



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

DEPUTY GENERAL MANAGER
INDORE LOCAL OFFICE

SEBI/WRO/ILO/NM/OW/P/6/096/1/2022

December 06, 2022

MUSE TRADERS Proprietor- Baljit Singh Rajpal, (PAN:BERPR1999P) Shop no. 5, 1st Floor, 6-A, Nanak Nagar Ring Road, Indore-452001 e-mail:baljeet.muse@gmail.com info@musetraders.com support@musetraders.com	✓ TAJ ENTERPRISES Proprietor- Taj Khan (PAN: BWRPK1312F) 91, Janaki Nagar, Shop no. 1, Behind Holkar science college, Indore -452001 tajxxkhan@gmail.com
MUSE TRADERS C/o. Baljit Singh Rajpal E-4 503 Treasure Town Treasure Vihar Bijalpur Indore- 452012	C/o Taj Khan Paigame Rasool Nr.Madrassa 37, Vijay Palace Colony Indore - 452001
MUSE TRADERS C/o. Baljit Singh Rajpal PTC-110-nd Floor MG Road Indore – 452001	
MUSE TRADERS C/o. Baljit Singh Rajpal Shop No.2 Nirankari Mandal road Bhopal – 462030	

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिनय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर – 452010 (म.प्र.)

दूरभाष : 0731-2557003/04/05 टेलीफेक्स : 0731- 2557002 E-mail : indore-lo@sebi.gov.in

104 & 105, 1st Floor, Satguru Parinay. Opp. C-21 Mall, A.B. Road, Indore - 452010 (M.P.)

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PURE TRADERS Proprietor-Bhavna Jethvani, (PAN: BBOPJ6519H) Shop no.2, Nirankari Mandal Road, Bhopal-462030 e-mail: puretraders@gmail.com info@thepuretraders.com	PURE TRADERS Proprietor-Bhavna Jethvani 59, Hoshangabad Road Nr.Ashima Mall, Bagmugaliya Bhopal -462026 Pure Traders C/o.Bhavana Jethvani 53/533 New B Type Bairiks, New.Shivmandir Bairagarh Huzur Bhopal- 462030
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Sub: Show Cause Notice under sections 11(1), 11(4), 11B(1) and 11 B(2) of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") in respect of Muse Traders, Pure Traders and Taj Enterprises with regard to its alleged unregistered investment advisory services.

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") had received certain complaints against Muse Traders, Pure Traders and Taj Enterprises (hereinafter referred to as 'Noticees') *inter-alia* alleging that Noticees were being operated to provide various services related to investment advisory. One of the complainants had alleged in his complaint that while browsing, he had mentioned his mobile number in a website 'puretraders.com'. Subsequently, they contacted him and he initially invested Rs.50,000 with them. Later on, he was shown profit of Rs.9000 earned from the investment. Thereafter he was told to invest in their Portfolio Management Scheme and he had initially invested Rs.8 lakhs. Subsequently, he was given false claim of earning profit of Rs.32.50 lakhs and sought of 15% of the profit as fee. The complainant was later on told about their other firm Taj Enterprises who they claimed, make the profit payouts. The complaint has further submitted that he had paid a total of Rs.36.12 lakhs to Pure Traders, Muse Traders and Taj Enterprises. The complainant has also submitted that he had received various e-mails from e-mail ID info@musetraders.com in this regard. Another complainant had alleged that he was cheated by Pure trades by not paying the payout amount of Rs.11.80 lakhs. The complaints received in this regard are placed at **Annexure A**.
2. Upon examination, it was observed that the Noticees were operating two websites www.thepuretraders.com and www.musetraders.com through which Noticees were offering various investment advisory service to its clients. Though the websites were not currently active, during the examination, webpages were downloaded from the web achieves, which are placed at **Annexure B**. The contents of the website are given herein below:



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I. Muse Traders:

The following were mentioned in the website of www.musetraders.com

Muse Traders is an ISO 9001-2008 registered one of the leading stock advisory company in the stock and commodity market.

Services we provide: Customised plan, HNI MCX, Option (Low return high risk), Index future (Low return high risk), Future (Low return high risk), Cash (low return high risk)

Email: info@musetraders.com support@musetraders.com

Muse Traders is a registered firm. It is one of the leading stock advisory company in stock and commodity market. Our strong hold in providing the most accurate tips makes us stand apart from our competitors.

Address: PTC 110- 2nd Floor MG Road Indore, Madhya Pradesh-452001.

Pricing

Product: Cash

Period	Fees(Rs)
Weekly	11999/-
Quarterly	24999/-
Half yearly	34999/-
Yearly	54999/-

Product: Customised plan

Period	Fees(Rs)
Quarterly	250000 to 2100000/-

Product: HNI MCX

Period	Fees(Rs)
Weekly	8000/-
Quarterly	75000/-
Half yearly	130000/-
Yearly	200000/-

Product: Index Future

Period	Fees(Rs)
Weekly	14999/-
Quarterly	29999/-



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Half yearly	44999/-
Yearly	74999/-

Product: Option

Period	Fees(Rs)
Weekly	14999/-
Quarterly	29999/-
Half yearly	44999/-
Yearly	74999/-

From whois.com it was observed that the said website was registered on 15-12-2020.

II. Pure Traders

As regards website by Pure Traders, the web archive details were not available. However, upon google search following details were observed with regard to the Pure Traders

Address: 59 Hoshangabad road, near ashima mall, Bagmugaliya, Bhopal, Madhya Pradesh-462046 Phone no. 06262607539

Email: info@thepuretraders.com

Services:

Commodity: MCX Bullion, MCX Base metal, MCX Energy.

Equity: Stock future, Stock option, premium cash, premium future, premium option, cash, future, option, expiry special.

Important links: Home, about us, services, pricing, payment career, free trial, past performance, contact us.

From whois.com it was observed that the website was registered on 21-10-2020

3. From the details submitted by the complainants, it was observed that the following bank accounts were operated by the said Noticees for receiving fund from the clients:-

a. Pure Traders

Account no: 10061365332

IFSC: IDFB0041382

Bank: IDFC First Bank

Account holder's name : Pure Traders



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b. Taj Enterprises

Account no. 10063967822

IFSC: IDFB0041264

Bank: IDFC First Bank

Account holders Name:- Taj Enterprises

c. Muse Traders

Account no. 10062584546

IFSC: IDFB0041264

Bank: IDFC First Bank

Account holders Name : Muse Traders

4. The bank account statements pertaining to the above Bank accounts were examined. Further, KYC and Account Opening Form (AOF) in respect of above bank accounts were also examined. Main observations on perusal of above documents are as follows:-

a) IDFC Bank account no. 10061365332: -Pure Traders

Name: Pure Traders (Proprietor -Bhavna Jethvani)

Statement period: October 20, 2020 (date of account opening) to July 15, 2021.

Amount of credit received during statement period: Rs. 12,346,200/-

Status of account: The account had Rs. 745/- balance on April 8, 2021. No transactions in the account could be observed after April 8, 2021.

Transaction tracing: a) the amount transferred by the complainant is traced in the bank statement.

Further credit entries with narrations like "tips, fee, share consult, for trading, registration, subscription, share market, intraday, trading service, share tip, intraday tip, intraday trading, trade calls etc" were observed in the statement.

b) IDFC Bank account No. 10063967822- Taj Enterprises

Name: Taj Enterprises (Proprietor- Taj Khan)

Statement period: December 23, 2020 (date of account opening) to July 15, 2021.

Amount of credit received during statement period: Rs. 56,48,124/-

Status of account: The account had Rs. 340/- balance on April 23, 2021. No credit transactions in the account after February 15, 2021.

Transaction tracing: the amount transferred by the complainant could be traced in bank statement

Further credit entries with narrations like "Trading, Registration, fee, for call tips registration, premium trading etc" were observed in the statement.



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c) IDFC Bank account No. 10062584546- Muse Traders

Name: Muse Traders (Proprietor- Baljit Singh Rajpal)

Statement period: November 20, 2020 (date of account opening) to July 15, 2021.
Amount of credit received during statement period: Rs. 11,086,520/-
Status of account: The account had Rs. 486/- balance on July 2, 2021. No credit transactions in the account after January 15, 2021.

Transaction tracing: the amount transferred by the complainant is traced in bank statement

Further credit entries with narrations like "tips, fee, share consult, for trading, registration, subscription, share market, intraday, trading service, share tip, intraday tip, intraday trading, trade calls etc" were observed in the statement

Above referred bank accounts are placed at **Annexure C**

5. Vide SEBI letter dated August 02, 2021 (Copy placed at **Annexure D**), Noticees were advised to give details of its clients who had availed investment advisory services from them and amount collected from them in its bank accounts. Vide SEBI letter dated August 12, 2021, Noticees were reminded to give details as sought vide above referred letters dated August 02, 2021. The letters were also forwarded to the Noticees by e-mail. However, no reply has been received from the Noticees till date.
6. It was observed from the complaints that the complainant had first transferred the amount to the bank account of Pure Traders 31.12.2020. From who is web search, it was observed that the website www.thepuretraders.com was registered on 21.10.2020. Further the bank account opening date as observed from the documents provided by the Bank are as follows:

Name	Date of account opening
Pure Traders	20.10.2020
Muse Traders	20.11.2020
Taj Enterprises	23.12.2020

In view thereof, it is inferred that the Noticees started their investment advisory services w e f 21.10.2020 (the date on which website was registered) .

7. As regards the amount of fees collected by Noticees for IA activities, on perusal of above referred bank account statements, the details of amount received in these accounts are calculated as follows:-

Name of Noticee	Total amounts received
Pure Traders	12,346,200/-



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Muse Traders	11,086,520/-
Taj Enterprises	56,48,124/-
Total	29,080,844/-

Since no reply has been received from any of the Noticees in response to SEBI letters seeking details in this regard as stated herein above, the entire credits in the bank account statements of the Noticees are considered as fees collected by the Noticees towards investment advisory services.

8. In view of the foregoing, it is alleged that the Noticees have engaged in the activities of an 'investment advisor' as defined under Regulation 2(m) of the SEBI (Investment Advisor) Regulations 2013 (IA Regulation) and involved in providing unregistered investment advisory services, without obtaining registration from SEBI as required section 12(1) of SEBI Act of 1992 read with regulation 3 (1) of SEBI (IA) Regulations, 2013. Relevant portions of the regulation are reproduced herein below for ready reference which reads as under:

Regulation 2(m)

"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".

Regulation 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"

9. Further, 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"

10. It is clear from the above that as per regulation 3(1) of IA Regulations, 2013 read with section 12(1) of SEBI Act, it is mandatory for any person who carry out the activities of an investment adviser to get himself/herself registered with SEBI.



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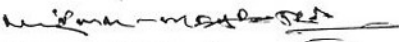
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11. Accordingly, the above act of the Noticees attracts the corresponding penal provision of section 11(1)/ 11(4)/ 11B (1) and 11 B (2) of SEBI Act read with Section 15EB of the SEBI Act.
12. In view of the foregoing, it is alleged that the Noticees have engaged in the activities of investment adviser without having certificate of registration from SEBI. Therefore, it is alleged that the Noticees by holding themselves as an investment advisor, without having any certificate of registration, have violated Section 12 (1) of SEBI Act read with regulation 3(1) of I.A Regulations, 2013.
13. Noticees are therefore, hereby called upon to show cause as to why suitable directions, under sections 11(1), 11(4), and 11B (1) and 11 B (2) of the SEBI Act Act read with Section 15EB of the SEBI Act, including imposing monetary penalty and direction to refund advisory fees collected from investors, should not be issued against the Noticees for alleged violations as stated herein above .
14. Noticee's reply, if any, along with relevant supporting documents, should reach within 21 days of the date of this notice at the following address:

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

15. If the Noticees wish to avail personal hearing before the Whole Time Member, the same shall be specifically indicated in the reply.
16. The Noticees are 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,


Nirmal Mehrotra

Enclosures: As above