



E1480936417IN IVR:6973480936417
 SF INDORE RMS - LIS COUNTER (452001)
 Counter No:1,19/05/2023,19:16
 To:SANDEEP SHRIWAS,OLD NURSES
 PIN:455001, Dewas H.O
 From:SEBI,104 AND 105 FIRST FLOOR
 Wt:330gms
 Amt:70.80(Cash)Tax:10.80
 (Track on www.indiapost.gov.in)



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 और विनियम बोर्ड
 Securities and Exchange
 Board of India

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GENERAL MANAGER
 INDORE LOCAL OFFICE

SEBI/WRO/ILO/NM/OW/P/20336/1/2023

May 19, 2023

To,

Noticee No.	Noticee Name	Address/es
1.	Anurag Shrivastav	<u>Address 1:</u> 11. No. 245, Ward No. 06, Bohare Colony, Ashoknagar, Madhya Pradesh – 473331. <u>Address 2:</u> Bohare Colony, W N 6, AN Guna, MP.
2.	Lokendra Jain	<u>Address 1:</u> 238, Vina Nagar, Indore, Indore, and Madhya Pradesh – 452010. <u>Address 2:</u> 238-A, Vina Nagar, Indore, Indore, and Madhya Pradesh – 452010.
3.	Sandeep Shriwas	<u>Address 1:</u> I/157, Old Nurses Quarters, Dewas, Madhya Pradesh. <u>Address 2:</u> Makan No. 05, Ward No. 21, Kalektar Karylay Ke Samne, Swasth Parisar, Dewas, Madhya Pradesh – 455001.
4.	Vijay Singh Tomar	<u>Address 1:</u> Vijay Singh Tomar 26 Mahaveer Nagar, Ward Number 20, Dewas, Madhya Pradesh – 455001.

Subject: Show Cause Notice under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Section 15HA, Section 15HB and Section 15EB of the Securities and Exchange Board of India Act, 1992, read with Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, to the partners of Zenithvia Research Services viz. Anurag Shrivastav, Vijay Singh Tomar, Lokendra Jain and Sandeep Shriwas.

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) received complaint against an unregistered investment advisor i.e; Zenithvia Research Services (hereinafter referred to as ‘Zenithvia’) on SEBI SCORES Portal. Complainant provided SMS received from the advisory regarding trading recommendations. Text of the SMS as provided by complainant is reproduced below:

Zenithvia:-

OPTION STAR 1200 CALLBUY ABOVE 62 TGT 67/72 SL 54
 FOR SUPPORT CALL:-
 (Call@+91-8982070512 & Visit@www.zenithvia.com)

Zenithvia:-

OPTION SUNPHARMA 1040 CALL BUY ABOVE 33 TGT 38/44 SL 28
 FOR SUPPORT CALL:-

Zenithvia:-

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिनय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर – 452010 (म.प्र.)

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दूरभाष : 0731-2557003/04/05 टेलीफेक्स : 0731-2557002 E-mail : indore-lo@sebi.gov.in

104 & 105, 1st Floor, Satguru Parinay. Opp. C-21 Mall, A.B. Road, Indore - 452010 (M.P.)-

Phone : 0731-2557003/04/05, Telefax : 0731 - 2557002 E-mail : indore-lo@sebi.gov.in



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OPTION NIFTY 8400 PUT BUY ABOVE 85 TGT 99/114 SL 69 FOR SUPPORT CALL:-
(Call@+91-8982070512 & Visit@www.zenithvia.com)

1ST TGT DONE
FOR SUPPORT CALL:-
(Call@+91-8982070512 & Visit@www.zenithvia.com)

(Copy of the complaint along with screenshots of SMS text are enclosed as **Annexure A**)

2. A clarification was sought from Zenithvia regarding its unregistered investment advisory activities vide letter no. IMD-DoF I /ILO/DD/IA/4240/2015 dated February 05, 2015. However, letter returned undelivered from the given address (Copy of letter dated February 05, 2015 sent to Zenithvia along with copy of front side of undelivered letter are enclosed as **Annexure B**.
3. Later, SEBI sought clarifications vide letter no. IMD-DoF I/ILO/DD/IA/170/2016 dated January 04, 2016 (**Annexure C**) with respect to the unregistered investment advisory activities, from Zenithvia. Zenithvia submitted its response vide its letter dated January 22, 2016. Zenithvia, inter-alia, gave the following response (Copy of letter dated January 22, 2016 received from Zenithvia is enclosed as **Annexure D**):

".....we are accepting that we were running the business without registration certificate as required by SEBI Act 1992 and their rules and regulations."

"We are closed all our business activities, as we aware the fact that running of investment advisory business without registration is not permissible."

"certificate of dissolution of firm, closure of bank account and closure of website is enclosed herewith"

(Copies of CA certificate regarding dissolution of the partnership firm, CA certificate regarding discontinuation of ICICI Bank account number 185905000230 along with statement of ICICI Bank account number 185905000230, CA certificate regarding discontinuation of website www.zenithvia.com, copy of dissolution deed of the partnership firm; submitted by Zenithvia along with letter dated January 22, 2016, are enclosed as **Annexure E**)

4. Upon perusal of the webpages of the website www.zenithvia.com, following was found to be mentioned with regard to the services offered by Zenithvia:

"We provide traders with stock cash trading calls with high accuracy tips which will always lead a trader to handsome profit on their investment."

"We provide traders with Gold Silver trading call....."



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"We provide traders with Futures trading calls....."

"We provide 1-2 calls per day."

"Strategies can be intraday as well as Positional."

5. Fee structure for various securities market products offered by Zenithvia as mentioned on the webpages of the website www.zenithvia.com is as under:

S. No.	Service Period → ↓	Stock Cash	Stock Future	Options	Royal Cash	Royal Future	Royal Options	Bullion Metal
1.	Monthly	7000	7000	7000	21000	21000	21000	12000
2.	Quarterly	15000	15000	15000	51000	51000	51000	20000
3.	Half Yearly	25000	25000	28000	90000	90000	90000	30000
4.	Yearly	50000	40000	50000	161000	161000	161000	40000

S. No.	Service Period → ↓	Base Metal	Energy	NCDDEX (Agri)	Precious Metal	Bullion Metal	BTST/STBT (Commodity)
1.	Monthly	9000	5000	7000	7000	9000	15000
2.	Quarterly	15000	12000	17000	15000	21000	38000
3.	Half Yearly	28000	22000	26000	24000	38000	60000
4.	Yearly	50000	40000	38000	36000	65000	99000

(Copy of webpages of the website www.zenithvia.com are enclosed as **Annexure F**)

6. In addition to one ICICI Bank account number 185905000230 mentioned in CA certificate submitted by Zenithvia, another ICICI Bank account number 657105500141 is found to be mentioned on webpage of the website www.zenithvia.com. One ICICI Bank account number in the name Mr Anurag Shrivastav is found to be mentioned on webpage of the website www.zenithvia.com. The ICICI Bank account no. of Mr Anurag Shrivastav is 185901502352.
7. It is noted from the letter dated January 22, 2016, submitted by the Zenithvia, that it has admitted to running the business without registration certificate. It is also mentioned in its letter that it will refund the service charge to all the clients whose service tenure is not expired as on 11/01/2016. However, Zenithvia did not submit any proof of refund made to its clients, to SEBI except client wise payment details (enclosed as **Annexure G**).
8. As per Regulation 2(1)(l) of Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 (hereinafter referred to as 'IA Regulations') investment advice is defined as under:



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"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:

Provided that investment advice given through newspaper, magazines, any electronic or broadcasting or telecommunications medium, which is widely available to the public shall not be considered as investment advice for the purpose of these regulations"

9. As per Regulation 2(1)(m) of IA Regulations, investment adviser is defined as under:

"investment adviser means any person who for consideration, is engaged in the business of providing 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".

10. As per Section 12(1) of SEBI Act, any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of IA Regulations. Section 12(1) of SEBI Act is reproduced as under for reference:

"No stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market shall buy, sell or deal in securities except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the regulations made under this Act"

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

12. As per Regulation 3(1) of IA Regulations read with Section 12(1) of SEBI Act, registration is mandatory for a person carrying out the activities of an investment adviser.

13. Based on the factual details stated herein above, it is alleged that the Noticees 1; 2, 3 and 4, engaged in the activities of an investment adviser without obtaining the requisite registration from SEBI, as required in terms of Section 12(1) of the SEBI Act, 1992, read with Regulation 3(1) of the IA Regulations and it is alleged that the following amounts credited in the bank accounts of Noticee is alleged to be received as fees towards the services rendered as investment advisor:

Account No.	Bank Name	Account Name	From	To	Credit Amount (Rs.)
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185905000230	ICICI Bank	Zenithvia Research Services	15-06-2015	11-01-2016	9,13,662/-
657105500141	ICICI Bank	Zenithvia Research Services	23-07-2014	09-04-2015	13,38,179/-
185901502352	ICICI Bank	Anurag Srivastava	22-05-2015	30-09-2022	7,35,599.51/-

(Copy of account statement of ICICI Bank account number 185905000230 is enclosed as **Annexure H**, Copy of account statement of ICICI Bank account number 657105500141 is enclosed as **Annexure I** and Copy of account statement Shri. Anurag Srivastava account number 185901502352 is enclosed as **Annexure J**).

