



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

DEPUTY GENERAL MANAGER
NORTHERN REGIONAL OFFICE

SEBI/CLO/TMD/GN/MSD/13218/1/2022

March 29, 2022

To,

Indo Global Financial Services and Consultancy Pvt. Ltd. (PAN- AADCI0022Q)	House no. 664, Saraswati Vihar, Gurugram, Haryana - 122002
	SCO 18, Second Floor, DLF City Mall Parking Road, Saraswati Vihar, Maruti Housing Colony near M G Road Gurgaon
Shri Tilak Bhardwaj (PAN- ALOPB7339L)	House no. 249, Ward no. 22, Gandhi Nagar Colony, Churu Rajasthan - 331001
	House no. 664, Saraswati Vihar, Gurugram, Haryana - 122002
Shri Umesh Kumar Bhambhu (PAN- AVTPB7780L)	82 RB, Raisinghnagar, Sriganganagar, Rajasthan - 335051 and House no. 664, Saraswati Vihar, Gurugram, Haryana - 122002
Shri Mithlesh Bhardwaj (PAN- AUTPB3543N)	Plot no. 249, Gandhi Nagar Colony, Churu Rajasthan - 331001

Sub: Show Cause Notice under sections 11B (1)/11 (4) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred as "SEBI Act") read with Section 12 (1) of the SEBI Act and Regulation 3 (1) of the SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred as "IA Regulations") in the matter of Indo Global Financial Services and Consultancy Pvt. Ltd. and its Directors namely, Shri Tilak Bhardwaj, Shri Umesh Kumar Bhambhu and Shri Mithlesh Bhardwaj (hereinafter individually and jointly referred to as "Noticees/noticees").

1. Securities and Exchange Board of India (hereinafter referred as "SEBI") has received complaints from Shri Hemant Kohli (hereinafter referred to as "Shri Hemant") and Shri Pranshu Goel (hereinafter referred to as "Shri Pranshu"), (both Shri Hemant and Shri Pranshu are collectively referred to as "Complainants") against Indo Global Financial Services & Consultancy Pvt Ltd (hereinafter referred to as "Indoglobal") and its Directors namely, Shri Tilak Bhardwaj (hereinafter referred to as "Shri Tilak"), Shri





**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

Umesh Kumar Bhambhu (hereinafter referred to as "Shri Umesh") and Shri Mithlesh Bhardwaj (hereinafter referred to as "Shri Mithlesh"). The complainants have inter-alia alleged that the noticees have approached the complainants as investment and portfolio management services provider and pursuant to signing of agreements/MoU, provided them investment advisory/consulting services on profit sharing basis. Further, it is alleged by the complainants that the noticees have assured fixed returns to them and represented themselves to have necessary approvals and registration from authorities such as RoC, SEBI, RBI, Taxation departments, etc. The complainants have submitted copies of MoU/Agreements, extracts of social media posts of the noticees, extracts of WhatsApp chats/emails, details of website www.indoglobalfinancial.com (hereinafter referred to as "Website/website"), Memorandum of Association (MoA) of Indoglobal, promotional emails received from the noticees, details of amount given to the noticees etc. as supporting documents in respect of their allegations against the noticees.

2. With regard to above, SEBI has taken cognizance of the noticees undertaking unregistered investment advisory services. In this regard, the noticees vide SEBI letters dated June 02, 2020 and reminder letters/email dated July 15, 2020, August 27, 2020, September 10, 2020 and September 11, 2020 (copies annexed at Annexure A) were inter-alia advised to provide details of investment advisory/research analyst services offered, amount received by them for the same etc. However, no reply was received to any of the SEBI's letters and/or e-mail from the noticees. The details in respect of the delivery status of the said letters are as follows-

Recipient	Address	Date	Status
Shri Tilak Bhardwaj	House no. 249, Ward no. 22, Gandhi Nagar Colony, Churu Rajasthan - 331001	June 02, 2020	Delivered on 09.06.2020
		July 15, 2020	Delivered on 22.07.2020
		August 27, 2020	Returned undelivered
	House no. 664, Saraswati Vihar, Gurugram, Haryana - 122002	June 02, 2020	Returned undelivered
Shri Umesh Kumar Bhambhu	82 RB, Raisinghnagar, Sriganganagar, Rajasthan - 335051	June 02, 2020	Delivered on 22.06.2020
		July 15, 2020	Delivered on 25.07.2020
		August 27, 2020	Delivered on 12.09.2020
	House no. 664, Saraswati Vihar, Gurugram, Haryana - 122002	June 02, 2020	Returned undelivered

“हम हिन्दी पत्राचार का स्वागत करते हैं।”

उत्तरी प्रादेशिक कार्यालय : प्लेट-बी, आठवीं मंजिल, ऑफिस टॉवर-1, एन बी सी सी कॉम्प्लेक्स, पूर्व किदवाई नगर, नई दिल्ली - 110023

Northern Regional Office : Plate-B, 8th Floor, Office Tower-1, NBCC Complex, East Kidwai Nagar, New Delhi-110023 दूरभाष (Phone) : 011 - 69012998

प्रधान कार्यालय : सेबी भवन, प्लॉट सं. सी-4 'अ', जी-ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व) मुंबई - 400051 दूरभाष (Phone) : 022 - 25449000

Head Office : SEBI Bhavan, Plot No. C-4A, G-Block, Bandra Kurla Complex, Bandra (E) Mumbai - 400051 Web : www.sebi.gov.in



**भारतीय प्रतिभूति
और विनिमय बोर्ड**
**Securities and Exchange
Board of India**

Shri Mithlesh Bhardwaj	Plot no. 249, Gandhi Nagar Colony, Churu Rajasthan - 331001	June 02, 2020	Delivered on 09.06.2020
		July 15, 2020	Delivered on 22.07.2020
		August 27, 2020	Returned undelivered
Indo Global Financial Services Pvt. Ltd.	House no. 664, Saraswati Vihar, Gurugram, Haryana - 122002	June 02, 2020	Returned undelivered

Since no reply was given by any of the noticees, SEBI based on the available records examined the matter. The subsequent points detail the findings of the examination and the violations of the SEBI Act and the IA Regulations noted in the matter.

3. As mentioned above, SEBI has received complaints that the noticees are offering services in nature of investment advisory. In this regard, contents of the website, bank account statements, submissions made by the complainants to SEBI etc. were perused. The complaint and documents submitted by Shri Hemant are annexed at Annexure B and the complaint and documents submitted by Shri Pranshu are annexed at Annexure C. Accordingly, the findings basis which it is noted that the noticees were offering investment advisory services without obtaining necessary SEBI registration are as follows:

- 3.1. SEBI has received a complaint dated June 23, 2019 from Shri Hemant against the noticees inter-alia alleging contraventions of the SEBI Act and the IA regulations. In this regard, Shri Hemant also provided a list of addresses of the noticees and a legal notice sent on his behalf to the noticees. The details of the said complaint and the subsequent supporting documents submitted by the complainant in respect of the said complaint, inter-alia, are as follows:

a. The Noticees introduced themselves to Shri Hemant as "stock market related investment advisory service providers" claiming to have necessary approvals and registration from authorities such as RoC, SEBI, RBI, Taxation departments, etc." In this regard, Shri Hemant provided a Copy of e-mail dated Feb 20, 2017, wherein it is inter-alia mentioned that the noticees are an equity research and financial consulting firm, that the noticees provide consultancy so that the client can have better return on investments etc. Shri Hemant, vide email dated August 09, 2019 also forwarded a copy of an email from noticees (urShri Tilak@gmail.com) dated September 13, 2017 detailing the plans/contract shared with Shri Hemant.

“हम हिन्दी पत्राचार का स्वागत करते हैं।”

Page 3 of 14



उत्तरी प्रादेशिक कार्यालय : प्लेट-बी, आठवीं मंज़िल, ऑफिस टावर-1, एन बी सी सी कॉम्प्लेक्स, पूर्व कंदिवई नगर, नई दिल्ली - 110023

Northern Regional Office : Plate-B, 8th Floor, Office Tower-1, NBCC Complex, East Kandiwal Nagar, New Delhi-110023 दूरभाष (Phone) : 011 - 69012998

प्रधान कार्यालय : सेबी भवन, प्लॉट नं. सी-4 'अ', जी-ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व) मुंबई - 400051 दूरभाष (Phone) : 022 - 26449000

Head Office : SEBI Bhavan, Plot No. C-4A, G-Block, Bandra Kurla Complex, Bandra (E) Mumbai - 400051 Web : www.sebi.gov.in



**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

b. An agreement dated September 07, 2017, annexed at Annexure B, was executed at Faridabad between Shri Hemant and the noticees, wherein the noticees agreed to give Shri Hemant consultancy and advice on short term investments in the derivative segment and Shri Hemant was assured of a fixed monthly return of 7.5% on the investment amount. The noticees further agreed to make good the losses, if any, in addition to paying the assured returns. In return, all profits earned above 7.5% were to be paid to the noticees as professional fees / profit share by Shri Hemant.

c. The aforesaid agreement inter-alia mentions that the noticees shall advise, guide and release instructions to Shri Hemant on several issues including but not limited to allocation of funds for investment, preparation of investment plans basis mutually agreed target returns, portfolio related advice, give out calls for investment and exit from time to time as required, etc. and in lieu of the Service rendered by way of Consulting and Investment related advice the noticees would be entitle to the entire profit earned by Shri Hemant in excess of the Assured Return at the end of each Quarter (90 day period) as performance based consulting fee.

d. In pursuance to the aforesaid agreement, Shri Hemant started transacting in derivatives on advice and instructions of the noticees in Demat Account held in his own name. In this regard, Shri Hemant provided copies of e-mail dated September 07, 11 and 12, 2017, as proofs of investment advices to invest in Bank Nifty as received from the noticees (urShri.Tilak@gmail.com). In this regard, on the basis of initial profit, Shri Hemant made a cash payment of Rs.3.5 lakhs in October 2017 to the noticees. The noticees had not provided any receipt or acknowledgement for the received amount. Further, the noticees denied receipt of the said amount in their submissions made to Police Authorities during examination of complaint in this regard filed by Hemnat to Police. Shri Hemant also submitted that he had recording of phone conversations with noticees as proof wherein the noticees inter-alia mentioned receiving the said amount.

e. As mentioned in point above, Shri Hemant has provided a copy of transcript of telephonic conversation dated December 05, 2020 between him and the noticees as proof wherein the noticees has inter-alia mentioned receiving Rs.3.5 lakhs from Shri Hemant, relevant extracts of which are as following:

Mobile No. of Shri Hemant: 9810616919/7678465959

Mobile No of Shri Tilak: 9711631785

Shri Hemant:	Shri Tilak you do not understand the things, it is being asked from me and I have no reply. How can I tell them that Rs. 30 lacs are standing in negative which I can't tell?
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**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

Shri Tilak:	Roughly it is 20 Lakhs, out of which we have withdrawn five you have only given Rs. 3.5 lac to me which is debit and rest your earning is in question. How to say.
Shri Hemant:	Rs. 4.5 Lacs?
Shri Tilak:	4.5 5 suppose they will do it. The whole planning is that.....
Shri Hemant:	Whatever you are doing 50, do not do it with the Indoglobal one. Do that this week.
Shri Tilak:	No, no you didn't understand sir, that the requirement of four lakh which was left, out of which you have paid Rs. 3.5 lakh and by adding that 50, I have sent it further.

f. After some time, Shri Hemant incurred losses on trades executed as per the advice of the noticees, which accumulated till 31/3/2018. Further, as per point 13 of complaint dated June 23, 2019 filed by Shri Hemant, his stocks in his Demat account being used as collateral for margin on the trades done on advices of the noticees, got liquidated. On the other hand, the noticees failed to make payment towards the losses as per their agreement. Meanwhile, during March 2018, the noticees further induced Shri Hemant to arrange for a personal loan which Shri Hemant arranged and paid him an amount of Rs. 400,000/- (Rs. four lakhs only). When the quarter ended on 31/3/2018, Shri Hemant asked the noticees to make good the losses incurred in terms of the agreement, however, the noticees started evading Shri Hemant's phone calls and stopped responding to any of his messages sent via SMS and WhatsApp.

g. Shri Hemant, vide email dated July 13, 2019 has provided, the details of payment made by Shri Hemant to the noticees, which are as following:

- "i. Rs.50,000/- paid to Indoglobal vide electronic fund transfer on Oct 16, 2017.
- ii. INR 3.5 Lakh paid in cash to Shri Tilak Bhardwaj in the last week of October 2017 post Diwali as part proceeds of initial profits.
- iii. INR 4 lakh was again advanced to Shri Tilak Bhardwaj in March 2018 against a PDC and a promissory email.
- iv. In addition to the above, there was another transaction of INR 59,000/-, (A/c Holder Name: Shri Tilak Bhardwaj, a/c no: 3133615311, Central Bank of India)
- v. In addition to the above, based on the advice of Shri Tilak, the Shri Hemant's equity portfolio was used as margin and caused a huge loss of over INR 50 lakhs."





भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

h. Subsequently, Shri Hemant approached the State Police of Haryana and filed a complaint on October 18, 2018 with EoW, Haryana. In response to the complaint, Shri Tilak filed his reply with the said agency on January 08, 2018, wherein he has denied charges against him and stated that Shri Hemant had traded on his own volition and losses incurred are not the responsibility of Indoglobal / Shri Tilak. Accordingly, Shri Hemant has submitted a copy of complaint filed with EOW, Haryana Police and reply of Shri Tilak submitted before EoW, Haryana and other related records obtained through RTI. The relevant extracts of reply filed by Shri Tilak before EoW, Haryana is as following-

"i. I Shri Tilak Bhardwaj (director) do hereby state that through Indo Global Financial Services and consultancy registered with RoC August 2012 and we are providing advice, consultancy linked with stock market as well as financial transactions for the last many years.

ii. Some important points of agreement executed between our company Indo Global Pvt. Ltd and complainant Sh. Shri Hemant Kohli:-

a. With the mutual consent of both the parties the investment limit was fixed as Rs. 5,00,000/-, not more nor less than it.

b. According to this contract every kind of conversation related to this entire investment would be done thorough any recorded media i.e, through e-mail, SMS, Whatsapp or any other prevailing media, which are used by both the parties.

Mobile No. 8290050074 (Whatsapp), Mobile No. 8368594962 (Calling)

Mobile No. 9555277809 (Calling), E-mail urShri.Tilak@gmail.com

iii. Sir, the complainant has alleged that in October 2017, I had received Rs. 3,50,000/- from him, which is completely false and baseless, I have not received any kind of cash, infact I received Rs 50,000/- that too in my current account. A copy of which is attached alongside. I have not issued a receipt of Rs. 3,50,000/- because I have not received anything.

iv. Sir, since I Shri Tilak Bhardwaj (Director) (IGFS) had entered into a contract with the complainant for our services, according to which w.e.f 29.9.2017 for the first quarter and even thereafter if there is any kind of advice given by us that is under the contract amounting to Rs. 5 lakh then any sort of Communications (SMS, E-mail, Whatsapp or Voice Recording) pertaining any directions given by us, be got delivered to us from the complainant or it should be investigated under your supervision.

v. Sir, if it is found from your investigation that the due to our instructions/advice the complainant has suffered any financial loss which is duly recorded anyway then we are ready to take responsibility under contractual amount."

i. Further, Shri Hemant vide email dated August 26, 2019 has forwarded screen shots of various posts from facebook pages of the noticees detailing the address of website of the noticees and promotional messages, which are as following:





Continuation Sheet

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

Address: lives Gurgaon, Haryana, from Churu, Ph: 0124-4360004, 4360006, 816845972, 8368594962

Website: www.indoglobalfinancial.com

Promotional Messages: date: Sept 10, 2017: Indoglobal financial Services & Consultancy P Ltd.:

- We might provide 16% return quarterly
- We make strategy project according to your portfolio investments
- We give consulting on all financial instruments, Free demo and free demat account, Hotline: 0124-4360004, Mob – 8290050074

j. Shri Hemant vide email dated December 11, 2019 has provided the records of a WhatsApp chat group created by the noticees, wherein they are claiming that their investment calls are generating huge profits in the market. Some of the excerpts from the chat are as following:

"16/08/2017, 09:45 - Shri Tilak Bhardwaj:

One of my client got huge profit in banknifty put option within 15 mints

21/08/2017, 20:14 - Shri Tilak Bhardwaj:

Dear investor did u see my today target for nifty put option and bank nifty keep touch with us to get 500% solid and confirm call its not magic its all about one secret formula that I have developed and I promise to all of u it can never be wrong if it does then there is a prize of 50000 regards indoglobal finance Gurgaon

23/08/2017, 14:35 - Shri Tilak Bhardwaj:

Hello everybody see carefully my formula cannot be wrong I given call yesterday now see rate of bank nifty call 24200 expiry 31 august at 200

18/09/2017, 10:15 - Shri Tilak Bhardwaj:

Today 500% gurented call sell drreddy now"

3.2. SEBI has received another complaint dated September 14, 2020 from Shri Pranshu against the noticees, wherein it is inter-alia alleged that the noticees had approached Shri Pranshu as a skilled investment and portfolio management services provider. The details of the said complaint and the supporting documents submitted by the complainant in respect of the said complaint, inter-alia, are as follows:

a. They presented a very rosy picture about investments being managed by them for their clients and assured high returns on investments based on their consultancy. Further, they claimed that they have all the necessary approvals from SEBI. Shri





भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

Pranshu also submitted a copy of a promotional email dated May 11, 2017, similar as sent to Shri Tilak, wherein the noticees were promoting themselves as equity research and financial consulting firm offering various financial services including consultancy in securities for a performance based fee model. The noticees has also provided a sample of their advice on investment portfolio containing different securities with profit projections to Shri Pranshu.

b. Shri Pranshu in his complaint further submitted that the noticees introduced him to basic concepts of Derivatives and informed him that they advise/ instructs their clients to take positions in Client's Account. Further, the noticees informed Shri Pranshu that they hedge the said Client's position employing some strategy. Shri Pranshu submitted that subsequently, he entered into various MoU/agreements with the noticees. Shri Pranshu and the noticees signed their first MoU dated 27 June 2017, annexed at Annexure C, wherein the noticees introduced them as engaged in the business of providing investment management consultancy to its clients. It is agreed between them that Shri Pranshu shall operate a Demat account for trading in stocks, bonds, commodities, derivatives or other instruments with an initial amount of INR 5.00 lakhs. The transactions in the said Demat account shall be made on the advice given by the noticees by mail or text message for which it shall raise an invoice for the Consultancy Service provided during the investment horizon and after achieving a quarterly return of 18% for Shri Pranshu. Therefore, as per the agreement amount paid by Shri Pranshu to Indoglobal is a performance based consulting fee for the investment advice/consultancy service as also in the case of Shri Hemant. In accordance with the said agreement, Shri Pranshu transferred an amount of Rs. 5 Lakhs in his Demat Account and as per Shri Pranshu and the amount is utilized as per advice given by the noticees, however, the amount become zero and the noticees vide agreement dated 28-04-2018 agreed to Pay Shri Pranshu Rs. 7.5 Lakhs comprising principal amount of Rs. 5 lakhs along with a mutually agreed accrued interest of Rs 2.5 Lakhs by 07-10-2018.

c. Subsequently, Shri Pranshu entered into an agreement dated 28.04.2018, annexed at Annexure C, wherein Shri Tilak admitted to receipt of total amount of Rs. 12,00,000/- which includes the amount of Rs. 5 Lakhs as mentioned in the point above and assured to pay back Rs.16,35,000/- including the accrued interest by 07/10/2018. As per the payment schedule the noticees issued 5 postdated cheques in discharge of the said liabilities. However, the cheques were returned to Shri Pranshu by his bank with remarks "Funds Insufficient". The noticees also completely stopped answering the phones and were also not responding to messages sent via SMS and WhatsApp by Shri Pranshu.

