भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

DEPUTY GENERAL MANAGER
INDORE LOCAL OFFICE

SEBI/WRO/ILO/NM/OW/P/ 0117561/1/2022
March 21, 2022

To,

मेसर्स परपेचुअल रिसर्च, 121, प्रेशिडेंट टावर, मधुमिलन स्क्वायर, इंदौर, मध्य प्रदेश - 452001	M/s. Perpetual Research, 121, President Tower, Madhumilan Square, Indore, Madhya Pradesh - 452001
मेसर्स परपेचुअल रिसर्च, फ्लैट न. 301, गंगा अपार्टमेंट, 76, ग्रेटर तिरुपती कॉलोनी, इंदौर, मध्य प्रदेश- 452001	M/s. Perpetual Research, Flat no. 301, Ganga Apartment, 76, Greater Tirupati Colony, Indore, Madhya Pradesh- 452001
मेसर्स परपेचुअल रिसर्च, 105, प्रेशिडेंट टावर, मधुमिलन स्क्वायर, इंदौर, मध्य प्रदेश - 452001	M/s. Perpetual Research, 105, President Tower, Madhumilan Square, Indore, Madhya Pradesh - 452001
मेसर्स परपेचुअल रिसर्च, 5 भारतीय विघालय चौराहे का क्षेत्र एवं, सोनचिरैया के पीछे वाला हिस्सा, शिवपुरी, मध्य प्रदेश- 473551	M/s. Perpetual Research, 5 Bhartiya Vighalay, Chaurahe Ka Kshetr Env, Saunachiraya Ke Peechhe Vala Hissa, Shivpuri, Madhya Pradesh- 473551
मेसर्स परपेचुअल रिसर्च, 101, रॉयल रतन, 7 एम जी रोड, इंदौर, मध्य प्रदेश-452001	M/s. Perpetual Research, 101, Royal Ratan, 7 M G Road, Indore, Madhya Pradesh-452001
श्री प्रियांक शर्मा (प्रोप्राइटर) फ्लैट न. 301, गंगा अपार्टमेंट, 76, ग्रेटर तिरुपति कॉलोनी, इंदौर, मध्य प्रदेश- 452001	Mr. Priyank Sharma (Proprietor) Flat no. 301, Ganga Apartment, 76, Greater Tirupati Colony, Indore, Madhya Pradesh- 452001
श्री प्रियांक शर्मा (प्रोप्राइटर) 805, शेखर सेंट्रल,पलासिया, इंदौर, मध्य प्रदेश-452001	Mr. Priyank Sharma (Proprietor) 805, Shekhar Central, Palasia, Indore, Madhya Pradesh-452001
श्री प्रियांक शर्मा(प्रोप्राइटर) हाउस नंबर 5, ब्लॉक सी, नर्मदा परिसर, शिवपुरी, मध्य प्रदेश - 473551	Mr. Priyank Sharma (Proprietor) House No. 5, Block C, Narmada Complex, Shivpuri, Madhya Pradesh - 473551

Subject: Show Cause Notice under sections 11(1), 11(4) and 11B(1) of the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), Section 12(1) of the SEBI Act and

Regulation 3(1) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, in the matter of M/s. Perpetual Research (Proprietor - Priyank Sharma).

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') had received a complaint from Shri. Pankaj Sen (hereinafter referred to as '**complainant**'), vide email dated August 03, 2020 against '**M/s. Perpetual Research**, Proprietor - **Shri Priyank Sharma ('Noticee')** (PAN. CPWPP2985J). It was mentioned in the complaint that a fraud has happened with him. As the complaint was unclear and incomplete, vide email dated August 08, 2020, complainant was requested to provide complete details about his complaint. On August 10, 2020, Pankaj Sen replied to SEBI that, "*Sir An online fraud occurred with me via payumoney… As I want to tell you that I have deposited my 15000 rupees to someone due to a greed call. He asked for the payment medium with the ID of the payumoney….*" Complainant also provided copy of the payment made by him via PayU Money.

2. On September 06, 2020, Mr. Pankaj Sen, sent another email stating that "*…. company called perpetual research has been fraudulent with me. The owner of which is said to be Avnish Jain, and he has declared himself to be from Indore (Madhya Pradesh). It fraudted 15000 rupees with me….*". Email received from complainant is placed **Annexure A**.

Information from PayU Money and Banks

A. Information from PayU Money

3. On perusal of the payment proof submitted by complainant, it was noticed that the complainant had made a payment of Rs. 15,000/- to Perpetual Research through PayU Money, payment gateway.

4. Vide email dated September 23, 2020, PayU Money was requested to provide the account opening forms (AOF), KYC details and bank account statement of Perpetual Research, along with the email id and phone no. of the payers to merchants. PayU Money, vide email dated September 23, 2020, provided the requisite information (**Annexure B**).

5. On perusal of the documents provided by PayU Money, following was observed:

Name of the person	Mr. Priyank Sharma
PAN card no	CPWPP2985J
Account holder name	Perpetual Research
Bank name; Bank account no. and IFSC	Kotak Mahindra Bank Limited; 0511607729 and KKBK0000751
Branch name and branch city	Indore
Website	www.perpetualresearch.in
Mobile no.	9407298721
Registered Address	121, President Tower, Madhumilan Square, Indore

6. While analyzing the bank statement of Perpetual Research & Mr. Priyank Sharma, it was noticed multiple bank accounts were found in the name of Perpetual Research and Priyank Sharma. The details of the same are given below:

S. No.	Bank name and account number	Account in the name of	Account opening date	Statement period	Amount credited
1	Kotak Mahindra Bank (0511607729)	Perpetual Research	24.06.2015	24.06.2015 to 24.09.2020	6,37,83,178/-
2	HDFC Bank (50200021023207)		23.08.2016	23.08.2016 to 05.12.2018	57,99,666/-
3	ICICI Bank (144101508883)	Priyank	30.12.2014	24.06.2015 to 10.09.2020	62,21,264/-
4	Axis Bank (915010063204461)		21.12.2015	01.03.2016 to 07.11.2020	4,04,24,123/-
5	Axis Bank (918010028120176)		06.04.2018	29.11.2018 to 30.06.2018	24,41,544/-
6	SBI Bank (63050218476)		26.12.2009	26.12.2009 to 25.07.2019	1,06,67,075/-
7	HDFC Bank (50100200545560)		01.04.2017	01.04.2017 to 11.11.2020	7,52,220/-
8	ICICI Bank (185905000765)		Jewelry Loan account		
9	ICICI Bank (144105001736)				
10	Axis Bank (920060052198152		Loan account		
11	Axis Bank (920060052196321)				

B. Information from Kotak Mahindra Bank

7. Vide email dated September 24, 2020, Kotak Mahindra Bank (hereinafter referred to as '**Kotak Bank**') was requested to provide the bank account statement from the date of opening till September 24, 2020, KYC and account opening form (AOF) of Mr. Priyank Sharma (PAN: CPWPP2985J). Vide email dated September 25, 2020 and November 10, 2020, Kotak Bank provided the bank statement from the date of account opening till September 24, 2020, KYC and AOF. Copy of AOF and KYC information received from Kotak Bank is placed at **Annexure C**.

8. On perusal of the KYC and Account opening form as provided by Kotak Bank, following was noted:
   8.1. Name of entity: Perpetual Research
   8.2. PAN: CPWPP2985J

8.3. Turnover: Rs.30 lakh
8.4. Date of incorporation: May 18, 2015
8.5. Registration no.as per Nagar Nigam license: 515050610
8.6. Constitution and nature of business: Sole proprietorship and Financial Advisory or consultant for MCX trading
8.7. Registered office address: President Tower 121, Madhumilan Square,1st Floor, Indore- 452 001(same as per Nagar Nigam Licence)
8.8. Email ID: priyank.sharma8269@gmail.com
8.9. Phone no.: 0731-3917616
8.10. Residential address: Flat no. 301, Ganga Apartment, 76, Greater Tirupati Colony, Indore (as per License issued under Shop and Establishment act) and 5 Bhartiya Vighalay Chaurahe Ka Kshetr Env; Saunachiraya Ke Peechhe Vala Hissa, Shivpuri – 473551.

9. On perusal of the bank statement provided by Kotak Bank, following observations were made:
9.1. From the date of account opening i.e. June 24, 2015 till September 24, 2020, Mr. Priyank had received Rs. 6,37,83,178/- through various sources.
9.2. The breakup of amount received i.e. Rs. 6,37,83,178/- is as under:
a) Rs. 4,68,16,015/- were received through PayU Money (a payment gateway);
b) Rs. 20,08,632/- were cash deposit entries;
c) Rs. 22,50,000/- through RTGS payments from various persons;
d) Rs.15,74, 302/- through NEFT payments from various payments;
e) Rs. 88,63,220/- through IMPS payments from various persons;
f) Rs. 16,18,691/- through UPI payments, mobile payments etc.
g) Rs.6,49,700/- through CDM deposit

9.3. Out of Rs. 6,37,83,178/- entity received Rs. 45,000/- in which narration mentioned was 'Trading/Trading ser'.

C. Information from ICICI Bank

10. Vide email dated September 25, 2020, ICICI Bank was requested to provide the bank statement, KYC form and account opening form of Mr. Priyank Sharma.

11. ICICI bank vide email dated September 29, 2020, ICICI Bank informed that Mr. Priyank Sharma was having three accounts as per details given below and also provided KYC and account opening form for the account no. 144101508883.
11.1. 144105001736
11.2. 144101508883
11.3. 185905000765

12. Vide email dated October 23, 2020, ICICI Bank was requested to provide the KYC forms and account opening form (AOF) for the remaining two accounts i.e. 144105001736 and 185905000765. Vide email dated October 23, 2020, ICICI Bank provided the requisite information. Copy of AOF and KYC information received from ICICI Bank is placed at **Annexure D.**

13. The details of bank accounts as provided by ICICI Bank is summarized as under:

Particulars	144105001736	144101508883	185905000765
Type of account	Loan account (against gold)	Salary account opened by MMP Infotech Technologies Pvt. Ltd.	Loan account (against gold)
Address of entity	5, Block C, Narmada Complex, Shivpuri- 473551.	5 Bhartiya Vighalay Chaurahe Ka Kshetr Env; Saunachiraya Ke Peechhe Vala Hissa, Shivpuri- 473551.	Flat no. 301, Ganga Apartment, Geeta Bhawan, Greater Tirupati Colony, Indore.
Email ID	-	priyank.sharma8269@gmail.com	-
Mobile no.	6232688255; (as per account details) 9886050070 (as per AADHAR)	8269118569	6232688255
Occupation	Dairying	Service	Allied Agriculture
Name of employer and address;	NA	MMP Infotech Technologies Pvt .Ltd.; Vidhyapati Complex, 3rd floor, Race Course Road, Indore;	NA
Aadhaar No.	987769936284		

14. On perusal of the bank statement provided by ICICI Bank for the account number 144101508883, following was observed:

14.1. From the date of account opening i.e. June 24, 2015 till September 10, 2020, Mr. Priyank Sharma had received Rs. 62,21,264/- through various sources.

14.2. The breakup of amount received i.e. Rs. 62,21,264/- is as under:

a) Rs. 42,591/- were received as a salary during the period January 2015 to March 2015;
b) Rs. 7,29,010/- were received a cash deposit from various persons;
c) Rs. 6,12,446/- through UPI payments from various persons, mobile payments etc.
d) Rs. 20,84,639/- from self-transfer through various accounts;
e) Rs. 3,65,092/- as Jewelry loan;
f) Rs. 23,87,486/- from various persons from the date of account opening till September 10, 2020.

14.3. Out of Rs. 62,21,264/- entity received Rs. 1,11,200/- in which narration mentioned as 'Trying fees/ shares/share/Om share mkt Service/NSP/Priyank Tipper/fees/Share market/advisory se/Trade fee/ Share market' etc.

15. On perusal of the bank statements for the account numbers 144105001736 and 185905000765, it has been observed that all the transactions were pertaining to jewelry loan account.

D. Information from Axis Bank

16. Vide email dated November 11, 2020, Axis Bank was requested to provide the bank statement from the date of account opening, KYC and account opening form (AOF) of Mr. Priyank Sharma. Axis Bank, vide email dated December 03, 2020, provided requisite information. Copy of AOF and KYC information received from Axis Bank is placed at **Annexure E**.

16.1. **Bank account no. 915010063204461**

16.1.1. This account is in the name of Mr. Priyank Sharma. On perusal of the bank statement provided by Axis Bank for the account number **915010063204461,** following was observed:

a) From the date of account opening i.e. December 21, 2015 till November 07, 2020, Mr. Priyank Sharma had received Rs. 4,04,24,123/- through various sources.

b) The breakup of amount received i.e. Rs. 4,04,24,123/- is as under:
   i. Rs. 79,87,076/- were received from Perpetual Research Kotak Mahindra Bank Account no. 0511607729 during the period June 06, 2019 to October 31, 2020;
   ii. Rs. 50,31,166/- were received as cash deposit from various persons during the period March 01, 2016 to August 03, 2020;
   iii. Rs. 29,75,828/- as self-transfer during the period April 2017 to November 07, 2020;
   iv. Rs. 2,44,13,043/- from various persons during the period April 2016 to November 2020;
   v. Rs. 17,009/- as interest received during the period March 31, 2016 to September 30, 2020.

c) Out of Rs. 4,04,24,123/- Mr. Priyank Sharma had received Rs. 10,100/- in which narration mentioned as wherein narration mentioned as '*Advisory exp./fee*'

d) As on November 07, 2020, closing balance was Rs.58/-.

16.2. **Bank account no. 918010028120176**

16.2.1. This account is in the name of Mr. Priyank Sharma. On perusal of the bank statement provided by Axis Bank for the Account number **918010028120176,** following was observed:

a) From the date of account opening i.e. April 06,2018 till June 30,2020, Mr. Priyank had received Rs. 24,41,544/- through various sources.

b) The breakup of amount received i.e. Rs. 24,41,544/- is as under:
   i. Rs. 8,95,000/- were received as self-transfer.
   ii. Rs. 11,000/- from Perpetual Research Kotak Mahindra Bank Account no. 0511607729.
   iii. Rs. 16,563/- as interest received.
   iv. Rs. 15,18,981/- from various other persons from November 29, 2018 to June 30, 2018.

16.2.2. On perusal of the bank statements for the account numbers 920060052198152 and 920060052196321, it was observed that there was only one transaction for loan disbursement.

E. Information from State Bank of India (SBI)

17. Vide email dated November 11, 2020, SBI was requested to provide the bank account statement, KYC and account opening form (AOF) of Mr. Priyank Sharma. SBI vide email dated November 12, 2020 and November 18, 2020, submitted the requisite information. Copy of AOF and KYC information received from SBI is placed at **Annexure F**.

18. On perusal of the KYC and account opening form provided by SBI, following was noted:
   18.1. Account number: 63050218476
   18.2. Name of entity: Priyank Sharma
   18.3. PAN: CPWPP2985J
   18.4. Phone no.: 07492-225510
   18.5. Mobile No.: 9425763632
   18.6. Residential address: House No. 5, Narmada Complex AB Road, Block-C, Shivpuri, Madhya Pradesh - 473551.

19. On perusal of the bank statement provided by SBI for the Account number 63050218476 following was observed:
   19.1. From the date of account opening i.e. December 26,2009 till July 25, 2019, Mr. Priyank Sharma had received Rs. 1,06,67,075/- in his account.

   19.2. The breakup of amount received i.e. Rs. 1,06,67,075/- is as under:
      a) Rs. 3,50,000/- were received from Perpetual Research;
      b) Rs. 14,39,755/- were received as cash deposit from various persons during the period December 26, 2009 to March 29, 2019;
      c) Rs. 57,962/- as interest received February 28,2010 to June 25, 2019;
      d) Rs. 69,000/- as salary. However, the source of which could not be identified;
      e) Rs. 86,65,907/- from various other persons from the date of account opening till July 25, 2019;

f) Rs. 84,451/- through reversal charges/tax refund/ cash back received etc.
g) Out of this Rs. 1,06,67,075/- in total receipt, entity had received Rs. 2,28,650/- wherein in narration '*Investment*' was mentioned.

F. Information from HDFC Bank

20. Vide email dated November 11, 2020, HDFC Bank was requested to provide the bank account statement, KYC and account opening form (AOF) of Mr. Priyank Sharma. HDFC bank vide email dated November 19, 2020, submitted the bank account statement and KYC details. Copy of AOF and KYC information received from HDFC Bank is placed at **Annexure G.** On perusal of the information provided, it was observed that Mr. Priyank / Perpetual Research was having an account with HDFC Bank.

20.1. **Bank account no. 50100200545560**

20.1.1. On perusal of the KYC details provided by HDFC Bank, following was noted:
a) Name of entity: Mr. Priyank Sharma
b) PAN: CPWPP2985J
c) Mobile no. 9109107527
d) Residential address: - 805, Shekhar Central Palasia, Indore, Madhya Pradesh-452001.

20.1.2. On perusal of the bank statement provided by HDFC Bank for the account number **50100200545560,** following was observed: -

a) From the date of account opening i.e. April 01, 2017 till November 11, 2020, Mr. Priyank had received Rs. 7,52,220/- from various persons.

b) The breakup of amount received i.e. Rs. 7,52,220/- is as under:
i. Rs. 1,592/- as interest received.
ii. Rs. 20,000/- as self-transfer and Rs. 6,102 /-as transfer of matured RD
iii. Rs. 26,000/- as cash deposit
iv. Rs.6,98,526/- were received from various persons from the date of account opening till November 11,2020.

20.2. **Bank account no. 50200021023207**

20.2.1. On perusal of the KYC details provided by HDFC Bank following was noted:
a) Name of entity: Perpetual Research
b) PAN: CPWPP2985J
c) Registered office address: 101 Royal Ratan 7 M G Road, Indore, Madhya Pradesh-452001
d) Phone no. 8109090871

20.2.2. On perusal of the bank statement provided by HDFC Bank for the Account number **50200021023207,** following was observed: -

a) From the date of account opening i.e. August 23, 2016 till December 05, 2018, Perpetual Research had received Rs. 57,99,666/-.

b) The breakup of amount received i.e. Rs. 57,99,666/- is as under:
   i. Rs. 1,16,523/- as cash deposit
   ii. Rs. 6,07,500/- as cheques deposits
   iii. Rs.9,69,400/- as third party transfer from various persons.
   iv. Rs.24,03,000/- as NEFT payment/ Fund transfers from various persons.
   v. Rs.11,76,600/- through IMPS payment from various persons.
   vi. Rs.5,26,643/ either through standing instructions/ Perpetual Research/ cancellation of MC/reversal of fees.

c) Out of this Rs.57,99,666/- entity had received Rs. 39,000/-, wherein narration was mentioned as, '1Month Future/ service payment/Fee charges/Broker/ Consultant charge/Trading commission' etc.

G. PayU Money statement

21. While analyzing the funds received by Perpetual Research, it was noticed that Perpetual Research has received money from Mr. Sandhan Sahani till October 26, 2020. From April 28, 2019, till October 26, 2020, Mr. Sandhan Sahani had paid Rs. 2,46,49,345/- to Perpetual Research (PayU Money statement reflecting amounts received by Perpetual Research is placed at **Annexure H**).

22. From the statement of PayU Money, it is observed that Perpetual Research was receiving money from the investors.

H. Information from complainants and other persons who had made payment to Perpetual Research

23. Upon perusal of the credit entries of bank statements of Kotak Bank and ICICI Bank, it was noticed that certain credit narrations are mentioned as "*Trading/ Trading ser*" etc. Accordingly, ICICI Bank and Kotak Bank were requested to provide the counterparties details for the following transactions:

Tran Date	Tran Particulars	Cr Amt
	Kotak Bank	
11-03-2020	UPI/neeraj.dev@/007123131665/Trading	5,000.00
11-03-2020	UPI/neeraj.dev@/007123165586/Trading	40,000.00
15-06-2020	UPI/ruchitjain1/016713952996/Trading ser	4,000.00
	ICICI Bank	
19-06-2020	UPI/017120482586/Share market/tusharthombare1/Stat	5,500.00
24-06-2020	UPI/017612990221/For advisery se/yogesh.kute2007/S	3,000.00
24-06-2020	UPI/017619697849/Trade fee/rahulgampawar67/HDFC BA	1,200.00
29-06-2020	UPI/017916308440/Share market/tusharthombare1/HDFC	25,500.00

24. Kotak Bank and ICICI Bank vide emails dated November 10, 2020, provided requisite information (**Annexure I – Kotak Bank, Annexure J – ICICI Bank**).

25. Based on information's provided by aforesaid banks, emails were sent to counterparties requesting them to provide information's about Perpetual Research for the payment made by them. Further, based on statements provided by PayU Money, information was also sought from the some of the persons who had made payments to Perpetual Research through PayU Money. The persons from whom information's were sought and their date of reply is given below:

Name of persons	Date of sending email	Date of receipt of reply	Remarks
Ruchit Jain	11-11-2020	13-11-2020	
Dhanesh Kalukhe	09-11-2020	09-11-2020	
Rahul Gampawar	11-11-2020	11-11-2020	Informed that he does not have any information
Tushar Bhaguji Thombare	11-11-2020 & 19-11-2020	Not received	
Laxmi Naryan Parihar	09-11-2020 and 19-11-2020		
Ramprasath	09-11-2020 and 19-11-2020		
Pankaj Kumar	09-11-2020 and 19-11-2020		
Bhanu Prakash Baghel	09-11-2020 and 19-11-2020		

26. From the above, it has been noted that information was received from Mr. Dhanesh Kalukhe and Mr. Ruchit Jain. The observations from the reply submitted by both the persons is summarized below:

26.1. **Mr. Dhanesh Kalukhe (Annexure K)**

a) Mr. Dhanesh Kalukhe vide email dated November 09, 2020, submitted SBI credit card statement as payment proof for making payment to Perpetual Research, What'sup chat with one of the employee and PayU transaction email.

b) Mr. Dhanesh Kalukhe also mentioned that he had received a call on September 06, 2020, from Mr. Gaurav for stock market trading tips. Based on telephonic discussion, he had paid Rs. 5,000/- to Perpetual Research and also shared his PAN card, Aadhar card and bank details with Perpetual Research. Mr. Gaurav assured him daily profit of Rs. 500/-. On the first day he had traded in crude. On the next day Mr. Gaurav requested him to pay Rs. 15,000 /- more for trading in bank nifty. However, he refused to make any further payments. Later on, he interacted with one more employee of Perpetual Research and he also asked him to pay 15,000/- rupees for Master account trading.

c) On perusal of the WhatsApp chat, it appears that Mr. Dhanesh Kalukhe was interacting with one of the persons whose mobile number is "909906607". From the WhatsApp chat, it appears that, Mr. Dhanesh Kalukhe was being pursued for making payments for taking service and completing registration process and profit assurance was provided to him. Further, from the credit card statement, it was noticed that payment was made to PayU Money payment gateway.

26.2. **Mr. Ruchit Jain (Annexure L)**

a) Mr. Ruchit Jain vide email dated November 13, 2020, submitted the screen shot regarding payments made by him and tips received by him.

b) On perusal of the details provided by Mr. Ruchit Jain it appeared that, he was interacting with one of the person whose mobile number is "8959578086". The WhatsApp chat communicated with said mobile number is as under: -

"App ne jo number diya voh google pay pm hi ara
Wait
Saara singhaniya
0511607729
KKBK0000751
Kotak Mahindra Bank
Google pay se account me pay kr sakteho
Okay"

c) Further, Mr. Ruchit also received tips from the aforesaid mobile number (number used by Ms. Saara) in the scrips of Bank of Baroda, Reliance and Nifty Put. Further, as per screenshot submitted by Mr. Ruchit Jain, the website name is mentioned as Flankingresearch.com.

d) While carrying out Google search on the aforesaid website, it was noticed that, Flanking Research and Investment Advisor is one of the SEBI registered Investment Advisors.

e) On verifying the details with SEBI website, it was noticed that registration number INA000010195 belongs to Flanking Research and Investment Advisor and its office address is 208-9, Apollo Premier, Vijay Nagar, Indore, Madhya Pradesh-452010.

f) The payment was made by Mr. Ruchit Jain from his bank account maintained with HDFC Bank to Kotak Mahindra Bank Account number 0511607729. As mentioned above in paragraph 5, the account number 0511607729 belongs to Perpetual Research.

g) Further, it was noticed that in the bank statement of Flanking Research and Investment Advisor as provided by SBI vide email dated November 18, 2020, to SEBI (during the course of inspection of Flanking Research and Investment Advisor), email id mentioned is 'priyank.sharma8269@gmail.com'.

I. Relationship between Perpetual Research and Flanking Research and Investment Advisor

27. In line with the information provided by Mr. Ruchit Jain and on further analyzing the bank statement of Perpetual Research and Mr. Priyank Sharma, it was noticed that there were financial transactions executed between Flanking Research and Investment Advisor and Mr. Priyank Sharma. The summary of the same is given as below: -

S. No.	Name of the bank	Account in the name of	Total Debits	Total Credits
1	Axis Bank A/c No. 915010063204461	Mr. Priyank Sharma	3,900/-	26,011/-
	Axis Bank A/c No. 918010028120176		1500/-	-
2	SBI A/c No. 63050218476		20,000/-	-
3	Kotak Mahindra Bank A/c no. 0511607729	Perpetual Research		2,60,000/-

28. Further, the email id provided in SBI bank account statement of Flanking Research is priyank.sharma8269@gmail.com, which is the same email id as the proprietor of Perpetual Research (**Annexure M**).

29. From the above, it was inferred that Priyank Sharma proprietor of Perpetual Research colluded with Flanking Research and Investment Advisor and solicited money from clients under the name of Perpetual Research / Flanking Research and Investment Advisor.

J. Information provided by Mr. Sandhan Sahani

30. As specified on paragraph 21 above, Mr. Sandhan Sahani had paid Rs. 2,46,49,345/- to Perpetual Research. A search was carried out in Share Portal to ascertain, whether Mr. Sandhan Sahani has filed any complaints against Perpetual Research. On perusal of the same, it was noticed that Mr. Sandhan Sahani had lodged 2 complaints against Flanking Research Prop. Tarun Chandani (**Annexure N**). The summary of the complaints is as under:

SEBI Complaint no.	Complaint status	Date of receipt	Date of closures	Closures remarks
SEBIE/MP19/0000722/1	Disposed	22-03-2019	08-05-2019	As per ATR and attachment submitted by IA, the said complaint has been resolved.
SEBIE/MP20/0001986/1	Pending	27-10-2020	Not Applicable	

31. While examining the complaint of Mr. Sandhan Sahani against Flanking Research (during the course of inspection of Flanking Research and Investment Advisor), Mr. Sandhan Sahani was requested to provide the payments methods for making payments to Flanking Research and any documents / WhatsApp message or email regarding Perpetual Research.

32. Mr. Sandhan Sahani vide email dated November 25, 2020 (**Annexure O**), provided the following information:

32.1. He had raised an objection to the person who was representing himself to be from Flanking and was providing link to Perpetual Research for making payment. Mr. Sahani shared screenshot regarding payment of Rs. 4,60,000/- made by him through PayU Money payment gateway to Perpetual Research.

32.2. Further, Mr. Sahani also shared screenshot regarding email id of Mr. Priyank Sharma which was registered with PayU Money payment gateway.

33. Mr. Sandhan Sahani forwarded email dated November 25, 2020, received by him from Perpetual Research sent by Mr. Priyank Sharma (email id "priyank.sharma8269@gmail.com"). Further, it was mentioned by Mr. Sahani that he was interacting with person whose mobile number is "9926904215". The person also claimed to be related to Flanking Research.

34. On perusal of the emails forwarded by Mr. Sandhan Sahani following was observed: -

34.1. Mr. Priyank Sharma claimed himself to be a director and financial advisor at Perpetual Research.

34.2. Perpetual Research provided investment services in Equity, Commodity and Currency markets to accumulate profits for their valuable clients.

34.3. They were a team of financial advisors from Central India and engaged in offering wide range of financial services.

34.4. They were offering monthly plans for assured returns. The details are as under:

a) 1 lakh profit on Investment of 2.7 lakh: 37% growth
b) 2.1 lakh profit on investment of 5 lakh: 42% growth
c) 4.5 lakh profit on investment of 10 lakh: 45 % growth

34.5. For keeping track on investment, they provided daily reports on registered email with portfolio details and profits earned.

34.6. If any loss happened to the client, company took the responsibility to provide profits to the client as per the plan.

34.7. Subsequent to receipt of withdrawal request from the client, company froze the overall amount and did not ingest it into the market.

35. Vide email dated December 18, 2020, Mr. Sahani was, inter alia, requested to provide following clarifications:

35.1. Any written agreement with Flanking Research / Perpetual Research with respect to receiving regular/fixed monthly returns on your payments to them.

35.2. Any agreement wherein it was mentioned that the payments made by him at regular intervals would be invested in the securities market and returns would be provided by Flanking / Perpetual.

35.3. Sharing of User ID and password of his trading and demat account in order to enable Flanking / Perpetual to trade on his behalf.

36. Mr. Sandhan Sahani vide email dated December 18, 2020, submitted that, there was a written agreement and risk analysis was done by someone from Flanking. Mr. Sahani was calling on 9926904215 (which belonged to Mr. Priyank Sharma) who was in touch with him day one and represented himself as owner of Flanking Research. Mr. Priyank Sharma had forwarded him payment links of Flanking as well as Perpetual Research. The said person was requesting him to invest money in the market for generating returns. He was receiving advices from the mobile number 9926904215. He had never traded in his account after May 2019. However, the documents provided by Mr. Sahani to SEBI are of RPF and invoices issued by Flanking.

37. It was found that mobile number as mentioned by Mr. Sandhan Sahani above belongs to Mr. Priyank Sharma (as per AOF provided by Axis Bank with respect to account no. 920060052198152 and 920060052196321).

38. Thus, from the above email, it is alleged that:

38.1. Perpetual Research provided assured return for the investment made by the clients.

38.2. They were offering various plans to customers.

K. SEBI Act / SEBI Regulations violated by Mr. Priyank Sharma

39. The amount received by Mr. Priyank Sharma in various banks, as per the bank statements, is given below:

Bank & Account Number	Total Credits (Rs.)	Statement Period
Kotak Mahindra Bank (0511607729)	6,37,83,178/-	24.06.2015 to 24.09.2020
HDFC Bank (50200021023207)	57,99,666/-	23.08.2016 to 05.12.2018
ICICI Bank (144101508883)	62,21,264/-	24.06.2015 to 10.09.2020
Axis Bank (915010063204461)	4,04,24,123/-	01.03.2016 to 07.11.2020
Axis Bank (918010028120176)	24,41,544/-	29.11.2018 to 30.06.2018
SBI (63050218476)	1,06,67,075/-	26.12.2009 to 25.07.2019
HDFC Bank (50100200545560)	7,52,220/-	01.04.2017 to 11.11.2020

40. The reasons for which the payments were received by Mr. Priyank Sharma from various persons could not be ascertained. However, from the narration mentioned in the bank statement as provided by ICICI Bank, Kotak Bank, HDFC Bank and Axis Bank, it is alleged that Mr. Priyank Sharama was receiving money / fees from various persons towards investment advisory services.

41. From the documents provided by Mr. Sandhan Sahani, it is alleged that Mr. Priyank Sharma represented himself as director and financial advisor at Perpetual Research. Perpetual Research is offering investment services in Equity, Commodity and Currency markets to accumulate profits for the valuable clients. They represented themselves as financial advisors from Central India. Perpetual Research was also offering monthly plans along with the assured returns.

42. In line with information sought from some persons on sample basis and documents provided by them, following is observed:

42.1. From the documents provided by Mr. Ruchit Jain, it is observed that he was receiving tips from investment adviser and payment made by him to Perpetual Research also appears in the PayU Money statement of Perpetual Research. From the website link provided by Mr. Ruchit Jain, i.e. '*Flankingresearch.com*', it is alleged that Flanking Research and Investment Advisor & Perpetual Research are connected entities. The same can be further established by the fact that in the SBI statement of Flanking Research and Investment Advisor, email id of Mr. Priyank Sharma was mentioned i.e. priyank.sharma8269@gmail.com. In addition to this, there have been some financial transactions between Flanking Research and Investment Advisor and Priyank Sharma.

42.2. From the documents provided by Mr. Dhanesh Kalukhe, it was observed that profit assurance was given to him.

43. The aforementioned dealing / activities of the entity is alleged to be fraudulent and are covered within the definition of "fraud" as defined in Regulation 2(1)(c) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**"). On combined reading of provisions mentioned at above, it is alleged that activities / dealing of the entities namely Mr. Priyank Sharma proprietor of Perpetual Research is in the nature of fraud, are in violation of Regulation 3(a), (b), (c) and (d) of PFUTP Regulations, 2003 read with section 12A (a), (b) and (c) of SEBI Act, 1992.

44. Further, by assuring profits to investors, the entity was allegedly mis-selling services related to securities market. Thus, it is alleged that Mr. Priyank Sharma, proprietor of Perpetual Research is in violation of Regulation 4(1), 4(2)(k) and 4(2)(s) (of PFUTP Regulations, 2003.

45. The complainant has alleged that the Noticee took money from them in lieu of advisory services. Further, from the bank account information, it was observed that the bank account statement reflects credits of money with narration investment, tips, share, trading, fees, broker etc. Further, WhatsApp chats, email communication and PayU Money transaction details shows that Noticee was engaged in Investment Advisory services. Hence, it is inferred that the above mentioned payment gateway and bank accounts were used for receipt of fees from various entities for the purpose of providing Investment advisory services.

46. It is, *prima-facie*, alleged that the amount paid by the complainant and reflected in the bank accounts of the Noticee, is consideration paid for availing investment advisory products. Further, based on examination of the bank account statements, *prima-facie*, it is observed that there are large number of credits from several other individual investors which were paid towards availing various investment advisory products and services.

47. From the above, it is alleged that the Noticee was engaged in the activities of an 'investment adviser' as defined under Regulation 2(m) of SEBI (Investment Advisers) Regulations, 2013.

48. It is further alleged that the Noticee was involved in providing unregistered investment advisory services without obtaining registration from SEBI as required under section 12(1) of SEBI Act read with Regulation 3(1) of SEBI (Investment Advisers) Regulations, 2013.

Provisions of SEBI Act / SEBI Regulations

49. The text of the relevant provisions of SEBI Act / SEBI Regulations are reproduced below

Relevant provisions of SEBI Act:

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

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".

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;

Relevant provisions of PFUTP Regulations:

3. Prohibition of certain dealings in securities No person shall directly or indirectly—
(a) buy, sell or otherwise deal in securities in a fraudulent manner;
(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;
(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;
(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

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

4(2)(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading and which is designed or likely to influence the decision of investors dealing in securities;

4(2)(s) mis-selling of securities or services relating to securities market;
Explanation- For the purpose of this clause, "mis-selling" means sale of securities or services relating to securities market by any person, directly or indirectly, by–
(i) knowingly making a false or misleading statement, or
(ii) knowingly concealing or omitting material facts, or
(iii) knowingly concealing the associated risk, or
(iv) not taking reasonable care to ensure suitability of the securities or service to the buyer;

Relevant provisions of SEBI (Investment Advisers) Regulations

2(m) "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".

3(1) "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".

50. In light of the above, the Noticee is hereby called upon to show cause as to why suitable directions under sections 11(1), 11(4), and 11B(1) of the SEBI Act should not be issued against them for alleged violations.

51. 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:

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

52. 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.

Yours faithfully,

Nirmal Mehrotra

Enclosures: As above