

WTM/AB/SRO/SRO/15080/2021-22

**SECURITIES AND EXCHANGE BOARD OF INDIA
FINAL ORDER**

Under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992

In Respect of:

Sr. No.	Name of the Entity	PAN
1	Simply Earn Research	ACZFS1949R
2	Mr. Animesh Parida	BSKPP4293D
3	Mr. Parth R Trivedi	AVJPT2739D

In the matter of unregistered investment advisory services by Simply Earn Research

(Aforesaid entities are hereinafter individually referred to by their respective name or Noticee number and collectively as “the Noticees”).

1. The present proceedings emanate from an *ad interim ex parte* order dated January 25, 2021 (hereinafter referred to as “**the interim order**”) passed by the Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) against Simply Earn Research, a partnership firm (hereinafter also referred to as “**SER**”) and its partners Mr. Animesh Parida and Mr. Parth R Trivedi as the unregistered investment advisory activities of the Noticees were *prima facie* found to be in violation of the provisions of Section 12(1) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act, 1992**”) and Regulation 3(1) of SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as “**IA Regulations**”). By the interim order, *inter alia* following directions were issued to the Noticees.

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33.1. *Simply Earn Research and its partners Mr. Animesh Parida and Mr. Parth R Trivedi are directed:-*

33.1.1. *to cease and desist from acting as an investment advisor including the activity of acting and representing through any media (physical or digital) as an investment advisor, directly or indirectly, and cease to solicit or undertake such activity or any other activities in the securities market, directly or indirectly, in any matter whatsoever;*

33.1.2. not to divert any funds collected from investors, kept in bank account(s) or in their custody;

33.1.3. not to dispose of or alienate any assets, whether movable or immovable, or any interest or investment or charge on any of such assets held in their name, including money lying in bank accounts except with the prior permission of SEBI.

33.1.4. to immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, websites, communications etc., in relation to their investment advisory activity or any other unregistered activity in the securities market;

33.1.5. not to access the securities market and buy, sell or otherwise deal in securities, either directly or indirectly, in any manner whatsoever;

33.1.6. 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;

33.1.7. to submit the number and details of clients who have availed their investment advisory services and to submit details of fees collected from each such client, immediately but not later than 5 working days from the date of receipt of this order.

33.2. If Simply Earn Research and its partners Mr. Animesh Parida and Mr. Parth R Trivedi have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out/ square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. Simply Earn Research and its partners Mr. Animesh Parida and Mr. Parth R Trivedi are permitted to settle the pay in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order.

33.3. ICICI Bank and SBI are directed neither to permit any debits / withdrawals and nor to allow credits, from / to the following bank accounts, without the permission of SEBI. PayU money where Simply Earn Research is holding an account, is directed to deactivate the said account. The said Banks and payment gateway are directed to ensure that all the above directions are strictly enforced.

Sr. No	Name of Bank Account Holder	Bank Account Number	Name of the Bank
	Simply Earn Research	100805001201	ICICI Bank
	Simply Earn Research	37240904225	SBI

.....”

2. The interim order was also in the nature of a show cause notice wherein the Noticees were provided with the opportunity to file their objections/reply, if any, within 21 days from the date of the interim order and were also provided with an opportunity of personal hearing before SEBI, on a date and time to be

fixed on a specific request to be made by the Noticees. In this regard, Interim Order directed as under:

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34. This Order shall also be treated as a Show Cause Notice and Simply Earn Research and its partners Mr. Animesh Parida and Mr. Parth R Trivedi are show caused as to:

34.1. why the investment advisory plans floated by them should not be held as “Investment Advisory Services” in terms of the IA Regulations and thereby the activity of SER be treated as unregistered activity under the SEBI Act and relevant Regulations;

34.2. why suitable directions / prohibitions under Sections 11(1), 11(4), 11B(1) and 11D of the SEBI Act and relevant SEBI Rules/Regulations, including the following, should not be issued / imposed against them, for the alleged violation of provision of SEBI Act and IA Regulations as discussed above in this order:

34.2.1. Directions for prohibition from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for an appropriate period;

34.2.2. Directions to not be associated with any registered intermediary/ listed company and any public company which intends to raise money from public in the securities market, in any manner whatsoever;

34.2.3. Directions as to why they should not be directed to refund, jointly and severally, the fees collected from the investors/clients for unregistered investment advisory activities under Sections 11 and 11B(1) of SEBI Act;

34.2.4. Any other directions as it deemed necessary.

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3. The interim Order was served upon the Noticees vide letter dated January 25, 2021. Vide letter dated February 01, 2021, the Noticees acknowledged SEBI's Interim Order but sought additional time to submit their replies and to *inter alia* provide full inventory of their assets and details of their clients who had availed their investment advisory services. Vide email dated February 17, 2021 received from one Ms. Meghna Jha, an authority letter in favour of M/s Umbrella Consultancy LLP on behalf of the Noticees, stating that they have been authorize by the Noticees to *inter alia* appear and make representations on behalf of the Noticees and to attend personal hearing before SEBI was submitted. Vide email dated February 24, 2021, it was informed to the Noticees that their request made vide email dated February 01, 2021 for granting extension of time to submit documents had been acceded to and the

Noticees were given time till March 11, 2021 to submit their replies/documents. The Noticees were also requested to indicate whether they desire to avail the opportunity of personal hearing in the matter. The Noticees vide letter dated March 09, 2021 submitted the list of details of clients who have availed their investment advisory services and submitted merit based reply to the Interim Order. Vide email dated June 24, 2021 the Noticees filed additional reply which was the Auditor confirmation for the details of amount mentioned in their reply dated March 09, 2021 and also requested for opportunity of personal hearing in the matter. Thereafter, the matter was placed before me on August 06, 2021 for granting date for personal hearing in the matter and hearing was scheduled on January 18, 2022. On the scheduled date and time of hearing, one Ms. Meghna Jha, authorised representative on behalf of the Noticees appeared and made submissions. The authorised representative admitted to the allegations contained in the Interim Order and requested to pass the appropriate order as deemed fit by competent authority.

4. I note that the following facts have been recorded in the Interim Order dated January 25, 2021 against the Noticees:
 - a. SEBI was in receipt of a complaint / email dated August 13, 2018 from a complainant wherein, the complainant had attached the payment receipt of Rs. 1,000 made to SER through PayU money gateway and inter alia alleged that SER is a fraud company and requested SEBI to stop the activities of SER. Pursuant to the complaint, SEBI conducted an examination in relation to the affairs of the Noticees to ascertain possible violation, if any, of the provisions of SEBI Act, 1992 and rules and regulations made thereunder.
 - b. It was observed that the Noticees were not registered with SEBI in any capacity. The website of SER was perused and observed that website www.simplyearnresearch.com was active at the time of passing of Interim Order.
 - c. From the website of SER, it was observed that they were using bank account number 100805001201 held in the name of SER with ICICI Bank, bank account number 37240904225 held in the name of SER with State Bank of India (SBI) and PayUmoney gateway for accepting payments. Accordingly, Account Opening Form (AOF), Know Your Client (KYC) details and bank statements / statement of transactions for these accounts were sought from ICICI Bank, SBI and PayUmoney.

- d. From the perusal of the information obtained from the webpages of website of SER www.simplyearnresearch.com which was active at the time of passing of Interim Order, the following claims made by SER were noted.
- i. *Simply Earn Research is been promoted by a group of Stock Market analysts who are certified by National Stock exchange and other International certifications and have experience of more than 5-10 years of Technical and fundamental analysis. SER is a leading research and advisory firm in India, The firm is one of the biggest player with a dominant position in both Institutional and Retail. Company specializes in the business of Analysis, Information and Intelligence. We have made an effort at to bring you the top technical, fundamental basics of stock. Simply Earn Research provides multitude of product to suit all kind of players in Indian Stock Market namely Intraday, Nifty, Delivery, F&O, Commodities including bullions, metals & Agro-commodities traded in MCX and NCDEX. We have been providing valuable Tips to our clients through various methods.*
 - ii. *Simply Earn Research is equipped with a team of the best and most experienced professionals who work with full devotion towards benefitting customers and helping them and their capital achieve new heights. All Content is developed and updated by our team of Qualified and Experienced Professionals The research team comprises of MBA's, CA's with Banking and Finance domain expertise. Apart from their educational background they have relevant experience and Sound understanding of Economy, Market Trend and Company Analysis. We know our clients' brands inside and out to create bespoke campaigns that bring the brand story to life, engage with consumers and inspire the media.*
- e. SER provided services under two categories viz., (1) *Trading* and (2) *Investment*. Under each category various services are provided. The description of one of its service "*Intraday Stock Cash*" service under the category *Trading* was as under:

INTRADAY STOCK CASH

Intraday Stock Cash is a cash service that is especially tailored on the unique concept of "Intraday Entry & Intraday Exit" for traders that desire investing less time and less effort in the stock market and aim at reaping great benefit same day in the cash segment. Working on Intraday Scripts for daily basis is quite risky under volatile circumstances but our exceptionally skilled and experienced research team gives recommendations after in depth research on the stock.

Calls are given for NSE Stock Cash Traders. We give the calls through PHONE CALLS/SMS system depend on the service availed which ensure instant delivery of calls so that you get enough time to enter the trade and make maximum profit. Whether you are a seasoned trader or a newbie in trading, Stock recommendation services provided by us are easy to understand, and are easily understandable as all levels are clearly mentioned in our recommendations, which helps traders to make right move at right time.

KEY FEATURES

Frequency of Calls/Recommendations

We will provide you around 1-2 Stock Cash Calls Daily. (Strictly intraday)

Profit Expectations & Accuracy

On each recommendation you can expect 2% to 5% returns with consistent month on month accuracy of 75% to 80%.

Service Medium

All recommendations will be sent on a real time basis via one of the below mentioned mode of delivery

1. SMS (Please make it sure to be in network range).
 2. Live messenger
- Technical assistance throughout the day.*

Sample Call

You will receive recommendation in the following format –

SER CALL: BUY CAPLI POINT ABOVE 552 CMP TG 572 SL 545.70

SER UPDATE: CAPLIPOINT TG ACHIEVED BOOK FULL PROFIT.

Target & Stop loss

Each Call will have only One Target with One Stop Loss unlike others with multiple ones.

Types of Recommendations

Recommendation will be given from mid-cap and large-cap scripts in cash so that you get enough bandwidth to execute your calls.

Updates

We will send you instant updates (via SMS, Whatsapp & Assistance) whenever:

1. The buy price is triggered

2. The recommendation makes profit & touches new highs

3. The recommendation hits the Stop loss & not executed

You will also receive MORNING BELL at the beginning (morning – before 9:15 am) and CLOSING BELL (evening – before 3.45 pm) of each trading day.

Additional Support

You will also receive MORNING BELL at the beginning (morning – before 9:15 am) and CLOSING BELL (evening – before 3.45 pm) of each trading day

☐ Nifty Review, Resistance & Support.

Daily Newsletter Free Will Be Provided

- f. The pricing of various packages / services offered by SER as per its website was as under:

Category	Package	Duration					
		1 Month	3 Month	6 Month	1 Year	2 Year	3 Year
Trading	Equity	10,000	20,000	30,000	50,000	-	-
	Commodity	15,990	28,990	41,990	75,990	-	-
	Premium	15,990	28,990	41,990	75,990	-	-
Investment	Short Term Investment	-	15,000	25,000	40,000	-	-
	Medium Term Investment	-	-	10,000	15,000	21,000	-
	Long Term Investment	-	-	-	10,000	20,000	30,000

- g. From the above table, it is noted that fee charged by SER for its various services are in range from Rs. 10,000/- to Rs. 75,990/-.

- h. The following bank account details along with the PayUmoney gateway link were mentioned on website of SER:

Entity	SER	
Bank	ICICI Bank	SBI
Account Name	Simply Earn Research	Simply Earn Research
Account No.	100805001201	3724090422
Account Type	Current	Current
IFSC Code	ICIC0001008	SBIN0040583

- i. The following information was gathered from ICICI bank, SBI and PayUmoney payment gateway (upto 15/12/2020) in regard of aforementioned bank accounts:

Account Name	Bank Name / Payment Gateway	Date of Account Opening	A/c no.	Bank Statement Period	No. of Credit Transaction	Date of last Credit	Total Credit in Rs.
Simply Earn Research	ICICI Bank	21/01/2016	100805001201	28/01/2016 - 05/12/2020	#445	05/12/2020	57,43,167
Simply Earn Research	State Bank of India	16/10/2017	37240904225	16/10/2017 - 15/12/2020	82	17/01/2020	6,25,341
Simply Earn Research	PayUmoney #	05/02/2016	Linked to ICICI Bank A/c No.100805001201	05/02/2016 - 14/12/2020	1103	14/12/2020	1,39,08,071
Total					1630		2,02,76,579

#Note: Credits received in the ICICI Bank A/c No.100805001201 from Payumoney payment gateway is excluded from amount and total no of credit transactions to avoid double counting

- j. From an analysis of Bank statements, it was observed that the aforesaid bank accounts were active and the total credit received in the aforesaid bank accounts including PayUmoney gateway was approximately Rs. 2,02,76,579/- during the period January 28, 2016 to December 15, 2020.
- k. It was noted that the partnership deed between Mr. Animesh Parida and Mr. Parth R Trivedi was executed on January 12, 2016. As per the said Partnership deed, the business shall be carried on in the name of "Simply Earn Research" and nature of business was to promote and act as or carry on the business of consultants, advisers or perform any kind of roles as an intermediary or advisor in securities market.
5. I note that after considering the facts and circumstances of the case, the interim Order had observed as follows.

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13. In light of the aforesaid definitions, it is, *prima facie* noted, from the contents of the website of SER and nature of business mentioned in the partnership deed, that SER is *prima facie*, holding itself out as investment adviser by offering to provide

services related to investing in, purchasing and selling in securities and is also offering various investment packages for subscription and these services fall within the definition of "Investment Advice" under Regulation 2(l) of the IA Regulations. Further, multiple credit entries have been received in the bank accounts, which when seen together with the contents of the website, leads to, on preponderance of probability basis, a *prima facie*, conclusion that the credit entries in the bank account are consideration for the investment advice given by SER to its clients. Thus, *prima facie*, SER is an investment adviser as defined under Regulation 2(m) of the IA Regulations.

14. The fact that SER is offering various subscription packages in various segments of the market viz, equity, derivatives and commodity, when seen in light of the receipt of money in its bank accounts, *prima facie* shows, on preponderance of probability basis, that the credit of money is in fact the fee for the investment advisory services rendered by SER. Therefore, SER has not only held itself out as investment adviser but has also acted as an investment adviser for consideration.

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6. I note that the Noticees vide their reply dated March 09, 2021 to Interim Order January 25, 2021 have submitted as follows.

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- a. With regard to the complainant, who attached the payment receipt of Rs. 1,000 made to Simply Earn Research (hereinafter referred to as "SER") through PayU money gateway and inter alia alleged that SER is a fraud company and requested SEBI to stop the activities of SER, he paid the miniscule amount of Rs. 1000 for any suspected fraudulent activity by SER which was presumed to be any personal revenge and also there was no communication regarding its status of SEBI registration as an IA. However, we would like to assert that we never claimed itself to be a SEBI registered IA and it has not deliberately hidden the information regarding status of its registration with the complainant or with anyone else.
- b. We denied the allegation that we are running the investment advisory plans floated by us and that should not be held as "Investment Advisory Services" in terms of the IA Regulations and thereby the activity of *SER* not be treated as unregistered activity under the SEBI Act and relevant Regulations.
- c. We provide only general consultancy with regard to trends in the financial or securities market without giving any specific comments or opinions as to any particular securities or investment product, discussions on the broad-based indices, commentaries on economic, political or market conditions, statistical

summaries of financial data of the companies and technical analyses relating to the demand and supply in a sector or index based on trading volume and price, internal communications that are not given to current or prospective clients, and communications that constitute offer documents or prospectus that circulated as per regulations made by SEBI and was therefore exempted from getting registration in terms of Regulation 4(a) of IA Regulations, 2013.

- d. We are engaged in financial consultancy service, investment advice and stock market advise from FY 2016-17 and the team comprising MBAs/CFAs/FRMs has extensive experience in the areas of management consulting, Financial consulting services, financial planning, Investment management and stock market advise etc. We provide high-quality, customized, timely, cost-effective and comprehensive research and analytics solutions for various investment objectives through flexible engagement models and act as an extended division of investment banks, private equity and consultancy firms.
- e. It is submitted bank statement of SER to corroborate the claim that it had not collected fees through our website. It is submitted that the investment advisory fees have been collected in the said bank account and funds internally accrued from partners for running the business. Through our investment research services our clients can reduce cost per research output and time-to-market as well as increase the flow and quality of investment ideas.
- f. The service given by us is in the form of opinion about perceived direction of general financial market trend, and not advice or recommendation to act on any security or investment product We have not given any advice to directly or indirectly invest in, purchase, sell or otherwise deal in securities or investment products. Additionally, we have not conducted any research activities nor prepared any research report for client by giving any buy/sell/hold recommendation or price targets. We provide only fee based private investment consultancy, there were no written contracts between us and our individual clients and the contract was through use of the website by agreeing on the Disclaimer clause while accessing it.
- g. In our website, Disclaimer Clause covers following points for our users and we have done our business to some extent from there itself.

A. Under this User Agreement, you assume all risk of errors and/or omissions in simplyearnresearch.com [SIMPLY EARN RESEARCH], including the transmission or translation of information. You assume full responsibility for implementing sufficient procedures and checks to satisfy your requirements for the accuracy and suitability of simplyearnresearch.com [SIMPLY EARN RESEARCH], including the information, and for maintaining any means, which you may require for the reconstruction of lost data or subsequent manipulations or analyses of the information under the User Agreement.

B. Registration

By registering, you certify that all information you provide, now or in the future, is accurate. simplyearnresearch.com [SIMPLY EARN RESEARCH] reserves the right, in its sole discretion, to deny you access to this website or any portion thereof without notice for the following reasons (a) immediately by simplyearnresearch.com [SIMPLY EARN RESEARCH] for any unauthorized access or use by you (b) immediately by simplyearnresearch.com [SIMPLY EARN RESEARCH] if you assign or transfer (or attempt the same) any rights granted to you under this Agreement; (c) immediately, if you violate any of the other terms and conditions of this User Agreement.

I agree to get periodic SMS alerts.

I agree to get periodic newsletters.

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C. *ENTIRE AGREEMENT*: This User Agreement constitutes the entire agreement between the parties, and no other agreement, written or oral, exists between you and simplyearnresearch.com [SIMPLY EARN RESEARCH]. By using the Information on simplyearnresearch.com [SIMPLY EARN RESEARCH], you assume full responsibility for any and all gains and losses, financial, emotional or otherwise, experienced, suffered or incurred by you, simplyearnresearch.com.

D. *INFORMATION DISCLAIMER*: ...

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E. *REFUND & CANCELLATION POLICY*:

F....

H.....

- h. www.simplyearnresearch.com was a free of charge online investment consultancy, which was proposed to be fee based only after acceptance of service by the client by visiting the Disclaimer Clause mentioned from Point A-H for 3-4 days. After their acceptance only the service was continued for later days. It is to be noted that no fees were taken by mentioning us as SEBI registered Investment Advisor.
- i. There are no complaints filed against us by any of the investors regarding any investment consultancy being provided by him during the period of alleged violation. Also, no reference as to any preliminary examination of the services provided by us or to any investigation being undertaken by SEBI against us pursuant to the ex parte order, it is submitted that we have not collected full amount as mentioned in the alleged accounts of various banks through our website, the partners have taken unsecured Loans amounting to Rs. 26,97,000, Rs. 15,00,000, Rs. 2,50,000, Rs. 60,000 and NIL for FY 2020, 2019, 2018, 2017 and 2016 respectively. The total credit received in the bank accounts including PayUmoney gateway is approximately Rs. 2,02,76,579/- during the period January 28, 2016 to December 15, 2020 as alleged and the same is coming from the service as mentioned below. We have provided service of Trading and Investment advisory in private investment consultancy way. Fees collected for stock market advise during the years 2016, 2017, 2018, 2019 and 2020 were Rs. NIL, Rs. 1,11,378.98, Rs. 3,94,686.85, Rs. 5,58,813.25 and Rs. 3,47,432.4/- respectively.
- j. The segment wise revenue by sale of service for the aforesaid years are as stated below:

(In Rupees)

Particulars	Financial Consultancy Service	Financial Planning/Investment Management	Stock market advise
FY 2020	40,35,620.75	2,95,633.85	3,47,432.40
FY 2019	27,57,232.03	3,19,750.00	5,58,813.25
FY 2018	14,28,146.54	1,57,115.61	3,94,686.85
FY 2017	6,44,210.93	15,632.98	1,11,378.98

k. Financial Consultancy Service:

We provide the Financial Consulting services usually which are considered to be all other services which are related to Banking, Insurance, and Retail Management. We connect with corporate and set up camps for financial and investment consultancy. We empanel with Tax Consultants and Professionals and set up camp to advise customers and guide for future investment planning.

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l. Financial Planning/Investment Management:

We are engaged in this service by taking assessment of an individual's overall financial standing with the intention of developing long term financial goals. Financial planning covers many areas such as building an emergency fund, saving for a new home or reducing debt, accumulating retirement assets, saving for a child's college fund, estate planning, or creating tax efficiency. Before creating a comprehensive financial plan, we take stock of their entire net worth. This would include a valuation of all assets, such as real estate, savings, retirement accounts, investment accounts, and any outstanding debt.

Over the course of 4-5 years of working with individuals and families, we've found that a disciplined, long-term investment strategy typically yields the best results. At The Centre, we firmly believe in creating diversified portfolios for clients that are tailored to their own unique situation. We determine the investment mix that will look and feel like, monitor the portfolio daily and make any necessary changes along the way.

m. Stock market advise:

We have a fundamental based team which is closely related with market and they analyse on various companies, its growth, expansion, strength P/E ratio, EPS & investment advice given through BSE and NSE website, website of respective companies as listed company has to comply with all required informations for their current and prospective investors, through various newspapers i.e. Financial Express, Business Standard, Economic Times etc., magazines i.e. Capital market series, any electronic or broadcasting or telecommunications medium i.e. Bloomberg etc. They also look after the foreign market strength, political interference in Indian & foreign market and other operation factors to analyse the market trend.

We have never taken funds of clients in our own account and have never opened their demat account in our discretion and have never written in our website or any communication to them that we are SEBI Registered Investment

Advisors, we provide only fee based private investment consultancy, there are no written contracts between us and our individual clients.

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7. I have considered the allegations made in the Interim Order dated January 25, 2021 along with the findings of the examination by SEBI stated therein and reply received in the matter and submissions made by the Noticees during the personal hearing.
8. In this regard I note that the definition of Investment Adviser as given in Regulation 2(1)(m) of the IA Regulations, 2013 is as follows:

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

Further, Regulation 2(1)(l) of the IA Regulations, 2013 states as follows:

“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. I note that pursuant to receipt of complaint / email dated August 13, 2018 from a complainant SEBI conducted an examination in relation to the affairs of the Noticees to ascertain possible violation, if any, of the provisions of SEBI Act, 1992 and rules and regulations made thereunder. On an examination by SEBI, it was found that Noticees were running a website www.simplyearnresearch.com. Currently, the website is not active. On perusal of the copies of webpages of the website i.e. www.simplyearnresearch.com, of the Noticees as available on record, I note that the Noticees on their website had claimed that SER

“.....is an advisory company and provides multitude of product to suit all kind of players in Indian Stock market namely intraday, Nifty, Delivery, F&O, Commodities including bullions, metals & Agro-commodities traded in MCS and NCDEX. We have been providing valuable tips to our clients through various methods.

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I note from the Interim Order that SER was offering various packages/ services on its website and was charging fees in the range from Rs. 10,000/- to Rs. 75,990/- for the various investment advisory services being offered by it.

10. It is noted that the Noticees in their written submissions have accepted the fact that the website www.simplyearnresearch.com was being run by them. I note that the Noticees in their reply dated March 09, 2021 have contended that their activities should not be held as “investment advisory services” in terms of IA Regulations, 2013. The Noticees have contended that they were *inter alia* providing general consultancy with regard to trends in the financial or securities market without giving any specific comments or opinions as to any particular securities or investment product etc. and were therefore exempted from getting registration in terms of Regulation 4(a) of IA Regulations, 2013. In this regard, I note that Regulation 4 of the IA Regulations, 2013 provides exemptions to certain persons from obtaining registration under IA Regulations, 2013 subject to fulfillment of certain conditions specified therein. Any person who gives general comments in good faith in regard to trends in the financial or securities market without giving any recommendation or the economic situation where such comments do not specify any particular securities or investment product, is exempted from obtaining registration under IA Regulations, 2013. However, Regulation 4 of IA Regulations, 2013 does not give any exemption to any specific investment advice on securities including Index funds or ETFs etc. provided for consideration to the clients. On the contrary, Regulation 3 read with regulation 2(1)(l) and 2(1)(m) of the IA regulations, 2013 makes certificate of registration mandatory in such cases. I note from the observations of Interim Order mentioned at para 4(e) and 4(f) that the Noticees were offering to providing investment advisory services through their website which were not in the nature of general consultancy services or fall within the ambit of Regulation 4 of IA Regulations, 2013 but especially curated services for consideration. The Noticees were also offering various packages to their clients under two categories viz. (1) Trading and (2) Investment in lieu of consideration which were in the nature of providing

specific comments or opinions involving particular securities and investment products and were not in the nature of general discussions on the broad-based indices, commentaries on economic, political or market conditions, statistical summaries of financial data of the companies etc. as contended by the Noticees.

11. I also note that the Noticees have contended that their website www.simplyearnresearch.com was a free of charge online investment consultancy, which was proposed to be fee based only after acceptance of service by the clients by visiting the 'disclaimer clause' mentioned on the website which had covered important points for their users and they have done their business to some extent business from there itself. In this regard I note that by this contention, the Noticees have themselves admitted to the fact that they were indulged in offering investment advice for consideration. As long as the person is engaged in providing investment advice to clients or other persons or group of persons without consideration or specifically covered within the exemptions provided under Regulation 4 of the IA Regulations, it will not be required to obtain registration from SEBI. However, the person cannot be engaged in the business of providing investment advice to clients or other persons etc. for consideration unless he has obtained a certificate of registration from the Board under these regulations. In this regard, the Noticee have admitted to the fact that they were accepting fee for providing investment services and therefore they would be invariably covered within the ambit of Regulation 3 of IA Regulation and the 'Disclaimer clause' would not absolve their liability for providing investment advisory services without seeking registration from SEBI as required under law.
12. It is observed that these services were being offered by the Noticees in lieu of the consideration which could be paid by the investor concerned directly to the bank account opened in the name of Simply Earn Research with ICICI Bank (A/c No. 100805001201) and State Bank of India (A/c No. 37240904225) details of which were mentioned on their website and alternatively online payment through PayUmoney payment gateway which was linked to their ICICI Bank (A/c No. 100805001201). SEBI sought details

and copies of the Account opening forms, KYC details and account statements from Payumoney, ICICI Bank and SBI. It was noted that Payumoney payment gateway was linked to their ICICI bank account (A/c No. 100805001201) and the business status was 'partnership firm'. The following information was noted from the KYC documents obtained from SBI and ICICI Bank Accounts.

State bank of India
A/c name – Simply Earn Research
A/c No. - 37240904225,
A/c Type – Current
Branch- BTM Layout Bangalore Karnataka, India
A/c opening date – October 16,2017

ICICI bank
A/c name – Simply Earn Research
A/c No. - 100805001201
A/c type – Current
Branch name- 100805001201Jan
Type of Profession- financial Services
A/c opening date – January 21, 2016

13. I note from the Interim Order that during the period from January 28 ,2016 to December 15, 2020, the total credit received in the bank accounts of Noticees including from PayUmoney gateway is Rs. 2,02,76,579/- details of which is as follows.

Account Name	Bank Name / Payment Gateway	Date of Account Opening	A/c no.	Bank Statement Period	No. of Credit Trans action	Date of last Credit	Total Credit in Rs.
Simply Earn Research	ICICI Bank	21/01/2016	100805001201	28/01/2016 - 05/12/2020	#445	05/12/2020	57,43,167
Simply Earn Research	State Bank of India	16/10/2017	37240904225	16/10/2017 - 15/12/2020	82	17/01/2020	6,25,341
Simply Earn Research	PayUmoney	05/02/2016	Linked to ICICI Bank A/c No.100805001201	05/02/2016 - 14/12/2020	1103	14/12/2020	1,39,08,071
Total					1630		2,02,76,579

#Note: Credits received in the ICICI Bank A/c No.100805001201 from Payumoney payment gateway is excluded from amount and total no of credit transactions to avoid double counting

In their written reply the Noticees have agreed to have received Rs. 2,02,76,579/- in their bank accounts including PayUmoney gateway during the period January 28, 2016 to December 15, 2020. However, it is contended that total credit received is not coming from only stock market advisory but they were also providing services in the nature of Financial Planning/Investment Management services and financial consultancy services. It is also submitted that the Noticees have not collected full amount as mentioned in their bank account through their website but the partners have taken unsecured loans amounting to Rs. 26,97,000, Rs. 15,00,000, Rs. 2,50,000, Rs. 60,000 and NIL for FY 2020, 2019, 2018, 2017 and 2016 respectively. The Noticees have also provided year wise breakup of the money received from these services. In support of their contention the Noticees vide email dated June 24, 2021, have also submitted a certificate from one CA Vijay Patel & Co. which is stated to be an auditor confirmation for the details of amount mentioned in their reply dated March 09, 2021.

14. Noticees in their reply have claimed that under the head 'Financial consultancy Service' they were *inter alia* providing services which were related to Banking, Insurance, and Retail Management. They were connecting with corporate and setting up camps for financial and investment consultancy. They were empaneling Tax Consultants and Professionals and setting up camps to advise customers and guide for future investment planning. Under the head 'financial planning/investment' it is claimed that they were providing services by taking assessment of an individual's overall financial standing with the intention of developing long term financial goals. It is stated that Financial planning covers many areas such as building an emergency fund, saving for a new home or reducing debt, accumulating retirement assets, saving for a child's college fund, estate planning, or creating tax efficiency.
15. In this regard, I note that along with their reply to Interim Order, Noticees have submitted a list of approximately 1085 transactions with their clients along with their names, addresses, amount received and the description of service provided to them. A perusal of the list of approx. 1085 transactions shows that, more than 85% of the transactions with the clients are with the

description of 'financial planning/investment management' and rest of the transactions are with the description 'stock market advisory'. None of the transactions with the clients are with the description of 'financial consultancy services'. Therefore, the record produced by the Noticees itself belies the submissions of the Noticees that they were providing services with the description 'financial consultancy services'. Further, The Noticees have not provided any supporting documents which may substantiate their contention that they were providing services which were in the nature of 'financial consultancy services' of the description as claimed by them. In absence of any supporting documents and relying on the list of clients provided by the Noticees themselves, their contention that the Noticees were providing financial consultancy services remains a bald assertion and cannot be relied upon. Further, a mere reading of the definition of 'investment advice' as given under IA Regulations, 2013 makes it clear that it is an inclusive definition, which includes in its ambit advice on investment portfolio containing securities or investment products and also includes financial planning. The ambit of 'investment advice' is wide enough to cover not only the stock market advisory services but other similar services like financial planning. Even rendering of investment management services would require registration under SEBI (Portfolio Managers) Regulations, 2020. Further the "investment adviser" means any person, who for consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called. Therefore, the contention of Noticees that they have not received the consideration amount solely from stock advisory services cannot be taken into consideration as the investment advisory services includes within its ambit services in the nature of Financial Planning also and any consideration received towards such services are also to be treated as consideration received for investment advice. Regarding the contention of the Noticees that they have not received the full amount as mentioned in their bank account through their website but the partners have taken unsecured loans also, I note that the Noticees have not provided any documentary proof like any loan agreement or interest paid certificate which may substantiate their contention that they have taken any unsecured loans. In absence of any

supporting document, the contention of the Noticees that credit entries in the bank accounts of the firm also includes loan taken by partners, remains only bald assertions, hence cannot be relied upon..

16. It is noted from the documents provided by ICICI bank that 'Simply Earn Research' i.e. Noticee No. 1 was a partnership firm and Noticees No. 2, and 3 were the partners of 'Simply Earn Research'. The partnership deed was executed on January 12, 2016. As per the partnership deed, the business of Noticee No. 1 shall be carried in the name of "Simply Earn Research" and nature of business was *inter alia* to promote and act as or carry on the business of consultants, advisers, managers etc. As per the said partnership deed Noticee No. 2 and 3 had agreed to divide the net profits or losses of the firm in the ratio of 50% each.
17. I note that in terms of Section 4 of the Indian Partnership Act, 1932 (hereinafter referred to as "IPA"), *"Partnership" is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all*". Further, *"Persons who have entered into partnership with one another are called individually, "partners" and collectively "a firm", and the name under which their business is carried on is called the "firm-name"*. Thus, the partnership firm is nothing but all the partners acting together. Further, as per Section 25 of the IPA *"every partner is liable jointly with all the other partners and also severally, for all acts of the firm done while he is a partner"*
18. Considering the above factual analysis about the activities of the Noticees as proclaimed on their websites, the complaint received against the Noticees, the bank statements of the Noticees disclosing the credits of fees towards rendering advisory services, I find that 'Simply Earn Research' which is partnership firm of Noticee No. 2 and 3 was engaged in giving advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products in lieu of consideration, through its website www.simplyearnresearch.com. Therefore, I find that the Noticees were

providing “investment advice” in terms of Regulation 2(1)(l) of IA Regulations, 2013, through their website and were acting as an investment adviser, as defined under Regulation 2(1)(m) of the IA Regulations, 2013

19. I also note that, it is imperative that any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of SEBI Act, 1992 and Regulations framed thereunder. Section 12(1) of SEBI Act, 1992 reads as under:

“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.”

20. I note that for seeking a certificate of registration for acting as an investment adviser, an entity is required to satisfy *inter alia* the following requirements, as provided under IA Regulations, 2013:

- (i) An application for seeking certificate of registration to be made to Local Office, Regional Office or Head Office, of SEBI, as the case may be, in Form A as specified in the First Schedule to IA Regulations, 2013 alongwith requisite non-refundable application fee;
- (ii) The applicant, in case of an individual investment adviser or its principal officer in case of a non-individual investment adviser shall be appropriately qualified and certified as under:
 - a. A professional qualification or post-graduate degree or post graduate diploma (minimum two years in duration) in finance, accountancy, business management, commerce, economics,

capital market, banking, insurance or actuarial science from a university or an institution recognized by the Central Government or any State Government or a 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. Applicant in case of individual investment adviser or its principal officer in case of a non-individual investment adviser, and persons associated with investment advice shall have, at all times a certification on financial planning or fund or asset or portfolio management or investment advisory services, from (a) NISM; or (b) any other organization or institution including Financial Planning Standards Board of India or any recognized stock exchange in India provided such certification is accredited by NISM.

- (iii) Individual applicant must have net worth of not less than 5 lakh rupees and non-individual applicant must have net worth of not less than 50 lakh rupees.

21. The activities engaged in by the Noticees, as brought out from the various materials described above, seen in the backdrop of the aforesaid regulatory provisions show that the Noticees were acting as an IA, although the Noticees were not registered with SEBI in the capacity of IA. Hence, I find that these activities as were being made by the Noticees without holding the mandatory certificate of registration as investment adviser, are in violation of Section 12(1) of SEBI Act, 1992 read with regulation 3(1) of the IA Regulations, 2013.

22. The Noticees in their ICICI bank Account (A/c No. 100805001201) including through PayUmoney payment gateway which was linked to their ICICI Bank and State Bank of India (A/c No. 37240904225) which were in the name of 'Simply Earn Research' had received Rs. 2,02,76,579/- during the period January 28, 2016 to December 15, 2020 through unregistered investment advisory services as observed above. Further, I note that the complainant had claimed that he had paid an amount of Rs. 1000/- to the Noticees for availing investment advisory services from the Noticees.

Directions:

23. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11, 11(4) and 11B read with of Section 19 of the SEBI Act, 1992, hereby direct that:

- a) The Noticees shall within a period of three months from the date of coming into force of this order, jointly and severally, refund the money received from any complainants/ investors, as fees or consideration or in any other form, in respect of their unregistered investment advisory activities;
- b) The Noticees shall issue public notice in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of contact person such as names, addresses and contact details, within 15 days of coming into force of this order;
- c) The repayments to the complainants/ investors shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments;
- d) The Noticees are prevented from selling their assets, properties and holding of mutual funds/shares/securities held by them in demat and

physical form except for the sole purpose of making the refunds as directed above. Further, the banks are directed to allow debit only for the purpose of making refunds to the clients/ investors/ complainants who were availing the investment advisory services from the Noticees, as directed in this order, from the bank accounts of the Noticees;

- e) After completing the aforesaid repayments, the Noticees shall file a report of such completion with SEBI addressed to the Division Chief, Investment Management Department, SEBI Bhavan, Plot No. C4 A, G Block, Bandra Kurla Complex, Bandra (East) Mumbai –400051, within a period of 15 days, after completion of three months from the coming into force of this order, duly certified by an independent Chartered Accountant and the direction at paragraph 23(d) above shall cease to operate upon filing of such report on completion of refunds to complainants/ investors;
- f) The Noticees are debarred from accessing the securities market, directly or indirectly and are prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of 1 (one) year from the date of this order or till the expiry of 1 (one) year from the date of completion of refunds to complainants/ investors as directed in paragraph 23(a) above, whichever is later;
- g) The Noticees shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in paragraph 23(f) above, either directly or indirectly, investment advisory services or any activity in the securities market without obtaining a certificate of registration from SEBI as required under the securities laws.

24. The direction for refund, as given in paragraph 23(a) above, does not preclude the clients/investors to pursue the other legal remedies available to

them under any other law, against the Noticees for refund of money or deficiency in service before any appropriate forum of competent jurisdiction.

25. This order comes into force with immediate effect. However, in view of the exceptional circumstances emerged due to the outbreak of a COVID-19 and consequential restrictions imposed in different parts of the country, the direction given in paragraph 23(a) and (b) above, shall come into force from March 15, 2022.

26. A copy of this order shall be sent to the Noticees, recognized Stock Exchanges, the relevant banks, Depositories and Registrar and Transfer Agents of Mutual Funds to ensure that the directions given above are strictly complied with.

Date: February 24, 2022

Place: Mumbai

-Sd

ANANTA BARUA

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA