

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA  
CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER  
INTERIM EX PARTE ORDER**

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

**In Re: Securities and Exchange Board of India (Investment Advisers) Regulations, 2013**

**In respect of:**

<b>S. No.</b>	<b>Name of the Entity</b>	<b>PAN</b>
<b>1</b>	<b>National Stock Advisory Research and its proprietor Mr. Neeraj S Lodhi</b>	<b>ANMPL5360M</b>

**In the matter of National Stock Advisory Research**

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1. National Stock Advisory Research (hereinafter referred to as “**NSAR**”) is a proprietorship firm, having office at “29/1, Nadiya Nagar, M.I.G, Indore – 452010, Madhya Pradesh”. The proprietor of NSAR is Mr. Neeraj S Lodhi. The website of NSAR is [www.nationalstockadvisory.com](http://www.nationalstockadvisory.com); contact number of NSAR is 7582861466 and 9575686409 and contact email id is [nationalstockadvisory@gmail.com](mailto:nationalstockadvisory@gmail.com).
2. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) was in receipt of complaint / email dated May 14, 2020 from a complainant wherein, the complainant *inter alia* alleged that NSAR is an unregistered stock advisory firm; is in the business of taking money from small investors by providing them wrong trading tips and calls; and after receipt of money they did not respond to phone calls and messages. Thereafter, the matter was taken up for preliminary examination by SEBI.

### **SEBI's Examination:**

3. SEBI conducted an examination in relation to the affairs of NSAR and its proprietor Mr. Neeraj S Lodhi (hereinafter referred to as “**Noticees**”) to ascertain possible violation, if any, of the provisions of SEBI Act, 1992 (hereinafter referred to as “**SEBI Act**”) and rules and regulations made thereunder.
4. As per the intermediary database on SEBI website, it is observed that neither NSAR nor its proprietor Mr. Neeraj S Lodhi is registered with SEBI in any capacity. The website of NSAR has been perused and observed that website [www.nationalstockadvisory.com](http://www.nationalstockadvisory.com) is still active.
5. From the website of NSAR, it is observed that it is using bank account number 004105015480 held in the name of NSAR with ICICI Bank and bank account number 20213402803 held in the name of Mr. Neeraj S Lodhi with State Bank of India (SBI) 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 and SBI. SEBI's examination found that NSAR and its proprietor Mr. Neeraj S Lodhi held themselves out and acted as an Investment Advisor for providing tips and trading calls in securities market without obtaining a registration under SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as “**IA Regulations**”).

### **CONSIDERATION & PRIMA FACIE FINDINGS**

6. I have perused the material available on record such as information available on the website of NSAR and the information obtained from ICICI Bank and SBI. In this context, *prima facie*, the following issues arise for determination:
  - 6.1. ***Issue No. 1: Whether NSAR is holding itself out and/or acting as investment adviser?***
  - 6.2. ***Issue No. 2: If answer to the aforesaid issue is in affirmative, whether NSAR has, prima facie, violated any provisions of SEBI Act read with IA Regulations?***

- 6.3. ***Issue No. 3: If answers to Issue Nos. 1 & 2 are affirmative, who are responsible for the violations?***
- 6.4. ***Issue No. 4: If answer to Issue No. 2 is in affirmative, whether urgent directions, if any, should be issued against those responsible for the violations?***

**ISSUE No. 1: Whether NSAR is holding itself out and/or acting as investment adviser?**

7. As regards the first issue, I note the following from the material available on record:

7.1. The website of NSAR has been perused and observed that website [www.nationalstockadvisory.com](http://www.nationalstockadvisory.com) is still active. Upon perusal of the information obtained from the webpages of website of NSAR, the following claims made by NSAR are noted:

7.1.1. *National stock advisory and research Pvt. Ltd., a trusted name in the financial services arena, provides you with the entire gamut of financial advisory services under one ceiling. It is one of the few organizations providing research and information on Indian capital markets mainly based on Technical Analysis and enjoys a strong reputation amongst investors, brokers and researchers. Our team is highly skilled with experienced analysis. Our efforts are to provide you more & more profit in every trade. We are here to help you to grow your financial position by Short-Term investing or Trading in Indian Stock Market. Our flexible packages are so suitable to everybody, so you can choose our packages as per your requirement. We provide trade alerts via sms every day and live tips.*

7.1.2. *OUR MISSION STATEMENT - "To become and Remain Our Client's Most Trusted Advisor" Our mission is what we seek to accomplish every day.*

7.1.3. *OUR VISION STATEMENT - "To Be Recognized for Delivering a Superior Combination of Successful Investment Solutions and Exceptional Customer Service". Our vision reminds us that Clients do business where they are welcome and stay where they are appreciated.*

7.1.4. *OUR VALUES-*

7.1.4.1. *Respect for our Clients*

7.1.4.2. *Integrity in Both Thought and Action*

7.1.4.3. *Teamwork Supported by Sound Investment Strategies*

7.1.4.4. *Strong Commitment to Excellence*

*Our values represent the core of our beliefs in terms of how we want to operate.*

7.2. Various services packages in Equity, Commodity, Option, Future and Currency segments are mentioned on NSAR website. The description of services as per its website is as under:

<b>Service</b>	<b>Description</b>
Intraday Cash	<i>“In this service we provide you with stock tips with good number of accuracy which drives them to profit.”</i>
HNI Cash	<i>“In this service traders gets less calls with maximum profit.”</i>
Delivery Pack	<i>“This is our short term delivery service for NSE traders who trade in cash Market. And wish to avail higher returns.”</i>
Cash BTST	<i>“This service is designed for those who do not want to miss profit from next day’s market.”</i>
Cash Bluechip	<i>“Cash Blue Chip Package is a great opportunity for the traders who trades in NSE HEAVY TRADE.”</i>
Option Call & Put	<i>“In this service we give 3-4 recommendation daily with the good percents of accuracy Option Positional.”</i>
Nifty Option	<i>“This Service is specially designed keeping in view the trader’s focus who trade only in Index.”</i>
HNI Option	<i>“In this service we give 4-5 recommendation in week to our client with the good percents of accuracy.”</i>
Option BTST	<i>“In this service we give 10-15 recommendation in month with the good percents of accuracy.”</i>
Option Positional	<i>“Option Positional is specifically designed for the traders who seek to generate marvellous profit in definite time period.”</i>
Intraday Future	<i>“This service is for the traders who trade in stock cash &amp; future market. In these we will provide you Intraday &amp; holding basis calls.”</i>
HNI Future	<i>“In this service we provide good accuracy in future segment recommendations.”</i>
Future Positional	<i>“This service is specifically designed keeping the traders in mind who have positional horizon to mint profit.”</i>
Nifty Future	<i>“This service is for those traders and investors who want to deal in Nifty and Bank Nifty intraday trading.”</i>
NSAR Future Express	<i>“This service is for the customers who wish to trade with Intraday as well as positional in Future market segment.”</i>
Future BTST	<i>“This service is for the traders who trades in future market. In these we will provide holding basis calls to our clients.”</i>
Diamond Future Pack	<i>“This pack facilitates client who wants to capture every pit &amp; peak movement of the market.”</i>
Commodity Bullion	<i>“In these service we provide you recommendation in Bullion Market which drives them to the profit.”</i>
Commodity Agri	<i>“In these service we provide you recommendation in Agriculture Market which drives them to the profit.”</i>

<i>Service</i>	<i>Description</i>
HNI Agri	<i>“This pack is formulated for those traders having heavy investment &amp; for those who want to get.”</i>
HNI MCX	<i>“This service is specially created for those who wish to earn high return on their investment in commodities market.”</i>
Base Metal + Energy	<i>“In these service we provide you with good number of accuracy which drives them to the profit.”</i>
Diamond Pack	<i>“This service is especially for intraday traders who participate in every movement of the market.”</i>

7.3. The pricing of various packages / services offered by NSAR as per its website is as under:

<i>Product</i>	<i>Amount figure in Rupees</i>			
	<i>Monthly</i>	<i>Quarterly</i>	<i>Half-Yearly</i>	<i>Yearly</i>
<i>Currency</i>	5,000	12,000	20,000	30,000
<i>Intraday Future</i>	10,000	22,000	38,000	50,000
<i>HNI Future</i>	25,000	60,000	90,000	1,30,000
<i>Future Positional</i>	15,000	40,000	70,000	1,20,000
<i>Nifty Future</i>	6,000	15,000	25,000	40,000
<i>Future BTST/STBT</i>	20,000	45,000	80,000	1,20,000
<i>Diamond Future Pack</i>	75,000	2,10,000	4,00,000	7,80,000
<i>Intraday Cash</i>	6,000	13,000	22,000	35,000
<i>HNI Cash</i>	16,000	40,000	70,000	,00,000
<i>Delivery Pack</i>	10,000	27,000	50,000	90,000
<i>Cash Bluechip</i>	-	40,000	70,000	1,20,000
<i>Diamond Cash Pack</i>	-	5,00,000	9,00,000	-
<i>Option Call &amp; Put</i>	5,000	12,000	20,000	30,000
<i>Nifty Option</i>	5,000	12,000	20,000	30,000
<i>HNI Option</i>	16,000	40,000	70,000	1,00,000
<i>Option BTST</i>	15,000	40,000	70,000	1,00,000
<i>Optional Positional</i>	25,000	60,000	90,000	1,30,000
<i>Commodity Bullion</i>	10,000	27,000	50,000	90,000
<i>Commodity Agri</i>	10,000	27,000	50,000	90,000
<i>HNI MCX</i>	30,000	75,000	1,30,000	2,00,000
<i>Base Metal+Energy</i>	7,000	18,000	30,000	50,000
<i>Jobber’s MCX Pack</i>	1,00,000	2,65,000	5,00,000	9,00,000
<i>Break Out Pack</i>	30,000	75,000	1,30,000	2,00,000
<i>Agri HNI</i>	30,000	75,000	1,30,000	2,00,000

7.4. From the above table, it is noted that fee charged by NSAR for its various Services are in range from Rs. 5,000/- to Rs. 9,00,00/-.

7.5. Further, from [www.whois.com](http://www.whois.com) database, it is noted that the domain name [nationalstockadvisory.com](http://nationalstockadvisory.com) was created on April 10, 2017.

#### 8. **Bank Account / payment details:**

8.1. The following bank account details alongwith the PayUmoney gateway link and PayTM are mentioned on website of NSAR:

Entity	NSAR	
Bank	ICICI Bank	SBI
Account Name	National Stock Advisory Research	Neeraj S Lodhi
Account No.	004105015480	20213402803
IFSC Code	ICIC0000041	SBIN0006253

8.2. The following information is gathered from ICICI bank, SBI and PayUmoney payment gateway in regard of aforementioned bank accounts:

Account Name	Bank Name / Payment Gateway	Date of Account Opening	Bank A/c no.	Bank / Wallet Statement Period	No. of Credit Transaction	Date of last Credit	Total Credit in Rs.
Neeraj Singh Lodhi	State Bank of India	22/05/2014	20213402803	10/04/2017 - 11/12/2020	471	28/11/2020	13,97,547
National Stock Advisory Research	ICICI Bank	12/03/2018	004105015480	16/03/2018 - 27/03/2019	39	14/03/2019	2,97,844
National Stock Advisory Research	PayUmoney#	29/04/2017	Linked to both aforesaid ICICI Bank and SBI A/c	29/04/2017 - 21/06/2018	#66	21/06/2018	4,72,549
National Stock Advisory Research	Paytm*	15/05/2017	Linked to Mobile no. 7582861466	30/03/2019 - 10/05/2020	*43	24/04/2020	14,708
<b>Total</b>					<b>638</b>		<b>21,82,648</b>

# 10 Credits received in the ICICI bank account (004105015480) i.e., amount of Rs.77,436/- and 56 Credits received in the SBI bank account (20213402803) i.e., amount of Rs.3,95,116/- received from PayUmoney payment gateway is excluded from amount and total no of credit transactions to avoid double counting

\* entries from Paytm to bank accounts could not be verified

8.3. From an analysis of Bank statements, the following is observed:

8.3.1. The aforesaid bank accounts are active.

8.3.2. The total credit received in the aforesaid bank accounts including Paytm and PayUmoney gateway is approximately Rs. 21,82,648/- during the period April 10, 2017 to December 11, 2020.

9. In light of the aforesaid discussions, I *prima facie* observe that NSAR has been putting information in public domain / advertising by using website namely [www.nationalstockadvisory.com](http://www.nationalstockadvisory.com) about the various Services offered by it in securities market. It is also *prima facie* observed that various plans / packages are being offered by NSAR to avail their Services. Thus, I *prima facie* observe, that NSAR is *prima facie*, holding itself out as an investment Adviser. In view of the above facts and circumstances, especially the content of the website coupled with the credit transactions in the bank accounts, *prima facie*, it is inferred that the fees / funds credited to the bank accounts, Paytm and PayU money, were for the purpose of availing the Services indicated on the website of NSAR and it is carrying out Services related to investments in securities market as mentioned on its website and it is acting as an advisor in securities market from April 10, 2017 till date.
10. In this regard, I have perused the definition of investment Adviser as given in regulation 2(m) of IA Regulations, which states that 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, I have also perused the Regulation 2(l) of the IA Regulations which defines investment advice as “*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.*”

11. In light of the aforesaid definitions, it is, *prima facie* noted, from the contents of the website of NSAR, that NSAR 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 NSAR to its clients. Thus, *prima facie*, NSAR is an investment Adviser as defined under Regulation 2(m) of the IA Regulations.
12. The fact that NSAR 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 NSAR. Therefore, NSAR has not only held itself out as investment Adviser but has also acted as an Investment Adviser for consideration.

**ISSUE No. 2: *If answer to the aforesaid issue is in affirmative, whether NSAR has, prima facie, violated any provisions of SEBI Act read with IA Regulations?***

13. In order to ensure that investors who receive investment advice are protected, 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 Regulations. Section 12(1) of SEBI Act states that “*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*”



14. Further, Regulation 3(1) of the IA regulations, states that “*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*”.
15. Thus, as per Section 12(1) of SEBI Act and Regulation 3(1) of IA Regulations, 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 regulations i.e. the registration of the investment Advisers is mandatory.
16. The activities of NSAR, as brought out from the various materials described above, seen in the backdrop of the aforesaid provisions shows that NSAR is holding itself out as investment Advisers and is acting as investment Advisers. However, no material was available on record to indicate that NSAR or its proprietor Mr. Neeraj S Lodhi in their individual capacity had a certificate of registration as an Investment Adviser. In this context, it is noted that NSAR and Mr. Neeraj S Lodhi in their individual capacity are not registered with SEBI as an intermediary. The characteristics and features of the business activity carried out by NSAR, as discussed in the preceding issue, *prima facie*, leads to the conclusion that NSAR is holding itself out and acting as investment Advisers without a certificate of registration from SEBI. In my view, these activities/ representations of NSAR are, *prima facie*, in violation of Section 12(1) of SEBI Act read with regulation 3(1) of the IA Regulations.

**ISSUE NO. 3: *If answers to Issue Nos. 1 & 2 are affirmative, who are responsible for the violations?***

17. I note that Mr. Neeraj S Lodhi is the sole proprietor of NSAR. I note the legal status of the proprietary firm from the judgment of the Hon’ble Supreme Court of India in *Ashok Transport Agency vs. Awadhesh Kumar & another*, [(1998) 5 SCC 567] that “... *A proprietary concern is only the business name in which the proprietor of the business carries on the business. A suit by or against a proprietary concern is by or against the proprietor of the business...*”. Therefore, I find that Mr. Neeraj S Lodhi is liable for the acts of NSAR.

**ISSUE NO. 4: *If answer to Issue No. 2 is in affirmative, whether urgent directions, if any should be issued against those responsible for the violations?***

18. SEBI has a statutory duty to protect the interests of investors in securities and promote the development of, and to regulate, the securities market. Section 11 of the SEBI Act has empowered it to take such measures as it thinks fit for fulfilling its legislative mandate. The IA Regulations have been formulated with the main objective of regulating investment advisory activities to safeguard the interests of investors and hence registration of investment advisory activities with SEBI has been made mandatory. The IA Regulations *inter alia* seek to create a structure within which investment Advisers will operate and also make them duly accountable for their investment advice by requiring investment Advisers to comply with the relevant provisions of the IA Regulations. The same is imperative for the protection of interests of investors and to safeguard the integrity of the securities market.
19. In the instant case, it is noted that Noticees are soliciting and inducing the investors to deal in securities market on the basis of investment advice, stock tips, intra-day calls etc., *prima facie*, without having the requisite registration as mandated under the IA Regulations. Considering the facts and circumstances of the present matter and on the basis of the *prima facie* findings, it is necessary to take urgent preventive action in this matter and to take immediate steps to prevent Noticees, from collecting any more fees from the public and indulging in unauthorized investment advisory activities. It is noted from material available on record that transaction took place in the bank account of Mr. Neeraj S Lodhi / NSAR as recently as on November 28, 2020 in SBI. Moreover, the website of NSAR, [www.nationalstockadvisory.com](http://www.nationalstockadvisory.com), is still active. Furthermore, the details of NSAR including its location, email (enquiry can be sent to NSAR by an email) and telephone number are mentioned on its aforementioned website. Therefore, the threat of investors getting lured towards the unregistered activity of Noticees in the securities market is still in existence and imminent. The total amount of money, *prima facie*, observed to have been collected by NSAR is Rs. 21,82,648/- and indicates the magnitude of the prospective threat to the investors.

20. It is noted that permitting the investors to receive an investment advisory service from an unregistered entity, in effect means, the same is received from the unqualified person without following the safeguards mentioned in the IA Regulations. An investor receiving a service from unregistered investment advisor not in consonance with the IA Regulations vis-a-vis an investor who receives such service from registered investment Adviser following the IA Regulations stands in a disadvantageous position in respect of his protection as investor as envisaged under the IA regulations. An unregistered investment adviser has not even satisfied the Regulator that he is a fit and proper person to hold the certificate of registration as investment Adviser. Availing of service from such person is detrimental to investors and such unqualified service can result in irreparable detriment as the investors' money is invested based on unqualified and un-regulated service. Exposing investors to such service also has the effect of interfering with the development of securities market, as victim of such services tend to lose faith in the securities market. Such an injury to the development of the securities market also qualifies as "irreparable injury" or "irreparable detriment" as the objective of SEBI as enshrined in the SEBI Act is not only the protection of investors but also orderly development of securities market.

21. Further, if an ex-parte order is not passed, many prospective investors may subscribe by parting with significant fees and may cause irreparable injury to themselves as discussed earlier. However, if an ex-parte order is passed, what is at stake is right of the current entity herein vis-a-vis multitude of prospective and current clients of the entity. It may be noted that one of the underlying differences between the "ex-parte orders in the case of private suits" and "ex-parte public enforcement actions", is the identification of the injured party. In private damage suits, the injured individual, as "whole", is identifiable whereas ex-parte public enforcement actions, seeks to protect the floating multitude of investing public by preventing, continuous and imminent violations of the securities laws. Though, it can be argued that a final remedy by way of refund is available, as against the step of passing an ex-parte interim order, the potential loss of investment by the investors by following the advice from an unqualified person and resultant loss of investor's confidence and reliability of securities market, cannot be retrieved, if prima facie unregistered investment advice is permitted to be extended to the investors by not passing

an *ex parte-interim order* at this stage. Therefore, I consider the balance of convenience is also not in favour of Noticees.

22. Considering the facts and circumstances of the present matter and on the basis of the *prima facie*, findings, it is necessary to take urgent preventive action in this matter and to take immediate steps to prevent Noticees from collecting any more funds from the public and indulging in unauthorized investment advisory activities. As noted in the preceding paragraphs, monies were being credited in the bank accounts as on November 28, 2020 and bank accounts are still active. Moreover, the website of NSAR is active. The same *prima facie* demonstrates that Noticees can still lure investors to deal through it in the securities market and probability of investors reaching Noticees is still high. Therefore, the threat of investors getting lured towards the unregistered activity of Noticees in the securities market is still in existence and imminent.
23. The amount of money, *prima facie*, observed to have been collected by Noticees is approximately Rs. 21,82,648/- and indicates the magnitude of the prospective threat to the investors. In light of the same, I find that there is no other alternative but to take recourse through an *interim ex-parte* order against Noticees for preventing them from collecting funds by defrauding investors and by indulging in unauthorized investment advisory Services without obtaining the mandatory registrations from SEBI in accordance with the law. As the website of NSAR is active which *prima facie*, shows that the investors can reach it and also its bank accounts are active, the balance of convenience demands the preventive measure of stopping the collection of money in the above-mentioned bank accounts from investors. The same can be effectively achieved by an appropriate direction of stopping credit into the above-mentioned bank account. As Noticees have already evaded the jurisdiction of SEBI by *prima facie*, acting as unregistered investment adviser, the balance of convenience also demands that Noticees have to be prevented from diverting the funds collected from the investors through the fraudulent and unauthorized investment advisory activity. Accordingly, an appropriate direction stopping the debit from the above-mentioned bank account has been incorporated.

24. With the initiation of quasi-judicial proceedings, given the fact that Noticees have already evaded the jurisdiction of SEBI by *prima facie*, acting as unregistered investment adviser, it is possible that Noticees may divert the money collected from the subscribers / clients. The same may result in defeating the effective implementation of the direction of refund, if any, to be passed after deciding the matter on merits. It therefore becomes necessary for SEBI to take urgent steps to prevent Noticees from diverting the money collected from the subscribers / clients. It is also essential to take urgent steps to prevent them from alienating any assets, whether movable or immovable, or any interest or investment or charge in any of such assets, so that the final remedies, if any, do not become infructuous. In view of the facts and circumstances discussed hereinabove, and considering the interests of already existing clients of Noticees and also the interests of those who may fall prey to the unregistered investment advisory by reaching Noticees through the website, the balance of convenience lies against the Noticees, which requires immediate action against them including not to divert the money collected from the subscribers / clients / investors.

**ORDER:**

25. In view of the above, pending conclusion of enquiry on granting of hearing opportunity as per this Order, to National Stock Advisory Research and its proprietor Mr. Neeraj S Lodhi , I, in order to protect the interests of investors and integrity of the securities market, in exercise of the powers conferred upon me under Sections 11, 11(4), 11B (1) and 11D read with Section 19 of the SEBI Act hereby issue by way of this *interim ex-parte order*, the following directions, *which shall be in force until further orders:-*

25.1. *National Stock Advisory Research and its proprietor Mr. Neeraj S Lodhi are directed:-*

25.1.1. *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;*

- 25.1.2. *not to divert any funds collected from investors, kept in bank account(s) and/or in their custody;*
- 25.1.3. *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.*
- 25.1.4. *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;*
- 25.1.5. *not to access the securities market and buy, sell or otherwise deal in securities, either directly or indirectly, in any manner whatsoever;*
- 25.1.6. *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;*
- 25.1.7. *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.*
- 25.2. *If National Stock Advisory Research and its proprietor Mr. Neeraj S Lodhi 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. National Stock Advisory Research and its proprietor Mr. Neeraj S Lodhi 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.*
- 25.3. *ICICI Bank and SBI are directed not to permit any debits / withdrawals and not to allow credits, from / to the following bank accounts, without the permission of SEBI. PayU money where National Stock Advisory Research is holding an account, is directed to deactivate the said account. Paytm where National Stock Advisory Research / Mr. Neeraj S Lodhi is holding an account through mobile no. 7582861466, is directed*

*to deactivate the said account. The said Banks, Paytm and PayU money are directed to ensure that all the above directions are strictly enforced.*

<b><i>Sr. No</i></b>	<b><i>Name of Bank Account Holder</i></b>	<b><i>Bank Account Number</i></b>	<b><i>Name of the Bank</i></b>
<i>1</i>	<i>Neeraj Singh Lodhi</i>	<i>20213402803</i>	<i>SBI</i>
<i>2</i>	<i>National Stock Advisory Research</i>	<i>4105015480</i>	<i>ICICI Bank</i>

25.4. *The Depositories are directed to ensure, that they neither permit any debits nor any credits in the demat accounts held by Mr. Neeraj S Lodhi either individually or jointly.*

25.5. *The Registrar and Transfer Agents are directed to ensure, that they neither permit any transfer nor redemption of the securities, including Mutual Funds units, held by*

*25.5.1. National Stock Advisory Research;*

*25.5.2. Mr. Neeraj S Lodhi either individually or jointly.*

26. This Order shall also be treated as a Show Cause Notice and *National Stock Advisory Research and its proprietor Mr. Neeraj S Lodhi* are show caused as to:

26.1. 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 *NSAR* be treated as unregistered activity under the SEBI Act and relevant Regulations;

26.2. 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:

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

26.2.2. 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;

26.2.3. 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;

26.2.4. Any other directions as it deemed necessary.

27. The *prima facie* observations contained in this Order, are made on the basis of the material available on record. In this context, Noticees may, within 21 days from the date of receipt of this Order, file their reply/objections, if any, to this Order and may also indicate whether they desire to avail an opportunity of personal hearing on a date and time to be fixed on a specific request to be made in that regard.

28. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against Noticees in accordance with law

29. The above directions shall take effect immediately and shall be in force until further orders.

30. A copy of this order shall be served upon Noticees, Stock Exchanges, Banks namely ICICI Bank and SBI, PayU money, Paytm, Registrar and Transfer Agents and Depositories for necessary action and compliance with the above directions.

-Sd-

**DATE: FEBRUARY 01, 2021**

**PLACE: MUMBAI**

**MADHABI PURI BUCH**

**WHOLE TIME MEMBER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**