Advisers) Regulations, 2013, endangering investors and the integrity of the market. Her actions have put to risk those investors who had no idea that the website was handled by Meenu Sharma, an unregistered investment adviser. Noticee 2 has allowed Meenu Sharma to misuse the website which was used by her for the unregistered investment advisory activities. Further, I note that Noticee 2 continues to be a registered IA with SEBI and has also confirmed that she has paid the renewal fees. Further, I also note that in spite of her being a registered IA, she has not informed SEBI about the material change in her business through the sale of her digital assets including the website, change in address, use of different names, etc.

23. Therefore, I am of the view that a detailed inquiry is warranted against Noticee 2, Proprietor, P.C.Global Research, w.r.t compliances of the relevant rules and regulations for a registered intermediary. Further, in the instant proceedings, the Noticee 2 ought to be debarred for a certain period for facilitating Noticee 1 to act as an unregistered investment adviser by giving the credentials associated with a SEBI registered investment adviser, as detailed above.

24. I shall now proceed with respect to Noticee 1. The complainant i.e. Ankit had made a payment of Rs.15,551/- through UPI to mobile Number 8218996001 shared by Commodity Pandit with him. Accordingly, SEBI sought the details of the bank account linked to the mobile number from the payment gateways. In reply, PhonePe provided the details of "Commodity Services" Account No.1900XXXX318 with ICICI Bank which was linked to the mobile number.

25. From the account opening forms (AOF) and other details obtained from ICICI Bank it was observed that the said bank account No. 1900XXXX318 was in the name of Meenu Sharma i.e. Noticee 1. The account was opened by her on 14.01.2020 and date of last transaction was 24.09.2024. It was also observed that as stated by Ankit, the bank account had two credit transactions amounting to Rs.15,551/- , as per the following details:-

Date	Narration	Credit (Rs.)
26.02.2020	UPI/005714358757/Payment from Ph/7715961855@ybl/Ba	5,551
29.02.2020	UPI/006039515269/Payment from Ph/7715961855@ybl/Ba	10,000

26. It was observed that there was a total of 438 credit entries for a total amount of Rs.43,22,718/- in the aforesaid bank account during the period 17.01.2020 to 24.09.2020. Out of the said credit entries, there were 60 credit entries for a total amount of Rs.8,09,125/- wherein credit entries were accompanied with keywords like “MCX Calls”, “MCX Commodity Calls”, “Advisory Service”, “MCX Tips”, “Service”, “Commodity”, “Trading Tip”, “Crude Service”, “Trading”, “Silver Pack”, “MCX Premium Call”, “Commodity”, “Crude Oil Profit”, “Natural Gas”, etc.

27. In her reply to the SCN dated 20.09.2024 Noticee 1 viz Meenu Sharma has acknowledged that she was engaged in carrying out investment advisory services without being registered with SEBI. She has used the website, mobile number for carrying out such activities. She has also acknowledged the receipt of the amount from the complainant viz Ankit which has also been confirmed from her bank account. However, Noticee 1 has only contested that the entire credit of Rs.43,22,718/- in the bank account No. 1900XXXX318 with ICICI bank does not pertain to the receipts for unregistered IA activities.

28. During the hearing and also vide post hearing reply, the Noticee 1 has conceded that 60 credit entries for a sum of Rs.8,09,125/- as mentioned in the SCN was

towards the receipts relating to the unregistered investment advisory activities. In this regard, it may be noted that this was an indicative figure which was arrived at during examination based on the narrations in the bank statement, as the Noticee 1 had not provided her reply during the examination. The Noticee defended that credit entries with specific narrations of alleged activities only are the receipts for unregistered investment advisory activities. She has also stated in her reply that *“Importantly, for any transactions linked to the alleged activities, our Client had explicitly requested that the purpose be clearly mentioned, ensuring they are easily distinguishable from other personal credits.”* However, it can be seen at Para 25 that Ankit who had complained against Noticee 1 did not make any such narration while transferring funds to Noticee 1 for the alleged activities. Therefore, I am unable to accept the defence of Noticee 1 in this regard. Further, the Noticee 1 in her reply to the SCN (Para 10.5) has admitted that the instruction of providing narration was followed by ‘many’ clients. Hence, it is highly likely that other investors would have also not made narrations indicating that credits are for the investment advisory services being availed by them like the complainant. Such instances have also been provided by the noticee herself in her post hearing reply, which is detailed in the paras below.

29. Noticee 1 in the post hearing reply while admitting the 60 credit entries amounting to Rs.8,09,125 has stated that *“In the specific case of **Ankit Chavda**, who did not mention the reason for payment, Meenu Sharma was powerless to amend the narration in the bank records. The **lack of proper description** in this instance is **solely an oversight on the part of Ankit Chavda**, not Meenu Sharma. It is unfair to hold her responsible for an omission made by her client.”* The Noticee further stated that an independent examination was undertaken and she has identified 80 entries totalling Rs.10,50,575/- (higher than the SCN figure) as the amount to be considered towards the unregistered activities of the Noticee 1. The details provided by noticee 1 is as follows:-

Financial Year	Activity	Amount (Rs)
2019-20	Unregd.IA	2,54,866.00
2020-21	Unregd.IA	7,95,709.00
Total		10,50,575.00

30. However, on an independent examination of these 80 credit entries as stated by the Noticee 1 in her post hearing reply sent vide email dated 10.10.2024 vis-à-vis the entries as per the ICICI Bank account, I note the following anomalies in the information / data provided :-

- 30.1 From the post hearing reply it is noted that there is double counting of same 26 entries w.r.t data submitted F.Y. 2019-20. Hence there is a repetition of the data.
- 30.2 The Noticee has stated that there are 2 entries for 30.03.2020 for Rs.6,500/-. However, as per the bank statement there is only one entry for Rs.6,500/-.
- 30.3 The dates of the transactions as per bank statement are not matching with dates provided by noticee e.g. transactions are shown as on 22.02.2020 (instead of 24.02.2020), 01.04.2020 (instead of 02.04.2020), 03.04.2020 (instead of 04.04.2020), 19.04.2020, (instead of 18.04.2020), 09.05.2020 (instead of 11.05.2020) and 21.06.2020 (instead of 22.06.2020).
- 30.4 As per the bank statement on 28.04.2020 there are 4 payments with Rs.5000/- each. Noticee has shown 2 payments as credits towards unregistered IA. The one credit payment which carries the narration as “UPI/011913259273/Silver pack/ vkurtadkar1980@/ICICI” has already been included in the 60 entries as per the SCN based on narration. However, there is no narration and there are other 3 entries for the same amount. The noticee has not demonstrated as to how she has identified these to the unregistered investment advice. Details of the credits for 28.04.2024 are given below:-

Date of transaction	Narration	Credit Amount	Line Balance
28-04-2020	UPI/011910967509/Payment from Ph/9812073073@ybl/HD	5000	617410.18
28-04-2020	UPI/011913259273/Silver pack/vkurtadkar1980@/ICICI	5000	627965.18
28-04-2020	UPI/011923327570/Vivek saini/saini.vivek737@/Punja	5000	640965.18
28-04-2020	UPI/011923328379/Vivek saini/saini.vivek737@/Punja	5000	645965.18

- 30.5 As per the bank statement on 18.05.2020 there are 2 payments for Rs.5000/- each. Noticee has shown 1 payment as credits towards unregistered IA. There are no narrations to show the alleged activity. Further, the noticee has not

demonstrated as to how she has distinguished which pertains to the unregistered investment advice.

Date of transaction	Narration	Credit Amount	Line Balance
18-05-2020	UPI/013823087902/UPI/sharavanmali@ok/State Bank Of	5000	691633.18
18-05-2020	UPI/013915603384/SHAILESH/shaileshradadiy/TJSB Sah	5000	726633.18

30.6 The following credits have been indicated by Noticee 1 in her post hearing reply as credits pertaining to unregistered IA activities. However, on a perusal of these credits it is observed that there are no narrations that show that these are towards unregistered investment advisory services as stated by Noticee 1 in her own defence.

Date of transaction	Narration	Credit Amount	Line Balance
18-04-2020*	UPI/010910771569/UPI/chetanbhingradi/Bank of Barod	6655.00	218992.18
28-04-2020	UPI/011910967509/Payment from Ph/9812073073@ybl/HD	5000	617410.18
29-04-2020	UPI/012000412017/Vivek saini/saini.vivek737-/Punja	13000	658965.18
18-05-2020	UPI/013823087902/UPI/sharavan mali@ok/State Bank Of	5000	691633.18

*(date taken as 18.04.2020 as there is no transaction for 19.04.2020).

31. Hence, from the above, I also note that the Noticee 1 has acknowledged that there were credit entries without the narrations which have also been received by the Noticee 1 for the alleged activity.

32. Further, during the hearing, the Noticee 1 categorically stated that the other credits / receipts were not towards the unregistered IA activities but included interest payments, temporary family loans, earnings from cooking classes and assistance from family and friends. Accordingly, the Noticee 1 was advised to provide cogent proof of these activities. Regarding the other credit entries, the Noticee 1 has only provided the break-up of the receipts towards the various activities but has not provided any cogent evidence. The following is noted:-

32.1 Noticee 1 has stated that a sum of Rs.1,56,936/- was received by her for conducting cooking classes, personal loans from family and close friends amounting to Rs.3,35,942/- which included a loan of Rs.1,00,000/- from her

daughter specifically for opening her bank account. The Noticee 1 has however, not provided any cogent evidence for these credits such as receipts for the cooking classes, the bank statement of family/friends showing debit entries in their accounts for the loan given to the Noticee 1. However, on an examination of the account opening forms submitted by ICICI Bank during the examination, I note that a cheque of Rs.1,00,000 has been provided by the Noticee alongwith her documents and I shall accordingly consider this receipt as her own funds which should not be considered towards unregistered IA activities. Regarding the other receipts, I am not inclined to exclude them as she has not provided any strong evidence to back her claim.

32.2 Noticee 1 has provided 2 invoices related to purchasing large quantities of pulses. The noticee 1 has stated that these purchases of Rs.12,08,825/- was not for personal consumption but towards humanitarian assistance during COVID-19. Besides a bald statement that these funds were received from family and friends for humanitarian assistance, the Noticee 1 has not provided any evidence or proof of receiving this assistance. In fact, SEBI sought information from the noticee during the examination, however, no details were provided by the noticee at that stage. Therefore, I am constrained to conclude that this collection of money for humanitarian assistance appear to be an after thought. Hence, I am not inclined to accept that funds were received for other purposes.

32.3 Noticee 1 has stated that a sum of Rs.1,56,936/- was received by her for conducting cooking classes. I have perused these transactions and note that on 09.04.2020 the noticee has stated that she has received Rs.5000/- towards cooking classes. However, on a perusal of the bank statement I have noted that there are 2 credits on the same date for the same amount. Similarly, the noticee has stated that she has received 1 payment for Rs.10,000/- on 18.05.2020. However, on the same day there are 4 receipts of Rs.10,000/- . The Noticee 1 has not explained how she has differentiated such payments. On what basis the noticee can differentiate these payments for cooking classes and others is not demonstrated by her. Just a mere statement that these are receipts towards the cooking classes without any other cogent evidence such as receipts given for the classes, etc. makes it difficult to accept the plea of the

noticee. The credits appearing in the bank statement of Noticee 1 are as follows:-

Date of transaction	Narration	Credit Amount	Line Balance
09-04-2020	UPI/010026334984/Payment from Ph/9556848535@ybl/St	5000	76685.18
09-04-2020	UPI/010016192013/Payment from Ph/9798414122@ybl/IC	5000	101685.18
18-05-2020	UPI/013910352401/UPI/rajas7661@okhdf/Bank of Barod	10000	701633.18
18-05-2020	UPI/013912983756/UPI/rajas7661@okhdf/Bank of Barod	10000	711633.18
18-05-2020	UPI/013914174302/Ok/srajendra896-1@/Andhra Bank	10000	721633.18
18-05-2020	MMT/IMPS/013917536969/Meenu sharma/HEMALATHA /Fede	10000	672573.18

33. Based on the submissions of the Noticee 1, I note that there are certain credit entries which indicate that these are not related to the unregistered investment advisory activities and which can be excluded from the total credits. Details are as follows:-

33.1 Account Opening Cheque for Rs.100000 has been provided by her Noticee/ her daughter as per account opening forms provided by ICICI Bank.

33.2 Other Credits for an amount of Rs.48,593/- (like cashback, closure proceeds, etc.)

33.3 Savings interest - Noticee 1 has stated that total Savings Interest to be exempted is Rs.5,281/-. However as per bank statement there is no interest credit for Rs. 322/- on 24.09.2020. Further the amount of Rs.10,322 for 24.09.2020 (proceeds closure) has already been considered under 'Other Credit' and hence the correct figure for savings interest is Rs.4,959/- (instead of Rs.5281/-)

34. At this juncture, it will be relevant to quote the Order of Hon'ble Securities Appellate Tribunal in the matter of **Vusa Ravi v. SEBI** decided on July 27, 2023,

wherein it was argued by the Appellant that the direction to refund is patently erroneous in as much as the entire amount shown in the bank accounts was not towards the advisory services but was for other services. Hon'ble SAT while upholding the order held as follows:-

"...However, with regard to the direction for refund, considering the facts and circumstances that have been brought above, we direct the appellant to move an appropriate representation within three weeks from today giving details of the credit entries of the three bank accounts and indicate with precision as to which amount relates to advisory services and which amount does not relate to advisory services. The authority will consider each and every entry and thereafter crystallize the amount to be refunded within two months thereafter."

35. The SCN has stated that the total funds collected by the noticee is Rs.43,22,718 /- towards unregistered investment advisory activities. Further, as can be seen from Para 33, there are certain credits which clearly do not pertain to the unregistered investment advisory services. Accordingly, the revised total amount considered towards the unregistered investment advisory activities which will have to be refunded by Noticee 1 is as given below: -

Sr. No.	Details	Sub-total Amount (Rs.)	Total Amount (Rs.)
1.	Total credits in the bank account of the noticee as per SCN (A)		Rs.43,22,718
2.	Total amounts to be excluded from total refund based on the reply of the noticee (B)		
	Initial Cheque payment for account opening	Rs.1,00,000/-	
	Other Credits	Rs.48,593/-	
	Savings Interest	Rs. 4,959/-	1,53,552/-
3.	Total amount to be refunded (C) i.e. A minus B		41,69,166/-

36. Further, the noticee has stated that she was unaware of the law that individuals must obtain registration from SEBI. However, ignorance of law cannot be an excuse and the same cannot be taken as defence in any proceedings to avoid liability in case of violation.

37. W.r.t the issue whether the Noticee has acted as an unregistered investment adviser in violation of the provisions of the SEBI Act, 1992 and the IA Regulations, the definition of "Investment Adviser" as given under Regulation 2(1)(m) of the IA Regulations is relevant:-

"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;"

38. Further, Regulation 2(1)(l) of the IA Regulations defines "investment advice" as under:

"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:...."

39. For ease of reference, the provisions of the SEBI Act, 1992 and IA Regulations alleged to have been violated by the Noticee are also reproduced hereunder :-

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 ⁵³[regulations] made under this Act:"

SEBI (Investment Adviser) Regulations, 2013

"Application for grant of certificate.

3. (1) On and from the commencement of these regulations, no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board under these regulations:"

40. From a collective reading of the complaint, the details appearing on the archived webpages, narrations in the bank statement as well admissions made by the Noticee 1, I find that the Noticee 1 was providing investment advice and also

received consideration in lieu of the same and hence Noticee 1 is covered under the definition of “investment adviser” and the money received from individuals was in the nature of fees in lieu of investment advice provided by it. The definition of “investment adviser” under Regulation 2(1)(m) of the IA Regulations states 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 those entities which are holding themselves out as investment advisers, such entity will be covered by the definition of “Investment Adviser” as given in Regulation 2(1)(m) of the IA Regulations. Therefore, I find that the Noticee 1 i.e., Meenu Sharma, was engaged in the business of providing investment advice to her clients, for consideration, and thus, was acting as an investment adviser, as defined under Regulation 2(1) (m) of the IA Regulations.

41. I note that in terms of Section 12 (1) of the SEBI Act and Regulation 3 (1) of the IA Regulations, no investment adviser shall act as an investment adviser or hold itself out as an investment adviser unless it has obtained a certificate of registration from SEBI.

42. 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 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 non-refundable 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.

43. I note that the safeguards provided under IA Regulations, 2013 requires continued minimum professional qualification and net-worth requirement for investment adviser, including 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. These requirements are aimed at protection of investor interest.

44. I note that the activities of the Noticee 1 i.e. Meenu Sharma, as described in the preceding paragraphs, was that of an investment adviser. However, the noticee is not registered with SEBI in the capacity of Investment Adviser. I find that these activities were being carried out by her without obtaining the necessary certificate of registration as an investment adviser and therefore, the Noticee has violated Section 12(1) of the SEBI Act along with Regulation 3 of the IA Regulations. Further, the noticee has also acknowledged in her reply to the SCN, during the hearing as well as post hearing reply that she was not a SEBI registered advisor and that she did not have the necessary certificate of registration to carry out the investment advisory activities. She has carried out her unregistered activities from January 2020 till September 2020.

45. The SCN also called upon the Noticee to explain as to why appropriate penalty should not be imposed upon her under Section 15EB of the SEBI Act, 1992 for acting as an Investment Advisor and carrying out such activities without obtaining a certificate of registration from SEBI in violation of the SEBI Act, 1992 and SEBI (IA) Regulations, 2013. In this regard, before going ahead with the determination of monetary penalty, it would be relevant to place hereunder the extracts of the appropriate penalty provisions for necessary reference. The relevant extract of Section 15EB of the SEBI Act, 1992, is reproduced, hereunder:

“Penalty for default in case of investment adviser and research analyst.

15EB. *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.]”*

46. I note that the allegation that the Noticee 1 has acted as an investment adviser without obtaining a certificate of registration from SEBI has been clearly established in the preceding paragraphs and therefore, the Noticee 1 has violated Regulation 3(1) of the IA Regulations read with Section 12 of the SEBI Act. In view of the same, I find that the penalty under Section 15EB of the SEBI Act, 1992 is clearly attracted.

47. For imposition of penalties under the provisions of the SEBI Act, 1992, Section 15J of the SEBI Act, 1992 provides 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.”

48. I note that the SCN has not brought out the quantum of profits / gains made by the Noticee 1 by collecting such unauthorized fees nor does it quantify the loss the clients have suffered. However, as brought out in the above paras, the noticee has offered these services to gullible investors/ clients in violation of the IA Regulations.

49. As discussed in the paragraphs above, I note that a total of ₹41,69,166 /- has been received by the Noticee 1 in the ICICI Bank account for the unregistered investment advisory services provided by her. Thus, in the light of the findings in the preceding paragraphs, I am of the considered view that the Noticee 1 is liable to refund the aforementioned amount collected as an unregistered investment adviser in addition to monetary penalty which is attracted for the said violations under Section 15EB of the SEBI Act.

50. In this regard, I also refer to the decision of the Hon'ble SAT in the matter of *M/s.Way2Gains vs SEBI* which was passed on 23.01.2023 wherein it was stated *“We find that admittedly all the three Appellants were engaged in carrying out investment advisory services without registration with SEBI as required under the SEBI Act and its relevant Regulations. Thus, the activities that the Appellants were carrying out were unlawful and, thus, the entire money collected by the Appellants*

needs to be refunded. The directions given by the WTM in the impugned order require no interference”.

51. Further, as Noticee 2 i.e. Neha Goel, Proprietor, P.C. Global Research, being a registered investment adviser has transferred her digital assets including the use of her website i.e. “Commodity Pandit” to Noticee 1 i.e. Meenu Sharma who is an unregistered investment adviser, I am of the view that a detailed inquiry is warranted against Noticee 2, including examination of the validity of transfer of the website through which she was conducting her activities, funds collected by her and compliances of the relevant Act / Regulations.

DIRECTIONS

52. In view of the foregoing, I, in exercise of the powers conferred upon me in terms of Sections 11(1), 11(4) and 11B (1), 11B (2) read with of Section 19 of the SEBI Act, and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, do hereby pass the following directions:-

- (a) The Noticee, Ms. Meenu Sharma, shall within a period of three (3) months from the date of coming into force of this direction, refund the money received from any complainant/ investor/ client, as fees or consideration or in any other form, in respect of its unregistered investment advisory activities;
- (b) The Noticee, Ms. Meenu Sharma, shall issue public notice in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of contact person such as names, addresses and contact details, within 15 days of coming into force of this direction;
- (c) The repayments to the complainants/ investors shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any

other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments;

- (d) The Noticee, Ms. Meenu Sharma, is prevented from selling her assets, properties and holding of mutual funds/shares/ securities held by her in demat and physical form except for the sole purpose of making the refunds as directed above. Further, the banks are directed to allow debit only for the purpose of making refunds to the clients/ investors/ complainants who were availing the investment advisory services from the Noticee, as directed in this order, from the bank accounts of the Noticee;
- (e) After completing the aforesaid repayments, the Noticee, Ms. Meenu Sharma, 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 (MIRSD), SEBI Bhavan II, Plot No. C7, G Block, Bandra Kurla Complex, Bandra (East) Mumbai –400051”, within a period of 15 days, after completion of three months from the coming into force of the directions at Para 52 (a) and (b) above, duly certified by an independent Chartered Accountant and the direction at Para 52 (d) above shall cease to operate upon filing of such report on completion of refunds to complainants/ investors;
- (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) In case of failure of the Noticee, Ms. Meenu Sharma, to comply with the aforesaid directions in sub-paragraphs 52 (a) and (f), SEBI, on the expiry of

the stipulated time period therein from the date of coming into force of this order, may recover such amounts, from the Noticee, in accordance with Section 28A of the SEBI Act, 1992 including such other provisions contained in securities laws;

- (h) The Noticee, Ms. Meenu Sharma, is restrained from accessing the securities market, directly or indirectly and is prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of **one year** from the date of this order or till the expiry of **one year** from the date of completion of refunds to complainants/ investors as directed in paragraph 52 (a) above, whichever is later;
- (i) The Noticee, Ms. Meenu Sharma, is hereby imposed with a penalty of Rs. 1,00,000/- (Rupees One lakh only) under Section 15EB of the SEBI Act, 1992 and further directed to pay the penalty within a period of forty-five (45) days, from the date of receipt of this order;
- (j) The Noticee, Ms. Meenu Sharma, shall remit / pay the said amounts of penalty through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of EDs/CGMs -> PAY NOW. In case of any difficulties in online payment of penalties, the Noticee may contact the support at portalhelp@sebi.gov.in. The details/ confirmation of e-payment should be sent to "The Division Chief, Market Intermediaries Regulation and Supervision Department (MIRSD), Division of Registration-2, SEBI Bhavan II, Plot no. C-7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai -400 051" and also to e-mail id:-tad@sebi.gov.in in the format as given in table below:

Case Name	
Name of Payee	
Date of Payment	
Amount Paid	

Transaction No.	
Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount/ legal charges along with order details)	

(k) The Noticee, Ms. Meenu Sharma, shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in paragraph 52 (h) 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.

(l) The Noticee 2, Ms. Neha Goel, Proprietor, P.C.Global Research is restrained from accessing the securities market, directly or indirectly and is prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of **one year** from the date of this order.

53. It is hereby clarified that if the Noticees have any open position in any exchange traded derivative contracts, as on the date of this order, can close out/ square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The Noticees 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.

54. The direction for refund, as given in paragraph 52(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.

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

56. A copy of this order shall be sent to the Noticees, recognized Stock Exchanges, banks, Depositories and Registrar and Transfer Agents of mutual funds as well as BSE Administration & Supervision Ltd. (BASL) to ensure that the directions given above are strictly complied with.

Date : October 31, 2024

Place: Mumbai

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