

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER No. Order/AN/RG/2025-26/31337**

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995.

In respect of:

Mr. Purooskhan, Research Analyst

(PAN: BCMPP7058L / SEBI Registration Number: INH200006008)

In the matter of Mr. Purooskhan, Research Analyst

A. BRIEF BACKGROUND

1. Securities and Exchange Board of India (hereinafter also referred to as '**SEBI**') had received a complaint in SCORES on 09.06.2022 from Mr. xxvixx xildx ("Complainant") in respect of SEBI registered Research Analyst ("RA"), Mr. Purooskhan (SEBI Registration No. INH200006008) (hereinafter also referred as '**Noticee**'/ '**Entity**'/ '**RA**'/'**Purooskhan**'). The complaint was taken up with SEBI registered Research analyst, Purooskhan in SCORES.
2. Pursuant to examination in the matter, SEBI initiated adjudication proceedings against the Noticee under Section 15-I of SEBI Act, 1992 (hereinafter also referred as "SEBI Act") for the following alleged violations:
 - 2.1. Section 12(1) of SEBI Act, (1992) read with the Regulation 3(1) of SEBI (Investment Advisers) Regulations, 2013.
 - 2.2. Section 12A(a), (b) and (c) of the SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (k) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

- 2.3. Clauses 1, 7 and 8 of third schedule of Code of Conduct for Research Analyst read with Regulations 24(2) and 13(i) SEBI (Research Analyst) Regulations, 2014.

B. APPOINTMENT OF ADJUDICATING OFFICER

3. Whereas, the Competent Authority was prima facie of the view that there were grounds to adjudicate upon the alleged violations by the Noticee, as stated and therefore, in exercise of the powers conferred under Section 15-I of the SEBI Act and Rule 3 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred as the 'SEBI Rules') read with Section 19 of the SEBI Act, the Competent Authority appointed the undersigned as Adjudicating Officer ("AO") vide order dated December 29, 2023, to inquire into and adjudge under Section 15HA and 15EB of the SEBI Act, for the aforesaid alleged violations by the Noticee.

C. SHOW CAUSE NOTICE, REPLY OF THE NOTICEE AND PERSONAL HEARING

4. A Show Cause Notice No. *SEBI/HO/EAD/EAD5/P/OW/2024/17229/1* dated May 17, 2024 along with Annexures ("SCN"), was served upon the Noticee through Speed Post with Acknowledgment Due ("SPAD") under Rule 4 of the Adjudication Rules, to show cause as to why an inquiry should not be held and penalty not be imposed against the Noticee under 15HA and 15EB of the SEBI Act, 1992, for the violations alleged to have been committed by the Noticee.

5. The allegations in respect of the Noticee inter alia brought out in the SCN are as under:

"

5. Findings and Observations by SEBI and Alleged Violations thereto in respect of the Noticee are as under:

Based on the examination in the matter, briefly summarized findings/allegations by SEBI are interalia given below:

5.1. Role of Purooskhan

The entity has allowed to continue to use his SEBI registration details on the website of ORC which was acting as Investment Adviser without having SEBI registered certificate and contributed to the fraudulent and deceptive activities of ORC.

The entity is in collusion with the activities of ORC and allowed to continue to misuse his SEBI registration details, which has facilitated ORC in creating a false impression to the investors/clients that it is a SEBI registered intermediary and has thus aided and abetted ORC in fraudulently collecting investment advisory fees from the investors/clients.

- 5.1.1. Purooskhan is registered with SEBI as a Research Analyst, Registration number INH200006008 since 19.06.2018.
- 5.1.2. The complaint was received against INH200006008 which was mentioned in the website of ORC i.e. www.optionresearch.in. The complainant has dealt with ORC believing that it is a SEBI registered intermediary and the fees were paid to the SBI account of ORC.
- 5.1.3. ORC has stated that Purooskhan is its compliance officer and he is authorized to provide calls. It is observed that ORC did not submit any documentary proof in support of engaging Purooskhan as its Compliance Officer i.e., the appointment letter, copy of id card, salary slips, salary paid details in the bank accounts, PF amount paid by ORC, attendance details, etc.
- 5.1.4. Purooskhan has submitted the WhatsApp conversation between ORC / G Faheeth Ali and Purooskhan and the following are noted:
- 5.1.5. On 07.12.2022, Purooskhan was requested to join as a compliance officer of ORC;
- 5.1.6. G Faheeth Ali has shared an appointment/engagement letter dated 21.01.2023 to Purooskhan for employing him as compliance officer of ORC;
- 5.1.7. It is evident from the above that subsequent to SEBI's examination of the unregistered investment advisory activities of ORC, it has requested Purooskhan to be its compliance officer. Even in the submissions earlier made by ORC to SEBI, ORC had not made any mention about engaging Purooskhan as its Compliance Officer. It was only vide its letter dated 09.01.2023, ORC has mentioned that Purooskhan was engaged as its Compliance Officer and not in any of its previous submissions
- 5.1.8. From the above, it is evident that the statement of ORC that Purooskhan is the Compliance Officer of ORC is an afterthought.
- 5.1.9. It is observed from the WhatsApp conversations between ORC / G Faheeth Ali and Purooskhan that Purooskhan and one of the partners of ORC i.e. G Faheeth Ali are known to each other.
- 5.1.10. Further, it is observed from the WhatsApp conversation (Annexure-36 to ER) that Purooskhan was regularly interacting with ORC since Sep 2022 regarding the SCORES complaint of xxvixx xxldx and he has urged ORC to resolve the same. Purooskhan has shared the photo of emails received from SEBI regarding the SCORES complaint with ORC. This indicates that Purooskhan was well aware of the fact that his SEBI registration number was displayed on the website of ORC. Despite being aware of the fact that his registration details were being used by ORC in its website as early as September 2022 to till Feb 2023, Purooskhan merely filed an e-complaint with Tamil Nadu Police on 27.09.2022 under the head Cheating/ Embezzlement /Land Grabbing and with cyber portal on 11.10.2022 (i.e. subsequent to the follow up by SEBI on the complaint of xxvixx xxldx filed in SCORES against Purooskhan) and filed a physical complaint with Madurai Police as late as 30.01.2023 (i.e. subsequent to his meeting at SEBI on 24.01.2023) without pursuing the complaints for stern action against ORC including filing of FIR clearly evidences that Purooskhan has knowingly allowed ORC to use his registration details and thereby violated provisions of Section 12A(a), (b) and (c) of the SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (k) of PFUTP Regulations.
- 5.1.11. It is Purooskhan's SEBI registration number as RA that displayed on the website of ORC which has facilitated ORC in making clients/investors believe that they are dealing with SEBI registered intermediary and facilitated ORC in collecting money from the gullible clients/investors.

- 5.1.12. The SEBI registration number displayed on the website of ORC gave a false and misleading impression to the investors that they are actually dealing with SEBI registered intermediary.
- 5.1.13. Further Purooskhan has submitted the KYC forms of clients/investors of ORC and SBI statement of ORC to SEBI at the instructions of G Faheeth Ali, Partner of ORC. This demonstrates that Purooskhan was acting in connivance with the partner of ORC.
- 5.1.14. Vide email dated 02.03.2023 (**Annexure-37 to ER**), Gulshan Kumar (i.e. the complainant) has referred to SEBI about a Profile i.e. <https://front.page/@purooskhan> in Frontpage (Frontpage is an online platform which claims to be a place where traders and investors can connect with each other, share their ideas, and learn from each other) which has displayed the SEBI registration details of Purooskhan under the name and logo of Option Research www.optionresearch.in. The Bio of the said profile has mentioned www.optionresearch.in CEO, contact info- optionresearch,in@gmail.com and website- www.optionresearch.in. There is also verified tick mentioned for the profile.
- 5.1.15. Vide SEBI's email dated 03.03.2023, Frontpage was informed that ORC/www.optionresearch.in is not registered with SEBI and advised to take necessary action. Frontpage vide email dated 04.03.2023 (Annexure-38 to ER) has informed that they verify the SEBI Registration and ownership by sending verification code to the registered email listed on SEBI website for the intermediary. It was informed that for the aforesaid user account, they had sent an email to purooskhan@gmail.com which was subsequently verified by the owner of this email account. However, since this user account is under dispute, they are disabling the user account and removing the verified tick mark (Annexure-39 to ER).
- 5.1.16. It is noted that the email ID i.e. "purooskhan@gmail.com" is the registered email ID of Purooskhan as per SEBI records. Further, Purooskhan has made his submissions to SEBI for this examination from the said email ID.
- 5.1.17. From all of the above, it becomes evident that Purooskhan was aware about the fact that his registration number was being used by ORC for misleading the investors and influencing their decisions of dealing in securities. Thus, Purooskhan has colluded with the partners of ORC and allowed to them to use his SEBI registration details which has facilitated ORC in creating a false impression to the investors that it is a SEBI registered intermediary and has thus aided and abetted ORC in fraudulently collecting investment advisory fees from the investors.
- 5.1.18. Thus, Purooskhan was acting in connivance with the partners of ORC for the investment advisory services provided by ORC through the website www.optionresearch.in and is liable for the unregistered investment advisory services offered through the website www.optionresearch.in and fraudulent and deceptive activities of ORC.
- 5.1.19. From the above, it is observed that Purooskhan and partners of ORC have acted together to provide the investment advisory services through ORC and collected fees of Rs.30,39,588 from the clients / investors during the period 01.01.2022 to 12.02.2023.
- 5.1.20. Thus, the activities of Purooskhan are also fraudulent in nature as specified under regulation 2(1)(c) (1) & (3) of the PFUTP Regulations. The said activities are in violation of provisions of Section 12A(a), (b) and (c) of the SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (k) of PFUTP Regulations.
- 5.1.21. As a registered intermediary, Purooskhan should not have allowed ORC to use the registration provided to him and has violated Clauses 1, 7 and 8 of third schedule of Code of Conduct for Research Analyst read with Regulations 24(2) and 13(i) of SEBI (Research Analysts) Regulations, 2014 ("RA Regulations").
- 5.1.22. In view of the above SEBI observed that, Purooskhan, being SEBI Registered RA has allowed ORC to continue to use his SEBI registration details which has facilitated ORC in collecting money from the clients/investors by making the clients/investors believe that ORC is a SEBI registered intermediary. Thus, Purooskhan is also liable for the unregistered investment advisory activities and fraudulent and deceptive activities of ORC and the fees of atleast Rs.30,39,588/- collected from investors during the period 01.01.2022 to 12.02.2023.

In view of the above, it is alleged that the Noticee had violated the following provisions:

Sections Section 12(1) of SEBI Act, 1992 read with Regulation 3 (1) of IA Regulations and 12A(a), (b) and (c) of the SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (k) of PFUTP Regulations and has violated Clauses 1, 7 and 8 of third schedule of Code of Conduct for Research Analyst read with Regulation 24(2) and Regulation 13(i) of RA Regulations.

.....”

6. In the interest of principles of natural justice, vide Hearing Notice dated June 25, 2024, the Noticee was provided an opportunity of hearing on July 02, 2024 and was advised to submit the reply to the SCN atleast 2 working days prior to the scheduled date of hearing.

7. Vide letter dated July 01, 2024, the Noticee submitted its reply to the SCN. Key submissions of the Noticee as reply to the SCN are as under:

“

In this matter, I'm telling everything from beginning. Mr faheeth introducing me as a bank staff. There's a vacancy (Research Analyst) job in his office. So i said ok. He ask my certificate Xerox and mail ID password also. After few days there is no updates from his side. So i can leave it and concentrate my business (Running small grocery shop 100 Sqft). After 1 month he make a call to ask for research call, and he willing to buy monthly subscription. So i give calls for 3 months. So he is my client so he interact every day for my calls performance. But i don't know he running another business(option Research). I'm not responsible for collecting money from clients.

