



**भारतीय प्रतिभूति
और विनिमय बोर्ड**
Securities and Exchange
Board of India

DEPUTY GENERAL MANAGER
INDORE LOCAL OFFICE

SEBI/WRO/ILO/NM/OW/P/23204/1/2022
June 02, 2022

Capvision Investment Advisor (SEBI Registration no. INA000001845) Partners: Mr. Ravi Prakash Mishra and Ms. Rekha Mishra M - 4, 5, 6 Mezzanine Floor Commerce Building, 7 Race Course Road, Indore - 452001.	Capvision Investment Advisor Ltd. (now known as Unbribeable Consultants India Ltd.) Directors: Mr. Pushpendra Chourasiya, Mr. Govind Singh Thakur and Mr. Saharsh Mishra Flat No. 305, AP Apartment, 29/1 Race Course Road, Indore - 452001.
Ms. Rekha Mishra W/O Shri R K Mishra, House No. 4, Shiv Shakti Puram, Gudha, Kampoo, Lashkar, Gwalior, Madhya Pradesh - 474001.	Mr. Pushpendra Chourasiya Proprietor: Capvision 1/15, Vijay Nagar, Indore.
Mr. Ravi Prakash Mishra 4 - Shiv Shakti Puram, Birgaiyan Ka Pura, Post Ajaypur, Gudha, Lashkar, Gwalior.	Mr. Pushpendra Chourasiya Proprietor: Capvision Investment Advisor 11/15, Scheme N 54, Vijay Nagar, Indore.
	Mr. Pushpendra Chourasiya S/o Bharat Chourasiya 36, Banwar, Near Saav Mandir, Banwar Damoh, Madhya Pradesh - 470664.
	Mr. Govind Singh Thakur 10 Old Palasia, 202, Block 5 Malwa Tower, Indore Madhya Pradesh - 452001.
	✓ Mr. Saharsh Mishra 67, Nayapura, Hujuranj Indore, Madhya Pradesh - 452001.

Subject: Show Cause Notice under Sections 11(1), 11(4), 11B(1), 11(4A) and 11B(2) read with Sections 15HA, 15HB (for violations prior to 08.03.2019), 15EB (for violations subsequent to 08.03.2019) and 15I of the SEBI Act read with Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 read with Regulation 35 of SEBI (Intermediaries) Regulations, 2008 read with Regulation 28 of SEBI (Investment Advisers) Regulations, 2013, in the matter of Capvision
स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर - 452010 (म.प्र.)
दूरभाष : 0731-2557003/04/05 टेलीफैक्स : 0731- 2557002 E-mail : indore-lo@sebi.gov.in Page 1 of 22



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

Investment Advisor - SEBI Registration no. INA000001845 and PAN - AAJFC0782A (Partners - Mr. Ravi Prakash Mishra (PAN - AWDPM5709M) and Ms. Rekha Mishra (DIN - 07240083))

and

Show Cause Notice under Sections 11(1), 11(4), 11B(1), 11(4A) and 11B(2) read with Section 15HA and 15I of the SEBI Act read with Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, to Mr. Pushpendra Chourasiya (Proprietor: Capvision and Capvision Investment Advisor, PAN: DCFFP0828H)

and

Show Cause Notice under Sections 11(1), 11(4), 11B(1), 11(4A) and 11B(2) read with Section 15HA and 15I of the SEBI Act read with Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, in the matter of M/s Capvision Investment Advisor Ltd. (now known as Unbribe Consultants India Ltd.), PAN - AAGCC2325P (Directors - Mr. Pushpendra Chourasiya (PAN - DCFFP0828H), Mr. Govind Singh Thakur (DIN - 08473023) and Mr. Saharsh Mishra (DIN - 07245606))

1. M/s Capvision Investment Advisor (hereinafter referred to as Capvision Registered / Noticee No. 1) is a partnership firm having partners namely, Mr. Ravi Prakash Mishra and Ms. Rekha Mishra (Copy of Deed of Partnership of M/s Capvision Investment Advisor is placed as Annexure A). Capvision Registered is registered as an Investment Adviser ('IA') under SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as 'IA Regulations') under registration number INA000001845.
2. SEBI vide adjudication orders dated October 06, 2016 and November 28, 2017 had imposed a penalty of Rs. 75 lakh and Rs. 16 lakh, respectively; against Noticee No. 1 for violation of various provisions of the IA Regulations. Copy of Adjudication Orders are placed as Annexure B.
3. On February 03, 2020, SEBI received a complaint from Mr. Rathindranath Mudi, wherein the complainant alleged that he was promised huge returns. The complainant further stated that he had made payment of Rs.1,70,000/- to Noticee No. 1. However, upon payment of money,

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर - 452010 (म.प्र.) Page 2 of 22
दूरभाष : 0731-2557003/04/05 टेलीफेक्स : 0731- 2557002 E-mail : indore-lo@sebi.gov.in



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

no invoice or contract note was provided. Additionally, the complainant informed that payment was made into ICICI Bank A/c 094505501720, IFSC - 0000945. A copy of the complaint is placed as **Annexure C**.

4. KYC, account opening form (AOF) and bank account statements of the aforementioned ICICI Bank account no. 094505501720 were sought from ICICI Bank Limited and following was observed from the documents provided by ICICI Bank (Copy of KYC, AOF and bank account statement of ICICI Bank account no. 094505501720 is placed as **Annexure D**):

ICICI Bank Ltd (A/c No. 094505501720)

- a. The said account was opened in May, 2019 in the name of M/s Capvision, Proprietor, Mr. Pushpendra Chourasiya, PAN: DCFPP0828H. The address mentioned on the documents was 11/15, Scheme N 54, Vijay Nagar, Indore and name of Mr. Ravi Mishra was appearing as the witness on bank AOF.
- b. The entity received credits aggregating to Rs. 2.54 crore during May, 2019 to April, 2020 and the balance amount available in the account as on April 30, 2020 was Rs. 60,052/-.
- c. Debits in the said account have been mainly ATM withdrawals, cash paid towards self and internet fund transfers to various third parties. Several NEFT fund transfers were observed to employee of Noticee No. 1 viz. Mr. Lakhan Prajapat.
- d. SEBI had received several complaints against Noticee No. 1 and it was observed from the bank account statement of a/c no. 094505501720 that some of the fees paid by those complainants, viz., Mr. Anubhav Kashyap, Mr. Gaurav Namboori, Mr. Rathindranath Mudi and Mr. Muzammil are credited to this account.
5. SEBI also received a complaint from Mr. Anubhav Kashyap on December 02, 2019 (copy of complaint placed as **Annexure E**), wherein the complainant had, *inter-alia*, alleged that Noticee No. 1 had assured profit of about 10% on capital. However, the complainant incurred losses by executing trades on the basis of their calls. Mr. Kashyap had enclosed proof of payment wherein it was observed that Mr. Kashyap made payments into two ICICI Bank accounts. Out of the two bank accounts, one ICICI bank account is the aforesaid bank account mentioned at paragraph 4 above i.e. a/c no. 094505501720. The second ICICI bank

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, 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

Page 3 of 22



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

account a/c no was 144105500597. From the KYC, AOF, and bank account statements of ICICI bank a/c no. 144105500597, the following observations were made (Copy of KYC, AOF and bank account statement of ICICI Bank account no. 144105500597 is placed as Annexure F):

ICICI Bank Ltd (A/c No. 144105500597)

- The aforesaid account was opened in November, 2015 in the name of M/s Capvision Investment Advisor Ltd., PAN: AAGCC2325P. Capvision Investment Advisor Ltd. was incorporated in September, 2015 and its registered address is - *Flat No. 305 AP Apartment, 29/1 Race Course Road, Indore - 452001* and email ID provided for record was ravi.mishra82217392@gmail.com.
- As per the Memorandum of Association ("MoA"), the main objects of Capvision Investment Advisor Ltd. is *to carry on the business of investment advisor and to invest, buy, sell, transfer...shares, stocks, commodities, etc.* Subsequently, vide Special Resolution at the Extraordinary General Meeting of the Members held on July 08, 2019, the MoA was amended to *"To act as consultants, management consultants, and provide advice, services, consultancy in various fields and to render consultancy and advisory services in the field of management, secretarial, legal, ... taxation, etc.*
- As per the Board Resolution dated October 15, 2015, the Directors of Capvision Investment Advisor Ltd. were Mr. Ravi Prakash Mishra, Ms. Rekha Mishra and Mr. Saharsh Mishra. The company name was changed to Unbriable Consultants India Limited w.e.f. July 25, 2019. As per MCA records, the current Directors of Unbriable Consultants India Limited are Mr. Pushpendra Chourasiya, Mr. Govind Singh Thakur and Mr. Saharsh Mishra. Copies of MCA records in this regard are placed as Annexure G.
- As per the Board Resolution, Mr. Ravi Prakash Mishra is authorized (*singly*) to operate/activate the account. The type of industry as per the AOF is advisory services, share market.
- Capvision Investment Advisor Ltd. had received credits aggregating to approx. Rs.1.8 crore, from inception till date of the closure of said account on July 22, 2019. Bank Account was

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 टेलीफैक्स : 0731- 2557002 E-mail : indore-lo@sebi.gov.in 4 of 22



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

closed in July, 2019 and balance amount available is nil. Debits in the said accounts are mainly ATM withdrawals, while, several NEFT fund transfers were observed to Mr. Lakhan Prajapat, an employee of Noticee No. 1.

f. Some of the fees paid by clients, Mr. Anubhav Kashyap and Mr. Sudhakaran T to Noticee No. 1 were observed to have been credited to the said account.

6. It had also come to the notice of SEBI that Capvision Investment Advisor Ltd. had an account with HDFC Bank Ltd, the details of which are given below (Copy of bank account statement of HDFC Bank account no. 50200017709047 is placed as **Annexure H**):

HDFC Bank Ltd (A/c No. 50200017709047)

- a. The account was opened in April, 2016 in the name of Capvision Investment Advisor Ltd, PAN: AAGCC2325P.
- b. The entity received credits aggregating to approx. Rs.72 lakhs.
- c. Account was closed in September, 2018 and balance amount available was nil.

7. From the complaints received in SCORES, it was seen that payments to Noticee No. 1 were also made by clients through EBS (E-billing Solution) payment gateway. Complainant Mr. Hemender Singh Chauhan vide SCORES complaint SEBIE/MP20/0000927/1 dated April 20, 2020 forwarded a screenshot of Whatsapp message where payment link via EBS payment gateway was forwarded by Noticee No. 1 to the client. Accordingly, information was sought from EBS payment gateway (copies of documents pertaining to EBS are placed as **Annexure I**) and it was observed that the account with EBS was opened by Mr. Ravi Prakash Mishra for Noticee No. 1 in December, 2014 and the underlying bank account was Axis Bank A/c no. 914020045744750. Further, w.e.f. July 2018, the underlying bank accounts linked to EBS payment gateway were of Bandhan Bank, A/c No. 10180003278847 (from July, 2018 to July, 2019) and AU Small Finance Bank, A/c no. 1921231323713523 (from July, 2019 onwards).

8. In view of the above, information was sought from Bandhan Bank and AU Small Finance Bank. It was observed that there were two bank accounts with Bandhan Bank in the name of Capvision. The observations therein are given below:

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, 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

Page 5 of 22



**भारतीय प्रतिभूति
और विनिमय बोर्ड**
Securities and Exchange
Board of India

Bandhan Bank Ltd (A/c No. 10180003278847) - (Copy of the documents provided by Bandhan Bank pertaining to this account is placed as Annexure J)

- a. The aforesaid account was opened in June, 2018 in the name of Capvision Investment Advisor, Proprietor, Mr. Pushpendra Chourasiya, PAN: DCFPP0828H and the address provided was 1/15, Vijay Nagar, Indore and e-mail id was pushpendrachourasiya@gmail.com. As per the Trade License, the line of business is private.
- b. The entity has received credits aggregating to Rs. 2.14 crore during June, 2018 to July, 2019. The credits in the said account were mainly through EBS payment gateway and the debits were mainly in the form of ATM withdrawals. Several NEFT fund transfers were observed to Mr. Ravi Prakash Mishra to the tune of approx. Rs.4,19,000/-. Further, NEFT fund transfers were also observed to Noticee No. 1's employees viz., Mr. Lakhan Prajapat (an amount of Rs.7.5 lakhs) and Mr. Ashok Lad (an amount of Rs.1.5 lakhs).
- c. The said account was closed on September 20, 2019 and balance amount was nil.

Bandhan Bank Ltd (A/c No. 10190006725256) - (Copy of the documents provided by Bandhan Bank pertaining to this account is placed as Annexure K)

- a. The aforesaid account was opened in January, 2020 in the name of Capvision, Proprietor, Mr. Pushpendra Chourasiya, PAN: DCFPP0828H and the address provided was 11/15, Scheme no. 54, Vijay Nagar, Indore and Email id was rpm7382@yahoo.com. As per the Trade licence, the line of business is software developers and services.
- b. Entity received credits of Rs. 15.47 lakhs, all through payment gateway Razorpay. The balance as on April 30, 2020 is Rs. 2,72,233/- and the account was active as on April 30, 2020.

AU Small Finance Bank Ltd (A/c No.1921231323713523) - (Copy of the documents provided by AU Small Finance Bank pertaining to this account is placed as Annexure L)

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु पारिणय, 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 Page 6 of 22



**भारतीय प्रतिभूति
और विनिमय बोर्ड**
Securities and Exchange
Board of India

- a. The account was opened in June, 2019 in the name of Capvision Investment Advisor, Proprietor, Mr. Pushpendra Chourasiya, PAN: DCFPP0828H and the address provided was 1/15, Vijay Nagar, Indore and Email id is pushpendrachoursiya@gmail.com. As per the KYC, the nature of industry is Advisory and as per the Trade license, the line of business is private.
- b. The entity received credits aggregating to approximately Rs. 1.31 crore during July, 2019 and April, 2020. The credits in the said accounts are mainly through EBS payment gateway and the debits are mainly in the form of ATM withdrawals and third party transfers. The account was active as on April 30, 2020 and balance as on April 30, 2020 was Rs.528/-.

9. For ease of reference, the bank account details and the amount received by the unregistered entities are tabulated below:

Particulars	Unregistered entities		
	Capvision	Capvision Investment Advisor	Capvision Investment Advisor Ltd.
PAN	DCFPP0828H	DCFPP0828H	AAGCC2325P
Bank Accounts	ICICI Bank Ltd A/c No. 094505501720 Bandhan Bank Ltd A/c No. 10190006725256	Bandhan Bank Ltd A/c No. 10180003278847 AU Small Finance Bank Ltd A/c No. 1921231323713523	ICICI Bank Ltd A/c No. 144105500597 HDFC Bank Ltd A/c No. 50200017709047
Signatories/Authorized persons	Mr. Pushpendra Chourasiya	Mr. Pushpendra Chourasiya	Mr. Ravi Prakash Mishra
Period	May 2019 to April 2020	June 2018 to April 2020	November 2015 to July 2019
Credits received presumably towards IA services	Rs. 2.69 crore	Rs. 3.45 crore	Rs. 2.52 crore
Observation	Clients' money were credited to these accounts directly as well as through payment gateway. A total of Rs. 8.66/- crore were received by the unregistered entities on behalf of Noticee No. 1.		

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-106, 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 Page 7 of 22



**भारतीय प्रतिभूति
और विनिमय बोर्ड**
Securities and Exchange
Board of India

10. From the above, it was observed that the payments received from clients of Noticee No. 1 were routed to bank accounts opened by Proprietor, Mr. Pushpendra Chourasiya and bank accounts of Capvision Investment Advisor Ltd., directly as well as through payment gateway, EBS and Razor Pay.
11. SEBI also observed that Noticee No. 1 and three unregistered entities, viz., a) Capvision; b) Capvision Investment Advisor; and c) Capvision Investment Advisor Ltd. are connected to each other and having nexus among themselves. The observations regarding their nexus is tabulated as follows:

	Unregistered entities		
	Capvision	Capvision Investment Advisor	Capvision Investment Advisor Ltd
Nature of link with Noticee No. 1	1. Mr. Ravi Prakash Mishra is the witness on the bank KYC for this entity. 2. Clients of Noticee No. 1 have deposited service fee/charges to this entity's bank account.	1. Payment by clients of Noticee No. 1 through EBS gets credited to the bank account of this entity. 2. Funds transfer from this entity to Mr. Ravi Prakash Mishra and his employees are observed.	1. Past Directors: Mr. Ravi Prakash Mishra and Ms. Rekha Mishra 2. Mr. Ravi Prakash Mishra is authorized (singly) to operate / activate the account. 3. Clients of Noticee No. 1 deposited service fee / charges to this entity's bank account.

12. Through several SCORES complaints against Noticee No. 1, SEBI observed that the clients of Noticee No. 1 made several payments to the bank accounts of aforementioned unregistered entities and details of such payments are tabulated as follows (Copy of SCORES complaints along with action history is placed as **Annexure M**):

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, 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



**भारतीय प्रतिभूति
और विनिमय बोर्ड**
Securities and Exchange
Board of India

S. No.	Name of client	Amount deposited in the bank account of	
		Capvision Investment Advisor Ltd	Capvision
1.	Gaurav Namboori	-	1,75,000/-
2.	Rathindranath Mudi	-	1,70,850/-
3.	Samir Rajeshbhai		1,45,220/-
4.	Anubhav Kashyap	45,025/-	55,000/-
5.	Ashish Kumar	-	13,000/-
6.	Md. Muzammil Khan	-	10,000/-
7.	Amol Bhairu Mote	68,000/-	-
8.	Sambhaji Shrirang	49,500/-	-
9.	Janaksingh Mohansingh	33,000/-	-
10.	Sudhakaran T	20,000/-	-

13. From the above, it is alleged that

- a) Capvision Registered (PAN: AAJFC0782A), partners, Mr. Ravi Prakash Mishra and Ms. Rekha Mishra (Noticee No. 1),
- b) Mr. Pushpendra Chourasiya, Proprietor, Capvision and Capvision Investment Advisor (PAN: DCFPP0828H) (Noticee No. 2),
- c) M/s. Capvision Investment Advisor Ltd (PAN: AAGCC2325P), present Directors, Mr. Pushpendra Chourasiya, Mr. Govind Singh Thakur, Mr. Saharsh Mishra (Noticee No. 3), were engaged in non-genuine and deceptive activity by receiving payments of clients on behalf of Noticee No. 1. This non genuine and deceptive activity of the aforesaid entities are *prima facie* fraudulent and covered under the definition of 'fraud' under Regulation 2(1)(c) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as 'PFUTP Regulations').

14. As per Regulation 3 of PFUTP Regulations, no person (including an IA) shall directly or indirectly use or employ any scheme or device to defraud, in connection with dealing in securities; or engage in any act, practice, course of business which operates as fraud or deceit upon any person (clients) in connection with any dealing in securities in contravention of the provisions of the Act or the Rules and the Regulations made there under.

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर - 452010 (म.प्र.) Page 9 of 22
दूरभाष : 0731-2557003/04/05 टेलीफैक्स : 0731- 2557002 E-mail : indore-lo@sebi.gov.in



**भारतीय प्रतिभूति
और विनिमय बोर्ड**
Securities and Exchange
Board of India

15. The modus operandi adopted by Noticee No. 1, discussed hereinabove, *prima facie*, shows that Noticee No. 1 was actually not practicing investment advisory in the manner envisaged under the IA Regulations and was engaged in deceptive activity of obtaining clients' money in third party accounts and was thus engaged in diversion of the funds which should have been originally received into the bank account of Noticee No. 1, by misleading its clients in connivance with other entities mentioned in 13(b) and 13(c) above.
16. Therefore, it is alleged that Noticee No. 1, Noticee No. 2 and Noticee No. 3, are in violation of Regulations 3 (a), (b), (c), (d) and 4(1) of PFUTP Regulations read with Section 12A (a), (b) and (c) of SEBI Act, 1992.

IA offering profit / assured return to clients

17. In addition to the above, from complaints received through SCORES, it was observed that Noticee No. 1 was offering assured profits to its clients. The extracts / excerpts of the few of the complaints in this regard is as follows:

- i) Complaint SEBIE/MP17/0061162/1 from Mr. Vinod Nair Rajagopal wherein in email dated August 21, 2017 (placed as **Annexure N**) to the client, Noticee No. 1 has stated the following:

SERVICES	CHARGE	PROFIT
Stock cash	Rs. 18,900/- (18%+GST)	Rs. 75,000/- approx.

- ii) Complaint SEBIE/MP18/0000993/1 from Mr. Abhishek Kumar wherein in email dated November 18, 2017 (placed as **Annexure O**) to the client, Noticee No. 1 has stated the following:

SERVICES	CHARGES	PAID AMOUNT	DUE AMOUNT	PROFIT
Option Plan	Rs. 65,000/-	Rs. 33,000/-	Rs. 32,000/-	Rs. 2,60,000/-

- iii) Complaint SEBIE/MP18/0001699/1 from Mr. Prashant Kulkarni wherein in attachment provided to the client (placed as **Annexure P**), Noticee No. 1 has stated the following:

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, 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



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

Services: APP Services
Service Amount: Rs.1,25,000/-
Service Duration: 3 months
Net Profit: Rs. 6,25,000/-
Investment: Rs. 45,000/-

18. It is alleged that the Noticee No. 1 was offering assured and unrealistic profit to clients who availed its services and charged advisory fees from clients by assuring profit. The said information was likely to influence the decision of investors dealing in securities. The same is also reflected in the understanding of the clients who have filed such complaints against Noticee No. 1. Excerpts of some such complaints (placed as **Annexure Q**) are reproduced below:

i. Complaint SEBIE/MP20/0000927/1:

"A person name sonu Phone number 8889249618 call me and said i am calling from capvision investment advisor indore. we provide intraday services of 25k for 3 months & will give you return of 3 to 4 thousand per day. He gave me demo call which is correct and i have took there services. after payment of 10 thousand he said we have another services of 1.5 lac in which we give you return of 6.5 lac with capital of 50 thousand and will work on Margin."

ii. Complaint SEBIE/MP20/0000864/1

Executive from Capvision SEBI REG NO INA000001845 daily calling me and forcing me for trade in index option and promised me for huge profit but incurred huge loss of RS.37000/- and I have paid RS.5000/- to said company for recovering my loss but again made loss. I requested him to send SMS for trade but he is giving calls through I refused. company has not done my Risk profiling but still demanding another fee for my loss recovery.

iii. Complaint SEBIE/MP19/0000987/1

I Sambhaji Gadade 45yrs old Farmer took basic service of Rs7000 for 6months from Capvision through Kajal and Jatil Sharma on 7Jan19 Then they offered me premium service of Rs 40000 for 3months But I denied bcoz I had no money then they told me to pay only Rs6000 and remaining amount you can pay in instalments of Rs6000 per week after making Profit But there is no profit since my premium service is activated After paying 3 instalments of Rs6000 they tortured and blackmailed me by saying if you cannot pay remaining amount immediately your service will stopped They also said frequently you will get huge profits in future So I sold my only one cow and paid I paid Rs 48600...

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, 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

Page 11 of 22



iv. Complaint SEBIE/MP19/0002585/1

I Ashok Manohar Kavade want to complaint the executive of the Capvision Investment Advisor names Viraj Sharma called me and asked me to invest in the share market and when i started working with they told me to subscribe for the service i paid Rs.10k for later told for subscribe premium service 60k and after some time the amount i have invested in market i lost everything and then also these people keep on asking for money....I have given the amount because they told me that they will give me the profit upto 30-40k and for premium service 3-4 lacs every month but they only given me the losses...

v. Complaint SEBIE/MP19/0003107/1

I registered for a Rs 10,000 plan but CAPVISION misled me telling that Rs 10,000 plan is risky and there is high chance of losing money. They asked me to register for Rs 4,05,000. I did not agree to it. Then a person named Krishna told me that I have to pay only Rs 75,000 and the remaining amount will have to be paid only after earning Rs 8,00,000 to Rs 13,00,000 from the stock market. Then I was threatened telling that if I do not pay Rs 50,000, they will not provide service. I paid Rs 50,000. This continued. They extracted Rs 2,50,000 in total from me. I had to take a loan.

vi. Complaint SEBIE/MP20/0000023/1

Mr Prakash from capvision has contacted me for trading, first of all he gave me package of 10000 and promised me to give assured profit of about 10percent on my capital In that service he give me profit of 10000 and ask me to first pay the fees than he will continue the service ... After 02 days he give me call back and ask me to come in special services that are not mentioned in site ... They illustrated me about the service and ask me to pay 70000 in instalments as and when i will get the profit...

vii. Complaint SEBIE/MP20/0000132/1

CapVision has charged Rs 2,09,835/- against 5 different services (within 2 months) and caused a capital loss of Rs 1,50,000/- approx. The company has Promised Guaranteed return and charged arbitrary fee. SEBI norms were not followed and offered the service WITHOUT Risk Profile and investment suitability Report.

viii. Complaint SEBIE/MP20/0000306/1

Capvision Investment Advisory took my money amount of 1,70,850/- by making false promises. They called me around 1st half of November 2019 and offered me their Stock Market advisory Service. Also they assured me that they are SEBI registered Entity and give huge returns in stock market. I Checked

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर - 452010 (म.प्र.) Page 12 of 22
दूरभाष : 0731-2557003/04/05 टेलीफैक्स : 0731- 2557002 E-mail : indore-lo@sebi.gov.in



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

SEBI's Website and it was true. Their SEBI registration Number is INA000001845. So, I took their service.

ix. Complaint SEBIE/MP20/0000305/1

Capvision has taken 42000 rupees from me saying will provide good calls and earn you profit of 3.5 lakh. instead of that they are making fool of me. Also with there calls i had loss of 1 lakh rupees ... Also they say lot of things about Budget session will make you profit of 60k in 3 days for 2k extra service charge. nothing is provided.

19. It is pertinent to mention here that the advice of Noticee No. 1 relates to shares, stock derivatives, commodity derivatives, etc., which are listed on Stock Exchanges and therefore returns on the investments in these products are subject to market risk. It is therefore alleged that Noticee No. 1 was promising profits to its clients, despite fully knowing that all the investments in securities market are subject to market risk and that such returns cannot be assured.
20. In light of the aforesaid observations, it is alleged that Noticee No. 1 has, *prima facie*, failed in its responsibility to act in fiduciary capacity to clients which is entrusted upon it under Regulation 15(1) of IA Regulations. It is alleged that Noticee No. 1 did not act in the best interest of the clients. Noticee No. 1, has failed to abide by clauses 1 and 2 of Code of Conduct as mentioned in Schedule III read with Regulation 15(9) of IA Regulations and Regulation 15(1) of IA Regulations.
21. As per Regulation 3 of PFUTP Regulations, no person (including an IA) shall directly or indirectly use or employ any scheme or device to defraud, in connection with dealing in securities; or engage in any act, practice, course of business which operates as fraud or deceit upon any person (clients) in connection with any dealing in securities in contravention of the provisions of the Act or the rules and the regulations made there under.
22. The modus operandi adopted by Noticee No. 1, discussed hereinabove, *prima facie*, shows that Noticee No. 1 was actually not practicing investment advisory in the manner envisaged under the IA Regulations, and Noticee No. 1 promised assured / guaranteed unrealistic returns, to its clients.

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर - 452010 (म.प्र.) Page 13 of 22
दूरभाष : 0731-2557003/04/05 टेलीफेक्स : 0731- 2557002 E-mail : indore-lo@sebi.gov.in



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

23. The above activities discussed in paragraphs 17-19 above, *prima facie*, are the devices adopted by SWR to defraud its clients in connection with their dealings in securities. Hence, Noticee No. 1 is, *prima facie*, running a scheme and defrauding its clients, with an intention to maximize its income through advisory fees by employing the above said devices, without keeping in mind the requirements of the clients and keeping its own interest ahead of its client's interest.
24. Such misleading representation is, *prima facie*, fraudulent, and is covered within the definition of "fraud", defined under Regulation 2(1)(c) of PFUTP Regulations and therefore it is alleged that Noticee No. 1 is in violation of Regulations 3 (a), (b), (c), (d) and 4(2)(k) and 4(2)(s) of PFUTP Regulations read with Section 12A (a), (b) and (c) of SEBI Act, 1992.

Violation of SEBI Circular dated December 27, 2019

25. SEBI vide circular SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019, in order to further strengthen the conduct of IAs while providing investment advice, has advised that the IA shall not provide free trial for any products/services to prospective clients. On the website of the IA, it was seen that the IA was offering free trial to clients. A screenshot of the webpage is placed as **Annexure R**. They have also mentioned as part of their services that free trial is provided. An extract from the webpage is given below:

"Bullion Services

*In this service pack we provide call on Gold & Silver. Traders who trade only precious metals this pack will help you to make money from market through our priceless services. We believe in giving best recommendation to each and every client by providing 24*7 online and telephonic assistance. In this service pack we provide free trial pack"*

26. SEBI has also advised vide the aforesaid circular that the IAs shall display on the homepage of its website the number of complaints received against it during the month, resolved during the month, and pendency at the end of the month. However, such information was not available on the website of Noticee No. 1.

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर - 452010 (म.प्र.)
दूरभाष : 0731-2557003/04/05 टेलीफैक्स : 0731- 2557002 E-mail : indore-lo@sebi.gov.in

Page 14 of 22



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

27. Since the Noticee No. 1 has not complied with the measures laid down by SEBI, therefore, it is alleged that Noticee No. 1 has not complied with the provisions specified in the SEBI Circular SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019.
28. As per section 4 of Indian Partnership Act, 1932, 'partnership' is the relation between persons who have agreed to share the profits of a business carried on by all or any of them for all; persons who have entered into partnership with one another are called individually 'partners' and collectively 'firm' and the name under which their business is carried on is called the 'firm name'. As per section 2(a) of Indian Partnership Act, 1932, an 'Act of Firm' means any act or omission by all the partners, or by any partner or agent of the firm which gives rise to a right enforceable by or against the firm. In terms of section 25 of the Indian Partnership Act, 1932, "Every partner is liable jointly with all the other partners and also severally, for all acts of the firm done while he is a partner". Therefore, Noticee No. 1 being a partnership firm, partners of Noticee No. 1 namely, Mr. Ravi Prakash Mishra and Ms. Rekha Mishra are *prima facie* responsible for the violations committed by Noticee No. 1.
29. In light of the above, Noticee No. 1, Capvision Investment Advisor – SEBI Registration no. INA000001845 and PAN – AAJFC0782A and its Partners – Mr. Ravi Prakash Mishra (PAN – AWDPM5709M) and Ms. Rekha Mishra (DIN – 07240083)), are hereby called upon to show cause as to (i) why suitable directions, including the following, under Sections 11B(1) and 11(4) read with section 11(1) of SEBI Act, 1992, should not be issued against them and (ii) why suitable directions for imposing penalty under sections 11B(2) and 11(4A) read with sections 15HA and 15HB (for violations prior to March 08, 2019) and section 15EB (for violations subsequent to March 08, 2019) of SEBI Act read with Regulation 35 of SEBI (Intermediaries) Regulations, 2008 read with Regulation 28 of IA Regulations and SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 should not be issued against Noticee No. 1 for the aforesaid violations:
- 29.1. to 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;

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

Page 15 of 22



**भारतीय प्रतिभूति
और विनिमय बोर्ड**
**Securities and Exchange
Board of India**

- 29.2. not to access the securities market and buy, sell or otherwise deal in securities or associates themselves with securities market, in any manner whatsoever whether directly or indirectly;
- 29.3. to immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, communications etc., in digital mode or otherwise, in relation to its investment advisory activity or any other activity in the securities market;
- 29.4. to refund the amount of Rs. 8,77,67,553/- received from the clients/investors/complainants, as fees or consideration or in any other form in respect to the investment advisory activities.

30. Further, in light of the above, Noticee No. 2, Mr. Pushpendra Chourasiya (Proprietor: Capvision and Capvision Investment Advisor, PAN: DCFFP0828H) is hereby called upon to show cause as to (i) why suitable directions, including the following, under Sections 11B(1) and 11(4) read with section 11(1) of SEBI Act, 1992, should not be issued against them and (ii) why suitable directions for imposing penalty under sections 11B(2) and 11(4A) read with sections 15HA and SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 should not be issued against Noticee No. 2 for the aforesaid violations:

- 30.1. cease to solicit or undertake any activity in the securities market, directly or indirectly, in any matter whatsoever;
- 30.2. not to access the securities market and buy, sell or otherwise deal in securities or associates themselves with securities market, in any manner whatsoever whether directly or indirectly;
- 30.3. to not be associated with any registered intermediary / listed company and any public company which intends to raise money from public in the securities market, in any manner whatsoever;
- 30.4. to refund the amount of Rs 6.14 crore received from the clients/investors/complainants as fees or consideration or in any other form in respect to the investment advisory activities.

31. Further, in light of the above, Noticees No. 3, M/s Capvision Investment Advisor Ltd., PAN – AAGCC2325P (Directors – Mr. Pushpendra Chourasiya (PAN – DCFFP0828H), Mr. Govind Singh Thakur (DIN – 08473023) and Mr. Saharsh Mishra (DIN – 07245606)), are

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिनय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर - 452010 (म.प्र.) Page 16 of 22
दूरभाष : 0731-2557003/04/05 टेलीफेक्स : 0731- 2557002 E-mail : indore-lo@sebi.gov.in



**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

hereby called upon to show cause as to (i) why suitable directions, including the following, under Sections 11B(1) and 11(4) read with section 11(1) of SEBI Act, 1992, should not be issued against them and (ii) why suitable directions for imposing penalty under sections 11B(2) and 11(4A) read with sections 15HA and SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 should not be issued against Noticee No. 3 for the aforesaid violations:

- 31.1. cease to solicit or undertake any activity in the securities market, directly or indirectly, in any matter whatsoever;
- 31.2. not to access the securities market and buy, sell or otherwise deal in securities or associates themselves with securities market, in any manner whatsoever whether directly or indirectly;
- 31.3. to not be associated with any registered intermediary / listed company and any public company which intends to raise money from public in the securities market, in any manner whatsoever;
- 31.4. to refund the amount of Rs 2.52 crore received from the clients/investors/complainants as fees or consideration or in any other form in respect to the investment advisory activities.

32. The written submissions of the Noticees, if any, along with documentary evidences that the Noticee chooses to rely upon in support of their submissions, should reach the undersigned, at the address given below and also in softcopy (in Microsoft Word format) by e-mail at email-IDs nirmalm@sebi.gov.in and amitn@sebi.gov.in within 21 days from the date of receipt of this notice, failing which it shall be construed that Noticees have no reply to submit and SEBI shall be free to take action against them on the basis of evidence available on record in terms of the provisions of SEBI Act and other applicable laws.

Securities and Exchange Board of India

Indore Local Office

**104-105, Satguru Parinay, Opposite C-21 Mall,
A.B. Road, Indore - 452010, Madhya Pradesh.**

33. The Noticees may also indicate in their reply whether they are desirous of a personal hearing before the Whole Time Member, SEBI, in the matter. The Noticees are advised to keep SEBI

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

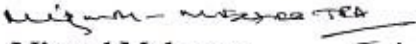
104-105, प्रथम मंजिल, सतगुरु परिणय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर - 452010 (म.प्र.) Page 17 of 22
दूरभाष : 0731-2557003/04/05 टेलीफेक्स : 0731- 2557002 E-mail : indore-lo@sebi.gov.in



**भारतीय प्रतिभूति
और विनिमय बोर्ड**
Securities and Exchange
Board of India

informed about the change in their correspondence address, if any, till the proceedings in the extant matter are complete.

34. Further, the Noticees are hereby advised to keep SEBI informed of all type of bank accounts (savings, deposits, recurring, current, etc.) mentioning the account no., name and address of the bank/branch held by them, details of all demat accounts / mutual fund units held by them and list of all the movable/immovable assets owned by them.
35. The Noticee No. 1 may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018. If the Noticee No. 1 wish to opt for the settlement process, they may apply for the same in the manner specified in the aforesaid Regulations under intimation to the undersigned. Further, the Noticee No. 1 may note that filing of settlement application does not confer any right to seek the settlement of the proceedings.
36. The documents relied upon in the notice have been annexed as per the Annexures mentioned above.


Nirmal Mehrotra

Deputy General Manager

Enclosures: As above

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर - 452010 (म.प्र.) Page 18 of 22
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.)
Phone : 0731-2557003/04/05, Telefax : 0731 - 2557002 E-mail : indore-lo@sebi.gov.in



**भारतीय प्रतिभूति
और विनिमय बोर्ड**
Securities and Exchange
Board of India

Documents	Annexure
Copy of Deed of Partnership of M/s Capvision Investment Advisor	A
Copy of Adjudication Orders dated October 06, 2016 and November 28, 2017 against Noticee No. 1.	B.
Copy of complaint from Mr. Rathindranath Mudi.	C.
Copy of KYC, AOF and bank account statement of ICICI Bank account no. 094505501720.	D.
Copy of complaint from Mr. Anubhav Kashyap.	E.
Copy of KYC, AOF and bank account statement of ICICI Bank account no. 144105500597.	F.
Copies of MCA records depicting name of Directors of Unbriable Consultants India Limited.	G.
Copy of bank account statement of HDFC Bank account no. 50200017709047.	H.
Copies of documents pertaining to EBS payment gateway.	I.
Copy of the documents provided by Bandhan Bank pertaining to account no. 10180003278847.	J.
Copy of the documents provided by Bandhan Bank pertaining to account no. 10190006725256.	K.
Copy of the documents provided by AU Small Finance Bank pertaining to account no. 1921231323713523.	L.
Copy of SCORES complaints of Mr Gaurav Namboori, Mr. Rathindranath Mudi, Mr. Samir Rajeshbhai Bhatt, Mr. Anubhav Kashyap, Mr. Ashish Kumar, Mr. Mohammed Muzammil Khan, Mr. Amol Bhairu Mote, Mr. Sambhaji Shrirang Gadade, Mr. JanakSinh MohanSinh Mahida, Mr. Sudhakaran T.	M.
Complaint SEBIE/MP17/0061162/1 from Mr. Vinod Nair Rajagopal.	N.
Complaint SEBIE/MP18/0000993/1 from Mr. Abhishek Kumar.	O.
Complaint SEBIE/MP18/0001699/1 from Mr. Prashant Kulkarni.	P.
Copy of complaints with regard to IA offering assured and unrealistic profit to clients.	Q.
Screenshot of the webpage depicting free trail offered by the IA.	R.

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर - 452010 (म.प्र.)
दूरभाष : 0731-2557003/04/05 टेलीफैक्स : 0731-2557002 E-mail : Indore-lo@sebi.gov.in

Page 19 of 22



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

Provisions of SEBI Act / SEBI Regulations

The text of the relevant provisions of SEBI Act / SEBI Regulations mentioned above are reproduced below.

SEBI Act

12A. No person shall directly or indirectly—

- (a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the Regulations made thereunder;
- (b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;
- (c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities
Market) Regulations, 2003 (PFUTP Regulations)

2. (1) In these Regulations, unless the context otherwise requires,—

- (c) "fraud" includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include—
 - (1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;
 - (2) a suggestion as to a fact which is not true by one who does not believe it to be true;
 - (3) an active concealment of a fact by a person having knowledge or belief of the fact;
 - (4) a promise made without any intention of performing it;
 - (5) a representation made in a reckless and careless manner whether it be true or false;
 - (6) any such act or omission as any other law specifically declares to be fraudulent;
 - (7) deceptive behaviour by a person depriving another of informed consent or full participation,

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर - 452010 (म.प्र.) Page 20 of 22
दूरभाष : 0731-2557003/04/05 टेलीफेक्स : 0731- 2557002 E-mail : indore-lo@sebi.gov.in



**भारतीय प्रतिभूति
और विनिमय बोर्ड**
Securities and Exchange
Board of India

(8) a false statement made without reasonable ground for believing it to be true.

(9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

And "fraudulent" shall be construed accordingly; Nothing contained in this clause shall apply to any general comments made in good faith in regard to— (a) the economic policy of the government (b) the economic situation of the country (c) trends in the securities market or (d) any other matter of a like nature whether such comments are made in public or in private;

3. Prohibition of certain dealings in securities:

No person shall directly or indirectly—

- (a) buy, sell or otherwise deal in securities in a fraudulent manner;
- (b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;
- (c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;
- (d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the Regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

- (1) Without prejudice to the provisions of Regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets. [Explanation.— For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.]

स्थानीय कार्यालय—इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर - 452010 (म.प्र.) Page 21 of 22
दूरभाष : 0731-2557003/04/05 टेलीफैक्स : 0731- 2557002 E-mail : indore-lo@sebi.gov.in



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—

(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading and which is designed or likely to influence the decision of investors dealing in securities;

(s) mis-selling of securities or services relating to securities market;

Explanation-For the purpose of this clause, "mis-selling" means sale of securities or services relating to securities market by any person, directly or indirectly, by—

- i. knowingly making a false or misleading statement, or
- ii. knowingly concealing or omitting material facts, or
- iii. knowingly concealing the associated risk, or
- iv. not taking reasonable care to ensure suitability of the securities or service to the buyer;

SEBI (Investment Advisers) Regulations, 2013 (IA Regulations)

15(1) An investment adviser shall act in a fiduciary capacity towards its clients and shall disclose all conflicts of interests as and when they arise.

(9) An investment adviser shall abide by Code of Conduct as specified in Third Schedule.

THIRD SCHEDULE

Securities and Exchange Board of India (Investment Advisers) Regulations, 2013

[See Sub Regulation (9) of Regulation 15]

CODE OF CONDUCT FOR INVESTMENT ADVISER

1. Honesty and fairness

An investment adviser shall act honestly, fairly and in the best interests of its clients and in the integrity of the market.

2. Diligence

An investment adviser shall act with due skill, care and diligence in the best interests of its clients and shall ensure that its advice is offered after thorough analysis and taking into account available alternatives.

स्थानीय कार्यालय—इन्दौर / Local Office - Indore

104-105, प्रथम मंजिल, सतगुरु परिणय, सी-21 मॉल के सामने, ए.बी. रोड, इन्दौर - 452010 (म.प्र.) Page 22 of 22
दूरभाष : 0731-2557003/04/05 टेलीफेक्स : 0731- 2557002 E-mail : indore-lo@sebi.gov.in