

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
[ADJUDICATION ORDER NO. Order/BM/GN/2024-25/30571]**

**UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992  
READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING  
PENALTIES) RULES, 1995.**

**In respect of**

<b>Noticee No.</b>	<b>Name of the Noticee</b>	<b>PAN</b>
1	Monetary Solutions Proprietor – Mr Ankit Vyas (Investment Adviser)	AESPV8788G

In the matter of

**Monetary Solutions, Proprietor – Mr Ankit Vyas (Investment Adviser).**

**Background**

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted inspection of M/s. Monetary Solutions (Proprietor: Mr. Ankit Vyas) (hereinafter referred to as '**Noticee**') during September 19, 2022 to September 23, 2022. The focus of the inspection was to look into the compliance of regulatory requirements stipulated under SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**'), SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as '**IA Regulations**') and circulars and guidelines framed thereunder, by Noticee.
2. Noticee is registered with SEBI as an Individual Investment Adviser bearing registration no. INA000002785. Mr. Ankit Vyas is the Proprietor of the Noticee.
3. Pursuant to the Inspection conducted by SEBI, and the response of the Noticee dated April 05, 2023 submitted to SEBI, certain alleged non-compliances were observed of PFUTP regulations, IA regulations and circular issued by SEBI. The extracts of the violation alleged to have been committed by the Noticee and corresponding provision of the securities law are given in the tabulation below:-

<b>S. No.</b>	<b>Alleged violations</b>	<b>Regulatory provisions</b>
<b>1</b>	Employees of the IA and their Compliance with the qualification Requirement	Regulation 15 (13) read with Regulation 7 of IA Regulations, 2013 and Clause 1, 2 and 8 of Code of Conduct for Investment Advisers as specified under Third Schedule read with Regulation 15(9) of IA Regulations, 2013.
<b>2</b>	Maintenance of Records	Regulation 19(1) and 19(2) and Clause 1,2,8 & 9 of Code of Conduct for Investment Advisers as specified under the Third Schedule read with Regulation 15(9) of IA Regulations, 2013, Clause 2(ii) and 2(vi) of SEBI Circular Ref No. SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020 and Regulation 16 and 17 of IA Regulations, 2013.
<b>3</b>	Similar Products sold for the Concurrent Period	Regulations 3 (d), 4 (1) and 4 (2) (s) of PFUTP Regulations, 2003 read with Section 12A (c) of SEBI Act, 1992 and Clause 1 and 2 of Code of Conduct for IA as specified under Third Schedule of Regulation 15(9) of SEBI (IA) Regulations, 2013 read with Regulation 15(1) of SEBI (IA) Regulations, 2013.
<b>4</b>	Fees received from clients to personal account of compliance officer Mr. Ankit Vyas	Clause 1 and 2 of Code of Conduct as specified in Schedule III read with Regulation 15(9) of IA Regulations, 2013 read with Regulation 25(1) and (2) and Clause 1, 8 and 9 of Code of Conduct as specified in Schedule III read with Regulation 15 (9) of IA Regulations, 2013.
<b>5</b>	Providing Free Trial to Clients	Paragraph 1(i) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019, Clause 8 & 9 of the Code of Conduct as mentioned in Schedule III read with Regulation 15 (9) of the IA Regulations, 2013.
<b>6</b>	Unfair Amount of Fees Charged from Client and faulty suitability assessment	Regulation 15 (1), 17 (b), (d) and ( e) of IA Regulations, 2013 read with Clause 1, 2 and 6 of the Code of Conduct for IA as specified under Third Schedule read with Regulation 15(9) of IA Regulations, 2013.
<b>7</b>	Risk Profiling Questionnaire	Regulation 16 (d) (i) and (ii) of IA Regulations, 2013 and Clause 1, 2 & 8 of the Code of Conduct for IA as specified under Third Schedule read with Regulation 15 (9) of IA Regulations, 2013.
<b>8</b>	IA's operation are conducted from office not registered as Registered Office/ Branch Office	Regulation 13(b) of IA Regulations, 2013 and Clause 1,8 and 9 of Code of Conduct for Investment Advisers as specified under Third Schedule read with regulation 15(9) of IA Regulations, 2013.
<b>9</b>	Publishing of Investor Charter	Paragraph 2 and 4 of SEBI Circular No. SEBI/HO/IMD/IMD-II/CIS/P/CIR/2 dated December 13, 2021 and Clause 8 and 9 of Code of Conduct for Investment Advisers as specified under Third Schedule read with regulation 15(9) of IA Regulations, 2013.
<b>10</b>	Fake Reviews about Monetary Solutions through its Website	Regulation 3(d),4(1) and 4(2)(k) of PFUTP Regulations, 2003 read with Section 12A (c) of SEBI Act, 1992 read with Clause 1, and 2 of

		Code of Conduct as mentioned in Schedule III read with Regulation 15(9) of IA Regulations, 2013.
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#### **APPOINTMENT OF ADJUDICATING OFFICER**

4. SEBI, vide order dated September 12, 2023, appointed Ms Soma Majumdar as Adjudicating Officer to inquire into and adjudge under the provisions of Section 15EB and 15HA of the SEBI Act for the violations alleged to have been committed by the Noticee. Subsequent to the transfer of the case, the undersigned was appointed as an Adjudicating Officer in the matter vide communique dated December 19, 2023.

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

5. Show Cause Notice (hereinafter referred to as “**SCN**”) dated November 03, 2023 was issued to the Noticee and Supplementary Show Cause Notice (hereinafter referred to as “**SSCN**”) dated March 18, 2024 was issued to the Noticee under rule 4(1) of the SEBI (Procedures for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as SEBI Rules) to show cause as to why an inquiry should not be held against it in terms of Rule 4 of SEBI Rules read with Section 15-I of SEBI Act and penalty, if any, be not imposed on Noticee under Section 15EB and 15HA of the SEBI Act.
6. The SCN was sent to Noticee through Speed Post which returned undelivered, thereafter SCN was sent via digitally signed Email on November 03, 2023, which was duly served upon Noticee and the delivery of which is on record. Vide email dated December 28, 2023 reminder was sent to the Noticee for the submission of reply, however, no reply was submitted by the Noticee. In the interest of natural justice, vide hearing notice dated January 08, 2024 opportunity of hearing was provided to the Noticee on January 15, 2024. The said hearing notice was sent through SPAD which returned undelivered, thereafter it was sent via digitally signed email dated January 09, 2024 which was duly served and the delivery of the same is on record. Vide email dated January 12, 2024, Noticee sought documents on the basis of which SCN was issued. In view of the same, vide email dated January 15, 2024, Noticee was requested to specify the documents which he wants to inspect, however, no response was received from Noticee. Therefore, vide email dated January 30, 2024, Noticee was once again requested to specify the documents which he

wanted to inspect, however, still no response was received from Noticee. SSCN dated March 18, 2024, was sent to the Noticee via SPAD which was not delivered, thereafter it was sent via digitally signed email dated March 19, 2024, which was delivered and the delivery of which is on record.

7. In the interest of natural justice, vide hearing notice dated April 04, 2024 second opportunity of hearing was provided to the Noticee on April 15, 2024, which was sent via SPAD, however the same not delivered and thereafter the aforesaid hearing notice was sent via digitally signed email dated April 04, 2024. The same was delivered and the delivery of same is on record.
8. Vide email dated April 12, 2024, Noticee sought extension for submission of reply, therefore, vide email dated April 12, 2024, extension was given to the Noticee for submitting the reply by April 22, 2024. However, no reply was submitted by Noticee. Vide email dated April 22, 2024, Noticee sought further extension for submission of reply on medical ground, therefore, vide email dated April 22, 2024, extension was given to the Noticee for submitting the reply by May 02, 2024. Vide email dated April 29, 2024 third opportunity of hearing was provided to Noticee on May 13, 2024, which was delivered. Vide letter dated May 02, 2024, Noticee made the submissions, the same is summarized below-
  - a) *In respect of the allegations regarding qualifications of employees, Noticee submitted that the compliance requirement in respect of qualifications of the employees has been brought in by the 2020 amendment in the IA Regulations amendment and the Board itself has granted the IAs a period of 3 years to comply with the qualifications requirement in the said amendment, and since the relevant period for which the enquiry has been made falls within the aforesaid 3 years period given for compliance, no adverse actions in respect of the such allegations can be taken by the Board. Noticee submitted that all the employees mentioned have required certificates as required, and so far as Ms. Komal Soni is concerned, she is a back office executive not dealing with clients and as such there is no requirement for her to have any NISM certification.*
  - b) *In respect of maintenance of records are concerned, Noticee submitted that the data which was being maintained and stored by it was in a hard disk, however the data was lost due to hard disk failure, which hard disk has already been seized by the inspection*

*team and remains in its possession, and as such, this is not a case of non-maintenance of records, but that of loss of data.*

- c) In respect of the allegations of similar products being sold by the Noticee to clients for concurrent period, Noticee submitted that neither any fraud has been done by the Noticee herein nor such sales are in violation of any SEBI Regulations, before or after amendment and the respondent has acted with complete fairness and diligence.*
- d) In respect of the allegation of receiving some fees directly in personal bank, Noticee submitted that Ankit Vyas, is actually the Sole proprietor of the firm and there remains no bar and no regulation anywhere prohibiting such transaction, especially given that the respondent herein is a Sole Proprietorship and as its identity intertwines with the proprietor and the same cannot, by any stretch of imagination, be said to be a violation of any fiduciary duty or other duties as alleged.*
- e) In respect of the allegations of free trials are concerned, Noticee submitted that no free trials have been provided by the respondent herein whatsoever after the issuance of said circular by SEBI. However, since the respondent maintained a standard format of emails to deal with clients, the standard format of the email may not have been changed due to mistake and oversight, and as such, the text of free trial being available may have been contained, however, no free trials were provided by the respondent herein after the SEBI circular. It is further pertinent to note that there is no record of such free trials being actually being provided nor there remains any complaint from any client regarding receipt of any free trial which further fortifies the said submission.*
- f) In respect of allegations regarding charge of unfair fees are concerned, Noticee submitted that all the fees charged by the Noticee was with the consent and agreement of the clients, which was duly based on the risk profile of the client which remained commensurate with the services being provided to such client including resources required to provide such service, and no complaint in this regard whatsoever has been received by the board. Noticee further submitted that the respondent herein has also followed the recent SEBI regulations and guidelines on fees and has not charged any client fees of more than Rs. 1.25 lakhs in compliance with the regulations.*
- g) In respect of risk profiling questionnaire Noticee submitted that no standard formats or specific guidelines in respect of risk profiling questionnaires have been published by the*

*SEBI and Noticee has prepared a questionnaire by using questions prevalent in Investment Advisory in Indore and have been thought to be appropriate by the Noticee.*

- h) In respect of allegation of running another branch from Udaipur, Noticee submitted that it is completely false and there remains no evidence in this regard and no enquiry has been conducted by SEBI to actually ascertain even the existence of such a branch. Noticee submitted that it was pressurized, coerced and forced into giving the statement to the effect of running such a branch in conformity with the conjectures of the officers which remains completely false, and such statements being a result of coercion and force cannot stand against the Noticee.*
- i) In respect of non-display of investor charter prominently and not providing link of SCORES Noticee submitted that it was pressurized and coerced into making a false admission in his statements by the inspecting team.*
- j) In respect of publishing fake reviews of Monetary Solutions through its website Noticee submitted that it is based on false admissions made in statements under coercion and force and no false or fake advertising or testimonials have been published by the respondent herein anywhere.*

9. In furtherance to the above, Noticee sought extension of another 6 weeks for submission of detailed reply, however, vide email dated May 09, 2024, Noticee was advised to submit its detailed reply by May 10, 2024 and to attend the hearing as scheduled on May 13, 2024. However, no detailed submission was made by the Noticee.

10. Authorised representative (AR) of the Noticee attended the hearing on the scheduled day i.e. on May 13, 2024 (third hearing). During hearing, Noticee sought time till May 17, 2024 for detailed reply and sought further adjournment of hearing, the request of Noticee was acceded to and the fourth hearing was rescheduled on May 21, 2024. However, vide letter dated May 16, 2024, Noticee sought another extension of three weeks for submission of detailed reply on medical grounds, in view of the same, vide email dated May 16, 2024 another two weeks extension was provided to Noticee and Noticee was advised to submit its reply on or before May 30, 2024. Further, Noticee did not attend the fourth hearing scheduled on May 21<sup>st</sup>, 2024, therefore, vide email dated May 22, 2024 fifth and final opportunity of hearing was provided to Noticee on June 05, 2024. Vide letter dated May

30, 2024, Noticee made the submissions in addition to submissions already made vide letter dated May 02, 2024 and the same is summarised below-

- a) *Noticee submitted that Sh. Gaurav Pathak has both Level 1 & 2 NISM certifications and both these certificates had been submitted at the time of inspection which remain provided already. Further, so far as the allegations of absence of NISM Certificates of the Proprietor himself are concerned, the same are also denied as all the relevant certificates were not only submitted at the time of inspection, but also remained displayed on the wall of the office and further, the relevant certificates of the proprietor also already remain with the SEBI as in the absence of such certificates, his Investment Advisory Proprietorship firm would not have been even registered by the SEBI. Therefore there are no violations as alleged.*
- b) *Noticee submitted that the compliance requirement in respect of qualifications of the employees has been brought in by the 2020 amendment in the IA Regulations amendment and the Board itself has granted the IAs a period of 3 years to comply with the qualifications requirement in the said amendment, and since the relevant period for which the enquiry has been made falls within the aforesaid 3 years period given for compliance, no adverse actions in respect of the such allegations can be taken by the Board.*
- c) *Noticee submitted that the IA and its employees are having all requisite certificates and qualifications of which documentation remains in place which already stands submitted at the time of inspection and all these documents are available with the IA herein which can be produced again if the Board so requires.*
- d) *Noticee submitted that all data pertaining to clients including KYC, invoices, risk profiling, etc. have already been submitted by the respondent herein. Noticee submitted that the relevant data on sample basis has already been provided vide DVDs and again through Email dt. 22/09/2022.*
- e) *With regard to 'Similar Products Sold for Concurrent Period' Noticee submitted that confusion may have been caused in the interpretation of the data available with the Board, due to some typographical errors in the said data.*

- f) *With regard to '6 Unfair amount of Fees charged from Clients and faulty suitability assessment' (a) to (f) Noticee denied in its entirety. Noticee submitted that the allegations have been made in respect of charging excessive fees to "following client", however, no details whatsoever of any specific client are provided which goes on to show that there are no such clients in respect of which such allegations have been made. It is pertinent to note that vague and omnibus allegations have been made against the IA/ respondent herein without any application of mind, and no such violations as alleged can be made out against the respondent herein.*
- g) *Noicee submitted that the limit of Rs. 1.25 lakhs per client was imposed vide amendment in January 2021, whereas the alleged amount of Rs. 1,83,200/- pertains to the period prior to such amendment, which aspect of the matter requires to be considered by your good office, and as such, no violations as alleged can be said to be made out against the IA/ respondent herein.*
- h) *With regard to 'Publishing of Investor Charter' Noticee submitted that the Investor Charter as well as the link of SCORES portal remain available on the website of the IA/ respondent herein and the allegations remain false and frivolous and the respondent herein was pressurized and coerced into making a false admission in his statements by the inspecting team in the course of inspection and no such false admission can be made any basis of imposition of any penalty for such alleged violation, especially when such violation does not exist.*

11. The AR of the Noticee appeared for the hearing scheduled on June 05, 2024 through zoom platform and made submissions on the lines of written reply submitted by Noticee vide letter dated May 02, 2024 and May 30, 2024 and sought time till June 06, 2024 for the submission of the following additional documents.

- a) NISM certification of Mr. Jaspreet Singh, Mr. Shubham Shirvastava, Mr. Akshay Soni, Mr. Rahul Panwar, Proprietor Mr. Ankit Vyas Mr. Gaurav Pathak and Ms. Komal Soni.
- b) Evidence that SEBI inspection team has seized the hard disc of the Noticee and took all the records of Noticee in DVD.
- c) Evidence that letters dated September 22, 2022, September 20, 2022 and September 21, 2022 was signed by Noticee under coercion and force.



- d) AR also submitted that the authority letter will be provided at the time of the hearing. However, after several reminders the authority letter is still awaited.

12. Vide email dated June 06, 2024 Noticee submitted the following additional documents

- a) NISM series X-A and X-B certificate of proprietor Mr. Ankit Vyas.
- b) NISM series X-A and X-B certificate of Mr. Gaurav Pathak.
- c) NISM series X-A and X-B certificate of Mr. Shubham Shrivastava
- d) NISM series X-B certificate of Mr. Akshay Soni.

13. Noticee sought additional time of two days for submission of certificates of Mr. Jaspreet and Rahul Panwar and the evidence as mentioned at para 11 (b) and (c) above. In view of the same, vide email dated June 07, 2024, Noticee was advised to submit the remaining documents by June 10, 2024. Vide emails dated June 10, 2024 and June 11, 2024 reminder was sent to the Noticee to submit the remaining documents / information. However, no response was received from the Noticee.

### **ISSUES FOR CONSIDERATION, EVIDENCE AND FINDINGS**

14. I have taken into consideration the facts and circumstances of the case and the material available on record. The issues that arise for consideration in the present case are:

#### **ISSUE I: (a)-Whether Noticee has violated provisions of securities law by:-**

- i. Non - Compliance with the qualification Requirement**
- ii. Non - Maintenance of Records**
- iii. Similar Products sold for the Concurrent Period**
- iv. Fees received from clients to personal account of compliance officer Mr. Ankit Vyas**
- v. Providing Free Trial to Clients**
- vi. Unfair Amount of Fees charged from Client and faulty suitability assessment**
- vii. Risk Profiling Questionnaire**
- viii. Conducting IA's operation from office not registered as Registered Office/ Branch Office**

- ix. **Non-Publishing of Investor Charter**
- x. **Fake Reviews about Monetary Solutions through its Website**

**ISSUE II- Does the violation, if any, attract monetary penalty under the provisions of Section 15EB and 15HA of the SEBI Act?**

**ISSUE III- If so, how much penalty should be imposed taking into consideration the factors mentioned in Section 15J of the SEBI Act for Noticee?**

15. Before proceeding further, it will be appropriate to refer to the relevant provisions-

***PFUTP Regulations***

***Regulation 3: Prohibition of certain dealings in securities:*** No person shall directly or indirectly-

- (a) ...;
- (b) ...;
- (c) ....;
- (d) *engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made thereunder;"*

***Regulation 4: Prohibition of manipulative, fraudulent and unfair trade practices***

- (1) *Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.*
- (2) *Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:*
  - (k) *disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities;*
  - (o) *fraudulent inducement of any person by a market participant to deal in securities with the objective of enhancing his brokerage or commission or income;*

...

*(s) mis-selling of securities or services relating to securities market;*

*Explanation- For the purpose of this clause, "mis-selling" means sale of securities or services relating to securities market by any person, directly or indirectly, by—*

*(i) knowingly making a false or misleading statement, or*

*(ii) knowingly concealing or omitting material facts, or*

*(iii) knowingly concealing the associated risk, or*

*(iv) not taking reasonable care to ensure suitability of the securities or service to the buyer;”*

### **IA Regulations**

**13. Conditions of Certificate:** *The certificate granted under regulation 9 shall, inter alia, be subject to the following conditions:-*

*(a)...*

*(b) the investment adviser shall forthwith inform the Board in writing, if any information or particulars previously submitted to the Board are found to be false or misleading in any material particular or if there is any material change in the information already submitted*

### **7. Qualification and certification requirement**

*(1) An individual investment adviser or a principal officer of a non-individual investment adviser registered as an investment adviser under these regulations, shall have the following minimum qualification, at all times -*

<sup>25</sup>*[(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 recognised 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) Persons associated with investment advice shall meet the following minimum*

*qualifications, at all times –*

- (d) a professional qualification as provided in clause (a) of sub-regulation (1) of regulation 7; and*
- (e) an experience of at least two years in activities relating to advice in financial products or securities or fund or asset or portfolio management:*

*Provided that investment advisers registered under these regulations as on the date of commencement of these regulations shall ensure that the individual investment adviser or principal officer of a non-individual investment adviser registered under these regulations and persons associated with investment advice comply with such qualification and experience requirements within three years:*

*Provided further that the requirements at clauses (a) and (b) shall not apply to such existing individual investment advisers as may be specified by the Board.*

*(2) An individual investment adviser or principal officer of a non-individual investment adviser, registered under these regulations 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 -*

*(a) from NISM; or*

*(b) from 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:*

*Provided that fresh certification must be obtained before expiry of the validity of the existing certification to ensure continuity in compliance with certification requirements:*

*Provided further that fresh certification before expiry of the validity of the existing certification shall not be obtained through a CPE program.]*

### **15. General responsibility**

*(1) An investment adviser shall act in a fiduciary capacity towards its clients and shall disclose all conflicts of interests as and when they arise.*

*...*

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

*[(13) It shall be the responsibility of the investment adviser to ensure compliance with the certification and qualification requirements as specified under Regulation 7 at all times.]*

### **THIRD SCHEDULE**

*Securities and Exchange Board of India (Investment Advisers) Regulations, 2013*

***[See sub-regulation (9) of regulation 15]***

#### **CODE OF CONDUCT FOR INVESTMENT ADVISER**

##### **1. Honesty and fairness**

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

##### **2. Diligence**

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

##### **3. Fair and reasonable charges**

*An investment adviser advising a client may charge fees, subject to any ceiling as may be specified by the Board<sup>84</sup>[\*\*\*]. The investment adviser shall ensure that fees charged to the clients is fair and reasonable.*

##### **4. Compliance**

*An investment adviser including its<sup>85</sup>[partners, principal officer and persons associated with investment advice] shall comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of clients and the integrity of the market.*

##### **5. Responsibility of senior management**

*The senior management of a body corporate which is registered as investment adviser shall bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures by the body corporate.*

##### **6. Fair and reasonable charges**

*An investment adviser advising a client may charge fees, subject to any ceiling as may be specified by the Board<sup>93</sup>[\*\*\*]. The investment adviser shall ensure that fees charged to the clients is fair and reasonable.*

## **8. Compliance**

*An investment adviser including its [partners, principal officer and persons associated with investment advice] shall comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of clients and the integrity of the market.*

## **9. Responsibility of senior management**

*The senior management of a body corporate which is registered as investment adviser shall bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures by the body corporate.*

### **Risk profiling.**

**16.** *Investment adviser shall ensure that,-*

- (a) *it obtains from the client, such information as is necessary for the purpose of giving investment advice, including the following:-*
  - (i) *age;*
  - (ii) *investment objectives including time for which they wish to stay invested, the purposes of the investment ;*
  - (iii) *income details;*
  - (iv) *existing investments/ assets;*
  - (v) *risk appetite/ tolerance;*
  - (vi) *liability/borrowing details.*
- (b) *it has a process for assessing the risk a client is willing and able to take, including:*
  - (i) *assessing a client's capacity for absorbing loss;*
  - (ii) *identifying whether client is unwilling or unable to accept the risk of loss of capital;*
  - (iii) *appropriately interpreting client responses to questions and not attributing inappropriate weight to certain answers.*
- (c) *where tools are used for risk profiling, it should be ensured that the tools are fit for the purpose and any limitations are identified and mitigated.*
- (d) *any questions or description in any questionnaires used to establish the risk a client*

*is willing and able to take are fair, clear and not misleading, and should ensure that:*

- (i) questionnaire is not vague or use double negatives or in a complex language that the client may not understand;*
- (ii) questionnaire is not structured in a way that it contains leading questions.*
- (e) risk profile of the client is communicated to the client after risk assessment is done;*
- (f) information provided by clients and their risk assessment is updated periodically.*

**17. Investment adviser shall ensure that,-**

- (a) All investments on which investment advice is provided is appropriate to the risk profile of the client;*
- (b) It has a documented process for selecting investments based on client's investment objectives and financial situation;*
- (c) It understands the nature and risks of products or assets selected for clients;*
- (d) It has a reasonable basis for believing that a recommendation or transaction entered into:
  - (i) meets the client's investment objectives;*
  - (ii) is such that the client is able to bear any related investment risks consistent with its investment objectives and risk tolerance;*
  - (iii) is such that the client has the necessary experience and knowledge to understand the risks involved in the transaction.**
- (e) Whenever a recommendation is given to a client to purchase of a particular complex financial product, such recommendation or advice is based upon a reasonable assessment that the structure and risk reward profile of financial product is consistent with clients experience, knowledge, investment objectives, risk appetite and capacity for absorbing loss.*

**Maintenance of records.**

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

- (g) Know Your Client records of the client;*
- (h) Risk profiling and risk assessment of the client;*
- (i) Suitability assessment of the advice being provided;*

<sup>36</sup>[(d) Copies of agreements with clients, incorporating the terms and conditions as may be specified by the Board;]

- (e) Investment advice provided, whether written or oral;
- (f) Rationale for arriving at investment advice, duly signed and dated;
- (g) A register or record containing list of the clients, the date of advice, nature of the advice, the products/securities in which advice was rendered and fee, if any charged for such advice.

(2) All records shall be maintained either in physical or electronic form and preserved for a minimum period of five years.

**Obligation of investment adviser on inspection.**

25 (1) It shall be the duty of every investment adviser in respect of whom an inspection has been ordered under the regulation 23 and any other associate person who is in possession of relevant information pertaining to conduct and affairs of such investment adviser, including <sup>40</sup>[partners, directors, principal officer and persons associated with investment advice], if any, to produce to the inspecting authority such books, accounts and other documents in his custody or control and furnish him with such statements and information as the inspecting authority may require for the purposes of inspection.

(2) It shall be the duty of every investment adviser and any other associate person who is in possession of relevant information pertaining to conduct and affairs of the investment adviser to give to the inspecting authority all such assistance and shall extend all such co-operation as may be required in connection with the inspection and shall furnish such information as sought by the inspecting authority in connection with the inspection.

**SEBI Circular No.**

**SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020**

2. In addition to the above, Investment Advisers shall ensure compliance with the following guidelines:

(ii) Agreement between IA and the client

- a. Regulation 19 (1) (d) of the amended IA Regulations provides that IA shall enter into an investment advisory agreement with its clients. The said agreement shall mandatorily cover the terms and conditions provided in **Annexure-A**.
- b. IA can include additional terms and conditions in the agreement without diluting the



*provisions of SEBI (Investment Advisers) Regulations, 2013 and amendments thereto as well as circulars issued thereunder.*

- c. IA shall ensure that neither any investment advice is rendered nor any fee is charged until the client has signed the aforesaid agreement and provided copy of signed agreement to the client.*
- d. IA shall enter into investment advisory agreement with its clients including existing clients latest by April 01, 2021 and submit a report, confirming the same to SEBI latest by June 30, 2021.*

*(vi) Maintenance of record*

*Regulation 19 (1) of the SEBI (Investment Advisers) Regulations, 2013 provides that IA shall maintain records with respect to his activities as an investment adviser. In this regard, it is clarified that:*

- a. IA shall maintain records of interactions ,with all clients including prospective clients (prior to onboarding), where any conversation related to advice has taken place inter alia, in the form of:
  - i. Physical record written & signed by client,*
  - ii. Telephone recording,*
  - iii. Email from registered email id,*
  - iv. Record of SMS messages,*
  - v. Any other legally verifiable record.**
- b. Such records shall begin with first interaction with the client and shall continue till the completion of advisory services to the client.*
- c. IAs shall be required to maintain these records for a period of five years. However, in case where dispute has been raised, such records shall be kept till resolution of the dispute or if SEBI desires that specific records be preserved, then such records shall be kept till further intimation from SEBI.*

**SEBI Circular No.**

**SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019**

- 1. Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 (IA Regulations) provides for code of conduct to be followed by IAs. In order to further*

*strengthen the conduct of IAs, while providing investment advice and to protect the interest of investors seeking their advice, the IAs shall comply with the following:*

i. *Restriction on free trial*

*As per SEBI (Investment Advisers) Regulations, 2013, investment advice can be given after completing risk profiling of the client and ensuring suitability of the product. It has come to the notice that IAs are providing advice on free trial basis without considering risk profile of the client. Hence the IAs shall not provide free trial for any products/services to prospective clients. Further, IAs shall not accept part payments (where some part of the fee is paid in advance) for any product/service.*

**SEBI Circular No.**

**SEBI/HO/IMD/IMD-II/CIS/P/CIR/2021/0686 dated December 13, 2021**

*2. All registered Investment Advisers are advised to bring to the notice of their clients the Investor Charter as provided at Annexure- A by prominently displaying on their websites and mobile applications. Investment Advisers not having websites/mobile applications shall, as a one-time measure, send Investor Charter to the investors on their registered e-mail address.*

*4. Further, Investment advisers are advised to display link/option to lodge complaint with them directly on their websites and mobile apps. Additionally, link to SCORES website/ link to download mobile app (SEBI SCORES) may also be provided.*

**FINDINGS**

16. I note that inspection findings are based on analysis of samples and test checking of various books and other records of the Noticee. Consequently, the instances of irregularities/observations pointed out in inspection report are illustrative in nature and are not all-inclusive. I now proceed to discuss the allegations and my observations based on the documents available on record and the submission of the Noticee:

**ISSUE I: Whether Noticee has violated provisions of securities law by:-**

**(i) Non - Compliance with the qualification Requirement**

17. During inspection it was observed that 7 employees associated with the Noticee and having dealt with clients do not possess requisite qualification and certification requirement. Therefore, it was alleged that Noticee has not acted fairly and diligently while dealing with the client and did not comply with all the regulatory requirements applicable to the conduct of its business activities.
18. In view of the above, it was alleged that Noticee violated Regulation 15 (13) read with Regulation 7 of IA Regulations, 2013 and Clause 1, 2 and 8 of Code of Conduct for Investment Advisers as specified under Third Schedule read with Regulation 15(9) of IA Regulations, 2013.
19. I note that regulation 15(13) read with regulation 7 of IA regulations provides that an investment adviser and persons associated with investment advice shall have at all times a certification from NISM. Further, I note that Clause 1, 2 and 8 of Code of Conduct for Investment Advisers as specified under Third Schedule read with Regulation 15(9) of IA Regulations, 2013 provides that an investment adviser shall act honestly, fairly, with due skill, care and diligence in the best interests of its clients and in the integrity of the market and shall comply with all regulatory requirements applicable.
20. Noticee submitted that the compliance requirement in respect of qualifications of the employees has been introduced in the IA regulation by 2020 amendment and the SEBI itself has granted the IAs a period of 3 years to comply with the qualifications requirement. In this regard, I note that before 2023 amendment, regulation 7 of the IA regulations provided that the IA registered under IA regulation as on the commencement of IA regulations (i.e. April 21, 2013) , shall ensure that the persons associated with the investment advice shall comply with the qualification and experience requirements within three year. Certificate of registration was granted to Noticee on March 03, 2015 i.e. much after the IA regulations came in place. Therefore, the aforesaid provision of 3 years is not applicable to Noticee and the contention of Noticee is not tenable.
21. Further, Noticee submitted that all the employees have required certificates and Ms. Komal Soni is back office executive. However, I note from the submission made by the Noticee to the inspecting authority that the work profile of Ms. Komal Soni is of compliance, therefore, the abovementioned contention of the Noticee is not tenable.

22. I note from the material available before me and reply submitted by the Noticee that the following employees of the Noticee were involved in providing investment advisory services and did not comply with the qualification and certification requirement -

S. No.	Name of the Employee	NISM-Series-X-A: Investment Adviser (Level 1)	NISM-Series-X-B: Investment Adviser (Level 2)
1	Mr. Jaspreet Singh		Yes
2	Mr. Akshay Soni		Yes
3	Mr. Rahul Panwar	No	No
4	Ms. Komal Soni	No	No

23. In view of the above, I observe that the Mr. Jaspreet Singh and Mr. Akshay Soni does not have NISM-Series-X-A: Investment Adviser (Level 1) certification, whereas Mr. Rahul Panwar and Ms. Komal Soni does not have both NISM-Series-X-A: Investment Adviser (Level 1) and NISM-Series-X-B: Investment Adviser (Level 2) certificate. Thus the above four employees of the Noticee were involved in providing investment advisory services without having the NISM certification requirement. Therefore, the Noticee did not comply with the regulatory requirements with respect to certification applicable to the conduct of its business activities.

24. Hence, I observe that the Noticee violated Regulation 15(13) read with Regulation 7 of IA Regulations and Clause 1, 2 and 8 of Code of Conduct for Investment Advisers as specified under Third Schedule read with Regulation 15(9) of IA Regulations.

**(ii) Non-Maintenance of records**

25. During inspection it was observed that Noticee have charged fees from the clients without entering into any agreement with the clients and not maintained call recordings with its clients, copy of agreements, KYC documents, invoices, risk profiling and email communications with clients. Therefore, it was alleged that Noticee has violated Regulation 19(1) and 19(2) and Clause 1,2,8 & 9 of Code of Conduct for Investment Advisers as specified under the Third Schedule read with Regulation 15(9) of IA Regulations, 2013, Clause 2(ii) and 2(vi) of SEBI Circular Ref No. SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020 and Regulation 16 and 17 of IA Regulations, 2013.

26. Noticee submitted that the data which was being maintained and stored by it was in a hard disc, however the data was lost due to hard disk failure and the hard disk has been seized by SEBI. During the hearing, Noticee was advised to provide the evidence in support of its contention that the SEBI inspection team has seized the hard disc of the Noticee and the same was captured in the hearing minutes as well, however, no evidence was provided by the Noticee, despite sending the reminders. Therefore, the aforementioned contention of the Noticee is not tenable.
27. I note that as per regulation 19(1) and 19(2) of the IA regulations, an IA shall maintain the records as provided in regulation 19(1) of IA regulation and it shall be maintained either in physical form or electronic form and should be preserved for a minimum period of five years. Further, as per Clause 1,2,8 & 9 of Code of Conduct for Investment Advisers as specified under the Third Schedule read with Regulation 15(9) of IA Regulations, 2013 an investment adviser shall act honestly, fairly, and shall act with due skill, care and diligence in the best interests of its clients and in the integrity of the market and shall comply with all regulatory requirement, the senior management of an investment adviser shall bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures by the body corporate.
28. I note from the material available before me that during inspection, the client master for FY 20-21 and 21-22 were sought from the Noticee indicating the fee and duration of the services provided to the clients. The Noticee provided the client master for FY 20-21 and 21-22 wherein the fee for the services provided to the clients was mentioned, however the duration of service for any client was not provided by the Noticee. Further, during inspection, vide its letter dated September 20, 2022 (submitted during inspection) Noticee submitted that “I do not have any data before March 12, 2022 as all data got erased due to hard disk failure. Further, data in Client relationship Module (CRM) is not available prior to July 01, 2022 and so we could not extract Client Master from CRM.....”
29. Further, Noticee was asked to provide records of investment advice provided, whether written or oral and also rationale for arriving at such investment advice, duly signed and dated, however, vide letter dated September 21, 2022 (submitted during inspection) Noticee submitted that they do not have any document showing basis for providing tips/ investment advice and they have never maintained any such document.

30. Therefore, I observe that Noticee has violated Regulation 19(1) and 19(2) and Clause 1, 2, 8 & 9 of Code of Conduct for Investment Advisers as specified under Third Schedule read with Regulation 15(9) of IA Regulations.
31. Further, I note that Paragraph 2(ii) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020 and regulation 19(1) of the IA regulations, the investment advisory agreement between IA and its clients is mandatory. Therefore, during inspection, Noticee was asked to provide Client Agreements for the selected sample. Noticee vide its letter dated September 20, 2022, submitted that “Out of 630 clients served during the inspection period, they have taken payments for advisory services without executing agreement with any client and they have never executed any agreement with any client”
32. Therefore, from the above I observe that Noticee has provided services to clients without entering into agreement with its clients thus violating Paragraph 2(ii) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020 and regulation 19(1) of the IA regulations.
33. I note that as per Paragraph 2(vi) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020, since January 01, 2021, it is mandatory that IAs shall maintain all records, including call records, of interactions with its clients/ prospective clients from start of interactions done via any mode. Further, such records shall be maintained for at least 5 years. Therefore, during inspection call records from January 01, 2021, for the clients from their first conversation/ interaction was sought from the Noticee, however, Noticee vide letter dated September 20, 2022, submitted during inspection that there are no call data records available with them as they do not record calls for any client.
34. In view of the above, I observe that Noticee has not maintained call recordings of its clients from January 01, 2021 (applicability of above mentioned Circular). Therefore, I observe that Noticee violated Paragraph 2(vi) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020.
35. I note that as per Regulation 16 and 17 of IA Regulations, IA shall mandatorily carry out risk profiling and suitability assessment of the client before providing any investment advisory services to its clients. The records of the same shall be maintained by IA.

36. I note from the material available before me that, during the inspection, Noticee was advised to provide details (copy of agreement, KYC documents, invoices, Risk Profiling, email communications, call recordings) of 30 sample clients, however, Noticee submitted KYC documents, invoices and Risk Profiling details for only 20 clients, however, no details were provided for other 10 clients viz. (Dibya Ranjan Swain, Boreddy Shiva Reddy, Manoj Kumar Manakadan, Manoj Kumar Dubey, Nirmala Kadu, Gulabrao Bhavaskar, Mohd Hashim, Rajesh Kumar Jha, Rahul Shinde and Raja Lahane. Further, for the 20 clients for whom details have been provided, email communications, call recordings and agreement copies were not provided by the Noticee. Thus I observe that the Noticee has provided services to the abovementioned 10 clients without entering into agreement, without carrying out KYC, Risk Profiling and suitability assessment. Further, for the 20 clients for whom details have been provided, email communications, call recordings and agreement copies were not provided by the Noticee. Therefore, I observe that the Noticee has violated Regulation 16, 17 of IA Regulations read with Clause 1, 2 and 8 of the Code of Conduct for IA as specified under Third Schedule read with Regulation 15(9) of IA Regulations.
37. I note that during inspection Noticee admitted that Client Relationship Module (CRM) is not available prior to July 01, 2022, they never maintained any document showing basis for providing tips/investment advice, they never executed any agreement with any client and they do not record calls for any client, however in reply to the SCN Noticee submitted that the data was being maintained and stored in a hard disc, but the data was lost due to hard disc failure and the hard disc was seized by SEBI and the statements made by the Noticee during inspection was under coercion and force. No evidence was provided by the Noticee with regard to the statements made by the Noticee in reply to the SCN, despite sending the reminders, therefore, submission of the Noticee in reply to the SCN is an afterthought of the Noticee.
38. In view of the above, I observe that the Noticee did not enter into any agreement with the clients and did not maintain call recordings with its clients, copy of agreements, KYC documents, invoices, risk profiling and email communications with clients. Thus Noticee has violated Regulation 19(1) and 19(2) and Clauses 1,2,8 & 9 of Code of Conduct for Investment Advisers as specified under the Third Schedule read with Regulation 15(9) of IA Regulations and Clause 2(ii) and 2(vi) of SEBI Circular Ref No. SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020 and Regulation 16 and 17 of IA Regulations.

**(iii) Similar Products Sold for the Concurrent Period:**

39. During inspection, it was observed that the Noticee has sold the same product to clients within a short span of time and for overlapping service durations and has also sold the same service multiple times to clients, thus, Noticee allegedly defraud its clients with regard to its dealings in securities and to maximize revenue generation at client's expense. Therefore, it was alleged that Noticee has violated the regulation 3 (d), 4 (1) and 4 (2) (s) of PFUTP Regulations read with Section 12A(c) of SEBI Act and Clause 1 and 2 of Code of Conduct as specified in Schedule III of Regulation 15(9) read with Regulation 15(1) of IA Regulations.

40. I note that, Noticee in its reply to the SCN submitted that the confusion may have been caused in the interpretation of the data due to the typographical error in the data.

41. Regulation 3 (d), 4 (1) and 4 (2) (s) of PFUTP Regulations read with Section 12A(c) of SEBI Act provides that no person shall directly or indirectly engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities and mis-selling of securities or services relating to securities market is fraudulent or an unfair trade practice.

42. Further, I note that Clause 1 and 2 of Code of Conduct as specified in Schedule III of Regulation 15(9) read with Regulation 15(1) of IA Regulations provides that an investment adviser shall act honestly, fairly, with due skill, care and diligence in the best interests of its clients and integrity of the market and shall ensure that its advice is offered after thorough analysis and taking into account available alternatives. Further an investment adviser shall act in a fiduciary capacity towards its clients.

43. From the material available before me, I note that the following overlapping services were sold for the following clients:

<b>Name of Investor</b>	<b>Service Name</b>	<b>Invoice Date</b>	<b>Start Date</b>	<b>End Date</b>	<b>Fees</b>
Puroshottam Mahobia	Evergreen Combo New	06/12/2019	11/08/2020	02/11/2020	20,000
Puroshottam Mahobia	Evergreen Combo New	26/11/2019	28/07/2020	23/10/2020	21,000
Gudemaranahalli Ramaiah Narayan	MS Cash	18/10/2021	19/10/2021	25/10/2021	5,000



Gudemaranahalli Ramaiah Narayan	MS Cash	18/10/2021	19/10/2021	19/11/2021	25,000
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44. From the above, I observe that the Noticee sold the evergreen combo new advisory product/services to Mr. Purushottam Mahobia for a period of August 11, 2020 to November 02, 2020 and July 28, 2020 to October 23, 2020 (i.e. overlapping period of August 11, 2020 to October 23, 2020) for fees of Rs. 20,000/- and 21,000/- respectively. Further, Noticee sold the MS Cash advisory product/services to Mr. Gudemaranahalli Ramaiah Narayan for a period of October 19, 2021 to October 25, 2021 and October 19, 2021 to November 19, 2021 (overlapping period of October 19, 2021 to October 25, 2021) for a fees of Rs. 5,000/- and 25,000/- respectively. Thus, I observe that the Noticee was selling same advisory products/services multiple times with overlapping subscription period with the objective of extracting maximum amount of fees/ commission from the clients. Thus the act of the Noticee is in disregard to the responsibility entrusted on it under IA Regulations to act in fiduciary capacity and in the best interest of its clients and Noticee kept its own interest ahead of its client's interest. Therefore, I observe that Noticee violated Clause 1 and 2 of Code of Conduct as specified in Schedule III of Regulation 15(9) read with Regulation 15(1) of IA Regulations.

45. Noticee submitted that there are no complaints in SCORES portal wherein fraud is alleged against the Noticee. From the submission of the Noticee and documents/information available I note that there are no evidence specifying fraud committed by the Noticee. It has not been demonstrated how fraud has been committed by the Noticee or any loss suffered by its clients due to the alleged act of the Noticee.

46. Therefore, the alleged violation of provisions of regulation 3 (d), 4 (1) and 4 (2) (s) of PFUTP Regulations read with Section 12A(c) of SEBI Act does not stand established against the Noticee.

#### **IV. Fees received from clients to personal account of Compliance Officer Mr. Ankit Vyas**

47. During inspection, it was observed that the Noticee charged fees from clients which have been received in the compliance officer's personal bank account. Therefore, it was alleged that the Noticee violated Clause 1 and 2 of Code of Conduct as specified in Schedule III read with Regulation 15(9) of IA Regulations. Further, it was observed that Noticee did not provide complete information to the inspecting authority, therefore, it was alleged that the

Noticee is in violation of Regulation 25 (1) and (2) and Clause 1, 8 and 9 of Code of Conduct as specified in Schedule III read with Regulation 15(9) of IA Regulations.

48. Noticee submitted that Mr. Ankit Vyas is the sole proprietor of the Noticee and there is no bar on receiving fee directly in its personal bank account.

49. I note that as per Clause 1 and 2 of Code of Conduct as specified in Schedule III read with Regulation 15(9) of IA Regulations an investment adviser shall act honestly, fairly, with due skill, care and diligence in the best interests of its clients and integrity of the market and shall ensure that its advice is offered after thorough analysis and taking into account available alternatives. Further an investment adviser shall act in a fiduciary capacity towards its clients.

50. As per Regulation 25 (1) and (2) and Clause 1, 8 and 9 of Code of Conduct as specified in Schedule III read with Regulation 15(9) of IA Regulations an IA shall produce to the inspecting authority such books, accounts and other documents in his custody or control and furnish him with such statements and information as the inspecting authority may require for the purposes of inspection. The IA shall comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of clients and the integrity of the market and IA shall bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures by the body corporate.

51. I note from the material available before me that in response to the PIQ, for the Bank details, Noticee submitted the bank account details of its Axis Bank account and HDFC Bank account. Further in response to the PIQ, Noticee submitted the Client master for FY20-21 and FY 21-22 wherein fee received only in HDFC Bank and Axis Bank Ltd has been mentioned.

52. However, during inspection vide its letter dated September 21, 2022, Noticee submitted that it received fee in its *HDFC Bank, Axis Bank Ltd (which are mentioned on website) and ICICI Bank Account (a/c num- 65\*\*\*\*\*877)*. Further vide letter dated September 22, 2022 Noticee submitted that it collected the following investment advisory fee in its following accounts-

<b>Bank Name</b>	<b>Fees Collected</b>
HDFC 2020-2021	2127912
Axis 2020-2021	1672088
ICICI 2020-2021	1442000
HDFC 2021-2022	5027488
Axis 2021-2022	1453581
ICICI 2021-2022	467000
HDFC APR 2022- SEP 2022	3448000
AXIS APR 2022- SEP 2022	854000
ICICI APR 2022- SEP 2022	237000

53. I observe from the documents / information available that Noticee received fees in three banks accounts i.e HDFC, Axis and ICICI. While the information of HDFC Bank account and Axis Bank account are available on the website, no information is there regarding ICICI Bank. Further during response to PIQ also Noticee did not mention about ICICI Bank. As a registered entity Noticee should have disclosed the information with regard to all bank accounts where client fees are received. However, complete information was not provided by the Noticee.

54. In view of the above, I observe that the Noticee violated Clause 1 and 2 of Code of Conduct as specified in Schedule III read with Regulation 15(9) of IA Regulations. Further, as the IA did not provide complete information to the inspecting authority, the IA is in violation of Regulation 25 (1) and (2) and Clause 1, 8 and 9 of Code of Conduct as specified in Schedule III read with Regulation 15(9) of IA Regulations.

#### **V. Providing free trial to clients**

55. During inspection it was observed that Noticee provided free trials to its clients, therefore, it was alleged that Noticee violated paragraph 1(i) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019 and Clause 8 & 9 of the Code of Conduct as mentioned in Schedule III read with Regulation 15(9) of IA Regulations.

56. In reply to the SCN, Noticee submitted that the respondent maintained a standard format of emails to deal with clients however, no free trials were provided by the Noticee after the SEBI circular.

57. I note that as per paragraph 1(i) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019 and Clause 8 & 9 of the Code of Conduct as mentioned in Schedule III read with Regulation 15(9) of IA Regulations the IAs shall not provide free trial for any products/services to prospective clients and the IAs shall comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of clients and the integrity of the market and the responsibility is of senior management of an IA for maintenance of appropriate standards of conduct and adherence to proper procedures by the body corporate.

58. I note from the material available before me that when a client was on-boarded an email was sent to the client from the Noticee which, inter-alia, mentions the following:

*“...Monetary Solution investment adviser offers 2 days Free Trial and evaluation for our clients to ensure that our products and services will meet their needs before they pay for a subscription. By accepting and taking advantage of the free trial and making a payment for the subscription....”*

59. It is observed that after the SEBI circular No. SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019 came in force, Noticee still continued with the standard format email sent to its prospective clients wherein 2 days free trial was offered. The possibility of the free trial being provided by the Noticee cannot be ruled out, as Noticee had not taken any effort to remove the standard para and also has not submitted that they have rectified the same and thus it still continues.

60. In view of the above, I observe that the Noticee was providing free trials to clients and by advertising and providing free trails to clients during the inspection period, Noticee has violated paragraph 1(i) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019 and has failed to abide by Clause 8 & 9 of the Code of Conduct as mentioned in Schedule III read with Regulation 15 (9) of the IA Regulations.

## **VI. Unfair Amount of Fees Charged from Clients and faulty suitability assessment**

61. During inspection, it was observed that the Noticee has charged exorbitant amount of fees from clients and did not ensure that investment advice rendered is appropriate to the risk profile and financial situation of the client. Therefore, it was alleged that Noticee violated Regulation 15(1) of IA Regulations, Regulation 17(b), (d) and (e) of IA Regulations read

with Clause 1, 2 and 6 of the Code of Conduct for IA as specified under Third Schedule read with Regulation 15(9) of IA Regulations, 2013.

62. In reply to the SCN, Noticee submitted that all the fees charged by the Noticee was with the consent and agreement of the clients, which was duly based on the risk profile of the client and it has not charged any client fees of more than Rs. 1.25 lakhs in compliance with the regulations. As already established at paragraph 38 above that the Noticee has provided services to clients without entering into agreement and risk profiling of its clients. Therefore the abovementioned contention of the Noticee is not tenable.

63. Noticee further submitted that no details of any specific clients were provided from whom excessive fees was charged. In this regard, I observe that as an annexure to the SCN copy of the inspection report was provided to the Noticee wherein the details of the client from whom Noticee charged fee close to/ more than the proposed investment was mentioned. Therefore, the abovementioned contention of the Noticee is not tenable.

64. I note that as per Regulation 15(1) of IA Regulations, Regulation 17(b), (d) and (e) of IA Regulations read with Clause 1, 2 and 6 of the Code of Conduct for IA as specified under Third Schedule read with Regulation 15(9) of IA Regulations, 2013 IA acts in a fiduciary capacity towards its clients and recommendation given to a client is based upon the reasonable assessment and shall ensure that fees charged to the clients is fair and reasonable.

65. I note from the material available before me that for the client namely Purshottam Mahobia, Noticee has charged fees close to the proposed investment amount mentioned by client in its risk profiling form. The details of the same are as follows-

<b>Name of Investor</b>	<b>Service Name</b>	<b>Invoice Date</b>	<b>Start Date</b>	<b>End Date</b>	<b>Fees</b>	<b>Income</b>	<b>Proposed investment</b>
Puroshottam Mahobia	Evergreen Combo New	08/01/2020	24/11/2020	05/01/2021	10,000	1-5 Lakhs	1-2 Lakhs
Puroshottam Mahobia	Evergreen Combo New	21/11/2019	02/12/2019	06/12/2019	2,200	1-5 Lakhs	1-2 Lakhs
Puroshottam Mahobia	Evergreen Combo New	09/12/2019	03/11/2020	23/11/2020	5,000	1-5 Lakhs	1-2 Lakhs

Puroshottam Mahobia	Evergreen Combo New	25/11/2019	06/07/2020	27/07/2020	5,000	1-5 Lakhs	1-2 Lakhs
Puroshottam Mahobia	Evergreen Combo New	06/12/2019	11/08/2020	02/11/2020	20,000	1-5 Lakhs	1-2 Lakhs
Puroshottam Mahobia	Evergreen Combo New	26/11/2019	26/10/2020	18/01/2021	20,000	1-5 Lakhs	1-2 Lakhs
Puroshottam Mahobia	Evergreen Combo New	26/11/2019	28/07/2020	23/10/2020	21,000	1-5 Lakhs	1-2 Lakhs
Puroshottam Mahobia	Evergreen Combo New	22/11/2019	09/12/2019	20/03/2020	25,000	1-5 Lakhs	1-2 Lakhs
Puroshottam Mahobia	Evergreen Combo New	22/11/2019	23/03/2020	03/07/2020	25,000	1-5 Lakhs	1-2 Lakhs
Puroshottam Mahobia	Evergreen Combo New	29/11/2019	19/01/2021	10/08/2021	50,000	1-5 Lakhs	1-2 Lakhs
<b>Total</b>					<b>183,200</b>		

66. From the above table, I note that the Noticee has raised multiple invoices and collected an advisory fees of Rs. 1,83,200/-. The proposed investment amount of Mr. Purushottam Mahobia was rupees 1-2 lakh and annual income was Rs. 1-5 Lakh. I note that the start date of the first service offered to Mr. Puroshottam Mahobia is December 02, 2019 and the end date of the last service offered to Mr. Puroshottam Mahobia is August 10, 2021 i.e. Mr. Puroshottam Mahobia paid an advisory fees of Rs. 1, 83, 200 to the Noticee for the next 21 months which is well within the annual income of Mr. Purushottam Mahobia. Further, I note that it is not substantiated or explained how the fees charged by the Noticee to Mr. Purushottam Mahobia is exorbitant or unreasonable.

67. In view of the above, I observe that the alleged violation of Regulation 15(1), 17(b), (d) and (e) of IA Regulations read with Clause 1, 2 and 6 of the Code of Conduct for IA as specified under Third Schedule read with Regulation 15(9) of IA Regulations, 2013 does not stand established against the Noticee.

## **VII. Risk Profiling Questionnaire**

68. During inspection it was observed that the questions asked in the Risk Profiling Questionnaires are misleading and open ended. These questions seemingly indicate that risks and returns are directly proportional. Therefore, it was alleged that the Noticee has

violated Regulation 16 (d) (i) and (ii) of IA Regulations and Clauses 1, 2 & 8 of the Code of Conduct for IA as specified under Third Schedule read with Regulation 15 (9) of IA Regulations.

69. In reply to the SCN, Noticee submitted that no standard formats or specific guidelines in respect of risk profiling questionnaires have been published by the SEBI.

70. I note that as per regulation 16 (d)(i) and (ii) of IA Regulations and Clauses 1, 2 & 8 of the Code of Conduct for IA as specified under Third Schedule read with Regulation 15 (9) of IA Regulations questions or description in any questionnaire should be fair, clear and not misleading and should ensure that questionnaire is not vague or complex and should not contain leading questions.

71. I note from the material available before me that the following misleading questions was asked in the first questionnaire of the Noticee:

“Q1: Would you invest where a small return is earned associated with small risk instead of a high return associated with high risk?”

Q2: When market is not performing well would you like to invest in more risky investment instead of less risky investment to earn high return?”

Q3: High risk is associated with high return, medium risk is associated with medium returns and low risk is associated with low returns? What risk can you bear (not prefer)?”

72. In question No. 20 of the questionnaire, which asks the client about how he defines his willingness to take risk an option says that “With high risk comes high return, so strongly prefer”.

73. From the above, I observe that the above mentioned questions used for assessing risk profile of the client are leading questions and prompt the clients to respond to the questions in a certain way. I observe that such questions have been framed to make the clients fall in the high risk category so that they are able to sell services to such clients because as per the information available Noticee does not provide any service to an investor who falls in the low risk appetite category.

74. Therefore, I observe that the Noticee has violated Regulation 16 (d) (i) and (ii) of IA Regulations and Clauses 1, 2 & 8 of the Code of Conduct for IA as specified under Third Schedule read with Regulation 15 (9) of IA Regulations.

**VIII. Conducting IA's operations are conducted from office not registered as Registered Office/ Branch Office**

75. During inspection, it was observed that Noticee operated from a place which was neither approved by SEBI nor was informed to SEBI. Therefore, it was alleged that Noticee violated Regulation 13(b) of IA Regulations and Clause 1, 8 and 9 of Code of Conduct for Investment Advisers as specified under Third Schedule read with Regulation 15(9) of IA Regulations.

76. In reply to the SCN, Noticee submitted that it was pressurized, coerced and forced into giving the statement that it is running another branch from Udaipur.

77. I note that as per regulation 13(b) of IA Regulations and Clause 1, 8 and 9 of Code of Conduct for Investment Advisers as specified under Third Schedule read with Regulation 15(9) of IA Regulations the IA shall inform the board if any information previously submitted to the Board are found to be false or misleading in any material particular or if there is any material change in the information already submitted and an IA shall comply with all regulatory requirements.

78. I note from the material available before me that vide its letter dated September 22, 2022, Noticee submitted the following:

*"... I hereby submit that, Shri Abhishek Dave, was working with Monetary Solution Investment Advisor and he was handling Monetary Solution- Udaipur Branch. Monetary Solution- Udaipur Branch was functional for a period of October 2017- July 2018. Salary details and attendance details of employees working at Udaipur branch for certain months are present in emails forwarded to the Inspection Team today from Abhishek Dave's email ID (copy enclosed). I also submit that, I will submit copy of agreement, rent receipts and other relevant documents with respect to Monetary Solution Udaipur Branch to the Inspection Team within 7 working days over email..."*

79. I note that during the time of seeking registration & also in response to PIQ, Noticee had informed only one address to SEBI from which it conducts its operations. I observe that opening a branch office and operating from that place is material information which was not intimated to SEBI.



81. I note that during inspection Noticee admitted that it was running another branch from Udaipur, however in reply to the SCN Noticee submitted that it was not running any branch from Udaipur and it was pressurized, coerced and forced into giving the statement. As Noticee was giving the contrary statements, it was advised to provide the evidence with regard to the statement made in reply to the SCN however, no evidence was provided by the Noticee despite sending the reminders. Therefore, submission of the Noticee in reply to the SCN is just an afterthought of the Noticee.

82. In view of the above, I observe that the Noticee operated from a place which was neither approved by SEBI nor was informed to SEBI. Therefore, Noticee violated Regulation 13(b) of IA Regulations and Clause 1, 8 and 9 of Code of Conduct for Investment Advisers as specified under Third Schedule read with Regulation 15(9) of IA Regulations.

#### **IX. *Non-Publishing of Investor Charter***

83. During inspection, it was observed that Noticee has not disclosed the Investor Charter on its website and neither provided the link to lodge complaints on SCORES. Therefore, it was alleged that Noticee violated paragraph 2 and 4 of SEBI Circular No. SEBI/HO/IMD/IMD-II CIS/P/CIR/2 dated December 13, 2021 and Clause 8 & 9 of Code of Conduct for Investment Advisers as specified under Third Schedule read with Regulation 15(9) of IA Regulations.

84. I note that as per paragraph 2 and 4 of SEBI Circular No. SEBI/HO/IMD/IMD-II CIS/P/CIR/2 dated December 13, 2021 and Clause 8 & 9 of Code of Conduct for Investment Advisers as specified under Third Schedule read with Regulation 15(9) of IA Regulations IA shall display an investor charter on its website and link to lodge complaints and SCORES website shall also be provided.

85. I note from the material available before me that vide its letter dated September 20, 2022 Noticee submitted the following:

*“..I have not displayed investor charter on my website as required under SEBI Circular dated December 13, 2021...”*

86. I note that during inspection Noticee admitted that it has not displayed investor charter on its website however in reply to the SCN Noticee submitted that the Investor Charter and

link of SCORES portal is available on its website and it was pressurized and coerced into giving the statement. On checking the website of the Noticee, I observed that its website is not traceable. As Noticee is giving the contrary statements, Noticee was advised to provide the evidence however, no evidence was provided by the Noticee despite sending the reminders. Therefore, submission of the Noticee in reply to the SCN is just an afterthought of the Noticee.

87. In view of the foregoing, I observe that since Noticee has not disclosed the Investor Charter on its website and has not provided the link to lodge complaints on SCORES, therefore, Noticee is in violation of Paragraphs 2 and 4 of SEBI Circular No. SEBI/HO/IMD/IMD-II/CIS/P/CIR/2021/0686021/0686 dated December 13, 2021 and Clauses 8 and 9 of Code of Conduct for Investment Advisers as specified under Third Schedule read with regulation 15(9) of IA Regulations.

**(x) Fake reviews about Monetary Solutions through its website**

88. During inspection it was observed that the website of the Noticee mentioned positive testimonials by clients of the Noticee. Noticee was asked to provide the details of clients whose reviews were mentioned on its website, Noticee submitted that the testimonials shown on its website are fake testimonials, therefore, it was alleged that Noticee showed the fake testimonials and past performance on its website to mislead the clients, to on board them and to sell its services and thereby violated Regulation 3(d), 4(1) and 4(2)(k) of PFUTP Regulations read with Section 12A(c) of SEBI Act as well as Clause 1 and 2 of the Code of Conduct as mentioned in Schedule III read with Regulation 15(9) of IA Regulations.

89. I note that as per Regulation 3(d), 4(1) and 4(2)(k) of PFUTP Regulations read with Section 12A(c) of SEBI Act and Clause 1 and 2 of the Code of Conduct as mentioned in Schedule III read with Regulation 15(9) of IA Regulations no person shall directly or indirectly engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities and disseminating information which the disseminator knows to be false or misleading is fraudulent or an unfair trade practice, and an investment adviser shall act honestly, fairly, with due skill, care and diligence in the best interests of its clients and integrity of the market and shall

ensure that its advice is offered after thorough analysis and taking into account available alternatives.

90. I note from the material available before me that the following testimonials was provided on the website of the Noticee by the following IDs-

ID	Testimonial
Alaison Benny	Good service. Nice dealing. Experienced licenced financial advisor helping me to trade. I am doing an average of 25 lakhs business per day with them and I am fully satisfied. Worthy for money services.
Mahendra Singh	Its best advisory company in indore. I am getting best follow-up by Mr. Avinash.
Pratimatw	Your service is very nice. Company is provided best trading call and investment services for trading is share market.

91. From the above, I note that during inspection it was observed that the website of the Noticee mentioned positive testimonials by clients of the Noticee. Thereafter, Noticee was asked to provide the details of clients whose reviews were mentioned on the website. Vide letter dated September 21, 2022 (during inspection) Noticee submitted the following:

*“.. testimonials being shown on the website of monetary solution investment advisor are only for advertisement purpose and they are not our clients and are fake testimonials..”*

92. Further, I note from the material available before me that the website of the Noticee mentions details of its past performance, wherein Noticee mentioned its 45 past tips and the status of all of its tips were shown as success and the corresponding profit generated by those tips was ranging from 1000 to 30,000.

93. I note that during inspection Noticee admitted that the testimonials shown on its website were fake testimonials however in reply to the SCN Noticee submitted that the testimonials shown on its website were genuine and it was pressurized and coerced into giving the statement, however no evidence with regard to this submission was given by the Noticee. Therefore, submission of the Noticee in reply to the SCN is just an afterthought of the Noticee.

94. I observe from the above that Noticee advertised fake testimonials and its past performance on its website to demonstrate the accuracy of its tips to lure the investors by showing profit generated by those tips and thereby has tried to deceive its clients.
95. I further observe that by making fake statements Noticee acted fraudulently on the investors to induce them in taking advice from the Noticee. I note that the Hon'ble Supreme Court while interpreting the definition of "fraud" in SEBI Vs. Kanaiyalal Baldevbhai Patel (2017) 15 SCC 1 held that to constitute fraud under definition of fraud only "inducement" while dealing in securities is required. I note that in terms of Regulation 2(b)(ii) of PFUTP Regulations, 2003 definition of 'dealing in securities' also includes the acts which are designed to influence the decision of investors in securities and therefore rendering advice which influences investors to invest in securities also constitute 'dealing in securities'.
96. Therefore, the fake testimonials and the profit making tips of the Noticee shown on its website is the false representation knowingly made by the Noticee. In my view, the above-mentioned acts of the Noticee are squarely covered by the definition of 'fraud' in Regulation 2(1)(c) of the PFUTP Regulations, 2003 and is fraudulent under regulation 4(2)(k) of the PFUTP regulations. Thus I observe that the Noticee has violated Regulation 3(d), 4(1) and 4(2)(k) of PFUTP Regulations read with Section 12A(c) of SEBI Act. Further, by such acts Noticee has also violated Clause 1 and 2 of the Code of Conduct as mentioned in Schedule III read with Regulation 15(9) of IA Regulations.

**ISSUE II- Does the violation, if any, attract monetary penalty Section 15EB and 15HA of SEBI Act?**

97. As has been established above that the Noticee is in violation of the following provisions-
- a) Regulation 15 (13) read with Regulation 7 of IA Regulations, 2013 and Clause 1, 2 and 8 of Code of Conduct for Investment Advisers as specified under Third Schedule read with Regulation 15(9) of IA Regulations, 2013.
  - b) Regulation 19(1) and 19(2) and Clause 1,2,8 & 9 of Code of Conduct for Investment Advisers as specified under the Third Schedule read with Regulation 15(9) of IA Regulations, 2013, Clause 2(ii) and 2(vi) of SEBI Circular Ref No.

SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020 and Regulation 16 and 17 of IA Regulations, 2013.

- c) Clause 1 and 2 of Code of Conduct for IA as specified under Third Schedule of Regulation 15(9) of SEBI (IA) Regulations, 2013 read with Regulation 15(1) of SEBI (IA) Regulations, 2013.
- d) Clause 1 and 2 of Code of Conduct as specified in Schedule III read with Regulation 15(9) of IA Regulations, 2013 read with Regulation 25(1) and (2) and Clause 1, 8 and 9 of Code of Conduct as specified in Schedule III read with Regulation 15 (9) of IA Regulations, 2013.
- e) Paragraph 1(i) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019, Noticee has failed to abide by Clause 8 & 9 of the Code of Conduct as mentioned in Schedule III read with Regulation 15 (9) of the IA Regulations, 2013.
- f) Regulation 16 (d) (i) and (ii) of IA Regulations, 2013 and Clause 1, 2 & 8 of the Code of Conduct for IA as specified under Third Schedule read with Regulation 15 (9) of IA Regulations, 2013.
- g) Regulation 13(b) of IA Regulations, 2013 and Clause 1, 8 and 9 of Code of Conduct for Investment Advisers as specified under Third Schedule read with regulation 15(9) of IA Regulations, 2013.
- h) Paragraph 2 and 4 of SEBI Circular No. SEBI/HO/IMD/IMD-II/CIS/P/CIR/2 dated December 13, 2021 and Clause 8 and 9 of Code of Conduct for Investment Advisers as specified under Third Schedule read with regulation 15(9) of IA Regulations, 2013.
- i) Regulation 3(d),4(1) and 4(2)(k) of PFUTP Regulations, 2003 read with Section 12A (c) of SEBI Act, 1992 read with Clause 1, and 2 of Code of Conduct as mentioned in Schedule III read with Regulation 15(9) of IA Regulations, 2013.

98. In context of the above, I refer to the observations of Hon'ble Supreme Court in the matter of *Chairman, SEBI vs. Shriram Mutual Fund* {[2006] 5 SCC 361} wherein the Hon'ble Court had observed: "In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant.

A breach of civil obligation which attracts penalty in the nature of fine under the provisions of the Act and the Regulations would immediately attract the levy of penalty irrespective of the fact whether contravention must made by the defaulter with guilty intention or not.”

99. Therefore, the aforesaid violations committed attract monetary penalty under Section 15EB and 15HA of SEBI Act. The text of provision 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.

***Penalty for fraudulent and unfair trade practices***

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

**ISSUE III- If so, how much penalty should be imposed on the Noticee taking into consideration the factors mentioned in Section 15J of the SEBI Act?**

100. While determining the quantum of penalty under SEBI Act, it is important to consider the factors stipulated in Section 15J of the SEBI Act reads as under:

*Factors to be taken into account by the adjudicating officer under SEBI Act*

*15J. While adjudging quantum of penalty under Section 15-I, 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*

101. The material available on record has not quantified the amount of disproportionate gain or unfair advantage, if any, made by the Noticee and the loss, if any, and suffered by the investors as a result of the Noticee's failure. As regard to the repetitive nature of the default, I find that the no regulatory action has been taken by the SEBI in the past against Noticee
102. I note that the role of an investment adviser is crucial to the development of the securities market, especially for the entry of the small investors who may rely on the advice of such IAs. In this regard, the role of an IA is crucial as a facilitator of small investors into the securities market. So, it is of utmost importance that every IA takes all necessary steps to comply with all the provisions, Rules and Regulations as laid down by the Regulator. The very purpose of the said provisions is to deter wrong doing and to promote ethical conduct in the securities market. The non-compliances on the part of the Noticee as brought out in the preceding paragraphs clearly shows that it has failed in its fiduciary duties owed to its clients and attracts penalty.

### **ORDER**

103. Having considered the facts and circumstances of the case, the material available on record, the factors mentioned in 15J of SEBI, the purpose of SEBI Act and also taking into account judgment of the Hon'ble Supreme Court in SEBI vs. Bhavesh Pabari (2019) 5 SCC 90 and in exercise of power conferred upon me under section 15I of the SEBI Act read with Rule 5 of the SEBI Rules, 1995, I hereby impose following penalty under Section 15EB and 15HA of SEBI Act on the Noticee:

<b>Name of the Entity</b>	<b>Penalty Provisions</b>	<b>Penalty (Rs.)</b>
Monetary Solutions (Proprietor Mr. Ankit Vayas)	Section 15EB of SEBI Act, 1992	₹ 18,00,000/- (Rupees Eighteen Lakh Only)
	Section 15HA of SEBI Act, 1992	₹ 7,00,000/- (Rupees Seven Lakh Only)
	<b>Total</b>	₹ 25,00,000/- (Rupees Twenty Five Lakh Only)

I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticee.

104. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e. [www.sebi.gov.in](http://www.sebi.gov.in) on the following path, by clicking on the payment link: ENFORCEMENT → Orders → Orders of AO → PAY NOW. In case of any difficulties in payment of penalties, Noticee may contact the support at [portalhelp@sebi.gov.in](mailto:portalhelp@sebi.gov.in).
105. In terms of the provisions of rule 6 of the SEBI Rules, a copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

**Place: Mumbai**  
**Date: July 15, 2024**

**BARNALI MUKHERJEE**  
**ADJUDICATING OFFICER**