14. It appears from the contents of the webpages of the website www.zenithvia.com that Zenithvia was advertising achieving profits, availing profits through their services fully knowing that all the investments in securities market are subject to market risk. It is alleged that these misleading representations are deceptive and fraudulent in nature and are well covered within the definition of "fraud" defined under Regulation 2(1)(c) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations, 2003 (**hereinafter referred to as 'PFUTP Regulations'**). It is alleged that fraudulent activities / conduct / act / practice of the Noticees, as mentioned above, are also in violation of provisions of Section 12A(c) of SEBI Act, 1992 and Regulation 3(d) and Regulation 4(1) of PFUTP Regulations. Regulation 4(2)(k) of PFUTP Regulations, provides that dealing in securities shall be deemed to be a manipulative, fraudulent or an unfair trade practice if it involves even disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading and which is designed or likely to influence the decision of investors dealing in securities and thus it is alleged that the Noticees have violated Regulation 4(2)(k) of PFUTP Regulations. The aforesaid provisions are reproduced as under:

Section 12(A)(c) of SEBI Act

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

12A. No person shall directly or indirectly

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

Regulation 2(1)(c) of PFUTP Regulations

"2(1) In these regulations, unless the context otherwise



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c) "fraud" includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in Securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss,..."

Regulation 3(d) of PFUTP Regulations

"3. 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 recognized stock exchange in contravention of the provisions of the Act.

Regulation 4(1) and 4(2) (k) of PFUTP Regulations:

4(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets. [Explanation.— For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.]

4(2) Dealing in securities shall be deemed to be a manipulative fraudulent or an unfair trade practice if it involves any of the following:—

(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading and which is designed or likely to influence the decision of investors dealing in securities

15. In light of the above, Noticees - Anurag Shrivastav, Vijay Singh Tomar, Lokendra Jain and Sandeep Shriwas, are hereby called upon to show cause as to (i) why suitable directions, under Sections 11B(1) and 11(4) read with Section 11(1) of SEBI Act, 1992, and directions for refund of fees of Rs. 29,87,440.51/- taken towards investment advisory activity should not be issued against them and (ii) why suitable directions for imposing penalty under Sections 11B(2) and 11(4A) read with Section 15HA, Section 15HB and Section 15EB of SEBI Act and SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, should not be issued against the Noticees for the aforesaid violations, which reads as under

Penalty for fraudulent and unfair trade practices

151A. If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty 102 [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.



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Penalty for contravention where no separate penalty has been provided.

151AB. Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.

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

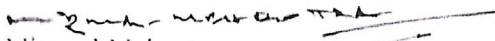
151EB. Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.

16. Reply of the Noticees, if any, along with relevant documents, should reach us within 21 days of the date of receipt of this Notice at the following address:

Securities and Exchange Board of India
Indore Local Office
104-105, 1st Floor, Satguru Parinay,
Opp. C-21 Mall, A.B. Road,
Indore - 452010, Madhya Pradesh

17. The Noticee may also indicate whether they desire to be personally heard in this case. In case no reply is received within the above specified period, it shall be presumed that you have no further explanations/ submissions to offer in this regard and the matter would be decided based on the material available on record.
18. The Noticee is also advised to keep SEBI informed about the change in the correspondence address, if any, and provide updated email-ID and phone numbers, till the proceedings are complete. Noticee is also advised to submit a photocopy of Income Tax Permanent Account Number Card (PAN card), bank account details, demat account details, mutual fund investment details, etc. along with details of other movable and immovable assets for our record.
19. The Noticee may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018. If the Noticee wishes to opt for the settlement process, it may apply for the same in the manner given in the aforesaid Regulations under intimation to the undersigned. Further, the Noticee may note that filing of settlement application does not confer any right to seek the settlement of the proceedings.

Yours faithfully,


Nirpal Mehrotra

Enclosures: As above



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Documents	Annexure
Copy of the complaint along with screenshots of SMS text.	A
Copy of letter dated February 05, 2015 sent to Zenithvia along with copy of front side of undelivered letter.	B
Copy of letter dated January 04, 2016 sent to Zenithvia for clarifications	C
Copy of letter dated January 22, 2016 received from Zenithvia.	D
Copies of CA certificate regarding dissolution of the partnership firm, CA certificate regarding discontinuation of ICICI Bank account number 185905000230 along with statement of ICICI Bank account number 185905000230, CA certificate regarding discontinuation of website www.zenithvia.com , copy of dissolution deed of the partnership firm, submitted by Zenithvia.	E
Copy of webpages of the website www.zenithvia.com .	F
Client wise payment details submitted by Zenithvia.	G
Copy of account statement of ICICI Bank account number 185905000230.	H
Copy of account statement of ICICI Bank account number 657105500141.	I
Copy of account statement of Shri. Anurag Srivastava account number 185901502352	J