

WTM/AB/WRO/WRO/12151/2021-22

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

UNDER SECTIONS 11, 11(4), 11B (1) and 11D OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992.

In respect of:

Noticee No.	Name of the entity	PAN No.
1.	Tips4Market (Proprietor: Shri Mahesh Vaghajibhai Ramani)	AMUPR3076P

1. The present proceedings have emanated from an ex-parte ad-interim order cum show cause notice dated November 20, 2020 (hereinafter referred to as “**the interim order**”) passed by Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) against Tips4Market and its sole proprietor Shri Mahesh Vaghajibhai Ramani, (hereinafter collectively referred to as “**the Noticees**”), as the unregistered investment advisory activities of the Noticees were found to be in violation of the provisions of Section 12(1) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act, 1992**”) and Regulation 3(1) of SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as “**IA Regulations, 2013**”). By the interim order, following directions were issued against the Noticees:

Order

28. In view of the above, pending conclusion of enquiry on granting of hearing opportunity as per this Order to T4M/ its Proprietor Mr. Mahesh Vaghajibhai Ramani, I, in exercise of the powers conferred upon me by virtue of Section 19 read with Sections 11, 11(4), 11B(1) and 11D read with Section 19 of the SEBI Act, 1992, hereby issue by way of this interim ex-parte order, the following directions:

28.1. T4M and its Proprietor Mr. Mahesh Vaghajibhai Ramani (PAN: AMUPR3076P) are directed to:

28.1.1. 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, until further orders.

28.1.2. Not to divert any funds raised from investors, kept in bank account(s) and/or in their custody until further orders.

28.1.3. 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.

28.1.4. Immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, communications etc., physical or digital in relation to their investment advisory activity or any other unregistered activity in the securities market until further orders.

28.1.5. Not to access the securities market and buy, sell or otherwise deal in securities in any manner whatsoever, directly or indirectly, until further orders.

28.1.6. 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.

28.2. If T4M/ its Proprietor Mr. Mahesh Vaghajibhai Ramani have any open positions 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 this Order or at the expiry of such contracts, whichever is earlier. T4M/ its Proprietor Mr. Mahesh Vaghajibhai Ramani 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.

28.3. ICICI Bank, wherein the proprietor of T4M, Mr. Mahesh Vaghajibhai Ramani, is holding bank account with number 025201524531, is directed not to allow any debits/

withdrawals from and credits to the said accounts, without the permission of SEBI. The bank is directed to ensure that all the above directions are strictly enforced.

28.4. The Depositories are directed to ensure that till further directions no debits are made in the demat accounts of T4M and its Proprietor Mr. Mahesh Vaghajibhai Ramani. The Registrar and Transfer Agents are also directed to ensure that till further directions the securities, including Mutual Fund units, held in the name of T4M and its Proprietor Mr. Mahesh Vaghajibhai Ramani, jointly or singly, are not transferred or redeemed.”

2. Interim order also gave liberty to the Noticees to contest the findings in the interim order if they so desire and file the objections and/or request for personal hearing, if any, receivable by SEBI within 21 (twenty-one) days from the date of serving of the interim order on them. The interim order was also in the nature of a show cause notice whereby the Noticees were show caused as to why the investment advisory plans floated by them should not be held as “Investment Advisory Services” in terms of the IA Regulations, 2013 and thereby the activities of the Noticees be treated as unregistered activity and why appropriate directions, under Sections 11, 11(4), 11B(1) and 11D of the SEBI Act, 1992 and relevant SEBI Rules/Regulations, including directions to prohibit them from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for a particular period, directions not to be associated with any registered intermediary/ listed entity in the securities market, in any manner whatsoever, and direction to refund the amount collected from the investors/clients for its various schemes should not be issued against them under Sections 11 and 11B (1) of SEBI Act, 1992. The interim order was sent to Mahesh Ramani on December 07, 2020 which is claimed to be received by him on January 27, 2021. Mr. Mahesh Ramani filed a reply dated February 10, 2021 which was received by SEBI on February 15, 2021 wherein Mr. Ramani, *inter alia*, submitted as under:

- (i) That he be provided with the copy of the complaint referred in the interim order;
- (ii) That he was an employee of the “LiveTips Market Research”. He has enclosed a copy of the offer letter issued to him by his employer. The credit

entry in my account on January 05, 2012 with narration "TRFR FROM 741794 LIVE TIPS" is the credit received from my employer and it is not an income from tips;

- (iii) That he has not been provided any proof to show that he is the proprietor of Tips4Market;
- (iv) That he has served in many investment advisory companies and they had paid him salary and incentives in his bank account. That he also conducts awareness, educational, motivational seminars for investors and common people. He has also given home tuitions and his students have deposited cash or cheque and paid electronically in his saving account. Most of the credits in his bank account were his salary and incentives and Fees/Subscription of seminars which were conducted by him and tuition fees;
- (v) That he tried his best to visit website www.tips4market.com, as it was alleged in the interim order that some complainant had visited this site, however, there is no such website available on world wide web. Therefore , question of his account number mentioned on the said website, does not arise;
- (vi) That he is not registered with SEBI in any capacity because he is not performing any act which comes under purview/jurisdiction/Regulation of SEBI;
- (vii) That he has never hold himself as an investment advisor for providing tips and trading calls in the commodity market and never done any activity which violates IA Regulations, 2013. All credits received in his saving account are my salary, incentives, tuition fees and subscription of seminars which were conducted by him;
- (viii) That he has no connection with the alleged website;
- (ix) That a proprietary concern must be registered under Shops and Establishment Act or must have registration with Tax authorities like Goods

and Services Tax. There is no document available which proves that there is existence of alleged proprietary concern. He is not sole proprietor of any proprietary concern.

3. An opportunity of hearing was provided to the Noticees on April 23, 2021 when authorised representative of Mr. Ramani appeared and sought for the complaint received by SEBI against Mr. Ramani and also the screenshots of the website www.tips4market.com as available on record of SEBI. Accordingly, the hearing was adjourned to May 12, 2021. In the meantime, vide an email dated April 27, 2021, authorised representative of Mr. Ramani was provided with the following copy of the documents:

- (i) Complaint received by SEBI against Tips4Market/Mahesh Ramani; and
- (ii) Website screenshots of www.tips4market.com;

4. Mr. Ramani filed further submissions dated May 10, 2021. In the submissions dated May 10, 2021 while reiterating submissions made in reply dated February 10, 2021, Mr. Ramani, *inter alia*, further submitted as follows:

- (i) We are denying all the allegations made against us in the complaint received by SEBI. The complainant states that www.tips4market.com is a fraud company, which is not true by any means because the said “company” as claimed is actually a website;
- (ii) It is submitted that the investment consultancy fees has been collected in the said bank account and funds generated from various activities post my employment to earn the livelihood. The services given by us is in the form of opinion about perceived direction of general financial market trend, and not advice or recommendation to act on any security or investment product. We have not given any advice to directly or indirectly invest in purchase, sell or otherwise deal in securities or investment.
- (iii) The segment wise revenue by sale of service for the financial years 2011-

12 to 2020-21:

Advisory Service	6,64,854
Cash Deposit	29,64,153
Education Service	19,12,471
Interest	1,70,327
Other	2,74,594
Retail Cloth Trading Income	24,62,428
Salary Incentive	41,880
Unsecured Loan	11,88,622
Grand Total	96,79,329 (however correct total comes to 96,89,008)

- (iv) I had been providing Home Tutoring from my student age as my father is a farmer and we are coming from low income family group. The gurus and sages in the ancient days used to visit the homes of their students and provide coaching at their residence. Home Tutors were there in every house that could afford such service. I had been engaged in the service of trading of retail clothes for kids, women and men.
- (v) Since I had been in the employment with the Investment advisory Companies in earlier days, I was in touch with my earlier friends in the field related with the stock market and they analyse on various companies, its growth, expansion and also look after the foreign market strength, political interference in Indian & foreign market and other operation factors to analyse the market trend affecting the growth of the Companies in relation to the stock market and been advising to the family and friends across our connects to buy and sell the stocks and commodity. However, I have never taken funds of anyone in our own account and have never opened their demat account in our discretion and have never written in any public domain or any communication to them claiming that I am a SEBI registered investment advisor. We provide only fee based private investment consultancy, there are no written contracts between us and the individuals.

5. On May 12, 2021, authorised representative of Mr. Ramani was heard wherein it was submitted that Mr. Ramani was merely an employee. Authorised representative

was asked to file the income tax returns of Mr. Ramani, however, it was informed that Mr. Ramani does not file income tax return. The Authorised representative was asked to file proof of employment of Mr. Ramani. Vide email dated May 20, 2021, the authorised representative filed three salary slips of Mr. Ramani for the months of January to March, 2012 for his employment with Live Tips Market Research Pvt. Ltd.

6. I find that the interim order passed in the matter contained following observations with respect to the Noticees:

(i) The following services are mentioned on the website of Trade4Market (hereinafter referred to as “**T4M**”):

a. T4M claims to provide services to clients in stock cash, stock future, Nifty/ Bank Nifty future, Options, Combo, HNI Services, Bullion, Energy, Base Metals and Commodity Combo. The following is mentioned against each service:

Service	Description
Stock cash	“You will get 2-3 calls weekly with 90% accuracy. Calls will be intraday as well as delivery. You can also avail free trial for one days if satisfied you can join in this service. You get sufficient time to enter I our calls and can maximize your profit with us.”
Stock future	“Every Day You Will Get 1 sure shot Calls With 95% Accuracy From Nifty Future Stocks. It will be for intraday as well as delivery. It will be mentioned in a message whether tips is for intraday or delivery. In a week you will get 3 calls for delivery. You can also avail Free Trial Stock Tips for 1 days to test our accuracy and if satisfied you can join stock cash services. You get sufficient time to enter in our calls and can maximize your profit with us.”
Nifty/ Bank nifty future	“Every Day You Will Get 1 Nifty/Bank Nifty Calls With 90% Accuracy. You can also avail Free Triall Nifty/Bank Nifty futures Tips for 1 days if you satisfied can join this service with Silicon Point Financials. You get sufficient time to enter in our calls and can maximize your profit with Us”
Options	“You will get 2-3 Calls Weekly With 90% Accuracy. Calls will be intrady as well as delivery. We will mention in message whether tips is for

	intraday or delivery. You can also avail Free Trail for 1 days if satisfied you can join this service. You get sufficient time to enter in our calls and can maximize your profit with us.”
HNI	“HNI service is a highly personalized service with a one-to-one contact with the client. Every HNI client is assigned an experienced Relationship Manager, through whom the calls and updates are given to the client. The medium of the calls are through a direct telephone call to the HNI client by the concerned Relationship Manager. The client is most welcome to ask query(s) about their existing portfolio and get the analysts view on the market. There is a separate service for HNI Equity, HNI Derivatives and HNI Commodity and the client has the option of availing either one or all the services. The HNI client is advised regarding the quantity of shares/lots to be purchased/sold at the given level and the level at which the profit is to be booked by his /her Relationship Manager. As the calls are filtered after a lot of efforts put by the team of experienced analysts the numbers of calls are less but the accuracy level is very high”
Bullion	“In this service we provide 1-2 intraday calls in MCX with an accuracy of more than 85%. The calls are given in Gold & Silver. You can also avail Free Trial for One days to test our accuracy and if satisfied you can join the services with Silicon Point Financials. You get sufficient time to enter in our calls and can maximize your profit with us”.
Energy	“In this service we provide Daily 1 intraday calls in MCX with an accuracy of more than 85%. The calls are given in Crude Oil and Natural Gas. You can also avail Free Trial for One days to test our accuracy and if satisfied you can join the services with Silicon Point Financials. You get sufficient time to enter in our calls and can maximize your profit with us.”
Base metals	“In this service we provide 1-2 intraday calls in MCX with an accuracy of more than 85%. The calls are given in MCX - Copper, Zinc, Lead, Nickel and Aluminum. You can also avail Free Trial for One days to test our accuracy and if satisfied you can join the services with Silicon Point Financials. You get sufficient time to enter in our calls and can maximize your profit with us.”
Commodity combo	“This is a Premium Pack which caters to the needs of those intraday traders who trade in Bullion, Energy & Base Metals. We provide 3-4 intraday calls in MCX Bullion, Base Metals & Energy. You get sufficient time to enter in our calls and can maximize your profit with us”

b. The pricing for the products mentioned on its website are given below:

(in Rs.)

Product	3 months	6 months	1 year
Stock cash	23,986	40,986	70,986
Stock future	24,986	42,986	72,986
Nifty /bank nifty	22,986	39,986	54,986
Options	20,986	32,986	55,986
Combo0	44,986	75,986	99,986
Bullion	25,986	42,986	80,986
Energy	21,986	36,986	60,986
Base metals	22,986	42,986	72,986
Combo	44,986	75,986	99,986

From the above it is seen that the service fee charged by T4M for its various packages ranges from Rs. 20,986/- to Rs. 99,986/-.

- (ii) The following information is gathered from the bank KYC/AOF:

Bank	Name of Account holder	Date of Account Opening
ICICI Bank	Mahesh Vaghajibhai Ramani	August 18, 2011

Hence, the bank account mentioned on the website of T4M belongs to an individual namely Mr. Mahesh Vaghajibhai Ramani. The address of Mr. Mahesh Ramani mentioned is: 423, Kumar Pra Shala, Navolo Vista, Shriram Plot, Lilapur 2, Jasdan Rajkot 360050.

- (iii) The following information is gathered from the bank account statement (upto 05/11/2020):

Account Number & Bank	Period for which bank statement is obtained	Total Credits (Rs.)	Last Credit Transaction date	Closing Balance (Rs.)
025201524531 (ICICI Bank)	29-08-2011 to 05-11-2020	96,60,532.27	November 02, 2020	12,39,78 4 (as on Novembe

				r 05, 2020)
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Hence, it can be seen that the account is active as on date and receiving continuous credits, with the last credit of Rs. 7500/- received on November 02, 2020. The narration of this credit is “MMT/IMPS/030721277709/SureshShareMark/RAJKUMAR K t”. It can be seen that for several credit descriptions the words “share market”, “stock market”, “trade”, etc., appear in the narration.

- (iv) Considering the analysis of the details on the website of T4M and information from the account opened with the banks, I, *prima facie*, observe that T4M has represented that it is an investment advisory firm for advice on stocks and commodity markets.
- (v) Considering the above facts and circumstances, especially the contents of the website of T4M coupled with the credit transactions directly made in the bank account of Mr. Mahesh Ramani, as detailed above, *prima facie*, it is inferred that the fees/ funds credited to the bank account, were for the purpose of providing the services indicated on the website of T4M. From the domain details available from whois.com, it can be seen that the website of T4M was created on October 02, 2012. However, from the bank statement, it can be seen that between the period starting from date of account opening till October, 02, 2012, there are credit transactions with narrations such as “Live tips market”, “Share Market”, “Live tips market research” etc., which, *prima facie*, indicate that funds were being collected even before this specific website was created. Hence, as reflected from the bank statement, I note that, *prima facie*, T4M has commenced with the collection of fees/ funds for the purpose of providing the services from August 2011 and has continued the same, at least till the period of examination.
- (vi) It is, *prima facie*, observed that T4M is placing information about various services offered by it in the securities market, in public domain by using its website. Further, it is also, *prima facie*, observed that various packages are

being offered by T4M through its website to avail its services. The website categorically mentions the “advantages of availing its services in various fields of securities market” and the advice they offer to their clients in the securities market through daily SMSs.

7. Regarding the allegations/observations made in the interim order, Mr. Ramani's one of the contentions is that there is no proof that how is he proprietor of T4M. He has contended that he has no connection with T4M. In this regard, I note that allegation made in the interim order is that SEBI was in receipt of complaint dated June 15, 2020, received against an entity named T4M, wherein, *inter alia*, the complainant alleged that he received calls from the entity for demo calls for the stock market and further, the calls received from T4M resulted in a loss. The complainant went through the website of the entity www.tips4market.com and observed that the entity is not registered and providing services in stock cash/ future, nifty/bank nifty future, options HNI services etc. Thereafter, the matter was taken up for preliminary examination by SEBI. It was found that T4M is not registered with SEBI in any capacity. The website of T4M was perused and was active as on the date of the interim order. Examination revealed that while no bank account details were available on the then existing website, but there was a link available for making payment. From archived webpages of the site available on archive.org, it was observed that since 2013 onwards T4M was using a bank account having number 025201524531 held with ICICI Bank for accepting payments. Accordingly, KYC/ AOF and bank statements for this account were sought from ICICI Bank. An examination of these documents revealed that said bank account no. 025201524531 held with ICICI Bank was in the name of Mr. Ramani. It was found that an amount of Rs. 96,60,532/- was credited in this account during the period from August 29, 2011 to November 05, 2020. As mentioned in para 6(i) T4M was offering investment advisory services through its website www.tips4market.com on which account number of Mr. Ramani was mentioned for making payments in order to avail the investment advisory services of T4M. Therefore, these facts gives rise to a reasonable inference that the said website was being run by Mr. Ramani under his trade name T4M. Mr. Ramani, in his reply dated February 10, 2021 had also contended that he could not find website www.tips4market.com, therefore, question of his account mentioned on said website does not arise. I note that during the

hearing held on April 23, 2021, authorised representative (AR) of Mr. Ramani sought for the copy of the complaint received against T4M and the screen shots of the website of T4M which were provided to AR on April 27, 2021. Thereafter, on May 10, 2021, Mr. Ramani has filed his further submissions. However, on perusal of these submissions, I find that this aspect of mention of his account number on the website of T4M has not been dealt at all. Mr. Ramani has failed to explain as to why his account number was mentioned on the website of T4M, if it was not his concern. Therefore, the contention of Mr. Ramani that there is no proof of his connection with T4M is not tenable.

8. Mr. Ramani accepts the fact that bank account no. 025201524531 held with ICICI Bank belongs to him. However, he has contended that amounts deposited therein are not fees/consideration for investment advices being offered through the website of T4M, as alleged in the interim order. In his reply dated February 10, 2021, he has contended that credit entries in this account are salaries and incentives received by him from his employers who were investment advisory companies. Further, amounts credited therein are also result of the fees/remuneration received by him for conducting awareness/educational/motivational seminars for investors and common public and for home tuitions provided by him to the students. In this regard, I note that interim order alleges that said account number of Mr. Ramani was mentioned on the website of T4M and the fees/funds credited to this account were for the purposes of providing the services indicated on the website of T4M. In view of the fact that Mr. Ramani has failed to explain as to why his account number was mentioned on the website of T4M, these contentions raised by Mr. Ramani are afterthoughts to wriggle out the consequences of the present proceedings. Even on merits, I find these contentions of Mr. Ramani as untenable for the following reasons:

- (i) In his reply dated May 10, 2021, Mr. Ramani has provided the break-up of the total amounts credited in his aforesaid bank account from FY 2011-12 to 2019-20. In the said break-up, only for the financial year 2011-12, Mr. Ramani has shown Rs. 41,880/-, as income from salary/incentive and after FY 2011-12 he has not any credit entry in his account towards salary/incentive. Whereas, in his reply dated February 10, 2021, Mr. Ramani had stated that he has worked as employee with many investment advisory companies. This

contention seems to be afterthought in view of the fact that interim order observed that various credit entries made in the said account of Mr. Ramani contained the narrations like, “share market”, “stock market”, “trade”, etc. to draw an inference that these credit entries shows fees/funds received in the account for investment advisory services rendered through the website of T4M. For this purpose, Mr. Ramani has produced purported offer letter and three salary slips for the months of January to March, 2012, as issued by LiveTips Market Research Pvt. Ltd. – his claimed previous employer, to contend that inference drawn in the interim order from entry containing narration “Live tips market”, “Live tips market research”, regarding offering of investment advisory services by Mr. Ramani even prior to floating of website on October 02, 2013 is wrong as these are the credit entries in respect of the salary/incentive received from his employer whose name was “LiveTips Market Research Pvt. Ltd.” and therefore, the narration of these entries contains words such as “Live tips market” and “Live tips market research”. However, Mr. Ramani in his reply has failed to explain various other entries in his account which contained narrations like “tips4market”, “tipsfortrade”, “sharetips”, “6 month tips”, “for advisory”, “trading fees”, “tips for mcx”, “mcxtips”, “share market tips”, “tips fees”, “tips consultancy”, “shares tips fees”, “service tip4market”. To overcome these credit entries, in his reply dated May 10, 2021 has come up with a new theory to cover up these credit entries by contending that investment consultancy fees has been collected in his account, as he provided investment consultancy to friends/family based on general market trends, etc. but has never taken their funds in my account and provided only fee based private investment consultancy without any written contract. In the break up of total income, Mr. Ramani has also indicated “advisory service fees” of Rs. 6,64,854/-. I find that no such explanation was provided in the reply dated February 10, 2010 of Mr. Ramani. Further, Mr. Ramani has not produced any proof of such investment consultancy provided rather to play safe, he has contended that he used to provide such services without any written agreement. Moreover, in terms of Regulation 2(1)(m) of IA Regulations, 2013 any person who is in the business of giving investment advice to clients or other persons or group of persons, for consideration, is called investment adviser, therefore, these investment

consultancy services also falls in the definition of “investment advice” given under Regulation 2(1)(l) of IA Regulations, 2013 and makes Mr. Ramani an “investment adviser”.

- (ii) In his break-up of income, provided in the reply dated May 10, 2021, Mr. Ramani has shown Rs. 19,12,471/- towards income from education service and has also shown Rs. 29,64,153/- as cash deposited in the account. In this regard, in his reply dated February 10, 2021 as well as in his reply dated May 10, 2021, Mr. Ramani has asserted that he provided home tuitions to students and these students have deposited fees through cash/cheque/electronically in his account. In this regard, it is noted that cash has been deposited in the said account of Mr. Ramani from various places like Jalgaon, Ahmedabad, Mysore, Chennai, Ekkatuthangal, Coimbatore, Ratlam, Guntur, Malleshwaram, Rajkot, Dharmavaram, Salem, Belgaum, Hyderabad, etc. which gives rise to a doubt whether a person can provide home tuitions through out the length and breadth of the country, as claimed by Mr. Ramani. Further, Mr. Ramani has also not been able to produce any single proof of the seminars conducted by him like invitation letters, etc. Also, Mr. Ramani has failed to explain cash deposits of Rs. 29, 64,153/- which was highest amount as per his own purported break up of income given in reply dated May 10, 2021, though he has unsuccessfully tried to explain cash deposits in the context of his claimed income from education services.
- (iii) In his break-up of income, provided in the reply dated May 10, 2021, Mr. Ramani has shown Rs. 24,62,428/- towards income from retail cloth trading and has submitted that he was engaged in the service of trading of retail clothes for kids, women and men. In this regard, I note that the earning claimed by Mr. Ramani through cloth trading is second highest after cash deposits, in his claimed break up of income, however, surprisingly, in his reply dated February 10, 2021, there is no mention by Mr. Ramani about cloth trading activity (purported second largest contributor to his claimed income) though he has mentioned other activities with purported lesser amounts like salary/incentives, home tuition, seminars, etc. It clearly shows that the contention raised by Mr. Ramani, regarding cloth trading in in his reply dated

dated May 10, 2021 is an afterthought.

(iv) It is also noted from the submissions of Mr. Ramani that though he has claimed his income from private investment consultancy, retail clothing, home tuitions, educational and other seminars, etc., however, except for his three months employment with Live Tips Market Research Pvt. Ltd. which resulted into his claimed income of Rs. 41,880/- out of total of Rs. 96, 60,532/- alleged to be credited in his account, he has not produced any proof regarding these claimed income generating activities.

9. Another, interesting contention raised by Mr. Ramani is that a proprietary concern must be registered under Shops and Establishment Act or must have registration with Tax authorities like Goods and Services Tax. That there is no document available which proves that there is existence of alleged proprietary concern. In this regard, I note that registration of a proprietary concern with relevant authorities is a requirement prescribed under the relevant laws. However, non-existence of such a registration does not go on to prove that such a proprietary concern does not exist or can not exist. I further note that interim does not make any allegation regarding not taking of registration by T4M under Shops and Establishment Act or with Tax authorities like Goods and Services Tax. I note that there is document available on the record of SEBI to indicate that T4M was not having such registrations nor SEBI has collected any such information from the concerned authorities. The contention of Mr. Ramani is that he has no connection at all with T4M. In such a scenario, it is surprising that Mr. Ramani knows that T4M is not having relevant registrations. It further fortifies the allegations made in the interim order that T4M is the proprietary concern of Mr. Ramani. Therefore, the contention of Mr. Ramani that he has no connection with T4M is untenable.

10. I note that the definition of investment adviser, as given in Regulation 2(1) (m) of IA Regulations, 2013, provides 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”. Regulation 2(1)(l) of the IA Regulations, 2013 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. I note that Noticees on their website i.e. www.tips4market.com represented that it provide services to clients in stock cash, stock future, Nifty/ Bank Nifty future, Options, Combo, HNI Services, Bullion, Energy, Base Metals and Commodity Combo. From the allegations made in the interim order and my findings recorded above, I find that Mr. Mahesh Vaghajibhai Ramani was the sole proprietor of T4M. I note that following pricing details for availing various services were mentioned on the website of the Noticees:

(in Rs.)

Product	3 months	6 months	1 year
Stock cash	23,986	40,986	70,986
Stock future	24,986	42,986	72,986
Nifty /bank nifty	22,986	39,986	54,986
Options	20,986	32,986	55,986
Combo0	44,986	75,986	99,986
Bullion	25,986	42,986	80,986
Energy	21,986	36,986	60,986
Base metals	22,986	42,986	72,986
Combo	44,986	75,986	99,986

From the aforesaid facts, I find that T4M which is sole proprietorship concern of Shri Mahesh Vaghajibhai Ramani was engaged in giving advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, through its website www.tips4market.com. I find that these services were being offered by the Noticees in lieu of the consideration which could be paid by the investor concerned in the ICICI Bank No. 025201524531 of Mr. Mahesh Vaghajibhai Ramani, details of which were provided on the said website. As mentioned in the interim, as per the bank account statement of ICICI Bank Account No. 025201524531 of Mr. Mahesh Vaghajibhai Ramani, I find that around Rs. 96,60,532/- have been credited during the period from August 29, 2011 to November 05, 2020. In view of this, I find that Noticees were providing

the investment advice, in lieu of consideration. In terms of Regulation 2(1)(l) of IA Regulations, 2013 such an advice is “investment advice”. Therefore, I find that Noticees were engaged in the business of providing investment advice to public, for consideration and were thus, acting as an investment adviser, as defined under Regulation 2(1)(m) of the IA Regulations, 2013.

12. Section 12(1) of the SEBI Act, 1992 provides 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.”

13. In order to protect the interest of investors and to maintain integrity of the securities market, IA Regulations, 2013 provides safeguards to ensure that the investors who receive investment advice are protected. One such safeguard is that any person carrying out investment advisory activities has to obtain registration from SEBI as required under Regulation 3(1) of the IA Regulations, 2013. Regulation 3(1) 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”* and conduct its activities in accordance with the provisions of IA Regulations. Further, safeguards provided under IA Regulations, 2013 includes continued minimum professional qualification and net-worth requirement for investment adviser, disclosure of all conflict of interest, prohibition on entering into transactions which are contrary to advice given for 15 days, risk profiling of investors, maintaining documented process for selecting investment for client based on client’s objective and risk profile, understanding the nature and risks of products or assets selected for clients, etc.

14. The activities of the Noticees, as brought out from the various materials described

above, seen in the backdrop of the aforesaid provisions show that the Noticees were holding themselves out and acting as an investment adviser. However, it is noted that the Noticees is not registered with SEBI in the capacity of Investment Advisor. Hence, I find that these activities/ representations as being made by the Noticees without holding the certificate of registration as investment adviser are in violation of Section 12(1) of SEBI Act, 1992 read with Regulation 3(1) of the IA Regulations, 2013.

15. I note that the material available on record does not indicate the exact amount of fees collected by the Noticees, as a result of providing investment advice to investors, in violation of the provisions of the IA Regulations, 2013. However, interim order records Rs. 96,60,532/- have been credited in the ICICI Bank Account No. 025201524531 of Mr. Mahesh Vaghajibhai Ramani (which was mentioned on the website of T4M) during the period from August 29, 2011 to November 05, 2020.
16. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11, 11(4), 11B(1) and 11D, read with of Section 19 of the SEBI Act, 1992 and Regulation 11 of the PFUTP Regulations, 2003, and in supersession of the directions in the interim order, hereby direct that:
 - (i) The Noticees shall within a period of three months from the date of coming into force of this direction, refund the money received from the clients/investors/complainant, as fees or consideration or in any other form, in respect of their unregistered investment advisory activities;
 - (ii) The Noticees shall issue public notice in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of contact person such as names, addresses and contact details, within 15 days of coming into force of this direction;
 - (iii) The repayments to the clients/investors shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to

identify the beneficiaries of repayments;

- (iv) The Noticees are prevented from selling their assets, properties and holding of mutual funds/shares/securities held by them in demat and physical form except for the sole purpose of making the refunds as directed above. Further, the banks are directed to allow debit only for the purpose of making refunds to the clients/investors who were availing the investment advisory services from the Noticees, as directed in this order, from the bank account of the Noticees, wherein debit has been frozen by virtue of interim order dated November 20, 2020;
- (v) After completing the aforesaid repayments, the Noticees shall file a report of such completion with SEBI addressed to the Division Chief, CIS Division, Investment Management Department, SEBI Bhavan, Plot No. C4 A, G Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400051, within a period of 15 days, after completion of three months from the coming into force of this order, duly certified by an independent Chartered Accountant. The restraint contained in para 16(iv) shall cease to operate once the refund to the investors is complete and the report as contemplated herein is filed;
- (vi) In case of failure of the Noticees to comply with the aforesaid directions in sub-para (i) and (v), SEBI, on the expiry of the stipulated time period therein may recover the amounts mentioned in para 15 above or any other amount, as may be found to have been raised by the Noticees, from the Noticees, in accordance with Section 28A of the SEBI Act, 1992 including such other provisions contained in securities laws;
- (vii) The Noticees are debarred from accessing the securities market, directly or indirectly and are prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of 2 (two) years from the date of this order or till the expiry of 2 (two) years from the date of completion of refunds to investors as directed in paragraph 16(i) above, whichever is later;

- (viii) The Noticees are also restrained from associating with any company whose securities are listed on a recognized stock exchange and any company which intends to raise money from the public, or any intermediary registered with SEBI in any capacity for a period of 2 (two) years from the date of this order or till the expiry of 2 (two) years from the date of completion of refunds to investors as directed in paragraph 16(i) above, whichever is later; and
- (ix) The Noticees shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in paragraph 16(vii) and (viii) above, either directly or indirectly, investment advisory services or any activity in the securities market without obtaining a certificate of registration from SEBI as required under the securities laws.
17. The direction for refund, as given in paragraph 16(i) above, does not preclude the clients/investors to pursue the other legal remedies available to them under any other law, against the Noticees for refund of money or deficiency in service before any appropriate forum of competent jurisdiction.
18. This order comes into force with immediate effect. However, in view of the exceptional circumstances emerged due to the outbreak of a COVID-19 and consequential lockdowns imposed in different parts of the country, the direction given in paragraph 16 (i) and (ii) above, shall come into force on July 01, 2021.
19. A copy of this order shall be sent to the Noticees, recognized Stock Exchanges, the relevant banks, Depositories and Registrar and Transfer Agents of Mutual Funds to ensure that the directions given above are strictly complied with.

Sd/-

Place: Mumbai

ANANTA BARUA

Date: June 04, 2021

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA