

SECURITIES AND EXCHANGE BOARD OF INDIA**FINAL ORDER**

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

In respect of:

Sr. No.	Noticee	PAN
1.	Jitender- proprietor of Bigprofitbuzz	AIVPJ9021F

In the matter of Unregistered Investment Adviser

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1. The present proceedings emanate from a show cause notice dated **March 10, 2022** (hereinafter referred to as “**SCN**”) issued by Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) against Jitender- proprietor of Bigprofitbuzz (hereinafter referred to as “**Noticee**”), wherein it was alleged that the Noticee was engaged in investment advisory services without obtaining a certificate of registration from SEBI 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**”). The SCN called upon the Noticee to show cause as to why suitable directions should not be issued against the Noticee under Sections 11B (1) and 11(4) of the SEBI Act, 1992 read with Section 12(1) of the SEBI Act, 1992 and Regulation 3(1) of the IA Regulations, 2013.

2. I note that the SCN *inter alia* stated that SEBI had observed that the Noticee through his website www.bigprofitbuzz.com was offering services in nature of investment advisory without obtaining necessary SEBI registration. The SCN further stated that in this regard, the Noticee was advised vide SEBI letters dated October 16, 2015, January 25, 2016 and February 01, 2016, to provide details of investment advisory services rendered by him. From the website of the Noticee, details of clients, packages, fees collected etc. as submitted by the Noticee, analysis of bank account statements etc. and other material available on record the SCN alleged that that the Noticee was rendering Investment Advisory services and collected fees from various clients without necessary SEBI registration. The Noticee, subsequent to SEBI letter dated October 16, 2015 submitted application for registration as Research Analyst (hereinafter referred to as “RA”) on November 09, 2015. The application of the Noticee was processed and accordingly, registration as a Research Analyst was granted to him on May 02, 2016.
3. The SCN was served on the Noticee by Speed Post. The Noticee submitted a reply to the SCN received by the Northern Regional Office of SEBI at New Delhi on April 05, 2022. The file was placed before me on June 07, 2022 for granting a hearing date. A hearing date was granted to the Noticee on August 02, 2022. The Noticee appeared on the scheduled date through video conference and made submissions. Vide email dated April 11, 2023 the Noticee was advised to file additional submissions, if any, within seven (7) days or else matter shall be decided on the basis of material available on record. Vide email dated April 12, 2023 the Noticee submitted that he had already submitted all the details that he had with him in March 2022. And he did not have anything more to provide in this regard. The Noticee also submitted that he was going through a financial crisis from last year and all his RA activities have stopped as he did not have

not even a single client from last year and that he was looking for a job from sometime.

4. Vide his reply received on April 05, 2022 the Noticee has submitted as follows:

- i) The SCN alleges that the Noticee is certainly in violation of Investment Advisor regulation without even checking is there any change of work in his activities before registration and after registration. All the activities that he carried before registration are same as the activities as he is doing as a RA. He wishes to bring it in to the notice of SEBI that how it can be possible that the present activities of his come under RA regulation after 2016 but the same activities before 2016 come under Investment Advisor regulation.
- ii) As soon as he got the first letter and came to know that whatever he was doing is not as per SEBI law so he stopped all his activities because before that he did not know that there is any regulation for this.
- iii) He knows that not knowing law is also known as violation of law.
- iv) He never did any cheating with clients before registration and never made any willful wrong commitment with the client. Whatever the standard of working he is following with present RA registration, the same he was following before this.
- v) As soon as he got letter, he stopped his existing activities completely and prepared himself for the RA registration. He applied for RA not for investment advisor because all his activities completely related to RA not with Investment Advisor. He applied for RA on November 09, 2015 and got registered on May 02, 2016. In these 6 months he did nothing.
- vi) He has a website name www.bigprofitbuzz.com. The SCN mentioned the website's screen shot of April 23, 2013. After SEBI registration as RA the look and feel of the site is completely changed but the content is

almost same that was in 2013. The core activities are still the same that he did before registration.

- vii) As per notice the content of old website, viz. 'About us', 'Payment', 'Packages', Account Number for receiving fess from the client -all of the above content of old site is almost same as the content of the new site which is presently live except some of the minor changes. He used to research call/ recommendation/stock specific advice for Equity and F&O & commodity such as crude, gold etc. pre- registration but as of now after RA registration he limited his research only to equity.
- viii) He has expertise in technical and fundamental analysis because he already has experience in the same filed from last 5 years which he already mentioned in his RA application form.
- ix) In his website he has tried to convey that he will try to make all possible effort to provide such a research call/ stock advise/ stock tips/research recommendation which have high probability to achieve mentioned price target and if he does so on continuous basis & client trade on that research call he will definitely get profit. As he mentioned he makes efforts but there is no guarantee for profit in any call that is why there is always stoploss level is already given to client in each call. The same call with stoploss is also uploaded on the website at the end of every trading day under past performance page.
- x) He himself examined all the available market price information & analysed this to know what will be the effect on the information on a particular stock and his research call was provided by SMS or yahoo messenger at that time as WhatsApp was not available at that time. As calls are on real time basis so SMS & yahoo messengers both provide real time updates.

- xi) He did not provide any financial advice such as on mutual funds, Pension funds, debts, tax planning, real estate investment neither did he do any sort of financial planning & PMS (portfolio management service).
- xii) He has also written in reply of the letter dated October 12, 2015 that he provides intraday call on the basis of technical analysis.
- xiii) All the pages of old website are available on the new website with minor changes. If the content of old & new website is almost same then how it can be possible that before registration Investment Advisor Regulation applied on him & after registration RA regulation applied on him the activities are same with not any difference.
- xiv) As mentioned in the SCN he said yes in reply of the question of “whether the applicant is engaged in investment advisory service prior to making application under these regulations.” The SCN only points to the reply “yes”. After this it was clearly mentioned that he has a research analysis firm with name of BIG PROFIT BUZZ and that he provided intraday calls to client. He replied yes because the activities which he did on technical analysis basis helped client to make his trading /investment decision. It did not mean that he provided them financial planning as an investment advisor. In point (c) he mentioned full disclosure also that he would give to clients that was already on the website. He also sent some of the sample of his research call with complete detail about how he analyzed any research call for any stock to SEBI during the application process.

Consideration of submissions and findings:

5. I have considered the allegations made in the SCN along with the findings of the examination by SEBI stated therein, the reply of the Noticee, submissions made during the hearing and on April 11, 2023 and material available on record.

6. As mentioned above, it has been alleged in the SCN that the Noticee (who is currently registered with SEBI as an RA) through his website www.bigprofitbuzz.com was offering services in nature of investment advisory during April 21, 2013 to May 02, 2016, i.e., the period of unregistered operations, by the Noticee.

7. I note that, during the relevant period the website www.bigprofitbuzz.com, under the section “About Us”, “Vision” and “Core Value” *inter alia* mentioned as follows:

“BigProfitbuzz is an Indian stock market advisory firm. BigProfitbuzz proven month after month that trading and investing in stock market can be profitable whether market overall is bullish or bearish. BigProfitbuzz facilitates its clients in their wealth creation process. BigProfitbuzz provides recommendations for Stocks- Cash and F&O traded in NSE and Commodity MCX and NCDEX. We at BigProfitbuzz are a group of professionals with expertise in Technical and Fundamental analysis. At BigProfitbuzz our aim is to provide our clients with more and more opportunities to earn in stock market. We provide trading tips for equities, stock futures, nifty futures and options. All efforts are to provide our clients with more and more profits in every trade. We at BigProfitbuzz examine each and every market information and do market research on continuous basis. We provide our services through SMS OR YAHOO MESSENGER, as per the requirements of the clients. To bring our valued customer market Insight with sound knowledge of Stock through Technical, Fundamental, Analytical and correct market timing.”

8. The SCN also notes that under the “Packages” section of the website different service packages in Equity, Derivative, Commodities etc. advisory detailing the package name, price and its features were listed. Details of the same are as follows:

Equity Profit Buzz	Price	Features
Monthly	4000	• We will send you 3-4 intraday calls everyday. • Maximum of 2 open positions at any time. • All calls are given during market hours only • Calls are sent through SMS or Yahoo IM.
Quarterly	10200	

Half-Yearly	18000	- BTST and 1 Delivery tips depending upon market conditions 80% to 85% accuracy on monthly basis
Yearly	31200	
Derivative Profit Buzz	Price	Features
Monthly	5000	- We will send you 2-3 intraday calls everyday - Maximum of 2 open positions at any time - All calls are given during market hours only - Calls are sent through SMS or Yahoo IM. - We track all open positions and advice accordingly. - BTST/STBT and 1 positional tips depending upon market conditions 85% Above accuracy on monthly basis - Capital required minimum 70000.
Quarterly	12750	
Half-Yearly	22500	
Yearly	39000	
Option Profit Buzz	Price	Features
Monthly	3600	- Maximum Intraday calls will be given. - Maximum of 2 open positions at any time - All calls are given during market hours only - Calls are sent through SMS or Yahoo IM. - We track all open positions and advice accordingly. - Around 12-15 or more highly accurate NIFTY & STOCK option tips will be provided in a Month - BTST/STBT and 1 positional tips depending upon market conditions 95% Above accuracy on monthly basis - Capital Required minimum 15,000
Quarterly	9180	
Half-Yearly	16200	
Yearly	28080	
Nifty Profit Buzz	Price	Features
Monthly	3800	- We will send you 1-2 intraday calls everyday - Maximum of 1 open positions at any time - All calls are given during market hours only - Calls are sent through SMS or Yahoo IM. - We track all open positions and advice accordingly. - BTST/STBT and 1 positional tips depending upon market conditions 90% Above accuracy on monthly basis - Capital Required minimum 30,000
Quarterly	9690	
Half-Yearly	17100	
Yearly	29640	
Multi Profit Buzz	Price	Features
Monthly	8500	- Including all packages mention Above like Cash, Derivative, Nifty, Option, Jackpot - Maximum 5-7 Intraday calls will be given. - Maximum of 2-3 open positions at any time - All calls are given during market hours only
Quarterly	21675	

Half-Yearly	38250	• BTST/STBT and 1 positional tips depending upon market conditions • Calls are sent through SMS or Yahoo IM. • We track all open positions and advice accordingly. • 85% Above accuracy on monthly basis • Capital Required minimum 1,00,000
Yearly	66300	
Jackpot Profit Buzz	Price	Features
Monthly	8000	• Maximum 1-2 Intraday calls will be given. • Maximum of 1open positions at any time • All calls are given during market hours only • Calls are sent through SMS or Yahoo IM. • We track all open positions and advice accordingly. • 90% to 95% Above accuracy on monthly basis • Capital Required minimum 50,000
Quarterly	20400	
Half-Yearly	36000	
Yearly	62400	
Commodity Profit Buzz	Price	Features
Monthly	12000	• Including mcx Gold, Silver, Copper, Crudeoil, Nickel, Zinc, Aluminium, Lead • Maximum 7-9 Intraday calls will be given. • Maximum of 3-4 open positions at any time. • All calls are given during market hours. • BTST/STBT and 1 positional tips depending upon market conditions. • Calls are sent through SMS or Yahoo IM. • We track all open positions and advice accordingly. • 90% Above accuracy on monthly basis. • Capital Required minimum 1 lakhs to 1.50 lakhs.
Quarterly	30600	
Half-Yearly	54000	
Yearly	93600	
Bullion Profit Buzz	Price	Features
Monthly	8000	• Gold and Silver calls Only. • Maximum 1-2 Intraday calls will be given. • All calls are given during market hours. • 100 to 120 points target in intraday basis • BTST/STBT and 1 positional tips depending upon market conditions. • Calls are sent through SMS or Yahoo IM. • We track all open positions and advice accordingly. • 90% Above accuracy on monthly basis. • Capital Required minimum 70,000 to 100,000.
Quarterly	20400	
Half-Yearly	36000	
Yearly	62400	
Metal Profit Buzz	Price	Features
Monthly	5000	• ALUMINIUM, COPPER, LEAD, NICKEL, ZINC, • Maximum 2-3 Intraday calls will be given.

Quarterly	12750	- All calls are given during market hours. - BTST/STBT and 1 positional tips depending upon market conditions. - Calls are sent through SMS or Yahoo IM. - We track all open positions and advice accordingly. 90% above accuracy on monthly basis. - Capital required minimum 30,000.
Half-Yearly	22500	
Yearly	39000	
Energy Profit Buzz	Price	Features
Monthly	5000	- Crude Oil and Natural Gas calls only. - Maximum 1-2 Intraday calls will be given. - All calls are given during market hours. 20 to 30 points target in intraday basis - BTST/STBT and 1 positional tips depending upon market conditions. - Calls are sent through SMS or Yahoo IM. - We track all open positions and advice accordingly. 90% above accuracy on monthly basis. - Capital required minimum 30,000.
Quarterly	12750	
Half-Yearly	22500	
Yearly	39000	

9. The SCN also notes that the website also mentioned the bank details for making online fees payment for the advisory services which are as follows:

<i>PAY TO</i>	<i>BIGPROFITBUZZ</i>	<i>BANK NAME</i>	<i>ICICI BANK</i>
<i>Account number</i>	<i>102505001410</i>	<i>Account type</i>	<i>Current</i>
<i>Branch name</i>	<i>NIT FARIDABAD BRANCH</i>	<i>Branch city</i>	<i>Faridabad</i>
<i>Zip</i>	<i>121001</i>	<i>Country</i>	<i>India</i>
<i>Payment mode</i>	<i>NEFT</i>	<i>IFSC code</i>	<i>ICIC0001025</i>

10. I also note that the SCN states that the Noticee vide his letter dated October 17, 2015, *inter alia*, submitted that:

"I provide intraday calls on the basis of technical analysis. We don't have any fixed number of clients like we have some. Clients number change every month it vary from 30-40 clients only. We are not register with SEBI or any other regulators in India. Details of fee charged for various package: Equity cash calls Rs 4000/- per month, Derivative future calls 5000/- per month, Option calls Rs. 3600 per month, Fifty calls Rs. 3800/- per month, Multi package calls Rs. 8500/-, Commodity calls Rs. 7500/- per month. As of now we have stopped our all services from today onwards. There will be no

services from our side till when we get registration from SEBI as Research analyst. I will start the services when I get registration”.

11. I note that the definition of Investment Adviser as given in Regulation 2(1)(m) of the IA Regulations, 2013 provides as follows:

“investment adviser means any person, who for consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called;”

Further, Regulation 2(1)(l) of IA Regulations, 2013 states as follows:

“investment advice means 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:
Provided that investment advice given through newspaper, magazines, any electronic or broadcasting or telecommunications medium, which is widely available to the public shall not be considered as investment advice for the purpose of these regulations;”

12. In the Noticee’s case, I find that, as per the website of the Noticee, as well as his own submissions, the Noticee was engaged in providing intraday calls to his clients, which tantamount to giving advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products. I also note that the Noticee was rendering this service *in lieu* of consideration. Such entities, including those 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. I also note that the Noticee’s website stated as follows:

“BigProfitbuzz is an Indian stock market advisory firm.”

Therefore, the Noticee was also holding himself out as an investment adviser. From the aforesaid facts, I find that the Noticee was engaged in the business of providing investment advice to its clients, for consideration, and thus, acting

as investment advisers, as defined under Regulation 2(1)(m) of the IA Regulations, 2013 before his registration with SEBI as an RA.

13. On a reading of the SCN and the replies of the Noticee submitted during the examination by SEBI and after issuance of SCN, I note that the Noticee's main contention is that since the website through which he was offering his services has remained the same for all practical purposes, before as well as after his registration as a RA with SEBI, therefore, at no point in time was he providing investment advisory services without registration. I note that through this submission he is implying that at best it can be alleged that the Noticee had been acting as an unregistered RA, but it can never be alleged that he was acting as an unregistered investment adviser, which has no merit as can be discerned from the following paragraphs.
14. In this regard, I note that Regulation 2(1)(u) of Securities and Exchange Board of India (Research Analysts) Regulations, 2014 (hereinafter referred to as "**RA Regulations, 2014**") states as follows:
- (1) (u) "research analyst" means a person who is primarily responsible for, -
i. preparation or publication of the content of the research report; or
ii. providing research report; or
iii. making 'buy/sell/hold' recommendation; or
iv. giving price target; or
v. offering an opinion concerning public offer, with respect to securities that are listed or to be listed in a stock exchange, whether or not any such person has the job title of 'research analyst' and includes any other entities engaged in issuance of research report or research analysis.
Explanation. -The term also includes any associated person who reports directly or indirectly to such a research analyst in connection with activities provided above."
15. The aforesaid definition of RA enlists certain activities, responsibility for which makes a person a 'research analyst'. A perusal of the aforesaid definition *prima facie* gives an impression that an entity performing all or any of the activities mentioned therein would qualify as 'research analyst'. However, when the said

definition is read with other definitions and provisions of the RA Regulations, 2014 viz: definitions of 'research entity' and 'research report', it emerges that activities mentioned in Clauses (iii), (iv) and (v) must be part of research report as referred to in Clauses (i) and (ii) thereof. In other words, making buy/sell recommendations, giving price targets or opinion on a public offer must be accompanied by a research report. Normally, an RA conducts research of a particular company or industry and makes recommendation. On the other hand, investment adviser, after conducting risk profiling of the investor sees whether the product is suitable for the investor and gives personalized investment advice for consideration. In the present matter, the Noticee has not produced any material to show that his recommendation was accompanied by research reports. From the instances and analysis given in paras 7,8, 9 ,12 and 16 it is clear that the Noticee was giving investment advice and acting as unregistered investment adviser before obtaining registration as RA.

16. I find that the SCN also records that the Noticee also provided the list of clients who have availed the services and the fee collected from such clients including the date on which the client has paid the fee to the Noticee and that the Noticee also submitted his last three years bank account details vide his letter dated February 02, 2016. The details of number of clients of the Noticee and fees collected are as follows:

Year	Period of operation	No of Clients	Fee Collected (Rs.)
2013-14	April 21, 2013 - March 31, 2014	171	6,38,325
2014-15	April 01, 2014 - March 31, 2015	322	12,94,080
2015-16	April 01, 2015 - March 31, 2016	161	6,76,443
2016-17	April 01, 2016 – May 02, 2016	0	0
	Total fees collected	654	26,08,848

17. 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.”

Regulation 3 (1) of the IA Regulations, 2013 read as follows:

“3. (1) 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:
...”

18. The activities engaged in by the Noticee, as brought out from the various materials described above, seen in the backdrop of the aforesaid regulatory provisions show that the Noticee was acting as an Investment Adviser, although the Noticee was not registered with SEBI in the capacity of Investment Adviser. Hence, I find that these activities/ representations as were being made by the Noticee 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.
19. Finally, I also note that presently the Noticee is registered as an RA with SEBI and is in compliance with eligibility criteria as at the time of registration. As regards the allegation against the Noticee in the SCN, it is noted that the said allegation pertains to the pre-registration period. I also note that the Noticee has made full disclosure while obtaining the said registration regarding his activities before obtaining the registration. However, subsequent obtaining of

registration as RA will not exempt the Noticee from providing an opportunity to seek/give refund to his clients who were availing his investment advisory services before he obtained registration as an RA, as detailed in para 16 above.

Directions:

20. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11(1), 11(4) and 11B read with of Section 19 of the SEBI Act, 1992, hereby direct that:
- a) The Noticee shall within a period of three months from the date of coming into force of this order, provide an option to the investors to obtain refund of the money received from any complainant/ investors, as fees or consideration or in any other form, in respect of his 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 persons such as names, addresses and contact details, within 15 days of coming into force of this order;
 - c) The repayments to the complainants / investors, wherever applicable, 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;
 - d) After providing the option of refund as directed in para 20 (a) above, within a period of 15 days, the Noticee shall file a report to SEBI detailing therein the details of the investors who opted for refund and the amount refunded to them 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 shall 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.

21. If the Noticee fails to give refund to the investor(s) who have applied for the same, it will not preclude SEBI from restricting the Noticee's activity as an RA till refund is made to the investor(s) who have requested for the same.
22. The directions, as given in para 20 above, does not preclude the clients/investors of the Noticee 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 of competent jurisdiction.
23. This order comes into force with immediate effect.
24. A copy of this order shall be sent to the Noticee and recognized Stock Exchanges to ensure that the directions given above are strictly complied with.

-Sd-

Date: July 18, 2023

Place: Mumbai

ANANTA BARUA

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA