

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

AD INTERIM EX PARTE ORDER

Under Sections 11(1), 11(4), 11B and 11D of the Securities and Exchange Board of India Act, 1992 in the matter of unregistered Investment Advisory through websites.

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

In respect of:

S. No.	Name of the Entity	PAN
1	Mr. Rishabh Jain	AFKPJ6640Q
2	Mr. Ubaidur Rahman	AAZPU0395D
3	Mr. G. Kadar Hussain	AQLPK1093L

1. Securities and Exchange Board of India ("SEBI") received an email dated December 18, 2015 from National Stock Exchange of India Ltd. ("NSE") forwarding the details of a website viz. www.trade4target.com alleging unregistered investment advisory service through the said website in which stock options and commodity tips were provided.
2. On examination of the information presented on the website, it was noted that the said website was claimed to be a website of a company named - "Technospirit Consulting Pvt. Ltd.". However, the Company / LLP Master available on Ministry of Corporate Affairs' website does not show any company with the said name. Though, a company with a similar looking name i.e. Technospirit Consultancy Private Limited exists but the details thereof do not match the details mentioned on www.trade4target.com. Thus, *prima facie*, the website www.trade4target.com contained false details. The website also mentioned performance track record and testimonials, possibly with a view to lure investors to pay subscription fee for the advisory/stock tips products offered through the website. The website also contained a link over a SEBI logo with the word '*approved*' below it, which contained the scanned copy of SEBI registration

certificate issued to one Mr. Abhinav Gulecha. When a question was asked from Mr. Abhinav Gulecha in respect of the websites owned by him, Mr. Gulecha vide email dated January 18, 2018 informed that the only website owned and administered by him for investment advisory activities is www.sohamfp.com. Thus, *prima facie*, the particulars relating to registration with SEBI appearing on www.trade4target.com were also false.

3. It was also observed that the website (www.trade4target.com) was using payment gateway offered by PayU Payments Private Ltd (hereinafter referred as 'PayUmoney'), an online payment gateway for receiving subscription fees from clients. In order to identify the true beneficiary of this website, information was sought from PayUmoney vide email dated May 12, 2016. PayUmoney vide email dated August 11, 2016 furnished the KYC documents, transaction details along with the details of the name of the beneficiary i.e. Mr. Rishabh Jain residing at D-5/9, D Block, Model Town III, Delhi – 100009 and having a Bank account - Canara Bank a/c no. 2021214000006.
4. Meanwhile, SEBI received complaints against certain other websites viz. www.niftysureshot.com and www.optiontips.in, which were allegedly offering unregistered investment advisory services. The details of bank a/cs linked to www.niftysureshot.com (i.e. HDFC a/c no. 01232320001233) and www.optiontips.in (i.e. Axis bank a/c 109010100381215) revealed that the beneficiaries of these websites are Mr. Ubaidur Rahman (PAN: AAZPU0395D) and Mr. Kadar Hussain (PAN: AQLPK1093L), respectively, who are located at Madurai, Tamil Nadu.
5. On examination of bank a/c statements of Mr. Ubaidur Rahman and Mr. Kadar Hussain, it was observed that there were multiple transfers of money to Mr. Rishabh Jain, who was found to be offering unregistered investment advisory through the website www.trade4target.com.
6. Further it was also observed that the websites www.niftysureshot.com and www.optiontips.in on their respective payment page had a PayUmoney link for making online payments. On enquiry with PayUmoney regarding online payment links available on these websites, PayUmoney vide its email dated February 02, 2017 informed that the beneficiary of these websites is Mr. Rishabh Jain, and furnished copy of the agreement between PayUmoney and Mr. Rishabh Jain. It is noticed from the agreement that Mr. Rishabh Jain (the sole proprietor of 'Cavenue') entered into an agreement with PayUmoney for enabling receipt of online payments through the following websites:
 - (a) www.trade4target.com
 - (b) www.niftysureshot.com

- (c) www.mcxbhavishya.com
- (d) www.callput.in
- (e) www.newsbasedtips.com
- (f) www.futuresandoption.com
- (g) www.optiontips.in
- (h) www.commoditytips.in
- (i) www.sharetipslive.com
- (j) www.thepremiumstocks.com

7. SEBI's letters sent to Mr. Rishabh Jain for the purpose of enquiry were returned undelivered with the remark *'there is no such person at this address'*. However, a field visit conducted by SEBI revealed that Mr. Rishabh Jain was actually staying at the address available on the records and was running a pharmaceutical business. The letters sent to Mr. Ubaidur Rahman and Mr. Kadar Hussain on their addresses on record were delivered but no response was received from them.
8. In order to get confirmation about the nature of transactions carried out by / through www.trade4target.com / www.niftysureshot.com, emails were sent to subscribers (clients/investors) whose email IDs were provided by PayUmoney. It was learnt from the replies received that many subscribers had confirmed availing services of www.trade4target.com / www.niftysureshot.com. They further informed that no agreement was signed by them with the websites' owners / officials as they only paid subscription amount through PayUmoney payment gateway to avail services under different packages. It was also informed that results displayed on the websites were found to be contradictory to the market, and many of them did not receive any tips through SMS/email and hence were cheated.

Change of direct beneficiary of websites in January 2017

9. It was observed from the transaction details merchant/owner information of abovementioned websites furnished by PayUmoney that the beneficiary of the following websites had been changed from Mr. Rishabh Jain to Mr. Ubaidur Rahman during January 2017:

www.trade4target.com
www.niftysureshot.com
www.optiontips.in
www.callput.in

10. In addition to the above websites, Mr. Ubaidur Rahman was also found to be the beneficiary of www.sureoptiontip.in as per the PayUmoney records.
11. It is noted from the reply of Canara bank (while forwarding KYC records of Mr. Rishabh Jain's Canara bank a/c no. 2021214000006 - his beneficiary a/c with PayUmoney) that the said bank account was closed on January 09, 2017 i.e. around the same time as that of change of beneficiary of above mentioned websites from Mr. Rishabh Jain to Mr. Ubaidur Rahman.
12. Further, SEBI is also in receipt of a complaint from Capmetrics Investment Advisers Pvt. Ltd that its SEBI Registration number as an Investment Adviser viz. INA000000672 has been illegally used by the website - www.tfttips.com and it has lodged a complaint with the Police Cybercrime investigation cell.
13. Upon exploring the website www.tfttips.com, it was observed that it is having similar webpages as www.trade4target.com. Further, on the "contact us" page of www.tfttips.com, it is mentioned that "*tfttips.com is SEBI registered organisation managed by Traders Welfare Association of India*", and SEBI Logo is also being used. Further contact number - 9990601179, which was used by www.trade4target.com, is also reflected in the website of www.tfttips.com.
14. Capmetrics has also informed that the police has found the involvement of two individuals viz. Mr. Kadar Hussain and Mr. Ravisingh Mahipal Chauhan in relation to www.tfttips.com. The website www.tfttips.com is inactive at present and PAN or beneficiary bank a/c details of Mr. Ravisingh Mahipal Chauhan are not available to gather information against him. However, the other person i.e. Mr. Kadar Hussain, was found to be the beneficiary of one of the abovementioned unregistered investment advisory website viz. www.optiontips.in as has already been noted earlier.
15. SEBI is also in receipt of a complaint from an investor against www.callputoption.in alleging that it claimed to be a SEBI registered advisory firm, and he was offered portfolio management services for a fee of Rs. 25, 000/-. However, it is alleged that no service was provided after making the payment of Rs. 25,000/- into the SBI a/c no. 37246295241. It was seen that the said SBI Bank a/c no. 37246295241 was held in the name 'Call Put Options' and belonged to Mr. Ubaidur Rahman. The PayUmoney link found on the website www.callputoption.in was also linked to above mentioned SBI a/c. Based on the transaction details furnished by PayUmoney, www.callput.in/ www.callputoption.in are found to be the active websites run by Mr. Rishabh Jain, Mr. Ubaidur Rahman and Mr. Kadar Hussain (hereinafter collectively referred as "Noticees"). While checking the web presence of the Noticees, it was

found from a complaint against www.optiontradingtips.com on the online complaint portal www.grahaksuraksha.com/ that the aforementioned same SBI a/c was used to receive subscriptions for the advisory packages offered through the site.

Modus operandi of the Noticees

16. Based on the information available on the unregistered investment advisory websites and complaints received by SEBI against such websites, it is *prima facie* observed that the Noticees create unregistered investment advisory websites periodically and lure investors by promising assured monthly income with unbelievable returns of 300-800% on buying and selling of securities based on the tips provided by them. Once the subscription is received, the Noticees either give stock tips for few days to the subscribers and then stop entertaining their calls, or avoid the calls of the subscribers entirely without giving any stock tips.
17. The Noticees claim in their websites that they are SEBI registered Advisory firm without obtaining the SEBI registration as an Investment Adviser under SEBI (Investment Advisers) Regulations 2013. For instance, the 'About us' page on the active website (www.callputoption.in) is reproduced below:

"About Us

We are SEBI Registered Advisory Firm and we introduce ourselves as the only service provider in option trading fertility to provide solely the tips for the option traders specially taking care about the various factors in option trading such as :

*Valid Strike Price
Premium Rate
Timing of Entry
Timing of Exit
In the money – Out of Money Option*

We are the only experts of option trading and futures trading in India with more than 750 research analysts who have designed a developed a zero loss trading strategy by getting in links with the HNI and the operators of stock market and further combining it with our knowledge and expertise to provide a zero loss strategy to aid ,guide and help a normal trader to ride the challenges and the opportunities of Option Segment and getting full advantage of multiplying capital in a short span of time....."

Packages offered in **active** website www.callputoption.in

18. The Noticees use terms such as 'zero loss', 'jackpot', 'rumour based', 'sureshot', etc. in the names of the packages offered in their websites and promise accuracy between 90% to 99%. The features and pricing of the packages offered presently on www.callputoption.in are given below:

STOCK OPTION (ZERO LOSS) JACKPOT PACKAGE	Nifty Option (Zero loss) Jackpot Package
<ul style="list-style-type: none"> • Earn Monthly Minimum 800-900% Profits. • Daily get only 1 Stock Option Sureshot Intraday Tips. • 99% Accurate Recommendation in Stock Option. • One Entry and One Exit Message with each Tips. • 100% Intraday Option Tips, No Carry over in any condition. • Minimum Capital Required Rs 30000 & Recommended Capital Rs 60000-75000 as per Past Performance. • Only Stock option with Good Volume Tips are Provided. • Trade in Stock Option with Special Zero Loss Strategy. • One to One Customer Support & Satisfaction Personalized on Phone. • All Tips During Live Market 9:30 a.m. to 3:30 p.m. • Advanced SMS Software Platform for Instant SMS Delivery in any part of Country. • Special Whatsapp Message will be provided 	<ul style="list-style-type: none"> • Earn Monthly above 300% Profits. • Daily get only 1 Nifty Option Jackpot Intraday Tips. • 95% Accurate Recommendation in Nifty Option Call & Puts. • One Entry and One Exit Message with each Tips. • 100% Intraday Option Tips, No Carry over in any condition. • Minimum Capital Required Rs 10000 & Recommended Capital Rs 20000-25000 as per Past Performance. • Proper In strike Nifty option with Good Volume Tips are Provided. • Trade in Option with Special Zero Loss Strategy. • One to One Customer Support & Satisfaction Personalized on Phone. • All Tips During Live Market 9:30 a.m. to 3:30 p.m. • Advanced SMS Software Platform for Instant SMS Delivery in any part of Country. • Special Whatsapp Message will be provided

19. The pricing of the above packages are as under:

(in Rs.)

Duration	Stock Option (Zero loss) Jackpot Package/ Nifty Option (Zero loss) Jackpot Package	Combo of Stock & Nifty Option (Zero loss) Jackpot packages
1 month	7,500	12,000
3 months	18,000	34,000
6 months	32,500	60,000
12 months	58,500	1,00,000

20. To support their claim of assured returns, the performance page of the websites are updated with fictitious stock tips showing unreasonable profits. For instance the tip dated 02/07/2018 – “BUY INFY 1340CE @ 36” has been mentioned without any expiry date, and thus appears to be *prima facie* fictitious. The performance on one of the packages offered in www.callputoption.in for the month of July 2018 is given below:

Performance of Stock Option (Zero Loss) Jackpot Package for July 2018 as mentioned in callput.in/callputoption.in

Date	Type of option	Target	SL	Duration	Remark	Profit in 5 lots	% Profit
02/07/2018	BUY INFY 1340CE @ 36	42.5	32.75	Intraday	Target price booked	19500	18
02/07/2018	100% HIGH GAIN : BUY RELIANCE 1000CE @ 14.25	19.25	12	BTST	Target price booked ON 3 rd JULY	25000	35
03/07/2018	BUY MARICO 340CE @ 9.40	15	5	BTST	EXIT @ 12 ON 4 th JULY	33800	28
04/07/2018	BUY INDUSINDBNK 1960CE @ 48	56	45	BTST	Target price booked ON 5 th JULY	12000	17
05/07/2018	BUY ASAINPAINT 1300CE @ 36.75	45	32	Intraday	Target price booked	24750	22
05/07/2018	100% HIGH GAIN: BUY INFRATEL 280CE @ 11.75	16.5	10.75	Intraday	Target price booked	40375	40
06/07/2018	100% HIGH GAIN: BUY	160	105	Intraday	Target price booked	27500	38

Date	Type of option	Target	SL	Duration	Remark	Profit in 5 lots	% Profit
	BAJAJFINSERV 6200CE @ 116						
09/07/2018	100% HIGH GAIN: BUY AXISBANK 520E @ 17.25	24.5	15	BTST	Target price booked ON 10 th JULY	43500	42
10/07/2018	BUY COALINDIA 270CE @ 10	16	8	BTST	SL HITTED ON 11 th JULY	-22000	-20
10/07/2018	BUY KOTAKBANK 1380CE @ 24	28	20	BTST	Target price booked ON 11 th JULY	16000	17
11/07/2018	100% HIGH GAIN: BUY RELIANCE 1020CE @ 25.75	32.5	24	Intraday	Target price booked	33750	26
12/07/2018	BUY VEDL 210PE @ 3.75	6	2.5	Intraday	Target price booked	19687.5	60
12/07/2018	BUY STAR 380PE @ 22.20	26	18	BTST	Target price booked ON 13 th JULY	15200	17
13/07/2018	BUY RELIANCE 1100CE @ 24.5	30	20	BTST	Target price booked ON 16 th JULY	27500	22
16/07/2018	100% HIGH GAIN: BUY TATASTEEL 540PE @ 17.5	24	15	Intraday	Target price booked	34482.5	37
16/07/2018	BUY CHOLAFIN 1500PE @ 31.75	40	24	Intraday	EXIT @ 39	18125	23
16/07/2018	BUY LT 1280PE @ 23.75	30	21	BTST	Target PRICE BOOKD @ 17 th JULY	23437.5	26
17/07/2018	100% HIGH GAIN: BUY TITAN 840CE @ 17.5	24	15	Intraday	Target price booked	24375	37
17/07/2018	BUY BHARIARTL 340PE @ 5.75	11	3	BTST	Target price booked ON 18 th JULY	44625	91

Date	Type of option	Target	SL	Duration	Remark	Profit in 5 lots	% Profit
18/07/2018	BUY VEDL 210PE @ 6.45	10	4.75	Intraday	Target price booked	31062.5	55
19/07/2018	BUY TATASTEEL 500CE @ 18.25	25	N.G	BTST	EXIT @ 15 ON 20 th JULY	-17241.25	-18
20/07/2018	100% HIGH GAIN: BUY BAJAJ FINANCE 2550CE @ 64	102	50	Intraday	Target price booked	95000	59
20/07/2018	BUY BAJAJFINANCE 2750CE @ 53	62	48	Intraday	EXIT @ 60	17500	13
23/07/2018	100% HIGH GAIN: BUY HEROMOTOCO 3250PE @ 76	150	64	Intraday	Target price booked	74000	97
23/07/2018	BUY PC JEWEELEER 100CE @ 5.75	9	3	Intraday	EXIT @ 7.5	13125	30
24/07/2018	BUY BAJAJFINANCE 2700PE @ 27	34	22	Intraday	Target price booked	17500	26
24/07/2018	BUY LICHSGFIN 530E @ 9.8	15	7	Intraday	EXIT @ 12.10	13800	23
25/07/2018	100% HIGH GAIN: BUY ICICI BANK 270CE @ 4.75	10	2.5	BTST	Target price booked ON 26th JULY	72187.5	111
26/07/2018	BUY M&MFIN 500CE AUG. @ 29	34	24	Intraday	Target price booked	31250	17
	Total					809791.25	

Investor complaints against *Notices* /websites:

21.A summary of certain complaints received against the websites highlighting the nature of the grievances raised by the complainants is tabulated below:

Details of the complainant	Complaint against	Details of the SCORES complaint
SEBIE/MP17/0000267/1 Amit Kulkarni from Sangli, Maharashtra Date: February 24, 2017	callput.in	I have paid Rs.15000 towards charges for providing quality tips to earn Rs 1 lakh per month. I am receiving their tips but many of these are not quality hence I went into huge loss. I tried to contact them but now they are not receiving my phones. I request you to kindly help to get my charges back at least. I am not demanding loss amount from them which was done due to their advices. Request your intervention in this matter.
SEBIE/UP16/0000035/1 ABHISHEK RASTOGI from RAMPUR, Uttar Pradesh - 244901 Date: January 09, 2016	niftysureshot.com	Through this mail I wish to complain regarding my Research Analyst who show different service on their website and give different service to me and there make me pool 2 times till now and when I call to company from my registered m no i.e. 8377944629 they not pick my phone n they charge money of Rs 27,500 I have supporting document also because of this company I suffer big loss
SEBIE/MH15/0003106/1 Gaurav Kukreti from Nangloi, NATIONAL CAPITAL TERRITORY OF DELHI Date: May 22, 2015	niftysureshot.com	I have taken the paid service from niftysureshot.com by calling their customer service number picked by sandeep jain. He took the payment himself from me. Yesterday when I checked their website they updated a call in their performance report that was not given in the SMS and also the loss making call from a day before was not in the performance report. They are doing business unethically. I called them repeatedly for 3 days but no one picks up the phone and no reply through an email for the emails that are being sent to them through me. I have highly dissatisfied with their service. Please resolve the issue as soon as possible.
SEBIE/MP17/0000619/1 Dinesh Gole from Kalyan west, Mumbai	Optiontips.in	I have deposited Rs.15000/- through Debit Card into account of Option tips.in on 16.04.2017 for getting stock option tips daily. But got only 3 wrong tips. After that I demands my money back as the advice provided by company is not profitable at all. And the man, to whom I have dealt Mr. Amit is now not attending my phone or not responding to my messages. I have not received my money back in spite of regular follow-up.

SEBIE/TN16/0000584/1 Srijith from Bangalore, Karnataka Date: October 21, 2016	trade4target.com	Registered with them for options trading calls and after 2 to 3 calls they stopped giving calls after enquiry they said calls are not generated but after some days when I checked past performance data they have updated some fake calls when I tried to enquire about this they stopped attending my calls also. Request you to pls stop this kind of advisory firms who are there only to cheat innocent people. Thank you
SEBIE/TN16/0000140/1 chandra mouli from Pune, Maharashtra Date: March 10, 2016	trade4target.com	Sir, I am taking stock market advise from trade4target.com. They are not giving proper calls, but in their performance report, they are showing that, they get good profits. These guys are cheating small investors like me. Please take action against them. One classic example: They have given SMS for Tata Motors 320PE on 2nd march which was failed to reach target. But in their performance report, they are showing that they got profit.
SEBIE/TN15/0000847/1 Jagan from Salem, Tamil Nadu Date: October 03, 2015	trade4target.com	Tips - calls giving companies fraudulently promising accuracy and cheating the retail investors has to be stopped by SEBI. Trade4Target.com - has mentioned SEBI approved/Certified in their website. On what capacity such websites are allowed to give tips/calls to the people or it is a SEBI certified/approved company to give calls? Request to verify and take necessary action. Yours Truly, Jagan Krishnasamy
SEBIE/MH16/0002159/1 rahul jadhaio from Nagpur, Maharashtra Date: April 02, 2016	trade4target.com	Complaint against trade4target forged with me. I subscribe for three month service at Rs 15000 but they give me only one month so many time i call him but they dint received and after receive he said me your service is expire. I asked about refund my money but they didn't my money back. I hope you will help me for my money return.
SEBIE/MH15/0002968/1 PATTABHI RAMAKRISHNA PEDDI from Hyderabad, Telangana Date: May 15, 2015	trade4target.com	I have paid Rs.5000/- on 10/4/15 for trading tips in nifty options. Even though call not received by me but there is showing their past performance sheet in their website.

SEBIE/MH15/0000170/1 veluri kamalakara reddy from Vijayawada, Andhra Pradesh Date: January 09, 2015	trade4target.com	This site has lured me into Subscribing their services Nifty&Banknifty Jackpot Calls by paying Rs.13,500 through Internet Banking enabled through their site. They are supposed to send me daily 2 SMS advising the trades in Nifty and 6 calls in a month. Three days passed there is no turn up from them. Their customer care number on the site, no one attends. One number is not existing. Please bring this cheater into books and arrange for refund of my amount.
SEBIE/MH-14/0009645/1 Ravi from Chennai, Tamil Nadu Date: November 12, 2014	trade4target.com	I subscribed for Option jumper jock pot, the call is not in option format & no updates some times on stop loss triggered calls. Daily he is sending our subscribed clients earned 20000 subscribe and earn 600-700% Capital 50k required.
SEBIE/MH14/0008866/1 Vivek Singhal from Modinagar, Uttar Pradesh Date: October 20, 2014	trade4target.com	this is the most fraud advisor I ever seen in this market, he make manipulated performance sheet with huge profit which attracted people to pay the most costly advisor fee & he in reply gave u huge loss .his entry & target given on SMS are totally different as on performance sheet ex on 29 SEP he gave call to buy Tata Motors 510ce at CMP which is 21.5 I bought it & it becomes 14 but he in sheet show enter at 17 book profit at 22 . I call him on phone but that bastard not answering my call
SEBIE/HY16/0000084/1 Narender Kumar from Jhajjar, Haryana Date: March 03, 2016	trade4target.com	Sir, I have subscribed for TFT option Bumper jackpot service from Trade4target.com on 26.2.2016 & have deposited 15000/ via PayUmoney having Payment ID: 94729188 Merchant Order ID: TRADE160226124338 (Proof attached).But till now I have not got single call or message from the company on the name of service. Furthermore, they are not responding on calls. Sir, I have been cheated & this company is a big fraud company. I request you to please take a strict action against this company & make them to refund my money.
SEBIE/GJ16/0000889/1 Faizan Imam from Bangalore, Karnataka	trade4target.com	Every day I receive 5-10 messages from this company promising as much as 10000% returns on F&O / commodity / penny stocks. They promise

Date: March 22, 2016		operator based call. When I called them to remove my number from their list they argued and abused that I have registered on their website. Sample SMS: Today we have a option trade of Rs. 5 with the target of 42 to 45 profit Rs 25 to 27 Lac in 2 Lac capital operator base work 110% confirm call 09586032943
SEBIE/AP15/0000380/1 & SEBIE/KN15/0000631/1 R Divyanjali from Vijayawada Andhra Pradesh Date: November 24, 2015	trade4target.com	trade4target.com is maintaining fake track sheet due to which I had lost 82000/- and also 25 working days. After giving that complaint I came to know that trade4target is not a SEBI registered co but showing its logo as SEBI registered. You can find it on www.trade4target.com site. Please verify and do the needful

Active websites as on date:

22. While surfing the web for checking the current presence of unregistered investment advisory websites, it is found that www.callputoption.in and www.callput.in are active. The updations to www.niftysureshot.com have stopped from December 2017 and all other websites mentioned in previous paragraphs are found to be inactive.

Fake complaint portal run by the *Noticees*:

23. It was also *prima facie* observed that the *Noticees* are running a website in the name www.tradingtipscomplaints.com, which is portrayed as the portal to get the refund of capital lost on trading tips and subscription money paid to trading tips providers.

24. However, on perusal of the entries on www.tradingtipscomplaints.com, it is *prima facie* found that the website is managed for the purpose of promoting websites owned by the *Noticees*. It is understood that the *Noticees* themselves post positive reviews and testimonials of getting unbelievable returns from the unregistered investment advisory websites on www.tradingtipscomplaints.com to promote subscriptions. The website presently being promoted on www.tradingtipscomplaints.com is www.callputoption.in and the complaint received against www.callputoption.in has revealed the SBI bank a/c no. 37246295241 which is linked to the website held in the name '*Call Put Options*' and belongs to Mr. Ubaidur Rahman. Further, the address of the owner viz. B-

10 Varapradha, Andalpuram, Madurai – 625003 ascertained from the website hosting information matches with the address of Mr. Ubaidur Rahman.

Summary of subscriptions received by the Noticees based on the information available:

25. The summary of subscriptions received by Mr. Rishabh Jain and Mr. Ubaidur Rahman observed from PayUmoney records are given below:

Summary of subscriptions received by Mr. Rishabh Jain

Name of the website	No. of Transactions	Amount Collected (Rs.)	Transaction period
www.callput.in	329	26,51,018	July 03, 2015 to January 02, 2017
www.commoditytips.in	1	10	NA
www.futuresandoption.com	1	10	NA
www.mcxbhavishya.com	1	10	NA
www.newsbasedtips.com	3	35,010	July 09, 2016 and July 11, 2016
www.niftysureshot.com	248	32,40,137	September 26, 2015 to July 24, 2017
www.optiontips.in	40	3,14,010	January 17, 2016 to August 27, 2016
www.sharetipslive.com	1	10	NA
www.thepremiumstocks.com	1	10	NA
www.trade4target.com	716	93,39,770	August 14, 2015 to April 25, 2017
	1341	1,55,79,995	

Summary of subscriptions received by Mr. Ubaidur Rahman

Name of the website	No. of Transactions	Amount Collected (Rs.)	Transaction period
www.callput.in and www.callputoption.in	3141	2,80,05,202	January 06, 2017 to August 07, 2018
www.niftysureshot.com	123	1,51,938	January 05, 2017 to January 25, 2018
www.optiontips.in	3	17,010	August 10, 2016 and September 01, 2016

www.sureoptiontip.in	28	2,20,259	January 28, 2017 to March 16, 2018
www.trade4target.com	526	59,51,727	January 06, 2017 to January 28, 2018
	3821	3,43,46,136	

26. It is seen from the bank a/c statements of Mr. Ubaidur Rahman held in the name of Nifty Sureshot Service and Call put Options with HDFC bank and SBI, respectively that the *Noticees* also receive subscriptions directly into their bank a/cs apart from the payment gateway provided on the websites. Therefore, total money collected in the pretext of providing investment advisory could be much higher than the amount mentioned in the table above.

27. Though the beneficiary of the websites through PayUmoney has changed over time from Mr. Rishabh Jain to Mr. Ubaidur Rahman, the nexus between the entities was established from several transactions of transfer of money to Mr. Rishabh Jain's HDFC bank a/c no. 50100119594188 from Mr. Ubaidur Rahman, HDFC a/c no. 01232320001233 (held in the name of Niftysureshot service, the bank a/c designated with PayUmoney for receiving payments from the websites). Further, the bank details mentioned www.trade4target.com accessed through www.archive.org (an online repository of websites and files) contains the following bank a/c details of both Mr. Rishabh Jain and Mr. Ubaidur Rahman suggesting that they are the beneficiaries of the said website:

A/c name: G. Ubaidur Rahman A/c no. 601301153247 Bank name: ICICI Bank	Account Name: Mr. Rishabh Jain A/c no. 04571000030350 Bank Name: HDFC Bank
--	--

28. Thus, it is observed that Mr. Rishabh Jain continued to benefit from the subscriptions received through the above mentioned unregistered investment advisory websites.

29. Although the name of Mr. Kadar Hussain does not appear in the records of PayUmoney for association with any of the unregistered investment advisory websites, the details of his Axis bank a/c 109010100381215, HDFC Bank a/c no. 24091930000923 and ICICI Bank a/c no. 601701016415 were mentioned on the payment page of one of the websites viz. www.optiontips. The linked bank a/c statements had transactions indicating receipt of subscription for investment advisory as seen from the remarks viz. optiontips, stock option etc. and few fund transfers were also seen between him and Mr. Ubaidur Rahman/Mr. Rishabh Jain. The above mentioned three bank accounts of Mr. Kadar Hussain was displayed on the website www.optiontips.inwww.optiontips till August 2016. The

detail of credits into the three bank a/cs mentioned on the website during April 2013 (i.e. when the IA Regulations came into effect) to August 2016 is as under:

S. No.	Account held with	Amount Credited (In Rs.)
1	Axis Bank	98,14,404
2	HDFC Bank	30,09,244
3	ICICI Bank	3,79,18,525
	Total	5,07,42,173

30. Further, as per the KYC records obtained from Axis bank a/c no. 109010100381215 of Mr. Kadar Hussain, it was found that Mr. Kadar Hussain is the brother of Mr. Ubaidur Rahman, one of the *Noticees*. Additionally, as per the information received from M/s Capmetrics Investment Advisers Pvt. Ltd (CIAPL), a SEBI registered Investment Adviser, the name of Mr. Kadar Hussain appeared in the police investigation into their complaint against www.tfttips.com which offered investment advisory services using the SEBI registration no. of CIAPL.

31. To summarize, from the agreements between the *Noticees* and PayUmoney, details of transactions processed through PayUmoney, account statements of the relevant bank accounts, KYC records of bank accounts, material available on the unregistered investment advisory websites and the material submitted by complainants along with their complaints, the following was *prima facie* observed:

- i. Several websites were floated by the *Noticees* i.e. Mr. Rishabh Jain, Mr. Ubaidur Rahman and Mr. Kadar Hussain at different points of time since the year 2015.
- ii. Mr. Rishabh Jain, Mr. Ubaidur Rahman and Mr. G. Kadar Hussain are offering / pretending to offer stock recommendations to investors as seen from the unregistered investment advisory websites and have *prima facie* mobilized money from public fraudulently.
- iii. On the websites, there were claims of being SEBI registered investment advisers and SEBI's logo was also used on certain websites with the caption "*approved*". However, none of the websites or the *Noticees* were registered as Investment Advisers with SEBI.
- iv. Registration certificates of certain other investment advisers were displayed on the websites.
- v. Payment gateway of PayUmoney and direct transfers to bank accounts were used for receiving payments towards subscription fee from investors.

- vi. Fictitious Company's names, incorrect performance track records and testimonials were projected on the websites to lure gullible investors.
- vii. The investors are lured by promising assured monthly income with unbelievable returns of 300-800% on buying and selling of securities based on the tips provided through the websites. The *Noticees* use terms such as 'zero loss', 'jackpot', 'rumour based', 'sure shot', etc. in the names of the packages offered in their websites and promise accuracy between 90% to 99%.
- viii. Various subscribers have confirmed availing services of websites such as www.trade4target.com / www.niftysureshot.com. No agreement was signed by the subscribers with the websites' owners / officials as they only paid subscription amount through PayUmoney payment gateway to avail services under different packages. The *Noticees* also received subscriptions directly into their bank a/c's apart from the payment gateway provided on the unregistered investment advisory websites. The tips promised under the various packages were either not provided at all or were provided for a very short time.
- ix. Mr. Rishabh Jain was found to be the beneficiary of several websites viz. www.trade4target.com, www.niftysureshot.com, www.optiontips.in, www.callput.in, etc. during the period August 14, 2015 to April 25, 2017 and collected subscriptions exceeding Rs. 1.5 Crores through 1343 subscriptions made through PayUmoney by acting as / holding out as an investment adviser offering stock recommendations.
- x. Likewise, Mr. Ubaidur Rahman was found to be the beneficiary of several websites viz. www.trade4target.com, www.niftysureshot.com, www.optiontips.in, www.callput.in, www.callputoption.in etc. during the period January 2017 till date and collected subscriptions exceeding Rs. 3.5 Crores through 3816 subscriptions made through PayUmoney by acting as / holding out as an investment adviser offering stock recommendations.
- xi. Mr. Kadar Hussain was found to be the beneficiary of the websites viz. www.optiontips.in and www.tfttips.com and collected subscriptions by holding himself to be an investment adviser offering stock recommendations. In his three bank accounts appearing on the said websites, there were credits in excess of Rs. 5 crore.
- xii. None of the *Noticees* nor any person associated with the-websites was registered with SEBI as an investment adviser.
- xiii. The letters sent by SEBI to the *Noticees* seeking information in relation to the websites were either not accepted deliberately or were not responded to.
- xiv. The *Noticees* are also running a website with the name www.tradingtipscomplaints.com, which is portrayed as the portal to get the refund of capital lost on trading tips and subscription money paid to trading

tips providers. It is however noted that the website is managed for the purpose of promoting websites owned by the *Noticees*. The *Noticees* themselves post positive reviews and testimonials of getting unbelievable returns from the unregistered investment advisory websites on www.tradingtipscomplaints.com to promote subscriptions.

32. It is noted that as per regulation 2(m) of the IA Regulations “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. The term “investment advice” has been defined under regulation 2(l) 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*. In light of the above analysis and examination, it is, *prima facie*, evident that the *Noticees* are engaged in providing “investment advisory services” to investors on payment of fees as discussed in the preceding paragraphs, which *prima facie* falls under the definition of “investment adviser” as defined by Regulation 2(m) of the IA Regulations.

33. In order to ensure that no investor is defrauded, it is imperative that any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and conduct his/her/its activities in accordance with the provisions of SEBI Regulations. Section 12(1) of the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) 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.”

34. Further, as per Regulation 3(1) of the IA Regulations, the registration for investment advisers is mandatory. It provides 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”*.

35. In this context, it is noted that none of the *Noticees* is registered with SEBI in the capacity as an investment advisor and the characteristics and features of the business activity carried out by them as discussed in the preceding paragraphs, *prima facie*, leads to the conclusion that they are providing services of an investment adviser as defined under Regulation 2(m) of the IA Regulations. Thus, the activities of the *Noticees* are, *prima facie*, in violation of Section 12(1) of SEBI Act read with Regulation 3 (1) of the IA Regulations.
36. In my view, an unregistered investment advisor like the *Noticees* can put investors at great risk by misleading them. Further, in the present case, the *Noticees* have knowingly misrepresented that the websites floated by them were “approved” by SEBI. They also falsely suggested / showed the certificates of registration held by third parties on these websites. Without holding any registered IA certificate, they offered investment advisory services on their websites and promised unrealistic profits to prospective investors with the objective of raising money through subscriptions on their websites. The packages being offered on the websites promising profits upto 800% - 900% were offered being fully aware that they are impossible to be delivered. The tips promised under the various packages were either not provided at all or were provided for a very short time. Knowing fully well that all investment in securities such as stocks, derivatives, commodity derivatives, etc. in respect of which the *Noticees* were offering investment advice are subject to market risk, they were falsely promising unrealistic assured returns on investments and had disclosed the same on the websites. In fact, the *Noticees* had no intention of even attempting to keep the promises made under the packages which is evident from the fact that the websites were made inactive / closed within few months of raising funds through subscription amounts. The *Noticees* only remained behind the scenes as beneficiaries of the bank accounts, which were linked to the payment tabs on the websites.
37. The *modus operandi* adopted by the *Noticees* discussed hereinabove *prima facie* shows that they were actually practicing *prima facie* fraudulent investment advisory activity. From the findings of the examination, it *prima facie* appears that the *Noticees* were running a pre-meditated device, plan or scheme where under, the gullible investors would be lured by the unrealistic profit commitments on the websites and then money would be extracted from them in the name of subscription fee and later, the persons operating the websites would vanish. As discussed earlier, such fraudulent plan, scheme, device was used by the *Noticees* several times through different websites.
38. The above discussed non-genuine and deceptive activities of the *Noticees* are, *prima-facie* fraudulent and are covered under the definition of 'fraud' under

regulation 2(1)(c) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (“PFUTP Regulations”) which provides as under:

“(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 anything derived from it other than the market price.

And “fraudulent” shall be construed accordingly

...

39. It is noted that *prima facie* fraudulent activities / dealings of the nature discussed above are prohibited under the provisions of section 12A(a), (b) and (c) of the SEBI Act, 1992 and regulations 3 (b), (c) and (d) and 4(1) and 4(2) (k) of the PFUTP Regulations. I therefore, *prima-facie* find that the *Noticees* have contravened these provisions and the same are reproduced hereunder:-

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;”

PFUTP REGULATIONS, 2003

“Prohibition of certain dealings in securities

3. No person shall directly or indirectly—

.....

(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. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:-

.....

(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”

