



SEBI INDORE: 115 COUNTER
Counter No: 129/06/2022.20:01
To: GLOBAL INV CON. MANAGER DOM
PIN: 462001, Bhopal G.P.O.
From: SEBI, 104-105, 1st Fl
Bhopal
Amt: 88.50 (Cash) Tax: 13.50
<Track on www.indiapost.gov.in>



राष्ट्रीय प्रतिभूति
र विनिमय बोर्ड
Securities and Exchange
Board of India

DEPUTY COMMISSIONER
INDORE LOCAL OFFICE

SEBI/WRO/ILO/NM/OW/P/2022/2657611

June 29, 2022

To

Name of the Noticee	Address
Global Invest Consultant & Advisor/The Global SNC/The Global (Through its proprietor: Mr. Rakesh Aashware)	House No.119, Kumhar Mohalla, Bhagat Singh Nagar, Itarsi, Hoshangabad-461111, Madhya Pradesh
PAN: DCTPA5983A	Also at: ✓ Shop No. 10, Mansarovar Complex, Bhopal-462001, Madhya Pradesh

Sub: Show Cause Notice under sections 11(1), 11(4), 11(B)(1), 11(4A) and 11(B)(2) of the Securities and Exchange Board of India Act, 1992 read with Rule 4(1) of SEBI (Procedure for Holding Inquiry and imposing Penalties) Rules, 1995- In the matter of Global Invest Consultant & Advisor/The Global SNC/The Global (Through its proprietor: Mr. Rakesh Aashware)

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") had received two complaints against M/s The Global Invest Consultant and Advisor/The Global/The Global SNC (hereinafter referred to as "the Noticee"), alleging *inter alia* that the said entity is providing investment advisory services. Further in one of the complaints, it was stated that the said entity is claiming to be registered with SEBI vide registration number INB/F018652896 and INB/F/E105934896. The complainants have also provided other documents like payments receipts, mail communication from theglobalsnc@gmail.com, etc. Copies of the said complaints are annexed hereto and marked as Annexure 1A and 1B.

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

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

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2. One complainant had provided the bank account details of ICICI Bank wherein the complainant had deposited the money, and the other complainant had provided the details of payments made through PhonePe.
3. Vide its email dated January 31, 2022, Phonepe has intimated that that the said payments have been credited to the Merchant Account in the name of 'The Global SNC', having bank account no. XXXX000041937 held with IDBI. Copy of email received from PhonePe regarding the beneficiary account details are annexed hereto and marked as **Annexure 2**.
4. Accordingly, ICICI Bank and IDBI Bank were advised to provide the copy of Account Opening Forms, KYC details and bank account statements of the Noticee. Copy of the aforesaid documents, as received from ICICI Bank and IDBI Bank are annexed hereto and marked as **Annexure 3A and 3B**.
5. The analysis of the information/documents furnished by ICICI Bank as well those by IDBI Bank, revealed the following details:
 - Entity Name – The Global
 - Proprietor- Rakesh Aashware
 - Address- House No.119, Kumhar Mohalla, Bhagat Singh Nagar, Itarsi, Hoshangabad-461111, Madhya Pradesh
6. Further, the analysis of the bank account statements received from ICICI Bank, it is observed that the said bank was credited with total amount of INR 40,39,733.61/- from the date of opening of account, i.e., August 5, 2020 till November 24, 2020 (excluding the initial deposit of INR 25,000/- at the time of opening the said bank account). The analysis of the bank account statements has also revealed the following credit entries in ICICI Bank account, as stated in one of the complaints received by SEBI:

Date	Description	Amount (in INR)
29-09-2020	UPI/027388345056/NA/9929465033@payt/Paytm Payments	9900
30-09-2020	UPI/027404788886/NA/9929465033@payt/Paytm Payments	9100

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(BSE) INB/F 018652896'. Copy of the website pages are annexed hereto and marked as Annexure 4.

14. From the perusal of the complaints, bank account statements, website etc., it is *prima facie* observed that the Noticee is engaged in the activities of an 'investment adviser' as defined under Regulation 2 (m) of SEBI (Investment Adviser) Regulations, 2013 (hereinafter referred to as "IA Regulations, 2013"), and has further misrepresented that it is registered with SEBI.

15. It is noted that 'investment adviser' has been defined under Regulation 2 (m) of IA Regulations, which reads as under:

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

16. As per Section 12(1) of SEBI Act, any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of the IA Regulations, 2013. Further, Regulation 3 (1) of the IA Regulations, 2013 also casts a prohibition on any person to act as an investment adviser or hold itself out as an investment adviser, without obtaining the registration from SEBI.

17. The said provisions are reproduced hereunder for reference:

Section 12 (1) of SEBI Act, 1992

"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"

Regulation 3(1) of the IA Regulations, 2013

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7. Similarly, the analysis of the bank account statement furnished by IDBI has revealed that the said bank account was credited with total amount of INR 6,79,301/- from the date of opening of account, i.e., January 5, 2021 to February 12, 2021 (excluding the initial deposit of INR 20,000/- at the time of opening the said bank account).
8. The analysis of the said statement also reflected the entries of the payments made by one of the complainant through PhonePe, with following details

Date	Description	Amount (in INR)
01-02-2022	PhonePe	5,000
09-02-2022	PhonePe	40,000

12. Apart from the above, the website with the domain name: www.theglobalsnc.com, was also examined. The contents of the said website *inter alia* revealed the following statements: ' Our team of licensed fiduciary advisors understands that every investor is unique. With the dynamic tools used by both you and your financial advisor we are able to identify and alert you to opportunities so you can act on them.

....

Our Skills

- Consulting 90%
- Risk Profiling 80%
- Analysis 85%
- Research 70%
- Investment advice 95%

13. It was also noted from the website that Noticee had disseminated false and misleading information through its above mentioned website that it is a SEBI Registered entity with registration no as 'SEBI No (NSE) INB/F/E 105934896,

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"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".

18. It is seen from the records that the Noticee through its proprietor Mr. Rakesh Aashware has allegedly engaged in the activities of an investment adviser without obtaining the requisite registration from SEBI, as required in terms of Section 12 (1) of the SEBI Act, 1992 read with Regulation 3(1) of the IA Regulations, 2013.
19. The acts of the Noticee through its proprietor Mr. Rakesh Aashware by holding out as an investment adviser, without having any certificate of registration, are alleged to be in violation of Section 12(1) of the SEBI Act, 1992 read with Regulation 3(1) of the IA Regulations, 2013.
20. Further, the acts on the part of the Noticee of misrepresenting itself as being registered with SEBI and mentioning a SEBI Registration number on its website and the act of assuring guaranteed profits to the investors, are alleged to be activities in the nature of "fraud" as defined under Regulation 2 (1) (c) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as ("PFUTP Regulations, 2003 ") and are *prima-facie* in violation of Section 12A(a),(b),(c) of SEBI Act, 1992 read with Regulation 4 (2)(k) of PFUTP Regulations, 2003 . The aforementioned provisions are reproduced as under:

Section 12(1) of SEBI Act, 1992

"12. (1) 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"

Regulation 3(1) of SEBI(IA) Regulations, 2013

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"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"

Regulation 2(c) of the SEBI (PFUTP) Regulations

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

- (1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;
- (2) a suggestion as to a fact which is not true by one who does not believe it to be true;
- (3) an active concealment of a fact by a person having knowledge or belief of the fact
- (4) a promise made without any intention of performing it
- (5) a representation made in a reckless and careless manner whether it be true or false;
- (6) any such act or omission as any other law specifically declares to be fraudulent
- (7) deceptive behaviour by a person depriving another of informed consent or full participation,
- (8) a false statement made without reasonable ground for believing it to be true.
- (9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or any thing derived from it other than the market price.

And "fraudulent" shall be construed accordingly;

Regulation 4(2)(k) of PFUTP Regulations, 2003

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

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

Section 12A (a), (b), (c) of SEBI Act, 1992

"12A. No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative

or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

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

21. In view of the allegations as stated above, the Noticee through its proprietor Mr. Rakesh Aashware is hereby called upon to show cause as to why suitable directions, including directions under Sections 11(1), 11(4), of the SEBI Act, 1992 including direction of refund of fees/monies collected from the investors should not be issued against them for the violations as alleged herein above. The Noticee through its proprietor Mr. Rakesh Aashware is also called upon to show cause as to why inquiry should not be held against them in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and penalty be not imposed upon them under Section 11 (4A), 11B (2) read with Section 15 HA and 15EB of the SEBI Act, 1992 for the violations alleged herein above.

Your reply, if any, along with relevant documents, should reach us within 21 days of the date of receipt of this notice at the following address:

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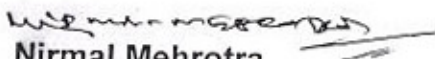
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22. While replying, you may also indicate whether you desire to be personally heard in this case. In case no reply is received from you, within the above specified period, it shall be presumed that you have no further explanations/ submissions to offer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

Yours faithfully,


Nirmal Mehrotra

Enclosures: As above

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