I don't know he is running option research company until, When i received a phone call from Sebi for complaints against me.

I'm not the partners of option research and I'm not getting money from any clients. Already my bank statement is given to chennai Sebi office.

So finally I'm not responsible for collecting money from clients. He is misusing my certificate and mail ID. He is cheating person

.....”

8. On the scheduled date of hearing i.e. on July 02, 2024, the Noticee availed the hearing opportunity through virtual mode, wherein the Noticee interalia relied upon and reiterated the submissions made by the Noticee vide letter dated July 01, 2024. The Noticee then requested for additional time till July 04, 2024 for making complete and final submission in the matter, which was allowed.

9. Subsequently, vide email dated July 04, 2024 Noticee submitted its additional reply to the SCN. Key submissions of the Noticee as additional reply to the SCN are as under:

“

Here is my final submission to you via video conferencing yesterday. I didn't do anything wrong. I am not a partner or member of OptionResearch. They have mis-used my certificate. I have already filed a complaint with the cybercrime police in this regard, A copy of the same is attached here. Mr. Faheeth is trying to make me a partner to get rid of this scam. In this regard he has been coming to my shop for the past three days and has been pressuring me to take me as a partner. Video sources for the same are attached. He is constantly urging me to somehow get rid of this scam. If I were truly a partner to him, he would not have needed to come looking for me.

It's been more than five years since I completed my research Analyst certification and in five years I haven't received any money from anyone for anything. You can check my bank account.

The biggest mistake I made was giving him three months of Research Calls. He took advantage of this in a different way. He has misused my registration number without my permission. Now he thinks of using me as a tool to fix it and escape.

I don't need to lie to anyone or cheat. As much as I need God to provide for my family, This is enough for me.

I have been in this share market for 15 years and I have not received any complaint so far.

Here My PAN Card, Aadhaar Card and Police Report of Cyber Crime are attached.

....”

10. Subsequently, vide email dated April 02, 2025, the Noticee submitted its additional reply to the SCN. Key submissions of the Noticee as additional reply to the SCN are as under:

“ ...

when first time faheeth Ali meet me he Introducing as a Bank staff and he told there is a vacancy on research analyst post in his office. so he asked to apply the post and he asked my registration certificate of research analyst and my email ID. because i thinking he trying to get job for me. after that he make a call for me next day to asking mail id password. first i refused. he tell some data's and client phase details want to sent his company that's why I'm asking your email ID password.

so i trust him and gave my password. But he misused my mail ID.long time he didn't make any calls for me after that. when i received complaint against me he made a call and telling me his friend Prashant using my certificate and giving calls.

so i make a call to Prashant but he not take my phone. So i was complaint against mr. Prashant. One month later i went to Chennai Sebi Head office. After that i know Mr faheeth Ali ia a fraudulent person and he is cheeting me and act as a good friend. After that i was checked my mail and he is misused my mail id on front-page website. he was used my mail ID to reply customer questions in front page website .

So i was changed my password and now mail id it's my control.

...”

D. CONSIDERATION OF ISSUES AND FINDINGS

11. I find that the following issues require consideration in the instant proceedings:

Issue No. I: Whether the Noticee has violated the provisions of SEBI Act, SEBI (Investment Advisers) Regulations, 2013, SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, and SEBI (Research Analyst) Regulations, 2014 as alleged?

Issue No. II: If yes, whether the violations on the part of the Noticee would attract monetary penalty under Section 15HA and 15EB of the SEBI Act, 1992?

Issue No. III: If yes, what should be the monetary penalty that can be imposed upon the Noticee?

Issue No. I: Whether the Noticee has violated the provisions of SEBI Act, SEBI (Investment Advisers) Regulations, 2013, SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, and SEBI (Research Analyst) Regulations, 2014 as alleged?

12. In this regard, I note from the material available on record that, the following was interalia observed and alleged in respect of the Noticee:

- a. The Noticee had allowed to continue to use his SEBI registration details on the website of ORC which was acting as Investment Adviser without having SEBI registered certificate and contributed to the fraudulent and deceptive activities of ORC.
- b. The Noticee was in collusion with the activities of ORC and allowed to continue to misuse his SEBI registration details, which had facilitated ORC in creating a false impression to the investors/clients that it was a SEBI

registered intermediary and had thus aided and abetted ORC in fraudulently collecting investment advisory fees from the investors/clients.

Accordingly, it was alleged that the Noticee had violated Section 12(1) of SEBI Act, (1992) read with the Regulation 3(1) of SEBI (Investment Advisers) Regulations, 2013; Section 12A(a), (b) and (c) of the SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (k) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003; Clauses 1, 7 and 8 of third schedule of Code of Conduct for Research Analyst read with Regulations 24(2) and 13(i) SEBI (Research Analyst) Regulations, 2014.

13. Here it would be relevant to refer to the text of the aforesaid provisions alleged to have been violated, which inter alia reads as under:

“ ...

SEBI Act

“REGISTRATION CERTIFICATE

Registration of stock brokers, sub-brokers, share transfer agents, etc.

12. (1) 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:

Provided that a person buying or selling securities or otherwise dealing with the securities market as a 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 immediately before the establishment of the Board for which no registration certificate was necessary prior to such establishment, may continue to do so for a period of three months from such establishment or, if he has made an application for such registration within the said period of three months, till the disposal of such application:

[Provided further that any certificate of registration, obtained immediately before the commencement of the Securities Laws (Amendment) Act, 1995, shall be deemed to have been obtained from the Board in accordance with the regulations providing for such registration.

....

**PROHIBITION OF MANIPULATIVE AND DECEPTIVE DEVICES, INSIDER TRADING
AND SUBSTANTIAL ACQUISITION OF SECURITIES OR CONTROL**

**Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition
of securities or control.**

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 (Investment Advisers) Regulations, 2013

REGISTRATION OF INVESTMENT ADVISERS

Application for grant of certificate.

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

SEBI RA Regulations:

"Conditions of certificate.

13. The certificate granted under regulation 9 shall, inter alia, be subject to the following conditions: -

- (i) the research analyst shall abide by the provisions of the Act and these regulations;

General responsibility.

24(2) Research analyst or research entity shall abide by Code of Conduct as specified in Third Schedule.

THIRD SCHEDULE -Code of Conduct for Research Analyst

1. Honesty and Good Faith

Research analyst or research entity shall act honestly and in good faith.

.....

.....

7. Compliance

Research analyst or research entity shall comply with all regulatory requirements applicable to the conduct of its business activities.

8. Responsibility of senior management

The senior management of research analyst or research entity shall bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures."

SEBI PFUTP Regulations

PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES RELATING TO THE SECURITIES MARKET

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.]

(2) Dealing in securities shall be deemed to be a [manipulative] fraudulent or an unfair trade practice if it involves [any of the following]:—

....

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

...”

14. In this regard, I note the following from the material available on record:

- a. SEBI received a complaint in SCORES on 09.06.2022 from Mr. xxvixx xildx (“Complainant”) in respect of SEBI registered Research Analyst (“RA”), Shri Purooskhan (SEBI Registration No. INH200006008).
- b. The above complaint was taken up with SEBI registered Research analyst, Purooskhan in SCORES.

- c. Purooskhan inter alia informed that his SEBI registration details were being misused and that he had filed a police complaint against Option Research Consultancy for misusing the registration details of INH200006008. Purooskhan had submitted the copy of e-complaint filed with Tamil Nadu Police on 27.09.2022 under the head Cheating/ Embezzlement /Land Grabbing and copy of cybercrime incident filed with Cyber Cell on 11.10.2022 under the category online financial fraud for misusing his name and registration number.
- d. On enquiry with the complainant, vide email dated 16.10.2022, the complainant submitted that he had made payment of Rs.50,000/- to the SBI account no. 40665847678 held in the name of Option Research Consultancy ("ORC") and not to Purooskhan.
- e. The complainant had shared the website details of ORC i.e. www.optionresearch.in. As per the domain registration details checked on www.website.informer.com, SEBI observed that the website with URL www.optionresearch.in was created on 29.11.2021.
- f. SEBI observed from the contents of the website www.optionresearch.in that ORC offered various investment advisory packages on payment of fees. SEBI also observed that the website had misled the public by fraudulently claiming to be a SEBI Certified company and quoted the "REG No. INH200006008" of a SEBI Registered Research Analyst.

As per the Partnership deed dated 29.09.2021, the following persons were the partners of ORC with equal ownership:

- Shri G Faheeth Ali (33%)
 - Shri M.S. Ahammed Ali (33%)
 - Ms. Fathima M (33%)
- g. Vide SEBI's letter dated 11.11.2022 ORC and its partners were asked to submit the information relating to the unregistered investment advisory services offered by them through the website www.optionresearch.in and

also about quoting of the SEBI Reg No. INH200006008 of Purooskhan on the said website. Vide the said letter ORC was advised to stop all unregistered investment advisory activities related to the securities market with immediate effect. ORC and its partners were also advised to remove all the contents related to unregistered investment advisory activities from the website www.optionresearch.in

- h. Since ORC did not submit the details sought by SEBI, vide email dated 27.12.2022 ORC and its partners were advised to be present at SEBI, Southern Regional Office-Chennai (SRO) on 01.01.2023 along with the information sought by SEBI in respect of the unregistered investment advisory services offered by them. ORC requested additional time and the date was revised to 10.01.2023.
- i. Vide email dated 09.01.2023, ORC forwarded a letter dated 09.01.2023 wherein it *inter alia* stated that Purooskhan was engaged as a compliance officer and authorized for giving calls.
- j. SEBI observed that ORC did not submit any documentary proof in support of engaging Purooskhan as its Compliance Officer. Further, SEBI observed that the claim of ORC that Purooskhan was engaged as its compliance Officer is an afterthought reply subsequent to the examination initiated by SEBI.
- k. In this regard, SEBI sought information from Purooshkhan wherein Purooskhan *inter alia* submitted that:
 - His SEBI registration number of INH200006008 was used on the website www.optionresearch.in without his knowledge and he is not associated with ORC and its partners;
 - Purooskhan stated that he has been persuaded by ORC to join as a compliance officer of ORC but he has not accepted the offer and shared the copy of his WhatsApp conversation with ORC and G Faheeth Ali vide email dated 24.01.2023

Purooskhan also submitted the WhatsApp conversation between ORC and Purooskhan. SEBI noted the following from the extracts of WhatsApp conversation:

- On 07.12.2022, Purooskhan was requested to join as a compliance officer of ORC;
- G Faheeth Ali had shared an appointment/engagement letter dated 21.01.2023 to Purooskhan for employing him as compliance officer of ORC;

I. Vide email dated 30.01.2023, Purooskhan forwarded the copy of complaint filed on 30.01.2023 with Cyber Crime, Madurai for misuse of his SEBI Registration number by ORC in its website www.optionresearch.in

15. In this regard, I that the Noticee in its reply to the SCN has inter alia submitted that, *"...Mr faheeth introducing me as a bank staff. There's a vacancy (Research Analyst) job in his office. So i said ok. He ask my certificate Xerox and mail ID password also." ... "After 1 month he make a call to ask for research call, and he willing to buy monthly subscription. So i give calls for 3 months. So he is my client so he interact every day for my calls performance. But i don't know he running another business(option Research)... He is misusing my certificate and mail ID..."*.

16. In this regard, I note that the Noticee has inter alia claimed that his email id was misused by Mr. Faheeth. In this regard vide email dated April 01, 2025, Noticee was advised to clarify how the email ID (purooskhan@gmail.com) was misused by Mr. Faheeth considering that Noticee, during instant proceedings, had been corresponding from the same email ID. In response, Noticee vide email dated April 02, 2025 submitted, *' ... when first time faheeth Ali meet me he Introducing as a Bank staff and he told there is a vacancy on research analyst post in his office. so he asked to apply the post and he asked my registration certificate of research analyst and my email ID. because i thinking he trying to get job for me. after that he make a call for me next day to asking mail id password. first i refused. he tell*

some data's and client phase details want to sent his company that's why I'm asking your email ID password. so i trust him and gave my password. But he misused my mail ID.long time he didn't make any calls for me after that. when i received complaint against me he made a call and telling me his friend Prashant using my certificate and giving calls. so i make a call to Prashant but he not take my phone. So i was complaint against mr. Prashant. One month later i went to Chennai Sebi Head office. After that i know Mr faheeth Ali ia a fraudulent person and he is cheeting me and act as a good friend. After that i was checked my mail and he is misused my mail id on front-page website. he was used my mail ID to reply customer questions in front page website . So i was changed my password and now mail id it's my control. ...'.

17. In this regard, I find it relevant to refer to the order passed in the matter of ORC and its partners vide Order No. QJA/GR/SRO/SRO/30711/2024 dated August 27, 2024, wherein the Quasi Judicial Authority, SEBI, interalia held the following:

- a. *ORC by presenting itself as a SEBI registered company/research analyst on its website with respect to its investment advisory related activities, without obtaining the requisite certificate of registration as an investment adviser and knowingly publishing false and misleading information, had used non-genuine, deceptive means and has thereby defrauded investors and potential investors, which, I find is in violation of the provisions of Regulation 3(a), (b), (c) & (d) and 4(1), 4 (2)(k) and 4 (2)(s) of the PFUTP Regulations.*
- b. *Shri G Faheeth Ali; Ms. Fathima M and Shri M.S. Ahammed Ali are also liable for the unregistered investment advisory services provided by ORC through the website www.optionresearch.in/whatsapp and for the fraudulent and deceptive activities of ORC during the period 01.01.2022 to 12.02.2023 and accordingly have violated the provisions of Section 12(1) of SEBI Act, 1992 read with Regulation 3 (1) of IA Regulations and Sections*

12A(a), (b) and (c) of the SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (k),(s) of PFUTP Regulations.

18. In this regard, I note that the material available on record does not evidently bring out with relevant details that Noticee had shared his registration number to have knowingly allowed it to be used on the website of ORC, which was acting as Investment Adviser without having SEBI registration certificate, with the exception of stating that Noticee did not pursue the complaints for stern action against ORC including filing of FIR nor does the material bring out how the Noticee was in collusion with the activities of ORC or if the Noticee had received any monetary consideration/ benefit for the unregistered investment advisory services offered by ORC. In this regard, I note from the material available on record that the Noticee had filed an e-complaint with Tamil Nadu Police on 27.09.2022 under the head Cheating/ Embezzlement /Land Grabbing and with cyber portal on 11.10.2022 and filed a physical complaint with Madurai Police on 30.01.2023.
19. In view thereof, having regard to the totality of facts and circumstances of the matter, the material available on record and submissions of the Noticee, I am inclined to allow the benefit of doubt to the Noticee in this regard and accordingly, I note that alleged violation in respect of the Noticee does not stand established.
20. Since the alleged violation in respect of the Noticee is not established, I find that the Issue No. II and Issue No. III require no further consideration.

E. ORDER

21. In view of the above, the undersigned do not find it to be a fit case for imposition of penalty under section 15HB of SEBI Act, 1992. Hence, the SCN dated May 17, 2024 is disposed of, without imposition of penalty.

22. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

PLACE: MUMBAI
DATE: April 03, 2025

AMAR NAVLANI
ADJUDICATING OFFICER