40. As a regulator of the capital markets, SEBI has the duty to safeguard the interests of investors and protect the integrity of the securities market. Since the conduct of *Noticees* mentioned above does not *prima facie* appear to be in the interest of investors and the securities market, necessary action has to be taken against him immediately, else it may lead to loss of investors' trust in the securities market. One also cannot lose sight of the fact that the violations discussed hereinabove are ongoing and the *Noticees* may continue to raise money from investors in the pretext of providing stock tips through various websites. Considering the facts and circumstances of this case and such a fraudulent scheme, plan, device and artifice as *prima facie* found in this case, I am convinced that this is a fit case where effective and expeditious preventive and remedial action is required to be taken by way of *ad interim ex -parte* order to protect the interests of investors and preserve the safety and integrity of the securities market. Such action needs to be taken not only to prevent any further harm to investors but also to send a stern message to prevent any person from indulging in acts as observed in this case.
41. It is noted that the total amount paid by the complainants as fee for the advisory services provided by the websites *viz.* trade4target.com, niftysureshot.com, etc. identified from SCORES complaints is Rs. 1,06,000. However, as noted earlier, from the records provided by PayUmoney, the amount received towards subscriptions (on different websites) by Mr. Rishabh Jain and Mr. Ubaidur Rahman are Rs. 1,55,79,995 (from 1341 subscribers) and Rs. 3,43,46,136 (from 3821 subscribers), respectively. As regards Mr. Kadar Hussain (brother of Mr. Ubaidur Rahman), in the three bank accounts belonging to him which appeared on the website - www.optiontips, there were credits of a total amount of Rs. 5,07,42,172. Thus, it is noted that money in excess of Rs. 10 crore has been collected by the *Noticees prima facie* through subscription fee for unregistered investment advisory activity on the websites.
42. As noted earlier, in the present case, *prima facie* violations of section 12(1) of SEBI Act read with Regulation 3 (1) of the IA Regulations, section 12A(a), (b) and (c) of the SEBI Act, 1992 and regulations 3 (b), (c) and (d) and 4(1) and 4(2) (k) of the PFUTP Regulations have been noticed on the basis of the examination carried out by SEBI. It is pertinent to mention that a number of complaints have been filed against the websites floated by the *Noticees* alleging perpetration of fraud and in many complaints, the complainants have claimed refund of the money paid by them towards subscription on the websites. One of the directions that can be passed against the *Noticees* subject to the adjudication of the allegation on merits in the final order, under sections 11, 11B and 11D of SEBI Act, is that of direction to refund the money collected by them from the subscribers. With the initiation of quasi-judicial proceedings, it is possible that

the *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 for freezing the bank accounts of the *Noticees*. 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 these websites and also the interests of those who may fall prey to the unregistered investment advisory being carried out through the websites created by the *Noticees*, the balance of convenience lies against the *Noticees*, which requires immediate action against them including a freeze on their bank accounts.

43. In view of the foregoing, in order to protect the interests of the investors and the integrity of securities market, I, in exercise of the powers conferred upon me under sections 11, 11B and 11D read with section 19 of the SEBI Act, 1992, direct as under :

- i. Mr. Rishabh Jain, Mr. Ubaidur Rahman and Mr. G. Kadar Hussain are directed to:-
 - a. not to access the securities market and buy, sell or otherwise deal in securities in any manner whatsoever, directly or indirectly, till further orders;
 - b. cease and desist from acting as an investment advisor and cease to solicit or undertake such activity or any other activities in the securities market, directly or indirectly, in any matter whatsoever until further orders;
 - c. immediately withdraw and remove all websites, advertisements, representations, literatures, brochures, materials, publications, documents, communications, etc. in relation to their investment advisory activity or any other unregistered activity in the securities market till further orders.
- ii. Mr. Rishabh Jain, Mr. Ubaidur Rahman and Mr. G. Kadar Hussain are directed to provide a full inventory of all assets held in their names, 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.
- iii. Mr. Rishabh Jain, Mr. Ubaidur Rahman and Mr. G. Kadar Hussain are directed 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 names, including moneys lying in bank accounts except with the prior permission of SEBI.

- iv. The depositories are directed to ensure that till further directions no debits are made in the demat accounts of Mr. Rishabh Jain, Mr. Ubaidur Rahman and Mr. G. Kadar Hussain held jointly or severally.
- v. The banks are directed to ensure that till further directions, no debits are made in the bank accounts held by Mr. Rishabh Jain, Mr. Ubaidur Rahman and Mr. G. Kadar Hussain jointly or severally or in the names of the following websites:
 - www.trade4target.com
 - www.niftysureshot.com
 - www.mcxbhavishya.com
 - www.callput.in
 - www.newsbasedtips.com
 - www.futuresandoption.com
 - www.optiontips.in
 - www.commoditytips.in
 - www.sharetipslive.com
 - www.thepremiumstocks.com
 - www.callputoption.in
 - www.tradingtipscomplaints.com
- vi. The Registrar and Transfer Agents are also directed to ensure that till further directions the securities held in the names of Mr. Rishabh Jain, Mr. Ubaidur Rahman and Mr. G. Kadar Hussain, jointly or severally, are not transferred.

44. The order shall come into force with immediate effect. This order is without prejudice to the right of SEBI to take any other action that may be initiated against the aforementioned entities in accordance with law.

45. This Order shall also be treated as a show cause notice and Mr. Rishabh Jain, Mr. Ubaidur Rahman and Mr. G. Kadar Hussain may show cause as to why, for the violation observed against them in this order, appropriate directions, under Sections 11, 11B and 11D of the SEBI Act and relevant SEBI Rules/Regulations should not be issued against them, including directions to continue the prohibition on them from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for a particular period. Further they may also show cause as to why any direction to refund the amounts collected from the investors/clients through various websites / schemes should not be issued against them under Sections 11(1) and 11B of SEBI Act.

46. A copy of the order shall be sent to the Banks, Stock Exchanges, Depositories and Registrar and Transfer Agents to ensure that all the above directions are strictly enforced.

47. The *prima facie* observations contained in this Order are made on the basis of the material available on record. The persons against whom this order has been passed may file their objections, if any, within twenty one (21) days from the date of this order and, if they so desire, avail themselves of an opportunity of personal hearing before SEBI, on a date and time to be fixed on a specific request, received from the said persons.

Sd/-

DATE: March 20th, 2019

MADHABI PURI BUCH

PLACE: MUMBAI

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA