

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA  
CORAM: PRASHANT SARAN, WHOLE TIME MEMBER**

**ORDER**

**Under sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 read with regulation 11 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003**

**In respect of (1) Mr. Imtiyaz Hanif Khanda, Proprietor of M/s. Right Trade and M/s. Sai Traders and (2) Mr. Vali Mamad Habib Ghaniwala, Proprietor of M/s. Bull Trader and M/s. Laxmi Traders**

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1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") had noticed that during July 2013, certain entities were offering intraday tips and stock advisory services through Short Messaging Services ("SMSs") through mobile telephones. The contents of such SMSs are as follows :

*"If you want to earn daily 5,000 to 75,000 in equity and MCX market with our confirm intraday tips contact now for sure shot call at 09638912434"*

*"If you want to earn daily 5,000 to 75,000 in equity and MCX market with our confirm intraday tips contact now for sure shot call at 09974454277"*

*"If you want to earn daily 5,000 to 75,000 in equity and MCX market with our confirm intraday tips contact now for sure shot call at 07405251290"*

During the preliminary examination conducted by SEBI into the matter, it was noticed that the above three mobile numbers were operated by M/s. Right Trade, M/s. Bull Trade and M/s. Sai Traders respectively. Further, the persons who had answered calls made to such telephone numbers stated that they are engaged in providing stock market tips and intraday tips for consideration/profit sharing under a plan in which trading tips are provided after

receipt (into their account) of registration fees from an entity in advance. It was also observed that M/s. Right Trade had a website – [www.righttrade.in](http://www.righttrade.in) claiming to provide portfolio management services and investment advisory services in equity and commodity markets in several countries. The website also claimed that M/s. Right Trade has offices in several countries.

2. On the basis of a preliminary examination into the same, SEBI observed that Mr. Imtiyaz Hanif Khanda (*proprietor of M/s Right Trade and M/s Sai Traders*) and Mr. Vali Mamad Habib Ghaniwala (*proprietor of M/s Bull Trader and M/s Laxmi Traders*) were responsible for the sending such SMSs. It was also *prima facie* observed that the above persons/entities were not registered as Investment Advisors or as Portfolio Managers with SEBI. As the conduct of Mr. Imtiyaz Hanif Khanda and Mr. Vali Mamad Habib Ghaniwala was *prima facie* inimical to the interest of investors in the securities market and to prevent such persons from further misleading investors and impairing the integrity of the market, SEBI passed an ex-parte interim Order dated August 20, 2013 ("the interim order"), pending investigation, and restrained (i) Mr. Imtiyaz Hanif Khanda (*proprietor of M/s Right Trade and M/s Sai Traders*) and (ii) Mr. Vali Mamad Habib Ghaniwala (*proprietor of M/s Bull Trader and M/s Laxmi Traders*) from buying, selling or dealing in the securities market, either directly or indirectly, in any manner whatsoever, till further directions. The interim order further directed the persons/entities to :

(a) cease and desist from acting as an investment advisors and portfolio managers and not to solicit or undertake such activities or any other unregistered activity in the securities market, directly or indirectly, in any manner whatsoever; and

(b) immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, websites, etc. in relation to their investment advisory and portfolio management activities or any unregistered activity in the securities market.

3. The interim order *inter alia* made the following *prima facie* observations and allegations :

(a) Mr. Imtiyaz Hanif Khanda (*proprietor of M/s Right Trade and M/s Sai Traders*) and Mr. Vali Mamad Habib Ghaniwala (*proprietor of M/s Bull Trader and M/s Laxmi Traders*) are engaged in providing investment advisory services to investors on payment of fees and have acted as

investment advisors without obtaining registration from SEBI to act as investment advisors, *prima facie* in violation of section 12(1) of Securities and Exchange Board of India Act, 1992 ("the SEBI Act") read with regulation 3 of the SEBI (Investment Advisers) Regulations, 2013 ("the Investment Advisers Regulations") ;

(b) M/s Right Trade (*proprietor - Mr. Imtiyaz Hanif Khanda*) was acting as a portfolio manager without obtaining registration from SEBI to act as a portfolio manager. Accordingly, Mr. Imtiyaz Hanif Khanda (*proprietor M/s Right Trade*) has *prima facie* violated the provisions of section 12(1) of SEBI Act read with regulation 3 of the SEBI (Portfolio Managers) Regulations, 1993 ("the Portfolio Managers Regulations") ; and

(c) Mr. Imtiyaz Hanif Khanda (*proprietor of M/s Right Trade and M/s Sai Traders*) and Mr. Vali Mamad Habib Ghaniwala (*proprietor of M/s Bull Trader and M/s Laxmi Traders*) have made misrepresentations by making unrealistic claims, false statements such as having office in various countries, FII based calls, jackpot calls, etc.,. It was also noticed that they have also made representation in reckless and careless manner in their messages and website and have suggested facts which are not true.

(d) Accordingly, Mr. Imtiyaz Hanif Khanda and Mr. Vali Mamad Habib Ghaniwala were alleged to have acted in fraudulent and deceitful manner, in contravention of the provisions of section 12A (a) (b) and (c) of the SEBI Act and regulation 3 (b), (c) and (d) and regulation 4(1) and 4(2) (k) and (r) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 ("the PFUTP Regulations").

(e) By their acts and omissions, they have solicited, enticed and induced investors to deal in securities on the basis of their investment advices, stock trade tips, etc and the *modus operandi* of Mr. Imtiyaz Hanif Khanda and Mr. Vali Mamad Habib Ghaniwala indicated a scheme, plan, device or artifice or contrivance that is, *prima facie* 'fraudulent' as defined in regulation 2(1)(c) of the PFUTP Regulations.

*(Mr. Imtiyaz Hanif Khanda (proprietor of M/s Right Trade and M/s Sai Traders) and Mr. Vali Mamad Habib Ghaniwala (proprietor of M/s Bull Trader and M/s Laxmi Traders) shall henceforth be collectively referred to as "the noticees" and individually by their respective names.)*

4. After affording an opportunity of personal hearing and on consideration of the submissions of the noticees, SEBI confirmed the directions (*issued vide the interim order*) vide an Order dated December 30, 2013 ("the confirmatory order") against the noticees. Thereafter, on completion of the investigation, SEBI issued a Show Cause Notice dated May 22, 2014 to the noticees alleging that -

*" ..... Mr. Imtiyaz Hanif Khanda has violated the provisions of section 12(1) of SEBI Act read with regulation 3 of the SEBI (Portfolio Managers) Regulations, 1993. It is also alleged that the said four proprietary concerns are operated and managed by Mr.Imtiyaz Hanif Khanda and Mr. Vali Mamad Habib Ghanivala is acting in concert with him in his scheme, plan, device or artifice and therefore, the Noticees have also acted in fraudulent and deceitful manner which attracts prohibitions enshrined in section 12A (a) (b) and (c) of the SEBI Act and regulation 3 (b), (c) and (d) and regulation 4(1) and 4(2) (k) and (r) of the PFUTP Regulations."*

5. In response to the SCN, the noticees vide reply dated June 01, 2014 (*sent on their behalf by M/s. Mukta Thapar & Associates*) *inter alia* stated as follows :

- (a) The entire SCN is 'false' and they do not 'accept any of the allegations made' therein ;
- (b) The noticees do not carry on business as alleged in the SCN ;
- (c) All their statements were taken under threat and coercion and were not voluntary and the same is not acceptable under the Indian Evidence Act.
- (d) The noticees are not literate enough to understand and operate computers and use them ;
- (e) Except one, none of the mobile (phone) numbers belong to them ;
- (f) A correct picture of facts and circumstances of the case is not given. The noticees have not sent any SMS violating the SEBI Act. Any mobile number can be cloned using technology ;
- (g) The statement of the person who had deposited money has not been recorded ;

The noticees requested that the SCN be withdrawn and sought for a personal hearing to explain their case.

6. An opportunity of personal hearing was afforded to the noticees on July 14, 2014 and the same was communicated to the noticees vide SEBI letter dated June 16, 2014. In response, Advocate Mukta Thapar, on behalf of the noticees, stated vide letter dated July 05,

2014 that he would be submitting additional reply on behalf of the noticees on the date of the personal hearing. Thereafter, vide letter dated July 10, 2014, the Advocate on behalf of the noticees stated that the noticees deny the allegations and are innocent. It was also contended that there are many people who do illegal business related with shares by publishing advertisement in the newspaper and SEBI does not take any action on them. The Advocate requested that the SCN be withdrawn and that these were the submissions which he wants to submit in the personal hearing. On the date of hearing, there was no appearance of the noticees or their representative and instead an email is received on July 14, 2014 (after the time fixed for hearing) from the Advocate stating "*We have already submitted our Additional Written Reply for Imtiyaz Khanda and Vali Mohammed, it is the same what we want to say in the personal hearing, hence further personal hearing is not required.*" The Advocate reiterated the same vide his letter dated July 14, 2014 sent vide his email dated July 22, 2014. In view of the same, the hearing opportunity was closed and I proceed now to consider the charges levelled against the noticees in the SCN on the basis of material available on record.

7. The investigations by SEBI in the matter has found that M/s. Right Trade has stated the following in its website [www.righttrade.in](http://www.righttrade.in) :

*"SERVICES DETAILS :*

*Portfolio Management Service(PMS) is designed to grow your Capital with the help of expert Fund Manager by Managing your Fund.*

*We create & manage your Portfolio with short term & long term returns using Fundamental Analysis and our Experience.*

*Charges & Return (%) will be depends on investment amount.*

*FII Based Calls are also available with Portfolio Management Service.*

*STOCK FUTURE & OPTIONS SERVICES IN GLOBAL MARKET*

*Intraday Calls.*

*Positional Calls.*

*Jackpot Calls in Nifty & Banknifty (for Indian Markets)..*

*Stock futures monthly package : 300 USD / month.*

*Pay per call scheme can be activated in 30% Profit Sharing Scheme. "*

The proprietor of M/s. Right Trade is Mr. Imtiyaz Hanif Khanda. The same has been admitted by Mr. Imtiyaz Hanif Khanda in his statement to SEBI on August 05, 2013, wherein he has *inter alia* stated " ..... I am proprietor of M/s. Right Trade and M/s. Sai Traders. I also handle M/s. Bull Trader and M/s. Laxmi Trader. I also used to administer the website [www.righttrade.in](http://www.righttrade.in)." From

the admissions of Mr. Imtiyaz Hanif Khanda, it can be inferred that Mr. Imtiyaz Hanif Khanda is responsible for such contents in the website of M/s. Right Trade.

Vide the above advertisement/representation, Mr. Imtiyaz Hanif Khanda through his proprietorship firm M/s. Right Trade has solicited the general public to avail its portfolio management services including 'creation' and 'management' of portfolio with 'short term and long term returns' using their analysis and experience. The general public was also informed that M/s. Right Trade would levy charges and offer returns as per the investment amount and that it would offer 'intraday', 'positional', 'jackpot' calls and scheme with profit sharing. The above activity is a typical 'portfolio management service' offered in terms of the Portfolio Managers Regulations. In terms of regulation 2(cb) of the said regulations, 'portfolio manager' means *any person pursuant to a contract or arrangement with a client, advises or directs or undertakes on behalf of the client (whether as a discretionary portfolio manager or otherwise) the management or administration of a portfolio of securities or the funds of the client, as the case may be.*

Neither Mr. Imtiyaz Hanif Khanda nor M/s. Right Trade are registered with SEBI as a 'portfolio manager'. Therefore, they are not authorized to offer portfolio management services in the securities market. The above conduct of Mr. Imtiyaz Hanif Khanda and M/s. Right Trade is therefore in contravention with the requirements of section 12(1) of the SEBI Act read with regulation 3 of the Portfolio Managers Regulations. The above provisions mandate that a portfolio manager shall buy, sell or deal in securities except under and in accordance with the conditions of a certificate of registration obtained from SEBI in accordance with the regulations made therein.

8. The other relevant portions of the questions and replies/statements/admissions made by Mr. Imtiyaz Hanif Khanda in his statement given on August 05, 2013 is reproduced below :

" ....Mr. Vali Mohd. Habib Ghanivala, proprietor of M/s. Bull Trader and M/s. Laxmi Trader is my uncle.

*Q2) Please describe the business of M/s. Right Trade and M/s. Sai Traders , M/s. Bull trade and M/s. Laxmi Trader.*

*A) These firms give trading calls – equity and commodities to my clients. For obtaining new clients, SMS are sent to prospective clients asking them (to) trade on my calls. The actual trading call is provided on phone and*

no sms is sent for the trading call. Initially, if the client insists we provide free trial service for around 1-2 days. Thereafter, trading calls are provided after client deposits money in cash/cheque/online transfer to my bank account.

.....

The various schemes are different for different clients. Client has to deposit some advance and thereafter investment advice is provided. For some clients, I work on profit & loss sharing model where the client after trading on my investment advice informs me the amount of profit or loss made by him and shares the profit & loss. The various schemes are as under :

- i) Cash client Rs.3000/- to Rs.5000/- monthly.
- ii) Profit sharing scheme on weekly basis.
- iii) Monthly schemes for commodity Rs.5000/- to Rs.20000/-.

Q3) Is there any documentation that you enter into with your clients for providing the above investment advice.

A3) No. We work on trust basis.

....

Q5) To how many clients you have provided investment advice till now?

A) I started this business around 6-7 months back and continued this business till July 31, 2013. I would have provided investment advice to approx. 100 clients. I have stopped this business now.

Q6) It is observed from your website [www.righttrade.in](http://www.righttrade.in) that you also advertise that you provide portfolio management service (PMS)? Describe the PMS activities conducted by you?

A) It was mentioned by mistake and I have not done any activity in PMS till now neither do I have any PMS client till now.

.....

Q11) It is observed from the Bank statement that there are numerous cash deposits and cash withdrawals? Let us know the source of funds and the end use of these funds?

A) The cash deposits mainly are due to clients depositing money for my investment advice. The funds are used for office expenses, marketing expenses, to repay loss incurred by investors and also for personal expenses.

.....

Mr. Imtiyaz Khanda also stated that the earning from business of providing investment advice is kept only in the bank accounts of M/s. Right Trade (Bank a/c no. 138605500216), M/s. Sai Traders (Bank a/c no. 138605500213), M/s. Bull Trader (Bank a/c no. 138605500252) and M/s. Laxmi Trader (Bank a/c no. 138505500616). Mr. Imtiyaz Khanda also stated that he was not aware of the requirement to obtain registration for providing investment advice. With respect to the contents in the website of M/s. Right Trade, he stated that there was no intention to give misleading information and he has stopped the business now. He stated that he did not commit fraud on any client and requested SEBI to pardon his actions.

9. The SCN also states that the website of M/s. Right Trade contains details of the bank accounts where the money was supposed to be deposited by a customer to avail its services. The following are the details of such bank accounts :

Sr. No	Entity Name	Bank Account No.	Bank Name and Branch	Proprietor	Address
1	M/s Right Trade	138605500216	ICICI Bank, Rander Branch, Surat, Gujarat.	Mr. Imtiyaz Hanif Khanda	A/901, Shilpraj Apartment Adajan Patiya, Surat, Gujarat
2	M/s Sai Traders	138605500213	ICICI Bank, Rander Branch, Surat, Gujarat.	Mr. Imtiyaz Hanif Khanda	A/901, Shilpraj Apartment, Adajan Patiya Surat, Gujarat
3	M/s Bull Trader	138605500252	ICICI Bank, Rander Branch, Surat, Gujarat.	Mr. Vali Mamad Habib Ghaniwala	Plot No. 62-65, Room No. 104, Ist Floor, Aayeshma Apt, Unn, Surat, Gujarat
4	M/s Laxmi Traders	138505500616	ICICI Bank, Rander Branch, Surat, Gujarat.	Mr. Vali Mamad Habib Ghaniwala	Plot No. 62-65, Room No. 104, Ist Floor, Aayeshma Apt, Unn, Surat, Gujarat

All the accounts were opened in only one branch. M/s. Right Trade and M/s. Sai Traders shared same address and likewise M/s. Bull Trader and M/s. Laxmi Traders also shared a premises (i.e. same address). The above bank account numbers were also confirmed by Mr. Imntiyaz Khanda in his statement dated August 5, 2013. Mr. Imtiyaz Hanif Khanda/ M/s. Right Trade in addition to providing its bank account number has mentioned the bank account numbers of M/s. Sai Traders, M/s. Bull Trader and M/s. Laxmi Traders towards carrying out its activities of offering investment advices and soliciting customers for its portfolio management activities offered by it. The SEBI investigation had noticed that in the bank accounts, most of the transactions were cash deposits from various parts of the country and were followed by cash withdrawals.

I note that the noticees in their response filed through their Advocate have submitted that they do not carry on the business as alleged in the SCN and that all statements were taken under threat and coercion. In this regard, I note that except for stating so, they have not produced any evidence to show that their statements were taken under threat or coercion. It also needs to be noted that their statements were recorded during the first week of August 2013 and such denials are belatedly done after more than a year after statements were given by the noticees. The Hon'ble Supreme Court in its Order dated 18.12.2008 in *Vinod Solanki vs. Union of India* [Civil Appeal No. 7407 of 2008] has observed that "*With a view to arrive at a finding as regards the voluntary nature of statement or otherwise of a confession which has since been retracted, the Court must bear in mind the attending circumstances which would include the time of retraction, the nature thereof, the manner in which such retraction has been made and other relevant factors....*" Considering the above discussion, I find that such submission of the noticees to be untenable.

As per details available, the proprietor of M/s. Bull Trader and M/s. Laxmi Traders is Mr. Vali Mamad Habib Ghaniwala. The said person has stated that he is the maternal uncle of Mr. Imtiyaz Hanif Khanda and is aware of the advise on stock market business given of M/s. Right Trade and M/s. Sai Traders, seeking clients to subscribe and do business on profit-loss sharing basis. Mr. Vali Mamad Habib Ghaniwala has further stated that the aforesaid entities send SMS to enroll or issue advertisements to clients. As regards his proprietorship in M/s. Bull Trader and M/s. Laxmi Traders, he has stated that he has no idea about the said entities and has merely signed documents given to him by Mr. Imtiyaz Hanif Khanda. The same was his response regarding the bank account of M/s. Bull Trader wherein he has been mentioned as the proprietor.

Considering the above, I find that Mr. Vali Mamad Habib Ghaniwala cannot plead ignorance of the activities of such entities, where he is shown as their proprietor. Accordingly, I find that Mr. Vali Mamad Habib Ghaniwala and his proprietorship concerns namely M/s. Bull Trader and M/s. Laxmi Traders are acting in concert with Mr. Imtiyaz Hanif Khanda in his unauthorized activities of soliciting customers to subscribe to his portfolio management services and imparting advice on stock market investments.

**10.** The investigations by SEBI also noticed that the mobile phone numbers (i.e., 09638912434, 09974454277 and 07405251290 ) used for sending the SMSs inviting customers to avail intraday tips/stock advisory services, as alleged in the interim order and SCN, and the

numbers shown as customer care telephone numbers in the website of M/s. Right Trade were registered in the name of and operated by the persons as per details below :

Sr. No	Mobile No.	Registered in the name of	Registered Owner Address	Operated By
1.	09638912434	Mr. Imran Hanif Khanda	12/3, SMC Tenament, Gujarat	M/s Right Trade
2.	09974454277	Mr. Rohit Shitaldas	B153, Deendayal Nagar, SOC, Palanpur, Surat, Gujarat	M/s Bull Trader
3.	07405251290	Mr. Mohd. Firoz Khanda	A/1004, Shilpraj Apartment, Adajan Patiya, Surat, Gujarat	M/s Sai Traders
4.	09601528972	Ms. Shakuben Parsuram	Indapur 921, Bathena Kabrasthan, Surat, Gujarat	Number is mentioned as customer care contact on: <a href="http://www.righttrade.in">www.righttrade.in</a>
5.	07405343602	Mr. Lathiya Shaseabrar Iqbal Shakoor	11, Diamond Nagar, SOC Anjana, Umarwada, Surat, Gujarat	Number is mentioned as customer care contact on: <a href="http://www.righttrade.in">www.righttrade.in</a>

Further, the relationship between the above persons and Mr. Imtiyaz Hanif Khanda is shown in the following table :

Sr. No	Mobile Number	Registered in the name of	Relation with Imtiyaz Hanif Khanda
1.	09638912434	Mr. Imran Hanif Khanda	Brother
2.	09974454277	Mr. Rohit Shitaldas	Ex-employee
3.	07405251290	Mr. Mohd. Firoz Khanda	Cousin Brother (He stays in the same building where Imtiyaz Hanif Khanda stays)
4.	09601528972 (Customer care no. mentioned in <a href="http://www.righttrade.in">www.righttrade.in</a> )	Ms. Shakuben Parsuram	Employee
5.	07405343602 (Customer care no. mentioned in <a href="http://www.righttrade.in">www.righttrade.in</a> )	Mr. Lathiya Shaseabrar Iqbal Shakoor	Employee

I note that Mr. Imtiyaz Hanif Khanda, in his statement, has stated that all the mobile phone numbers indicated above were used by his proprietorship firms for 'investment advice' business. In view of this admission, the submission of the noticees that '*except one none of the mobile numbers belonged to them*' cannot be accepted. As per admission of Mr. Imtiyaz Hanif Khanda, the mobile numbers of his employees and relatives were used for the purposes of sending SMSs regarding his 'business'. The noticees have further contended that they have not sent any SMS violating the SEBI Act and that any mobile number (i.e., SIM card) could be cloned by using technology. This contention would also not hold good in view of the findings

made in the investigations and the admissions made by Mr. Imtiyaz Hanif Khanda. Further, no material has been presented by the noticees in support of their contention.

11. In his statements to SEBI, Mr. Imtiyaz Khanda has stated that the advertisement about offering PMS was by mistake and that he has not done any PMS activity. Therefore, from such admission, it becomes clear that the representations on the website of M/s. Right Trade (proprietor : Mr. Imtiyaz Hanif Khanda) were misleading and false and made in a reckless manner. Such misleading representations are fraudulent and unfair practices in the securities market, which may influence the decision of investors in sale or purchase in the securities market. Further, such misleading and fraudulent advertisements operate as a fraud or deceit upon any person in connection with dealings in the securities market. The others namely Mr. Valli Mamad Ghaniwala, M/s. Sai Traders, M/s. Bull Trader and M/s. Laxmi Traders have acted in concert with Mr. Imtiyaz Khanda in the above impugned activity of issuing/placing advertisements which is misleading and fraudulent. In view of the above, I find that the noticees have contravened the provisions of section 12 A (a), (b) & (c) of the SEBI Act read with regulations 3 (b), (c) & (d), 4(1) and 4(2)(k) & (r) of the PFUTP Regulations. Mr. Imtiyaz Khanda and M/s. Right Trade have therefore contravened the provisions of regulations 4(1) and 4(2)(k) of the PFUTP Regulations. In this regard, it would be relevant to refer to the following observations made by the Hon'ble SAT in matter of *V. Natarajan vs. SEBI* (Order dated June 29, 2011 in Appeal no. 104 of 2011) :

*"... we are satisfied that the provisions of Regulations 3 and 4 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market), Regulations, 2003 were violated.*  
.....

*These regulations also prohibit persons from indulging in a fraudulent or unfair trade practice in securities which includes publishing any information which is not true or which he does not believe to be true. Any advertisement that is misleading or contains information in a distorted manner which may influence the decision of the investors is also an unfair trade practice in securities which is prohibited. The regulations also make it clear that planting false or misleading news which may induce the public for selling or purchasing securities would also come within the ambit of unfair trade practice in securities...."* [Emphasis supplied]

The noticees had further contended that the statements of persons who had deposited money has not been recorded. Though, there are no such statements on record, the same would not discharge the noticees of the violations (*as alleged in the SCN*) as found above.

**12.** In view of the above observations and findings on violations, suitable directions need to be issued against the noticees under section 11 and 11B of the SEBI Act read with regulation 11 of the PFUTP Regulations. In this regard, I note that vide the interim order (dated August 20, 2013) read with the confirmatory order, had restrained the noticees from buying, selling or dealing in the securities market, either directly or indirectly in any manner whatsoever, till further directions. This direction is in force till date. The noticees were also directed to cease and desist from acting as an investment advisors and portfolio managers and not solicit or undertake such activities or any other unregistered activity in the securities market, directly or indirectly, in any manner whatsoever and to immediately withdraw and remove all advertisements, representations, literature, brochures, material, publications, documents, websites etc, in relation to their investment advisory and portfolio management activities or any unregistered activity in the securities market. These directions are also in force till date. In this regard, I note that the SCN did not allege the charge of unregistered investment advisory activities as the Investment Advisors Regulations provides a time frame till October 21, 2013 (i.e, 6 months from the date of publication (April 21, 2013) of the regulations in the official Gazette) for investment advisors to act beyond which they could offer investment advice only after obtaining registration from SEBI. I also note that the website [www.righttrade.in](http://www.righttrade.in) is not in operation as on date. Considering the above, I find that the SCN issued to the noticees could be disposed off with the directions as issued herein below.

**13.** For the above reasons, I, in exercise of powers conferred upon me under section 19 of the Securities and Exchange Board of India Act, 1992 and sections 11(1), 11(4) and 11B thereof read with regulation 11 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, hereby restrained the noticees, i.e., (1) Mr. Imtiyaz Hanif Khanda (PAN: AVQPK5639L), Proprietor of M/s. Right Trade and M/s. Sai Traders and (2) Mr. Vali Mamad Habib Ghaniwala (PAN: BGHPG6861M), Proprietor of M/s. Bull Trader and M/s. Laxmi Traders from buying, selling or dealing in the securities market, either directly or indirectly in any manner whatsoever, for a period of 5 years.

The period of such restraint already undergone by them vide the SEBI Interim Order dated August 20, 2013 read with the Confirmatory Order dated December 30, 2013, shall be taken into consideration while computing the above directed period of restraint.

14. The aforesaid noticees are also directed not to conduct or carry on any activity in the securities market which require obtaining registration certificate from SEBI, as required under the securities laws.

15. This Order shall come into force with immediate effect.

16. This Order shall be served on all recognized stock exchanges and depositories to ensure that Mr. Imtiyaz Hanif Khanda (PAN: AVQPK5639L) and Mr. Vali Mamad Habib Ghaniwala (PAN: BGHPG6861M) are not allowed to undertake transactions as prohibited in paragraph 13 above.

**PRASHANT SARAN**  
**WHOLE TIME MEMBER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**

**Date : September 11<sup>th</sup>, 2014**  
**Place : Mumbai**