d. Subsequently, Shri Pranshu initiated legal proceedings under Case Numbers CS DJ ADJ/1253/2018 vide Order XXXVII of the Code of Civil Procedure ("CPC") for





भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

the recovery of Rs. 16,35,000/-. In the said case, the judgement was decreed in Shri Pranshu's favour by the Hon. Court of Additional District Judge on 16 October 2019.

- 3.3. Article (A) (3) of Memorandum of Association of Indo Global Financial Consultancy Private Limited annexed at Annexure D , states the objectives to be pursued on its incorporation as:

"To act as investment consultant, financial consultants, portfolio consultants and brokers, sub-brokers, underwriters, sub-underwriters and agents of stock, shares and securities of all kinds"

- 3.4. On perusal of the submissions of Shri Hemant, it is observed that one of the website of the noticees is www.indoglobalfinancial.com. However, it is observed that the website of Indoglobal is inactive. Hence, the archives of the said website were obtained. In this regard, past webpage dated April 05, 2017 annexed at Annexure E of www.indoglobalfinancial.com were perused and details of the same are as following:

"Home

Welcome to Indo Global Financial Services & Consultancy Pvt Ltd

- *We are the best equity research company in the market*

Our Consulting Services

Effective Portfolio Management

We first sit with you, and understands your Risk and Investment, and then according to your portfolio, we make strategies and also provide you Free Demo Before Execution to test Our Quality and Efficiency!!

About Us

Indo Global Financial Services & Consultancy is a platform where you can find wide range of financial products with nationwide presence. It is providing better solution for your investment and also taking care of customer satisfaction and betterment by providing them best consultancy generated by our experienced financial analyst.

Profile

We want a single chance to prove our self only for real not for virtual

- *We consult to manage Portfolio and all kind of financial instruments with the help of our research & analysis team.*
- *We consult to manage Portfolio (EQUITY SHARES, CURRENCY, COMMODITY, MUTUAL FUND, AND EXPERT IN HEDGING TOOLS LIKE OPTION MARKET).*
- *We provide free of cost consulting until you get 10% profit quarterly on your investment and huge profit on minimum risk by hedging tools.*





**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

- We have best team in Future & Option market and have so many strategies (like BOX, BUTTERFLY, SPREAD, CONVERSION REVERSAL) So that our consultancy is all about to minimize your risk and to increase your returns.

Services

Our Consulting Services: Few are describe below

Free D-MAT account with IIFL, Effective Portfolio Management, Accurate Stock tips, Efficient Stock Trading, Attractive Mutual Funds, Financial Advisory by Experienced Analyst

Equity:

We are the best equity research in the market and we make strategy keeping your portfolio in mind. Our experienced team of market makers and sales traders prides itself on creating liquidity in illiquid markets. We are not broker, we only give consulting on types of financial instruments and make strategy for you to get the best return quarterly!!"

- 3.5. It is observed from the KYC of Indoglobal, provided by HDFC Bank, that the one of the office address of the noticees is "664, Saraswati Vihar, Gurgaon-122002" and corporate office address is "SCO 18, Second Floor, DLF City Mall Parking Road, Saraswati Vihar, Maruti Housing Colony near M G Road Gurgaon". Further, the details of the Directors, their addresses and shareholding pattern of Indoglobal as observed from KYC are as following:

Name	PAN / CIN	Shareholdin g	Address
Shri Tilak Bhardwaj	ALOPB7339L	33%	Ward no. 22, , Churu Rajasthan - 331001
Mithlesh Bhardwaj	AUTPB3543N	33%	Plot no. 249, Gandhi Nagar Colony, Churu Rajasthan - 331001
Umesh Kumar Bhambhu	RJ-13/DLC/07/7722	33%	82 RB, Raisinghnagar, Sriganganagar, Rajasthan - 335051

- 3.6. To examine the receipt of the amount transferred by the complainants to the noticees, the statement of the aforementioned HDFC A/c no. 05722560003027 is obtained and the same along with the KYC details is annexed at Annexure F. On perusal of the same, several credit entries indicative of providing investment advisory/consultancy services by the noticees are observed in the said account from April 01, 2017 to September 09, 2020. Also, it is observed that the total amount of credit received during this period amounts to Rs. 61,35,097/- which includes the amount paid by the complainants. Accordingly, it may be inferred that the other amounts received in the account may have been clients of the noticees and noticees





**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

received the sum in lieu of the said services. Details of the said transactions are as following-

Date	Amount	Transactions Remarks	Remarks
24/05/2017	18,000	50100126969052 -TPT-Consulting Fees	
24/05/2017	25,000	50100154349140 -TPT- Consulting Fees	
24/05/2017	30,000	50100147094445 -TPT-Fees for Consulting	
01/08/17	300,000	NEFT CR-INDB00000006-Shri Pranshu Goel-Indoglobal Financial Services -000091824009	Amount from Shri Pranshu
23/08/17	330,000	NEFT CR-KARB0000545-Aethon International LLP- Indo Global Financial Services	
29/09/17	22,000	11271000017981 -TPT- Consulting Fees	
16/10/17	5,000	50200026880613 -TPT-Test	Amount from Shri Hemant
16/10/17	45,000	50200026880613 -TPT-Soft Loan of 50K	
13/11/17	200,000	IMPS-731717040326-Aethon International -HDFC-XXXXXXXXXXXX6401-Loan to Indo Global	Amount from Shri Pranshu
13/11/17	200,000	IMPS-731717040630-Aethon International -HDFC-XXXXXXXXXXXX6401-Loan to Indo Global	Amount from Shri Pranshu
05/02/18	140,000	00271050031106 -TPT-Professional Fees	
17/02/18	50,000	50100044506660 -TPT-Fees	
19/02/18	150,000	50100044506660 -TPT-Fee	

3.7. From points above it is noted that the noticees represented themselves to Shri Hemant and Shri Pranshu as "stock market related investment advisory/consultancy service providers" and assured high returns on investments done based on their consultancy/advice. The same is also corroborated by the archived pages of the website www.indoglobalfinancial.com and the social media posts of Shri Tilak depicting the nature of services offered by the noticees which was noted to be in line with their representation to the complainants.

3.8. In accordance with the MoU signed between Shri Tilak and the noticees, the latter paid Rs. 50,000/- on October 16, 2017 through electronic mode of transfer, which is reflected in the bank statement of Indoglobal's HDFC bank account. In addition to that, Shri Hemant has submitted that he had paid Rs. 3,50,000/- in cash to Shri Tilak on October 24, 2020 in lieu of the initial profits earned. In regard to the cash payment, Shri Hemant has provided transcripts of telephonic conversation between himself and Shri Tilak on December 05, 2017, wherein Shri Tilak has





भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

- acknowledged and confirmed the receipt of Rs. 3,50,000/- in cash from Shri Hemant.
- 3.9. Further, as per the complaint of Shri Pranshu Goel, he in terms of the MoU signed with the noticees had transferred Rs. 500,000/- to own Demat account (Trading account). Additionally, Shri Pranshu had transferred Rs. 3,00,000/- on August 01, 2017 and Rs. 4,00,000 through his firm Aethon International LLP on November 13, 2017, to Indoglobal's bank account (A/c no. 05722560003027). The same is also evident from the bank account statement of Indoglobal. Receipt of the same was also acknowledged by the noticees in the agreement signed between the noticees and Shri Pranshu on April 28, 2018.
- 3.10. Furthermore, it is evident from the records of e-mail communication between the Shri Hemant and Shri Tilak from September 07, 2017 to September 12, 2017 that investment advices in derivatives was provided by Shri Tilak to Shri Hemant. It is also observed from the WhatsApp group chat of the noticees provided by Shri Hemant that the noticees were claiming to be making investment calls which can generate profits for the investors. Therefore, the noticees were found to be involved in the business of providing investment tips/advice and thus enticing the recipients of the group chat to avail their services.
- 3.11. It is also observed from the written submission dated January 08, 2018 filed before Commissioner of Police, NIT, Faridabad that one of the noticees Shri Tilak had admitted that the noticees has been in the business of providing advice and consultancy related to stock market and financial services. It is also admitted by Shri Tilak that they had entered into an agreement with Shri Hemant for providing advisory services. Although, in his submission Shri Tilak has denied receipt of Rs. 3,50,000/- in cash but admitted that he has received Rs. 50,000/- from Shri Hemant and that too in his current account.
- 3.12. Further, with respect to the suit filed by Shri Pranshu against Indoglobal, the Hon'ble court of Additional District Judge-05, New Delhi (Civil Suit No. 1253/18) vide order dated October 16, 2019, while taking details of the complainant on record inter-alia mentioned that the noticees entered into agreement with Shri Pranshu has decreed the suit in favour of Shri Pranshu and the noticees for a sum of Rs. 16,35,000 along with interest @18% p.a from the date of cheques till filing of the suit.
- 3.13. In light of the facts submitted by the complainants, admissions of the noticees and other evidences as presented in the points above, it appears that the noticees were running the business of investment advisory services providing investment advices





भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

in securities for consideration without obtaining the necessary SEBI registration and thereby acted as Unregistered Investment Adviser.

4. As explained in the points above, it is noted that the noticees were providing "investment advice" as defined under regulation 2 (1) (l) of the IA Regulations. Regulation 2 (1) (l) of the IA Regulations is reproduced below for reference:

"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"

5. Further, Regulation 2 (m) of the IA Regulations defines investment adviser as follows:

"means any person, who for consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called".

6. SEBI (Investment Advisers), Regulations, 2013 came into effect on April 21, 2013 and in terms of Regulation 3 (1) of the Investment Advisers Regulations:

"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.."

7. Further, in terms of Section 12 (1) of the SEBI Act, 1992, for carrying out investment advisory activities one has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of the relevant SEBI 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."





Continuation Sheet

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

8. In view of the aforesaid regulations, i.e., regulation 3 (1) of the IA Regulations read with section 12 (1) of the SEBI Act, 1992, registration is mandatory for carrying out the activities of an investment adviser and since, the noticees were rendering Investment Advisory services without the necessary SEBI registration, they have violated Section 12 (1) of the SEBI Act, 1992 read with provisions of Regulation 3 (1) of the IA Regulations.
9. In view of the above, the noticees are called upon to show cause as to why suitable directions under sections 11 B (1) and 11 (4) of the SEBI Act, 1992 read with section 12 (1) of the SEBI Act and Regulation 3 (1) of the SEBI IA Regulations, 2013 should not be issued against him for the alleged violations referred to hereinabove, including directions for debarment and refund
10. The reply of the noticees, if any, should reach SEBI Chandigarh Local Office, SCO 127-128, First Floor, Sector 17C, Chandigarh - 160017, Chandigarh within 21 days of the date of the receipt of this notice. The reply should also be mailed at chandigarh-lo@sebi.gov.in, gvanendran@sebi.gov.in and mohitac@sebi.gov.in. In case no reply is received from the noticee, within the specified period, it shall be construed that the noticee have no reply to submit and the matter shall be proceeded ex-parte on the basis of the material available on record.
11. If the noticees are desirous of a personal hearing before the Whole Time Member, SEBI, the same may be intimated accordingly. Further, the noticees are advised to keep SEBI informed about the change in your correspondence address, if any, and provide updated email-id and phone numbers, till the proceedings are complete. The noticees are also advised to submit a photocopy of your identification documents for our records.
12. The noticees may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018. If they wish to opt for the settlement process, they may apply for the same in the manner given in the aforesaid regulations under intimation to the undersigned.

Yours faithfully,


Gyanendra Niraj

Enc.-As above

