



भारतीय प्रतिभूति
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Securities and Exchange
Board of India

Adjudicating Officer
Enquiries and Adjudication Office-9

By Speed Post AD / Email

SEBI/HO/EAD/EAD9/P/OW/2023/0000028460/1-3
July 14, 2023

M/s. Money Classic Investment Advisor
SEBI Regn. INA000005473
(Proprietor: Mr. Deepak Mishra)
(PAN- BLVPM9284R)

Address 1	Address 2	Address 3
M/s. Money Classic (Proprietor: Mr. Deepak Mishra) 203, Modi Mansion, EB 250, Scheme No. 94, Ring Road, Indore, Madhya Pradesh, 452010	M/s. Money Classic (Proprietor: Mr. Deepak Mishra) 13-ESI, SCHEME NO.94 SATYA SAI, RING ROAD INDORE, Madhya Pradesh, 452010	M/s. Money Classic (Proprietor: Mr. Deepak Mishra) Prabhat Vihar Colony Satna, Madhya Pradesh, 485001

Sub: Show Cause Notice under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 read with Section 15-I of the Securities and Exchange Board of India Act, 1992

1. Money Classic (Proprietor: Mr. Deepak Mishra), hereinafter referred to as "**Money classic**" / "**Noticee**", is registered with SEBI as an Investment Adviser bearing registration no. INA000001431 and the PAN is BLVPM9284R. Further, the website of Money Classic i.e. www.moneyclassicresearch.com is not active. The registered

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सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर.एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in



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address of Money Classic is 203, Modi Mansion, EB 250, Scheme No. 94, Ring Road, Indore, Madhya Pradesh, 452010.

2. The bank details of all the bank accounts of Money Classic are given below:

Table No 1

Sr. No.	Bank Name	Branch Address	A/c No.
1	Axis Bank	Indore Main Branch	914020017622338
2	ICICI Bank	New Palasia Branch	144105500304

3. Total amount credited in the bank account of Money Classic are stated below:

Table No 2

Name of the Bank	From	To	Amount (Rs.)
Axis Bank	April 1, 2019	August 01, 2019	Rs. 87,02,422/-
ICICI Bank*	April 1, 2019	September 27, 2019	No transactions
Total			Rs. 87,02,422/-

*(The account has been closed on February 5, 2018)

4. Since, Money Classic has failed to provide details regarding year-wise fees collected from the date of registration, it is presumed that Money Classic has collected Rs. 87,02,422/- as fees from April 1, 2019 to till September 27, 2019.
5. Further, it is observed that the website of Money Classic i.e. <http://moneyclassicresearch.com> is not active. However, the said website is available on archive. From the perusal of website of Money Classic as available on archive, the following observations are made:
- The advisory business of Money Classic was based on 'subscription model';
 - The fees were charged on the basis of the product/ package subscribed and the subscription period for the product is quarterly, half-yearly, etc.;
 - In the name of advice, Money Classic provided tips to its client through SMS in Equity (cash and derivatives), forex and Commodity derivatives segment;



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- d. Money Classic provided telephonic and online assistance to its clients.
6. Money Classic offered packages namely Classic Cash, Intraday Cash Plus, Intraday Option Transparency Future, Transparency Option, Penny Stock Service, Forex Services, Commodity Services Stock Cash, Stock Futures, Stock Options, Index Futures/ Options, MCX (Classic/HNI), NCDEX (Classic/HNI), Currency Futures etc. to its clients as part of its advisory activity.
7. SEBI vide Order No. HO/7/2019-2020 dated August 7, 2019, decided to conduct inspection of Money Classic (Proprietor Mr. Deepak Mishra) during the year 2019-2020 in terms of regulation 23 of the SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred as "**IA Regulations**") and section 11(2)(i) of SEBI Act, 1992. However, the entity was not traceable. Accordingly, inspection could not be conducted. On account of the above and based on the other available information, SEBI passed an *interim ex parte* order dated December 27, 2019 (enclosed as **Annexure 1**) against Money Classic and its proprietor namely Mr. Deepak Mishra. It is noted that, said order, the following observations were made:
- "18. In summary, the Noticee, which is a SEBI registered intermediary, has not acted in the best interests of the investors by non-redressal of investor grievances and non-submission of timely ATRs to SEBI. SEBI is also not able to verify the compliance of the Noticee with the applicable regulatory requirements due to its non-traceability. On the basis of this conduct, the Noticee does not, prima facie, satisfy the 'fit and proper person' criteria to continue to act as an investment adviser. Hence, I am convinced that this is a fit case where, pending detailed examination, effective and expeditious preventive action is required to be taken by way of an ad interim ex-parte order to protect the interests of investors and preserve the safety and integrity of the securities market."*



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8. The said interim order has been confirmed by SEBI vide Confirmatory Order dated May 27, 2022 in the said matter.
9. In view of above, Competent Authority of SEBI has appointed the undersigned as Adjudicating Authority vide order dated June 15, 2023 to enquire into and adjudge under Section 15A(a), 15C, 15HA and 15EB of SEBI Act for the alleged violations by the entity as mentioned in upcoming paragraphs. The said order has been communicated by vide communiqué dated June 20, 2023. (Enclosed as **Annexure 2**)

10. Non-Compliance with SEBI Order dated December 27, 2019

- 10.1. SEBI vide its letter IMD-DOF1/IA/NM/OW/P/4969/1/2019 dated December 30, 2019, forwarded a copy of order passed by Whole Time Member to the registered office address through SPAD. The said letter came back undelivered. Vide email dated August 14, 2020, a copy of the order was sent to dpkmishra1112@gmail.com, the registered email id. Vide the said email, Money Classic was, *inter-alia*, advised to furnish information regarding bank account statements of the proprietor, year-wise fees collected since the date of registration, client master data, copy of audited financial statements for last three years, sample copy of agreement entered into with the clients, etc.
- 10.2. Further, vide letter dated SEBI/AROWRO/ILO/SL/OW/P/5840/12020 dated August 14, 2020, Money Classic was also advised to furnish the above stated information. The aforesaid letter also came back undelivered. Further, a public notice dated September 7, 2020 was issued in The Times



of India and Dainik Bhaskar informing about the Order dated December 27, 2019 (enclosed as **Annexure 3**). SEBI has not received any reply from Money Classic and its Proprietor till date.

10.3. It is also noted that SEBI vide its aforementioned order had, *inter-alia*, directed Money Classic and its proprietor to "provide a full inventory of all assets held in their name, whether movable or immovable, or any interest or investment or charge on any of such assets, including details of all bank accounts, demat accounts and mutual fund investments, immediately but not later than 5 working days from the date of receipt of this order". However, no information to this effect has been received from Money Classic and its Proprietor.

10.4. In view of above, it has been alleged that by not providing the information as mandated by the SEBI, Noticee is liable for monetary penalty under Section 15A(a) of SEBI Act.

11. Non-redress of SCORES complaints

11.1. SEBI had received number of complaints in SCORES against Money Classic. Till September 28, 2019, a total of 255 complaints had been received against Money Classic in SCORES portal, out of which 31 were pending against Money Classic. The number of pending complaints as on April 30, 2021 against Money Classic are as under:

Table No 3

Year	Pending Investors Complaints as on April 13, 2021
2018	19
2019	16
2020	2



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Total	37
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11.2. Post September 30, 2019, SEBI had received 11 more complaints. Out of these 11 complaints, 3 complaints were closed as these were duplicate complaints. For the purpose of this examination, emails dated March 4, 2021 were sent to all 8 complainants from whom complaints were received seeking the following details:

- Risk Profile Assessment forms received from the IA;
- Suitability Assessment received from the IA;
- Invoices received from the IA;
- Any email correspondences with the IA;
- WhatsApp Chats with IA, if any;
- Call recordings, if any;
- Whether broking and demat account, login ID and password were shared with IA along with supporting evidences;
- Any assurance of profits or guaranteed returns provided by the IA along with supporting evidences;
- Summary of payments made to the IA, along with the proof of payments made;
- Any other evidence in support of the allegations made against the IA.

11.3. The details regarding emails sent to complainants, the responses received from complainants are given below:

Table No 4

Sl. No.	Name of the Complainant	SCORES Registration No.	Date of the Receipt of Complaint	Date of email seeking information from the complainant	Date of information received from the Complainant
1	Manmohan Sharma	SEBIE/MP20/000 0732/1	16/03/2020	04/03/2021	04/03/2021, 12/03/2021



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Sl. No.	Name of the Complainant	SCORES Registration No.	Date of the Receipt of Complaint	Date of email seeking information from the complainant	Date of information received from the Complainant
2	Rangbadi	SEBIE/MP20/000 0509/1	20/02/2020	04/03/2021	Not received
3	Chaitanya Shirore	SEBIE/MP19/000 3057/1	21/11/2019	04/03/2021	06/03/2021, 08/03/2021, 13/03/2021
4	Rishi Katwal	SEBIE/MP19/000 2682/1	18/10/2019	04/03/2021	Not received
5	Sandeep Kumar Tiwari	SEBIE/MP19/000 2494/1	26/09/2019	04/03/2021	Not received
6	Anil Kumar Intodia	SEBIE/MP19/000 2462/1	22/10/2019	04/03/2021	Not received
7	Rohit Sinha	SEBIE/MP19/000 2427/1	16/10/2019	04/03/2021	04/03/2021
8	Mohammad Haroon	SEBIE/MP19/000 2296/1	27/09/2019	04/03/2021	Not received

11.4. For the purpose of this examination, all the responses that were received from the complainants were examined. From the responses received from the complainants, the following observations are made:

- Only one complainant could provide risk profile form;
- None of the complainants could provide any suitability assessments received from Money Classic;
- Only one complainant- Shri. Manmohan Sharma has provided call recordings of the conversation between him and the representatives of Money Classic wherein the representative of Money Classic was assuring high returns to Shri. Sharma.

11.5. From the details provided by Shri. Rohit Sinha, it is observed that he paid Rs. 5,500/- to Money Classic on May 8, 2019. It has also been alleged by Shri Rohit Sinha, Money Classic caused loss of an amount of Rs. 56,500/- to him. Shri Rohit Sinha has provided the payment receipt and WhatsApp



chat between him and the employee of Money Classic as evidence. Further, complainant, Shri. Manmohan Sharma, has provided call recording between him and the representative of Money Classic.

- 11.6. Complainant, Shri. Chaitanya Shirore has also provided WhatsApp chat between him and representative of Money Classic. Further, Shri. Shirore has provided copies of receipts regarding the payment made by him to Money Classic. From such receipts, it is observed that Shri Shirore has paid Rs. 91,250/- to Money Classic, the details of which are given below:

Table No 5

Sl. No.	Date	Amount Paid (Rs.)
1.	June 25, 2019	5,000
2.	June 26, 2019	18,000
3.	June 26, 2019	9,900
4.	June 27, 2019	30,000
5.	June 27, 2019	1,000
6.	June 27, 2019	20,000
7.	June 29, 2019	7,250
Total		91,250

- 11.7. As on April 30, 2021, it is noted that 37 unique complaints were pending against Money Classic at SCORES portal for more than 30 days. It has been observed that Money Classic has not complied with the timeline to resolve the complaints as prescribed under SEBI Circular No. CIR/OIAE/2014 dated December 18, 2014. Details of the pending complaints are tabulated as under:



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Table no 6

S. No	SCORES Complaint No.	Name of the Complainant	Date of Receipt of Complaint	Date of forwarding the complaint to Money Classic	Date of Receipt of ATR	Time taken in excess of 30 days to file ATR as on April 30, 2021
1	Manmohan Sharma	SEBIE/MP20/0000732/1	16/03/2020	02/04/2020	Not filed	363
2	Rangbadi	SEBIE/MP20/0000509/1	20/02/2020	16/12/2020	Not filed	105
3	Chaitanya Shirore	SEBIE/MP19/0003057/1	21/11/2019	04/12/2020	Not filed	117
4	Rishi Katwal	SEBIE/MP19/0002682/1	18/10/2019	04/12/2020	Not filed	117
5	Sandeep Kumar Tiwari	SEBIE/MP19/0002494/1	26/09/2019	02/04/2020	Not filed	363
6	Anil Kumar Intodia	SEBIE/MP19/0002462/1	22/10/2019	04/12/2020	Not filed	117
7	Rohit Sinha	SEBIE/MP19/0002427/1	16/10/2019	22/10/2019	Not filed	526
8	Mohammad Haroon	SEBIE/MP19/0002296/1	27/09/2019	27/09/2019	Not filed	551
9	Shushil Kumar	SEBIE/MP19/0002120/1	02/09/2019	05/09/2019	Not filed	573
10	Suresh Toppo	SEBIP/MP19/0000326/1	31/07/2019	03/08/2019	Not filed	606
11	Ashish Kumar Mishra	SEBIE/MP19/0001822/1	24/06/2019	27/07/2019	Not filed	613
12	Avtar Singh	SEBIE/MP19/0001453/1	14/06/2019	17/06/2019	Not filed	653
13	Patel Kanu Bhai Bhagwandas	SEBIP/MP19/0000250/1	30/05/2019	10/06/2019	25/06/2019	660
14	Prasad Somnath Durgude /Self	SEBIE/MP19/0001200/1	15/04/2019	20/05/2019	26/06/2019	681
15	Dhaval Dayarambhai Khodiyar	SEBIP/MP19/0000144/1	12/03/2019	15/03/2019	Not Filed	747
16	Virender Khatri	SEBIE/MP19/0000606/1	11/03/2019	12/03/2019	13/03/2019	750
17	Pradeep Kochar	SEBIP/MP19/0000093/1	12/02/2019	14-Feb-19	19/02/2019	776

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S. No.	SCORES Complaint No.	Name of the Complainant	Date of Receipt of Complaint	Date of forwarding the complaint to Money Classic	Date of Receipt of ATR	Time taken in excess of 30 days to file ATR as on April 30, 2021
18	Manoj Kumar Sati	SEBIP/MP19/0000081/1	06/02/2019	08-Feb-19	Not filed	782
19	Suresh E.	SEBIE/MP19/0000120/1	14/12/2018	16/01/2019	17/01/2019	805
20	Tarun Kumar	SEBIE/MP19/0000076/1	09/12/2018	14/01/2019	27/02/2019	807
21	Vihar V. Wankhade	SEBIE/MP18/0004751/1	11/12/2018	12/12/2018	Not filed	840
22	Alpesh Patel	SEBIE/MP18/0004728/1	05/11/2018	06/12/2018	19/02/2019	846
23	Om Prakash Pandey	SEBIE/MP18/0004609/1	20/11/2018	20/11/2018	Not filed	862
24	Vipin Panwar	SEBIP/MP18/0000499/1	14/11/2018	20/11/2018	29/11/2018	862
25	R Subrahman yam	SEBIE/MP18/0004488/1	01/11/2018	13/11/2018	19/11/2018	869
26	Mitesh Srivastava	SEBIE/MP18/0004405/1	18/10/2018	23/10/2018	25/10/2018	890
27	Ritesh Bhatia	SEBIE/MP18/0004312/1	30/09/2018	04/10/2018	05/10/2018	909
28	Haribhau Mahamuni	SEBIE/MP18/0004243/1	20/08/2018	21/09/2018	24/09/2018	922
29	Hariram suthar	SEBIE/MP18/0004104/1	18/08/2018	18/10/2018	25/10/2018	895
30	Anand Parkash Garg	SEBIP/MP18/0000341/1	10/08/2018	04/09/2018	13/09/2018	939
31	Deepika sharma	SEBIE/MP18/0004051/1	06/08/2018	10/09/2018	13/09/2018	933
32	Muneendra Meesala /Self	SEBIE/MP18/0003631/1	28/07/2018	10/09/2018	25/09/2018	933
33	Jay Dayanand Shelar /Self	SEBIE/MP18/0002173/1	17/07/2018	30/10/2018	19/02/2019	883
34	Laxman Shegunasi	SEBIE/MP18/0002118/1	12/07/2018	01/11/2018	17/11/2018	881

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S. No.	SCORES Complaint No.	Name of the Complainant	Date of Receipt of Complaint	Date of forwarding the complaint to Money Classic	Date of Receipt of ATR	Time taken in excess of 30 days to file ATR as on April 30, 2021
35	Anil Kumar /Self	SEBIE/MP18/0001975/1	27/06/2018	09/07/2018	25/09/2018	996
36	Laxman Singh Sekhawat /Self	SEBIE/MP18/0001566/1	02/05/2018	05/06/2018	06/06/2018	1030
37	Sunit N Buchanalli	SEBIE/MP18/0001427/1	16/04/2018	26/06/2018	30/07/2018	1009

(Note: details of complaint enclosed as Annexure 4)

11.8. From the above, From the above, it is observed that there are 37 complaints received against Money Classic which are pending for resolution. Out of 37 complaints, in case of 16 complaints, Money Classic has not filed any ATR. It is observed that in case of other 21 complaints, Money Classic has filed ATR with substantial delays i.e. 30 days to 1030 days.

11.9. Further, it is observed that Money Classic has not submitted the ATR in a time bound manner as prescribed by SEBI and has also not resolved investor grievances, thus, it has been alleged that Money Classic and its Proprietor Deepak Mishra have not complied with SEBI Circular no. CIR/OIAE/2014 dated December 18, 2014 read with Regulation 21 of IA Regulation and thereby allegedly liable for monetary penalty under Section 15C of SEBI Act.

12. Failed to meet 'fit and proper' criteria

12.1. Inspection of Money Classic was scheduled during the period September 24, 2019 to November 15, 2019. In this regard, as per the procedure, pre-



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inspection questionnaires were sent to Money Classic on the registered address available on record i.e. "203, Modi Mansion, EB250, Scheme No.94, Ring Road, Indore 452010". Further, the Money Classic had applied for change in registered office address in SI Portal on January 3, 2019 to "13-ESI, Scheme No. 94, Satya Sai, Ring Road, Indore-452010," but did not submit the physical documents to ILO. The pre-inspection questionnaire was also sent to the IA on the address "13-ESI, Scheme No. 94, Satya Sai, Ring Road, Indore-452010". The said letters came back undelivered with the remark "Item Returned Addressee Left Without Instructions". (enclosed as Annexure 5)

12.2. Thereafter, site visits were also conducted at both the addresses i.e. 203, Modi Mansion, EB250, Scheme No.94, Ring Road, Indore 452010 and 13-ESI, Scheme No. 94, Satya Sai, Ring Road, Indore-452010 during different times but both the premises were closed. Thus, it is observed that due to non-traceability of the IA, SEBI is not able to ensure compliance of provisions of IA Regulations.

12.3. Regulation 6 (f) of the IA Regulations is reproduced below for reference:

Consideration of application and eligibility criteria.

6. For the purpose of grant of certificate the Board shall take into account all matters which are relevant to the grant of certification of registration and in particular the following, namely, -

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(f) whether the applicant, its representatives and partners, if any, are fit and proper persons based on the criteria as specified in schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

- 12.4. From the above, it is observed being 'fit and proper' is *sine qua non* to the grant of certificate of registration to the Investment Adviser. Regulation 13 of the IA Regulations deals with 'Conditions of certificate'. Regulation 13(a) of IA Regulations is reproduced below for reference:

The certificate granted under regulation 9 shall, inter alia, be subject to the following conditions: -

(a) the investment adviser shall abide by the provisions of the Act and these regulations;

- 12.5. Schedule II of the SEBI (Intermediaries) Regulations, 2008 deals with criteria for determining a 'Fit and Proper' person. The same is reproduced below for reference:

Further, for the purpose of determining as to whether an applicant or the intermediary is a 'fit and proper person' the Board may take account of any consideration as it deems fit, including but not limited to the following criteria in relation to the applicant or the intermediary, the principal officer, the director, the promoter and the key management persons by whatever name called -

- (a) integrity, reputation and character;*
- (b) absence of convictions and restraint orders;*
- (c) competence including financial solvency and net-worth; and*
- (d) absence of categorization as a wilful defaulter.*



- 12.6. From the above, it is observed that the definition of 'fit and proper' is an inclusive definition, and may include other criteria which would determine the 'fit and proper' status of the Intermediary.
- 12.7. From the criteria for determining a 'Fit and Proper' person, it is clear that a registered intermediary cannot be termed as 'fit and proper' when it is not fulfilling one of the primary duties of a registered intermediary i.e. resolving complaints of its clients. Further, due to non-traceability of the IA, SEBI is not able to ensure compliance of provisions of IA Regulations by Noticee
- 12.8. In view of aforesaid facts and circumstances, it is alleged that Money Classic and its Proprietor Mr. Deepak Mishra has violated the 'fit and proper' criteria and thereby it has been alleged that Noticee violated Schedule II of SEBI (Intermediaries) Regulations, 2008 read with regulations 6(f) and 13(a) of IA Regulations read with Regulations 28(b) and (d) of IA Regulations and thereby, allegedly liable for monetary penalty under Section 15C of SEBI Act.

13. Promising assured profit / unrealistic return to its clients:

- 13.1. Money Classic has been promising high, assured /unrealistic returns for the investments made by the clients and in the process luring them to make larger investments. The high returns are promised to the clients based on the advice/ tips/ calls given by the IA. In this regard, reliance has been placed on the Complaint of Mr. Manmohan Sharma (SEBIE/MP20/0000732/1) which was received in SCORES wherein complainant has submitted the call recording of the conversations between one of the employee of Money Classic and him. Copy of email dated March



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12, 2021 sent by the complainant. The transcript of the relevant portion of the call recording is placed below for reference:

Table No 7

Duration of the talk	Name of the person	Transcript
9:02 TO 9:57	Complainant	50,000 se pehle pehle to profit he aaraha tha jab call di thi aapne
	Employee (Vermaji)	nahi loss bhi hua hai sir koi aisa nahi hai loss
	Complainant	n. a.
	Employee (Vermaji)	bhi hua hai lekin vo aapko kam pe loss hua hai vo to main aapko directly call kar ke de deta tha thik hai isliye aapko properly target nahi jaate the aapko kisi din aisa hota hai ki loss bhi hota hai buy sell main hota hai kabhi kabhi aisa aur ek chez batata hu main aapko abhi kya hai meri baat suno abhi 4 baje hue hai 4:30 baje tak ho jayeha aur ek chez main batao aapko hum ko sir ke saath hi kaam karna hai thik hai aap jis din bol doge investment <u>aapka rahega profit aapka rahega aapko batana rahega jisse investment aapka rahega kaam hum kar va denge aap to koi bhi share pe kaam karo 1,000 share pe karoge to 10,000 ka profit rahega 10,000 share pe karoge to 1, 00,000 sorry 10, 00,000 ka profit rahega. thik hai. aur ek chiz main bata du aapko</u>
	Complainant	laakho ki baat karne ka kisi ne bola aapko laakho main meri capacity hai he ni paise nahi hai laakho ki baat kar rehe ho aap batao. meri insult kar rahe ho mazaak uda rehe ho aap batao.
1:06 TO 1:46	Complainant	itna loss ho gaya aapne ko uska kya



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Duration of the talk	Name of the person	Transcript
	Employee (Vermaji)	sab nikal jayega sab nikal jayega bas thoda patience rakna padega sir aapko patience to rakhi rahe hai sir aacha aap bataiye aaj kitna ho gaya sir
	Complainant	ha
	Employee (Vermaji)	aaj 16 tarik hai aur ek cheez main bata du <u>aapko maine jo bataya aaj ka commiment 50,000 pay karo aaj ki date main 50,000 se 1, 00,000 tak ka profit dunga main option main thik hai broker se aap bat karlo option main agar 4 se 5 lakh ka margin ye mat batao ke 1 ya 2 lot hai margin batao option main agar 4 se 5 lakh ka margin de deta hai to uske according profit kitna nikal sakta hu bata dunga main thik hai.</u>

(enclosed as **Annexure 6**)

13.2. Further, from the website pages of Money Classic, the following disclosures regarding assured returns are observed (enclosed as **Annexure 7**)

a) Classic HNI (MCR-S-C-43)

This is specially designed for traders to earn high return on their investment in commodity market, as we specifically give calls with big targets.

b) Penny Stock Service

Penny stocks are on fewer prices and have potential to go up to give at least 20 – 30 % return. We ensure that every stock recommended by us will give you 20 – 30 % return.



13.3. In view of above, it is observed that Noticee induced clients by promising them assured unrealistic profits. Thus, it is alleged that Money Classic has shown complete disregard to the responsibility to act in fiduciary capacity to its client entrusted on him under IA Regulations, thereby, violating regulation 15(1) and clauses 1, 2 and 8 as specified under third Schedule of Code of Conduct for Investment Adviser read with Regulation 15(9) of IA Regulations. Further, such representation is therefore prima facie, fraudulent and is covered within the definition of "fraud" defined under regulation 2(1)(c) of PFUTP Regulations. Hence, Money Classic and its proprietor *namely* Deepak Mishra has violated the provisions of Regulation 3 (a), (b), (c) and (d), 4(1) and 4(2)(k), (s) read with Regulations 2(1)(c) of PFUTP Regulations read with Section 12A(a), (b) and (c) of SEBI Act and thereby, allegedly liable for monetary penalty under Section 15HA of SEBI Act.

14. Execution Service Provided

14.1. From the WhatsApp chat between the representative of Money Classic and the Complainant Mr. Rohit Sinha, it is observed that Money Classic provided executed trades on behalf of Mr. Rohit Sinha. For this purpose, the relevant extracts of the WhatsApp chats are placed below for reference:

[5/9/19, 9:13:28 AM] Rohit Sinha: I will do it once I m free give me 10 min

[5/9/19, 9:15:06 AM] Jaya MCR: ok

[5/9/19, 9:16:43 AM] Jaya MCR: aap ki company ka name kya he

[5/9/19, 9:16:56 AM] Rohit Sinha: Parsons

[5/9/19, 9:17:25 AM] Jaya MCR: New York Stock Exchange (NYSE)

[5/9/19, 9:17:30 AM] Rohit Sinha: Yes

[5/9/19, 9:19:19 AM] Rohit Sinha: May@2019



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[5/9/19, 9:19:26 AM] Rohit Sinha: Done
[5/9/19, 9:19:36 AM] Jaya MCR: today 11% increase your company shares
[5/9/19, 9:19:44 AM] Rohit Sinha: So u r saying there were other trades
made on the account yesterday
[5/9/19, 9:19:46 AM] Rohit Sinha: 30 rs script
[5/9/19, 9:19:49 AM] Rohit Sinha: Yes
[5/9/19, 9:20:05 AM] Rohit Sinha: We r celebrating
[5/9/19, 9:20:20 AM] Jaya MCR: yes, sir
[5/9/19, 9:20:34 AM] Rohit Sinha: Password changed now try
[5/9/19, 9:20:39 AM] Jaya MCR: I am doing only 500 shares

14.2. It is observed that, the IA was executing trades on behalf of the clients and the same is outside the scope of activities of IA. Furthermore, the information which the IA can seek from its clients has to be relevant for the purposes of the services to be provided to them. Thus, it is alleged that the said actions of Money Classic are in violation of Regulation 15(1) and Clause 4 of Code of Conduct as specified under Third Schedule read with Regulation 15(9) of IA Regulations, and thereby, liable under 15EB of SEBI Act.

15. In view of above, you are called upon to show cause as to why appropriate recommendation should not be made against you as prescribed under Regulation 23 and Regulation 27 of the Intermediaries Regulations. Accordingly, this notice is being issued to you under regulation 25(1) of Intermediaries Regulations. In terms of regulation 25(4) of Intermediaries Regulations, you are advised to submit your reply, if any, together with the copies of the documents, if any, that you may choose to rely upon to support your contentions, to the undersigned and through email at



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vijayantkv@sebi.gov.in and aloks@sebi.gov.in within 14 days of receipt of this notice, failing which it shall be presumed that you have no reply to submit and the matter shall be proceeded on the basis of the material available on record.

16. It may be noted that a settlement mechanism is provided under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. If the Noticees wish to avail the benefits of the settlement process, it/he/she may apply for the same in the manner provided in the said regulations under intimation to the undersigned.

17. Further, you are required to keep the undersigned informed about the change in your correspondence address, if any, till the conclusion of the proceedings. You are also required to submit a photocopy of your PAN card and contact details viz. Telephone numbers / Fax numbers / e-mail IDs and details of contact persons for records.

Date: July 14, 2023
Place: Mumbai


Vijayant Kumar Verma
Adjudicating Authority

Enclosure:

Annexure	Documents
1	SEBI passed an interim ex parte order dated December 27, 2019
2	Communiqué dated June 20, 2023
3	Publication of undelivered interim order dated December 27, 2019
4	Details of the pending complaints
5	Return of pre-inspection questionnaire
6	Call Recordings
7	Copies of website pages of M/s money classic specially relating to the products Classic HNI and Penny Stock Services