National Stock Exchange of India
Circular

Department: Investigation	
Download Ref No: NSE/INVG/54424	Date: November 14, 2022
Circular Ref. No: 170/2022	

To All NSE Members

Sub: **Final Order in the matter of M/s. Future Plus Services, Prop. Manish Parihar**

SEBI vide its Order no. WTM/AB/WRO/WRO/21135/2022-23 dated November 14, 2022, has hereby debarred the below entity 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 six (6) months from the date of this order or till the expiry of six (6) months from the date of completion of refunds to complainants/ investors along with depositing of balance amounts, if any, with SEBI as directed in para 15(a) and 15(e) of the SEBI Order, whichever is later.

Sr. No.	Name of the Entity	PAN
1	M/s. Future Plus Services, Prop. Manish Parihar	BIAPP6501J

This Order shall come into force with immediate effect.

The detailed order is available on SEBI website (http://www.sebi.gov.in). Further, the consolidated list of such entities is available on the Exchange website http://www.nseindia.com home page under “Home-Regulation-Members-Action against Members-Regulatory Actions”.

Members are advised to take note of the above and ensure compliance.
In case of any further queries, members are requested to contact the following officials:

Mr. Gaurav Damani (Extension: 22387), Mr. Atish Agarwal (Extension: 26026)
Direct No: 022-26598417/18 Fax: 022-26598195

National Stock Exchange of India

For and on behalf of

National Stock Exchange of India Limited

Atish Agarwal
Senior Manager

National Stock Exchange of India

ANNEXURE: Final Order in the matter of M/s. Future Plus Services, Prop. Manish Parihar

WTM/AB/WRO/WRO/21135/2022-23

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

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

In respect of:

Noticee no.	**Noticee Name**	**PAN**
1	M/s. Future Plus Services, Prop. Manish Parihar	BIAPP6501J

In the matter of Unregistered Investment Advisory by M/s. Future Plus Services.

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1. On the basis of complaint received against M/s. Future Plus Services, SEBI conducted an examination in relation to the alleged activities of unregistered investment advisory being carried out by it. Upon completion of examination, a show cause notice dated July 31, 2021 (hereinafter referred to as "**SCN**"), came to issued to M/s. Future Plus Services, a proprietorship firm and its sole proprietor i.e. Shri Manish Parihar (hereinafter collectively referred to as "**the Noticees**") whereby the Noticees were called upon to show cause as to why appropriate directions under Sections 11(1), 11(4) and 11B(1) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act, 1992**"), should not be issued against them for the alleged violation of the provisions of Section 12(1) of the SEBI Act. 1992 and Regulation 3(1) of SEBI (Investment Advisors) Regulations, 2013 (hereinafter referred to as "**IA Regulations, 2013**").

2. The SCN was served upon the Noticees through Speed Post. An opportunity of personal hearing was granted to the Noticees on May 04, 2022. On the scheduled date of hearing, Shri Manish Parihar appeared in person to represent his case,

through CISCO WebEx platform. At the personal hearing, Shri Parihar was advised to file his reply/written submissions within 15 days. However, no reply came to be filed by Shri Parihar. Vide his email dated May 30, 2022, Shri Parihar submitted that he had closed the business four years ago and he had no record regarding the activities carried out in that business. I note that since no written reply has been filed by the Noticees, I shall now proceed to examine the allegations made in the SCN against the Noticee, on the basis of the material available on record, including the oral submissions made by the Noticee at the time of personal hearing.

3. The SCN alleged that the Noticees were carrying out unregistered investment advisory activities through the website '<u>www.futureplusservices.com</u>'. I note that the website is inactive as of today, but from the archive of the webpages, as available on <u>'web.archive.org'</u>, as available on record, I note that the following was disclosed on the website:

   a) *Future Plus is one of the growing <u>research and advisory firms</u>. Our clients appreciate us for the most <u>accurate and best stock market tips</u> that help them earn handsome profit within their risk appetite. As we are confident in the quality of our <u>tips and recommendations,</u> we offer a 2-day free trial to our potential customers, so that they can be certain before opting for the paid service. We offer customized packages as per the clients' requirements and their trading objectives.*

   b) *We are committed to achieve technical and fundamental research excellence with our experienced and qualified team of research analysts. Our team of analysts, designs the packages for our customers as per their trading objective, risk appetite and capital. We are appreciated for our <u>timely, accurate and consistent quality calls</u> that help our customers to reap handsome profits. We offer complete support to our clients <u>with exact targets and stop loss</u> where the clients can square off their positions. "*

4. From the copy of archived webpages as available on record, I also note that the following services were offered through the said website:

<u>Sr.</u>	**<u>Name of Service</u>**
1.	Stock Cash Tips
2.	Stock Option
3.	Stock Future Tips
4.	Index Option
5.	Premium Services
6.	Cash/Future/Option Combo (Any 2)
7.	Option Combo

8.	Future Combo
9.	Profit Call

5. Further, as per the payment tab of archive webpages of the website 'www.futureplusservices.com', I note that in order to make payments for availing the services of the Noticee, the following bank account details were provided at the website:

Bank	Axis Bank	ICICI Bank	SBI Bank
Account Name	Future Plus Services	Future Plus Services	Future Plus Services
A/c No	916020057246888	024105501468	36126480590
Account Type	Current	Current	Current
Branch	A.B Road Indore	Ashoknagar, Indore (M.P)	Ring Rd Bombay Hospital, Indore (M.P)
RtGS/ NEFT IFSC Code:	UTIB0001680	ICIC0000241	SBIN0030463

6. During the examination, SEBI procured bank statements, KYC and Account Opening Forms of A/c 916020057246888, A/c 024105501468 and A/c 36126480590 from Axis Bank, ICICI Bank and SBI, respectively. From the analysis of these documents, SEBI found that Future Plus Services is a proprietorship firm and Mr. Manish Parihar is its proprietor. Further, analysis of the bank statements also revealed multiple credit entries whose total was as follows:

Bank Name	Axis Bank	ICICI Bank	SBI Bank
Account No.	916020057246888	024105501468	36126480590
Period of Statements	27/09/2016 to 23/02/2018	31/08/2016 to 18/09/2019	27/09/2016 to 21/09/2019
Total Amount Credit in (Rs.)	Rs. 10,40,245.50/-,	Rs. 62,85,023.22/-	Rs. 4,50,485.00/-

7. Therefore, from the contents of the website 'www.futureplusservices.com', it is abundantly clear that Future Plus Services was engaged in offering investment advisory services. Further, from the bank statements, KYC and Account Opening Forms of the bank accounts mentioned under the 'Payments' tab of the website, it is evident that the said bank accounts belonged to Mr. Manish Parihar who is the proprietor of 'Future Plus Services'. Further, from the various credit entries in the

aforesaid three bank accounts of the Noticee, it is observed that there are large number of credit entries from several individuals. In view of the above, I find that the Noticee was engaged in offering investment advisory services to clients/ investors for a consideration, without obtaining registration from SEBI. I also note that despite being asked to show cause, the Noticee has been unable to explain the source of the credit entries in the aforesaid bank accounts. Thus, I am inclined to hold that the credit entries in the said three bank accounts aggregating to an amount of Rs. 77,75,753.72/- are pertaining to funds received by the Noticee from clients/ investors while offering the unregistered investment advisory services.

8. I note that if an entity is engaged in providing 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 *in lieu* of consideration, including entities which are holding themselves out as investment advisers, are covered by the definition of "Investment Adviser" as given in Regulation 2(1)(m) of the IA Regulations, 2013. As noted above, Rs. 10,40,245.50/-, Rs. 62,85,023.22/- and Rs.4,50,485.00/- (Total - Rs. 77,75,753.72/-) were received in three bank accounts mentioned on the website www.futureplusservices.com wherein the beneficiary was Mr. Manish Parihar. As noted in the previous paragraph, the payments received in the three bank accounts of the Noticees, were in lieu of the investment advisory services provided by Mr. Manish Parihar. Hence, I find that Future Plus Services and its proprietor Mr. Manish Parihar were engaged in the business of providing investment advice to their clients, for consideration, and thus, acting as investment advisers, as defined under Regulation 2(1)(m) of the IA Regulations, 2013.

9. I also note that, it is imperative that any person carrying out investment advisory activities must necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of SEBI Act, 1992 and Regulations framed thereunder. Section 12(1) of SEBI Act, 1992 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:"*

10. It is relevant to note that in order to protect the interest of investors and to preserve the integrity of the securities market, IA Regulations, 2013 has been framed by SEBI which provide various safeguards to ensure that the interest of the investors who receive investment advice are protected. One such safeguard provided under the said Regulations is that any person carrying out investment advisory activities has to first obtain a certificate of registration from SEBI as mandated under regulation 3(1) of the IA Regulations, 2013, which, *inter alia*, provides that, 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 SEBI and it has to conduct its activities in accordance with the provisions of IA Regulations, 2013. Further safeguards provided under IA Regulations, 2013 include continued minimum professional qualification and compliance with net-worth requirement for acting as an investment adviser, prior disclosure of all conflicts of interest, prohibition on entering into transactions which are contrary to advice given to the clients at least for 15 days from the date of giving advice to the clients, mandatory risk profiling of investors, maintaining documented process for selecting investment products for clients based on client's investment objective and risk profile and understanding of the nature and risks of products or assets selected for such client, etc.

11. I note that for seeking a certificate of registration for acting as an investment adviser, an entity is required to satisfy *inter alia* the following requirements, as provided under IA Regulations, 2013:

   (i) An application for seeking certificate of registration to be made to Local Office, Regional Office or Head Office, of SEBI, as the case may be, in Form A as specified in the First Schedule to IA Regulations, 2013 alongwith requisite non-refundable application fee;

   (ii) The applicant, in case of an individual investment adviser or its principal officer in case of a non-individual investment adviser shall be appropriately qualified and certified as under:

a. A professional qualification or post-graduate degree or post graduate diploma (minimum two years in duration) in finance, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognized by the Central Government or any State Government or a recognised foreign university or institution or association or a professional qualification by completing a Post Graduate Program in the Securities Market (Investment Advisory) from NISM of a duration not less than one year or a professional qualification by obtaining a CFA Charter from the CFA Institute;
b. An experience of at least five years in activities relating to advice in financial products or securities or fund or asset or portfolio management;
c. Applicant in case of individual investment adviser or its principal officer in case of a non-individual investment adviser, and persons associated with investment advice shall have, at all times a certification on financial planning or fund or asset or portfolio management or investment advisory services, from (a) NISM; or (b) any other organization or institution including Financial Planning Standards Board of India or any recognized stock exchange in India provided such certification is accredited by NISM.

(iii) Individual applicant must have net worth of not less than 5 lakh rupees and non-individual applicant must have net worth of not less than 50 lakh rupees.

12. The activities engaged in by the Noticees, as brought out from the various materials described above, seen in the backdrop of the aforesaid regulatory provisions show that the Noticees were acting as an Investment Adviser, although the Noticees were not registered with SEBI in the capacity of Investment Adviser. Hence, I find that these activities/ representations as were being made by the Noticees without holding the mandatory 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.

13. I note that in the case of Shri C. Paranitharan and Others and TrendMarket Advisory Services, SEBI had passed orders dated July 05, 2022 and July 07, 2022, respectively, inter alia directing the Noticees therein to refund the fees or consideration received from investors in respect of their unregistered investment advisory activities. In the respective appeals filed against these orders by the respective Noticees, Hon'ble SAT vide common order dated September 21, 2022 inter alia directed the appellants there into deposit the balance amount after making refunds to investors, with SEBI. It was also directed that the balance amount deposited with SEBI shall be kept in escrow account for a period of one year and be distributed to any claimants and thereafter, the remaining amount, if any, will be deposited in the Investor Protection and Education Fund.

14. From the material available on record, I also note that the examination in the matter was initiated *inter alia* on the basis of a complaint. However, subsequently, the complainant has furnished a letter dated August 19, 2021, wherein he has stated that he has received a payment of Rs. 65,000/- from the Noticee and that he has no objection in closing the present investigation against the Noticee. From the said letter of the complainant, it appears that his claim against the Noticee has been settled by the Noticee and therefore, he no longer wishes to pursue the matter with SEBI. It is clarified that even though the complaint of the said complainant may have been resolved, this fact *ipso dixit* does not exonerate the Noticee from the violations of securities law found to have been committed by him. Further, the aggregate amount of Rs. 77,10,753.72 (Rs. 77,75,753.72/- – Rs. 65,000/-), which has been collected by the Noticee in the three bank accounts, by providing unregistered investment advisory services, still needs to be refunded to the investors/clients.

DIRECTIONS:

15. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections11(1), 11(4) and 11B(1) read with of Section 19 of the SEBI Act, 1992, hereby direct that:

a) The Noticee shall jointly and severally, within a period of three months from the date of this order, refund the money received from any clients/ complainants/ investors, as fees or consideration or in any other form, in respect of their unregistered investment advisory activities;

b) The Noticee 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;

c) The repayments to the clients/ complainants/ investors shall be effected only through banking channels (and not cash transfers), which ensures audit trails to identify the beneficiaries of repayments;

d) After completing the refund as directed in para 15 (a) above, within a period of 15 days, the Noticees shall file a report detailing the amount refunded to SEBI addressed to the Division Chief, Division of Registration-2, Market Intermediaries Regulation and Supervision Department (MIRSD), SEBI Bhavan II, Plot No. C7, G Block, Bandra Kurla Complex, Bandra (East) Mumbai - 400051. The report should be duly certified by an independent Chartered Accountant and indicate the amount, mode of payment, name of the parties refunded, communication address, mobile numbers and telephone numbers etc.;

e) The remaining balance amount shall be deposited with SEBI which will be kept in an escrow account for a period of one year for distribution to clients/complainants/investors who were availing the investment advisory services from the Noticee. Thereafter, remaining amount if any will be deposited in the Investor Protection and Education Fund maintained by SEBI;

f) The Noticee are restrained 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/ depositing balance amount with SEBI, as directed above. Further, the banks are directed not to allow any debits, except for the purpose of making refunds to the clients/investors/complainants who were availing the investment advisory services from the Noticee and depositing balance amount with SEBI, as directed in this order, from the bank accounts of the Noticee;

g) The Noticee 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 six (6) months from the date of this order or till the expiry of six (6) months from the date of completion of refunds to complainants/ investors along with depositing of balance amounts, if any, with SEBI as directed in para 15(a) and 15(e) above, whichever is later;

h) Upon submission of report on completion of refunds to complainants/ investors to SEBI and deposit of the balance money with SEBI, if any, the direction at para 15(f) above shall cease to operate within 15 days thereafter;

i) The Noticee shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in para 15(g) 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.

16. The direction for refund and depositing the balance amount with SEBI, as given in para 15 (a) and (e) above, does not preclude the clients/investors to pursue the other legal remedies available to them under any other law, against the Noticee for refund of money or deficiency in service before any appropriate forum/ authority of competent jurisdiction.

17. This order comes into force with immediate effect.

18. A copy of this order shall be sent to the Noticee, 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/-

Date: November 14, 2022
Place: Mumbai

ANANTA BARUA
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA