



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

DEPUTY GENERAL MANAGER
WESTERN REGIONAL OFFICE

SEBI/WRO/18368/1
August 05, 2021

To

फिनअस्सुर फिननसियल सर्विसेस प्राइवेट लिमिटेड, ३०३-३०४, गोल्ड अर्कड, ३/१ न्यू पलासिया, किओर वेल हॉस्पिटल के बिपरित, इंदौर, मध्य प्रदेश ४५२००१	Finassure Financial Services Pvt Ltd. 303-304, Gold Arcade, 3/1 New Palasia Opp. Curewell Hospital, Indore, MP 452001 (PAN: AACCF3263B)
श्री अमित शर्मा, डाइरेक्टर फिनअस्सुर फिननसियल सर्विसेस प्राइवेट लिमिटेड, फ्लॅट नंबर २०१, दूसरी मंजिल, श्रीनिवास अपार्टमेंट्स, गोकुलपीठ, नागपुर ४४००१०, महाराष्ट्र	Shri Amit Sharma Director, Finassure Financial Services Pvt Ltd. Flat No. 201, 2nd Floor, Shriniwas Apartments, Gokulpeeth, Nagpur, 440 010, Maharashtra, India (PAN APBPS4851H)
श्री साकेत शर्मा डाइरेक्टर, फिनअस्सुर फिननसियल सर्विसेस प्राइवेट लिमिटेड, हेच-९८, कोटरा सुलतानाबाद, भोपाल ४६२००३, मध्य प्रदेश	Shri Saket Sharma Director, Finassure Financial Services Pvt Ltd. H-98, Kotra Sultaanabad, Bhopal, 462 003, Madhya Pradesh, India (PAN: APGPS5006R)
श्री साकेत शर्मा डाइरेक्टर, फिनअस्सुर फिननसियल सर्विसेस प्राइवेट लिमिटेड, ४/५७, ग्रीन सिटी, गुलमोहोर, भोपाल ४६२००३, मध्य प्रदेश	Shri Saket Sharma Director, Finassure Financial Services Pvt Ltd. 4/57, Green City, Gulmohar, Bhopal, Madhya Pradesh, India (PAN: APGPS5006R)

Sub: Show Cause Notice under sections 11(1), 11(4), 11B(1) of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") in the matter of Finassure Financial Services Pvt Ltd



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1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") had received a complaint dated December 31, 2015 from Shri Gopal Kumar (hereinafter referred to as "complainant"), against Finassure Financial Services Pvt Ltd (hereinafter referred to as "FFSPL"), wherein the complainant has *inter alia*, alleged that FFSPL was involved in unauthorized Investment Advisory activities. It has been observed that Shri Amit Sharma (PAN APBPS4851H) and Shri Saket Sharma (PAN: APGPS5006R) were directors of FFSPL (FFSPL and its directors, viz. Shri Amit Sharma and Shri Saket Sharma collectively referred to as the 'Noticee'). In the aforementioned complaints, it was, *inter alia*, alleged that the complainant was registered with the Noticee for trading advisory services and paid Rs. 3000. Copy of the complaint is placed at **Annexure-A**.
2. It has been observed that the website of FFSPL i.e. www.ffsplbuysellsoftware.in is not active. The archive pages of the website was downloaded from web.archive.org, the copy of which is placed at **Annexure B**. It was observed that FFSPL had, *inter alia*, disclosed the following in the website:

"AUTOMATIC BUY SELL SOFTWARE aims at providing the best in class commodity market solutions that help businesses and individuals grow revenue, generate profits, and manage business to run more efficiently and in a sustainable way. By exploring the proper usage of company's services and tools, every person can effectively earn money from the biggest financial plot of the country.

The company also realizes the effort required behind making this dream turn into reality. It needs to achieve leading market benchmarks, deliver excellent client support and impart the no lesser amount of knowledge to their clients as much as the company's professional's possess regarding stock trading. That is exactly what the company is successfully abiding by,

Under able leadership of spirited Management Team, AUTOMATIC BUY SELL SOFTWARE employs reliable, proven and sophisticated techniques to deliver Buy Sell Signal which seamlessly integrate with multiple advanced Charting and renowned international Technical Analysis platforms like AmiBroker. The company's focus is to deliver authentic and accurate Buy and Sell Signal to their clients - at affordable price. AUTOMATIC BUY SELL SOFTWARE distributes low latency, Buy Sell Signal with Stop Loss and Targets."



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3. Further, as per the webpages of the website, FFSP was offering various services. The details in this regard are as follows:

<u>Sr. No.</u>	<u>Name of Service</u>	<u>Sr. No.</u>	<u>Name of Service</u>
1	Elite Trade	10	Stock Future
2	Profit Buzz	11	F1P
3	Stock Future Economy	12	Bullions Economy
4	NCDEX	13	Index
5	Stock Cash	14	Commodity
6	Daily One Trade	15	Trending Trade
7	Double Your Money	16	Options
8	Stock Cash Economy	17	Flexible Duration
9	Crude 200		

4. FFSP had also disclosed the following bank accounts on its website for receiving fee for investment advisory services:

Bank	Account Name	Account No.	IFSC Code	Branch Name
ICICI Bank	Finassure Financial Services Pvt Ltd	091605500364	ICIC0000916	Ratlam Kothi Branch, Indore

The examination of the aforesaid bank accounts of FFSP revealed the following:

- In ICICI account opening form FFSP submitted that the account is opened for providing Finance Services and Mr. Amit Sharma has been mentioned as Director of FFSP. A copy of the account opening form received from ICICI Bank is placed at **Annexure C**.
- From the analysis of the bank account statement of ICICI Bank Account-091605500364, it is noted that credit of Rs. 61,39,076 have been received by FFSP for the period February 03, 2014 to February 15, 2017. The said bank account is found to be closed from February 15, 2017. Copy of the bank statement received from ICICI Bank is placed at **Annexure D**.



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5. It is, prima facie, observed that the amount paid by complainant, is consideration paid for availing investment advisory products and services as depicted by the Noticee in its website viz. www.ffsplbuysellsoftware.in. Further, based on examination of bank account statement of the Noticee, prima facie, it is observed that there are large number of credits from several other individual investors which are also paid towards availing various investment advisory products and services as depicted in the aforementioned website.
6. From the above, it is observed that the Noticee is observed to have engaged in the activities of an 'investment adviser' as defined under regulation 2 (m) of SEBI (Investment Adviser) Regulations, 2013 (hereinafter referred to as "IA Regulations, 2013"), which reads as under:

"investment adviser means any person who for consideration, is engaged in the business of providing advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called".
7. It is further observed that the Noticee was indulged in providing unregistered investment advisory services without obtaining registration from SEBI as required under section 12(1) of SEBI Act 1992 (hereinafter referred to as **SEBI Act**), read with regulation 3(1) of IA Regulations, 2013.
8. As per section 12(1) of SEBI Act, any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of IA Regulations, 2013. Section 12(1) of SEBI Act is reproduced as under for reference:

"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"
9. Regulation 3(1) of the IA Regulations, 2013 states, "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".
10. As per regulation 3(1) of IA Regulations, 2013 read with section 12(1) of SEBI Act, registration is mandatory for a person carrying out the activities of an investment adviser. From the above, it is, *prima facie*, observed that Noticee has carried out investment advisory activities without obtaining registration of SEBI.



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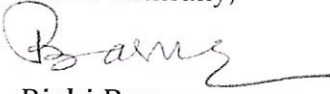
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11. The aforesaid examination reveals that the Noticee appears to have engaged in the activities of investment adviser without seeking any registration from SEBI, as required in terms of Section 12 (1) of SEBI Act read with regulation 3(1) of IA Regulations, 2013.
12. The above acts of the Noticee of holding themselves out as an investment adviser, without having any certificate of registration are alleged to be in violation of Section 12(1) of the SEBI Act read with Regulation 3(1) of the IA Regulations, 2013.
13. The Noticee is hereby called upon to show cause as to why suitable directions under sections 11(1), 11(4), and 11B(1) of the SEBI Act should not be issued against them for alleged violations.
14. Your reply, if any, along with relevant documents, should reach us within 21 days of the date of receipt of this notice at the following address:

Securities and Exchange Board of India
SEBI Bhavan,
Western Regional Office
Panchvati 1st Lane,
Gulbai Tekra Road,
Ahmedabad- 380006, Gujarat

15. If personal hearing before the Whole Time Member, SEBI is desired, it shall be indicated in the reply accordingly. The Noticee is advised to keep SEBI informed about the change in its/his correspondence address, if any, till the proceedings in the extant matter are complete.

Yours faithfully,


Rishi Barua

Enclosures: As above