

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER

ORDER

**Under Sections 11, 11B and 11D of the Securities and Exchange Board of India Act, 1992
and Regulation 35, Chapter VI of the Securities and Exchange Board of India
(Intermediaries) Regulations, 2008**

**In Re: Violation of provisions of Securities and Exchange Board of India (Prohibition of
Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003
and Securities and Exchange Board of India (Investment Advisers) Regulations, 2013**

In respect of:

Sr. No.	Name of the Entities	Registration Number	PAN
1	Research Infotech, proprietor Ms. Jasmeet Kaur Bagga	INA000003726	BNTPB7100D

In the matter of Research Infotech

1. Research Infotech, proprietor Ms. Jasmeet Kaur Bagga, (hereinafter interchangeably referred to as “**R Infotech / IA / Ms. Jasmeet / Noticee**”) is registered as an Investment Adviser (“**IA**”) under the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 (hereinafter referred to as the “**IA Regulations**”) with effect from October 30, 2015. Its registered office is at 504, Shagun Tower, Vijaynagar PU4232, Indore, Madhya Pradesh-452001. The corporate address is at 303, Shivam Apartment, 26, Shivampuri Colony, Indore. Its website address is www.researchinfotech.co.in.
2. Securities and Exchange Board of India (“**SEBI**”) received complaints through SCORES portal against an unregistered entity namely, M/s. Capproin Financial Advisory Services

(hereinafter referred to as ‘Capproin’) a partnership firm *inter alia* prima facie alleging its unregistered investment advisory activities. The partners of Capproin are observed to be Ms.Jasmeet Kaur Bagga and one Mr.Sourabh Rai.

3. Considering the investor complaints, SEBI conducted an examination in relation to the affairs of Capproin and role of Ms.Jasmeet Kaur Bagga, proprietor of R Infotech in rendering unregistered investment advisory services through the partnership firm Capproin.
4. I have perused the materials available on record such as details available on the website of Capproin and R Infotech, complaints filed by the complainants against Capproin and R Infotech, bank account details of Capproin and R Infotech and Application FORM – A submitted by R Infotech, etc. The facts and circumstances of the case and a preliminary examination of the material available in the matter raises the following *prima facie* issues:

- 1) *Whether the activities of Ms.Jasmeet Kaur Bagga, one of the Partners of Capproin , prima facie, were in the nature of unregistered Investment Advisory activities?*
- 2) *If answer to issue no. 1 is in affirmative, whether R Infotech, Proprietor Ms.Jasmeet Kaur Bagga had submitted wrong information to SEBI while obtaining the certificate of registration under IA Regulations?*
- 3) *Whether R Infotech, Proprietor Ms.Jasmeet Kaur Bagga has prima facie violated the provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as “PFUTP Regulations”) and IA Regulations?*
- 4) *If answer to issue no. 2 and 3 is in affirmative, whether urgent directions, if any should be issued against R Infotech and its Proprietor Ms.Jasmeet Kaur Bagga?*

ISSUE NO. 1: *Whether the activities of Ms.Jasmeet Kaur Bagga, one of the Partners of Capproin , prima facie, were in the nature of unregistered Investment Advisory activities?*

5. Upon examination, the following *prima facie* findings were observed against Capproin (Partner Ms.Jasmeet Kaur Bagga):

6. The website of Capproin i.e., www.capproin.com was browsed for information and found to be currently not active/functional. From the archive pages of the website downloaded from www.archive.org, the following was observed wherein the entity has claimed as follows:
- 6.1 Capproin claimed to be providing best research for customers through products such as stock tips, stock future tips, Nifty tips, positional cash, positional future, Bullion (Gold, Silver), MCX Commodity tips, Premium Calls, Data based/inventory calls/ BTST/STBT etc.
- 6.2 Its key strength was mentioned as 'refined analysis' and 'better profit margins'. It was also claimed to be providing better profit margins in Intraday as well as Long term investments.
- 6.3 Various packages were offered for subscription a specified rates and for specific products and the fee ranges from Rs.5,000/- per month to Rs. 1,68,000/- per year.
- 6.4 The payment options given to subscribe to the services indicated transfer directly to the bank accounts opened in the name of Capproin with ICICI bank (Account number 657105600203) and Axis Bank (Account Number -913020014398053).
7. From the Know Your Customer ("KYC") and Account Opening Forms ("AoFs") obtained from ICICI bank (Account number 657105600203) and Axis Bank (Account Number - 913020014398053) accounts opened in the name of Capproin Financial Advisory Services, the following are observed:
- 7.1 Account number 657105600203 was opened in October 2013 and Account Number - 913020014398053 was opened in March 2013 in the name of partnership firm Capproin Financial Advisory Services, having its address at 88-89, Office SNO.301, Center Point Sapna Sangeeta Main road, Indore, Madhya Pradesh-452001.
- 7.2 Its partners are Ms.Jasmeet Kaur Bagga (PAN: BNTPB7100D) and Mr.Sourabh Rai (PAN: AVUPR3304B).
- 7.3 As per the AOF, the type of industry is Advisory firm.
- 7.4 The ICICI bank account was closed on August 08, 2015 and Axis Bank account was closed on September 08, 2015.

7.5 Examination of the transactions of these bank accounts during the period from March 2013 to September 2015 revealed that there were around 800 credit transactions which were ranging from Rs.1,000/- to Rs.3,20,000/- aggregating to Rs. 75 lakhs. These amounts appear to have been collected as an advisory fee between 2013-2015. Further, from the bank account transactions, it is also seen that payments are made as salary to various third parties indicating that Ms.Jasmeet Kaur Bagga and Mr.Sourabh Rai were running a full-fledged investment advisory service through their partnership firm Capproin without registration with SEBI.

8. I note that, as per section 4 of Indian Partnership Act, 1932, the '*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 a '*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. As per Section 25 of 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.
9. Thus, from the above, it is noted that an act done by all or any partner of the partnership firm is an act by the partnership firm and all partners are liable for the act of the firm. Hence, in the present case, the activities carried out by Capproin are basically the activities carried out by its partners and in the limited context of the present matter, Ms.Jasmeet Kaur Bagga who was one of the partners of Capproin is liable for the act of the firm.
10. The definition of investment adviser as given in regulation 2(m) of the IA Regulations, states that investment adviser means "*any person, who for consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called*". Regulation 2(l) of the IA Regulations defines investment advice as "*advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether*

written, oral or through any other means of communication for the benefit of the client and shall include financial planning.”

11. As seen from the foregoing paragraphs, there is *prima facie* evidence that Ms.Jasmeet Kaur Bagga as partner of Capproin was engaged in ‘investment advisory services’ through Capproin, which falls under the definition of investment advice and investment advisor as defined under Regulations 2(l) & 2(m) of IA Regulations.

12. It is imperative that any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of SEBI regulations. Section 12(1) of the Securities and Exchange Board of India Act, 1992 reads

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.

13. Further, as per regulation 3(1) of IA regulations, the registration of investment advisers is mandatory. It provides that, *“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”*.

14. Thus, as per regulation 3(1) of IA Regulations and Section 12(1) of SEBI Act, any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of SEBI regulations i.e. the registration of the investment advisers is mandatory.

15. The activities of Capproin, as brought out above, seen in the backdrop of the aforesaid provisions shows that Capproin through its partners has acted as investment advisers.

However, no material was available on record to indicate that Capproin has a certificate of registration as investment adviser. Therefore, I find that the activities of Capproin through its partners, including Ms.Jasmeet Kaur Bagga, such as giving stock tips, providing services/tips in various categories viz., Stock Option, Stock Future, Premium calls, etc. to the investors and general public on payment of fees clearly indicate that they were engaged in providing unregistered investment advisory services during the period from March 2013 to September 2015.

16. Thus, there is *prima facie* evidence that by virtue of being a partner of Capproin, Ms.Jasmeet Kaur Bagga had carried on unregistered investment advisor activities through Capproin which is prima facie in violation of Section 12(1) of SEBI Act read with Regulations 3(1) of the IA Regulations.

ISSUE NO. 2: *If answer to issue no. 1 is in affirmative, whether R Infotech, proprietor Ms.Jasmeet Kaur Bagga had submitted wrong information to SEBI while obtaining the certificate of registration under IA Regulations?*

17. In this context, it is relevant to mention here that as per the material available on record, Ms.Jasmeet Kaur Bagga is the proprietor of R Infotech. I note the legal status of the proprietary firm from the judgment of the Hon'ble Supreme court in *Ashok Transport Agency v. Awadhesh Kumar & another*, [(1998) 5 SCC 567] that “.....*A proprietary concern is only the business name in which the proprietor of the business carries on the business. . A suit by or against a proprietary concern is by or against the proprietor of the business...*”. R Infotech vide application dated July 17, 2015 applied for registration from SEBI as an Investment Adviser in terms of IA regulations.
18. For obtaining registration from SEBI under IA regulations, an applicant has to submit an application in the prescribed FORM – A as specified in the first schedule of IA Regulations, along with the declaration that “*whether the applicant is engaged in investment advisory services prior to making application under these regulations*”. In this respect, from the Application FORM – A dated July 17, 2015 submitted by Ms.Jasmeet Kaur Bagga, I find that Ms.Jasmeet stated that the applicant firm had started business activity only on date of

incorporation of the proprietorship which is May 25, 2015. Ms.Jasmeet has also mentioned that R Infotech had offered services to one client and received Rs.55,000/- which was refunded. I also find that on the basis of said declaration and other documents attached to the said application FORM, SEBI had granted registration to Ms.Jasmeet Kaur Bagga, proprietor of R Infotech under IA Regulations on October 30, 2015. It is also noted that Ms.Jasmeet Kaur Bagga, Partner, Capproin and Ms.Jasmeet Kaur Bagga proprietor of R Infotech are one and the same. Thus, there is a *prima facie* finding that Ms.Jasmeet Kaur Bagga, Partner, Capproin has carried out unregistered investment advisory activities from March 2013 to September 2015 i.e. prior to obtaining SEBI registration (registration granted on October 30, 2015) in the name of Ms.Jasmeet Kaur Bagga, the proprietor of R Infotech.

19. Therefore, I find that Ms.Jasmeet Kaur Bagga while applying to SEBI for registration as an Investment Advisor through the proprietorship R Infotech *prima facie* submitted false and misleading information to SEBI stating that she was not involved / engaged in investment advisory services prior to making the said application. By rendering unregistered investment advisory services and by willfully concealing the same and submitting wrong information to SEBI, Ms. Jasmeet has committed illegal acts and created unlawful gains to herself in the form of obtaining certificate of registration from SEBI. Further, as per Regulations 13(b) of IA Regulations, Ms.Jasmeet Kaur Bagga, proprietor R Infotech, after obtaining SEBI registration, was under an obligation to inform SEBI in writing, if any information or particulars previously submitted to SEBI are found to be false or misleading. Thus, it is noted that even after obtaining SEBI Registration Ms.Jasmeet Kaur Bagga, proprietor R Infotech failed to submit the correct information to SEBI in accordance with Regulations 13(b) of IA Regulations.

ISSUE NO. 3: Whether R Infotech, Proprietor Ms.Jasmeet Kaur Bagga has *prima facie* violated the provisions of PFUTP Regulations and IA Regulations?

20. **Examination of Complaints received against R Infotech:** SEBI received large number of investor complaints (approximately 132 complaints as on July 09, 2019) against R Infotech

wherein it was alleged that the IA has cheated them and have levied an exorbitant amount as service fee through misleading statements and by pressure tactics. It is also observed from the nature of the complaints that the complainants have alleged that the IA had given investors a commitment of assured returns, IA was demanding additional money under various pretexts and promised to open trading account or did trading in the demat account of the client. Based on the complaints received, an examination into the affairs of R Infotech was carried out by SEBI.

21. During the Calendar year 2018, SEBI received 59 complaints in SCORES and the last complaint was received by SEBI on July 09, 2019. In view of this, SEBI carried out an examination in relation to the affairs of R Infotech. The examination entailed *inter alia* an analysis of the details available on the website of R Infotech, complaints filed by the complainants along with the documents submitted by them such as payment invoices, communication between R Infotech and its clients/complainants i.e., e-mails, screenshots of SMSes and Whatsapp conversation etc., and other documents available on record such as bank statements, KYC documents etc. The following *prima facie* findings are noted from the examination of SEBI.

R Infotech is offering profit commitment to its clients:

22. R Infotech vide e-mail and SMS communication with the clients have categorically offered assured and unrealistic profit commitment in case they subscribe to its advisory services. In some cases, the returns promised are subject to taking a trading exposure of a certain amount by the client. Extracts of profit commitment promised by the Noticee vide email communication to its clients are detailed as under:

- 22.1 The Noticee vide e-mail dated December 13, 2017 to its client Mr.Madhukar Bhagwat stated that “*As you existing client of IDP plan, here we will commit you the profit of INR 25,00,000 in cost of INR 20,00,000...*”. Mr.Madhukar Bhagwat was offered various such plans. Vide an earlier e-mail dated November 21, 2017, the Noticee has categorically stated that “*Your plan amount is INR 12,00,000/- & Profit Slab is INR 26,00,000/-. Till now you have paid INR7,50,000/- & INR4,50,000/- is adjusted. Your plan is activated*

successfully, and enjoy our services.” The e-mails to Madhukar Bhagwat also contained the following table stating the amount of committed profit for each service charged.

Service	Profit Slab (V)	Profit Slab (IV)	Profit Slab (III)	Profit Slab (II)	Profit Slab (I)
Profit Slab	70,00,000	25,00,000	10,00,000	4,50,000	1,50,000
Service Charges	20,00,000	10,00,000	3,50,000	1,20,000	40,000

22.1.1 The e-mails to Madhukar Bhagwat also mentioned that there would not be a expiry date for the service pack till the fulfillment of commitment of the total profit. It is also mentioned that after recovering all committed profit the client has to renew the services. I find that the Noticee, through the use of such terms/ clauses, is committing to the client that (i) he/ she will achieve the particular return mentioned in the mails by acting on the investment advice provided AND (ii) the investment advice will be provided till the time such particular return has been achieved. I find that the commitment to the client that the service offered will continue till the “particular return” is achieved is tantamount to offering an assured/ guaranteed return and is an active concealment of the fact that any return on an investment cannot be guaranteed as all investments in the securities market are subject to market risk. There may be a scenario where the capital deployed by the investor gets eroded as the investment advice provided by the Noticee turns out to be incorrect due to market risk. In view of such adverse scenarios occurring, committing to deliver a “particular return” to the investor is not at all acceptable.

22.2Vide e-mail dated September 11, 2017 to client viz., Mr.Shyam Narayan Mehta, the Noticee had categorically stated that *“Here we will commit you INR 25,00,000/- in cost of Rs.12,00,000/-. Your plan has been activated successfully. We are assuring you will get complete follow up of service amount.”*

22.3 It is noted from the email dated February 15, 2018 to client viz., Mr.Abhay Singh the Noticee had categorically stated that *“Your IDP plan charge is INR 12,50,000/- (with GST)...your Profit slab in IDP plan is INR 20,00,000/- (on your investment) and Duration*

is 24 months”. It is also noted from an earlier e-mail dated Jan 12, 2018 sent to Mr. Abhay Singh that he was offered PCP services wherein it was stated that *“Here we commit you the profit amount is INR25,00,000/- in cost of INR12,00,000/-.”*

22.4 It is noted from the email dated February 16, 2018 to client viz., Mr. Anil Kumar that the Noticee stated *“As in PCP plan, your profit amount is INR 1,00,000/- in cost of Rs.50,000/-. Further details we will send after confirmation of your slot...”* Subsequently, vide email dated March 08, 2018 the Noticee further communicated that *“As in PCP plan, your profit amount is INR 1,00,000/- in cost of Rs.50,000/-. Further details we will send after confirmation of your slot...”*

22.5 It is noted from the email dated April 14, 2018 to its client viz., Ms. Anusha V, the Noticee stated that *“As per your discussion..., your service amount is Rs.3,500/- and profit slab is Rs.40,000/-.”* In its subsequent email to the client on the same day, has stated *“we are converting 3500 into the services. Till Friday we will provide you the call and you have to work on the research. If we are able to give you proper profit and able to satisfy you by the research we will continue the services till 2 months otherwise we refund the service amount whatever you have paid to the services.”*

22.6 In SMS to client Mr. Rahul Bhatar, it is stated that *“Your PDP plan amount is INR 2,80,000/- & GST amount is Rs.50,400/-. Profit Slab 10 lac...”*

22.7 The following is noted from the e-mail communication of the Noticee to its clients that *“Research institutional plan is a unique trading plan for all the regular traders in which...without limitation of service time period...This service is totally based on committed profit slab for each segment. Profit or points will be calculated on the basis of two lots at single call in derivative products and 5 lakh exposure in equity products...In case of stop loss on any call, loss will be added in total committed profit”*. This clearly shows that the Noticee is using commitment of profits as a standard term in the e-mail communication to its clients who are subscribing to its services.

22.8 By assuring profit commitment, the Noticee appears to be obtaining money from investors by false representations and encouraging clients to subscribe to products as a means of enhancing its revenue. For instance, in the case of Mr. Abhay Lambha, the Noticee vide email dated September 14, 2017 stated that *“You are existing client of PCP services. Here we will commit you INR 25,00,000 in cost of INR 7,52,000. Your plan has been activated successfully.”* Thereafter the Noticee vide e-mail dated January 12, 2018 stated that *“As you are existing client of PCP...here we commit you the profit amount is INR 25,00,000 in cost of INR 12,00,000/-. For further details wait for only 20th of Jan we will update your related file.”* Again, after a month, the Noticee vide e-mail dated February 15, 2018 stated that *“Your IDP plan charge is INR 12,50,000/-...you have to pay only INR 1,06,000/- only. It’s your last and least amount for your IDP plan activation. Your profit slab in IDP plan is INR20,00,000/-.”*

22.8.1 This clearly shows that the Noticee assures profit commitment in most of its email communication to its clients thereby enticing the investors/clients to subscribe to its various products/plans such as IDP Plan, or PDP Plan, or PSP services etc.

22.9 It is noted from the complaints that the clients are not fully aware that the fee they pay is only towards service charges. For instance, in the case of Mr.Dinesh Dhar, the Noticee vide e-mail dated June 12, 2018 has informed about Loss recovery Plan and has given the following profit commitment slab:

Service	Profit Slab (V)	Profit Slab (IV)	Profit Slab (III)	Profit Slab (II)	Profit Slab (I)
Recovery Amount	50,00,000	35,00,000	25,00,000	10,00,000	300,000
Institutional Charges	7,75,000	4,75,000	3,75,000	2,75,000	85,000

22.10 Similarly, the Noticee vide its e-mail dated August 02, 2018 regarding Wealth Management proposal given the following return commitment slab:

Service	Profit Slab (IV)	Profit Slab (III)	Profit Slab (II)	Profit Slab (I)
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Service return Portfolio	1,00,00,000	50,00,000	25,00,000	10,00,000
Service Charges	21,58,000	12,00,000	7,50,000	3,20,000

22.11 On the website of R Infotech, the following is categorically stated:

“We are SEBI registered tips provider and provides you tips that will surely provide you a profit with proper target.”

From the perusal of complaints and the documents submitted by the complainants such as e-mail communication from the Noticee as detailed above, it is evident that the Noticee has promised profit commitment in most of its communication and such claims of profit commitment are enticing and has the potential to make clients believe such claims. It appears that the Noticee is maximising its service fee rather than verify whether the product/advice is suitable based on risk profile of the client and whether it is for the benefit of the client. I note that the advice of R Infotech is on shares, stock derivatives, commodity derivatives, etc. which are listed on the exchanges and therefore returns on investment in these products are subject to market risk. Knowing this very well, and then promising profit commitment to the client and using terms that services will continue till committed profit is achieved appears to be an act of being dishonest on the part of the Noticee and also not acting in the best interest of the clients.

Extorting money from clients under various pretexts:

23. It is noted from the complaints that in addition to assuring profit commitment to clients, the Noticee is not transparent about the fee charged to the clients and clients are not informed of all the charges upfront. The Noticee is observed to be demanding money from clients using various reasons such as given below:

- Slots unavailable and hence you need to take the next higher slot.
- GST charges/service charges to be paid additionally.
- File charge, server charge, portfolio fee, gateway charge, etc.

24. The Noticee appears to have taken clients on board even if partial payment of service fee is received. Strict deadlines are put on the client for the remaining payment. In case of delay in payment, the clients are told that they will not be entitled to receive service for the subscribed package. Thereafter, within short while, the clients are informed that the package that they have subscribed have limited seats/slots available and pressure is put on them to pay the remaining amount within the deadline, otherwise they may not be entitled to continue with their package. From the perusal of extracts of email and screenshots of SMS communication it is noted that the Noticee is seeking additional payment under various pretexts. The details are as under:

24.1 In the SMS dated May 07, 2018 to Mr.Subaiz K, the Noticee stated *“Due to unavailability of slots, your profile has been declined from the server. Kindly call the executive.”* In the subsequent SMS to the client on May 08, 2018, it is stated *“Your profile is incomplete, please complete your service remaining amount of INR6000/-, otherwise your profile has been declined.”*

24.2 In email dated April 23, 2018 to Mr.Ajay, the Noticee stated that *“Service cost sms – Rs.18,000/-, Gateway Charge – Rs.1,875/-, Server Charge – Rs.12,229/-, Portfolio – 12,333/-, File charge – Rs.3,000/-.”*

24.3 In its email dated March 17, 2018 to client Mr.Anil Varthur, the Noticee stated that *“We are unable to adjust your previous paid amount of Rs.30,000/- for PDP services plan due to upgraded slot. For complete process of PDP services file please make remaining GST of Rs.30,000/- now.”*

24.4 In its email dated June 15, 2018 to client Mr.Dinesh Dhar, the Noticee stated that *“We are pleased to inform you that on the occasion of EID, we found a festive offer on your client ID:- RI/207858 that is 20% discount on your LOSS RECOVERY SERVICE which is valid till 04:00PM Saturday 16/06/2018.*

Note: - This offer is valid only on completing minimum 60% of your service charge before 16/06/2018. HURRY UP!!!!!!!!!!!!!!.”

24.5 In its SMS dated February 23, 2018 to Mr.Zabi Baig, the Noticee stated that *“Your slot has been rejected by the Server on your client ID- ZU2212, as your payment of Rs.50,150/- was delayed.”*

24.6 In SMS to Mr.Rahul Bhatar, the Noticee has mentioned that *“As per your request, you profile will be closed and if file does not complete today then your profile will be fully cancelled.”* In the subsequent SMS, it is mentioned *“Error? Due to amount insufficiency, we are unable to process your services profile. Kindly pay your amount”*.

24.7 In its email dated May 18, 2018 to client Mr. Patel Piyushkumar, the Noticee has mentioned that *“Your PSP plan charge amount is INR 5,50,000/-. Please pay 35% amount and remaining amount pay after working with our Company...maintain on your D mat account 3,00,000/-.”*

24.8 It is evident from the above that the Noticee demands additional money which is not disclosed upfront to the clients. The same is also alleged by several complainants in their complaints filed with SEBI.

24.9 Considering the above e-mails and screenshots of SMSes sent by the Noticee to its clients, the following *modus operandi* adopted by the Noticee to dupe and extort money from the clients are noted:

24.9.1 The clients are lured with profit commitment and taken on-board with very basic service fees of Rs. 5,000/- to Rs. 7,000/-. The clients are also taken on-board on receipt of token/part fee and remaining fee is taken in tranches. However, strict deadlines are set for payment and theses deadlines are so stringent that in most cases the client fails to meet the deadlines. When the client arranges the remaining amount they are informed that the said package/slot is not available but new upgraded package is available but with higher service fee and the client can pay that in instalments/ tranches. Also, the client is then asked to pay additional amount as GST, Service charge, server fee, file handling fee, etc., which was not disclosed to them earlier. They are informed that if the additional amount is not paid, the slot will not be made available and there is policy of no refund. In certain cases where the clients have incurred losses, the Noticee lure them into buying new packages such as Loss Recovery Scheme with a promise to recoup losses and earn returns.

24.9.2 Being an intermediary the Noticee is expected to ensure that in the conduct of its business, it observes high standards of integrity, fairness, ethics and professionalism. However, from the above it is seen that R Infotech has not been transparent with its dealings with clients with respect to the fees charged. It appears that R Infotech is levying money from investors without informing the clients upfront the fees and the various charges. R Infotech has maximised fee for his own benefit to enhance revenue rather than act with due skill, care and diligence in the best interests of its clients.

Charging unreasonable fee

25. From the perusal of the various invoices issued to clients by the Noticee, I note that the Noticee has not been fair in its dealings with regard to fees levied on the client. Further, it is also noted that the fees levied by the IA is not in sync with the prices mentioned on the website.

25.1 It is observed from the invoice no. INV 1176 dated Jan 02, 2018 issued to Mr. Anil Yadav, that the client is charged Rs.1,43,136/- and GST of Rs.25,764/- for product Service Cash for one month. However, on its website, any product related to 'Cash' (viz., Stock Cash, Stock Cash premium, Express Cash, Stock Cash HNI, and PSP Stock Cash) the monthly fee ranges only from Rs.7,000/- to a maximum of Rs.65,000/- whereas, the client is charged Rs.1,43,136/- for one month's duration, excluding GST charges.

25.2 In the invoice no INV1663 issued to Mr. Anil Kumar dated March 22, 2018, the client is charged Rs.3,08,475/- and GST of Rs.55,525/- for product Service Future for 1 year. However, on its website, for Stock Future, the yearly charge is only Rs.92,000/-.

25.3 It is also observed that certain invoices issued by the Noticee do not contain complete details as to the duration of the products nor the date of activation of the product.

25.4 In the invoice issued to Mr. Patel for product PSP cash, there is no duration mentioned. The details of payments made by the client for PSP Cash is tabulated below:

Product	Duration	Invoice No.	Date of Invoice	Cost (excl GST)
PSP cash	NA	R- May-18-252	May 31, 2018	2,11,864
PSP Cash	NA	R- May-18-257	May 31, 2018	5,47,033

25.5 It is seen from the above table that the IA has charged the client for the same product a total of Rs.7.5 lakhs, without details of when the product is going to be activated and the duration of the product. As per the website of the IA, the cost of PSP Cash product for a year is Rs.2,00,000/-. It appears that the IA has levied from the client in advance a fee for the next three to four years.

25.6 It is also noted that the IA charges different fees for the same product to the same client on different occasions.

- The IA has charged Mr. Abhay Lamba for product Stock Premium Future an amount of Rs.1,25,000/- for four months i.e. from August 01, 2017 to November 01, 2017 and Rs.51,000/- for three months i.e. from June 09, 2017 to September 09, 2017. This also indicates that the two service period for which payment is levied is overlapping, indicating that the client is paying twice for the same service.

From the perusal of above e-mail communication and invoices submitted by the Complainants as detailed above, it is apparent that the Noticee is not transparent in its dealings with clients by levying double charges for the same duration. The invoices issued to the client do not have complete information about the product. In view of the above, I am of the *prima facie* view that the Noticee has (a) failed in its responsibility to act in fiduciary capacity to its client which is entrusted upon her under Regulation 15 (1) of IA regulations and (b) failed to abide by Code of Conduct under Regulation 15 (9) read with clause 1, 5 and 6 of Code of Conduct for Investment Advisers.

Dishonest practices

26. I note that the IA Regulations cast a duty/responsibility upon every registered IA to act in fiduciary capacity to its clients. It is observed that the employees of the IA obtain trading account ID and password from the client. It is seen from the WhatsApp conversation between the executives of the IA and the client Mr.Piyush Patel that three executives of the IA have asked the User ID and password of the client's Angel broking account.

It is apparent from the above that the IA is indulging in unlawful activities by forcing the clients to write letters of appreciation and by compelling them to share the trading account ID and password. In view of the above, I am of the prima facie view that the Noticee has (a) failed in its responsibility to act in fiduciary capacity to its client which is entrusted upon her under Regulation 15 (1) of IA regulations and (b) failed to abide by Code of Conduct under Regulation 15 (9) read with clause 1, 5 and 6 of Code of Conduct for Investment Advisers.

27. **Bank accounts of R Infotech:** It is noted that the proprietor Ms. Jasmeet Kaur Bagga has bank accounts with HDFC Bank having account number 50200025150801. From the bank account statement of the Noticee for the period May 01, 2017 to July 14, 2019, it is observed that last credit transaction of Rs. 31, 600 has taken place on July 12, 2019 and total amount of credits during the period is approximately Rs. 3.23 crores. I note that the bank account of R Infotech is active and the details of the said bank account is also mentioned on its website www.researchinfotech.co.in.
28. To summarise from the above discussion, I have *prima facie* observed the following from the records made available before me through the examination carried out by SEBI including the communication of the Noticee to its existing as well as its prospective clients, e-mails exchanged between the Noticee and its clients, the websites of the Noticee, etc.:
- The Noticee is offering assured profit commitment to its clients;
 - The Noticee is extorting money from clients under various pretexts such as slots unavailable, additional GST charges, file charges, server charges etc.,
 - The Noticee is charging non-transparent fees from its clients;
 - The Noticee is involved in dishonest practices such as obtaining trading account ID and password of clients which are contrary to the norms prescribed for an IA;
 - The Noticee is also found to be involved in offering unregistered investment advisory services through the partnership firm viz., Capproin Financial Advisory Services.
29. It is noted that as per regulation 2(m) of the Investment Adviser Regulations “investment adviser” means any person, who for consideration, is engaged in the business of providing **investment advice** to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called. The term

“investment advice” has been defined under regulation 2(l) as *advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning*. On a perusal of these definitions, it becomes clear that the role of an “investment adviser” envisaged under the Regulations is that of a person rendering advice relating to investing, buying, selling or dealing in securities or investment products and advice relating to investment portfolio containing securities / investment products. In my view, looking at the scheme of IA Regulations, the role of an investment adviser is to provide honest and fair advice to its clients considering their financial situation, investment experience, investment goals, etc. The investment adviser should also make adequate disclosures of the relevant material information to its clients and should charge fair and reasonable fee from its clients, which is also stipulated under the Code of Conduct for Investment Advisers under the IA Regulations.

30. An investment Adviser is required to comply with SEBI Act and other applicable Regulations. An IA cannot make a false statement without reasonable ground for believing it to be true as mandated in PFUTP Regulations, 2003. An investment adviser cannot sell products promising assured targets to investors as was being done by the Noticee in the present case. Knowing fully well that all investments in stocks, derivatives, commodity derivatives, etc. in respect of which it was offering investment advice are subject to market risk, the Noticee was falsely promising profit/ targets.
31. It is also noted from the payment receipts, email exchanges and other material discussed earlier that the advisory process being followed by the Noticee was akin to selling pre-fixed plans and extracting more and more money from the clients. The *modus operandi* adopted by the Noticee discussed hereinabove *prima facie* show that the Noticee was actually not practicing investment advisory services in the manner envisaged under the IA Regulations, which essentially would involve advising the client considering his/her financial situation, risk appetite, financial goal, prior experience, etc. From the findings of the preliminary examination and the overall *modus operandi* discussed hereinabove, it *prima facie* appears

that the Noticee was running a pre-meditated device, plan or scheme whereunder, the employees / representatives of the Noticee would lure innocent investors by making assured profit commitment and then more money would be extracted from them by putting strict deadlines for making payments, refusal to provide any services in the event of delay, upgradation/change from one package to another, demanding various types of fees such as additional GST charges, file charges, server charges etc. The Noticee by making profit commitments was also inducing the investors to deal in securities, and was thereafter charging unreasonable fee from them thereby making wrongful gains.

32. The above discussed non-genuine and deceptive activities of the Noticee are, *prima-facie* fraudulent and are covered under the definition of '*fraud*' under regulation 2(1)(c) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ("PFUTP Regulations") which provides as under:

"(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,

(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

...

33. It is noted that *prima facie* fraudulent activities / dealings of the nature discussed in the present case are prohibited under the provisions of Section 12A(a), (b) and (c) of the SEBI Act, 1992 and regulations 3 (b), (c) and (d) and 4(1) and 4(2) (k) of the PFUTP Regulations. I therefore, *prima-facie* find that the Noticee has contravened these provisions and the same are reproduced hereunder:-

SEBI Act, 1992

“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 recognized stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;”

PFUTP REGULATIONS, 2003

“Prohibition of certain dealings in securities

3. No person shall directly or indirectly—

.....

(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 fraudulent or an unfair trade practice in securities.

(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”

34. Additionally, I note the following from the complaints received from the clients of the Noticee:

Complaints regarding assured profit commitment:

34.1 From the complaints received against the Noticee, it is noted that by assuring profit commitment, the understanding of the clients is that they would earn the assured profit by subscribing to the services of the Noticee. For instance, certain such complaints are reproduced hereunder:

34.1.1 Complaint of Shri Nitish Ranjan received on March 10, 2018 wherein the complainant has stated *“Mentioned company promised to give me one lakh sixty thousand in lieu of forty thousand in 45 trading sessions which I was supposed to pay to them. After paying the amount they started saying there is no slot left for you so you need to pay more and they started bargaining”*.

34.1.2 Complaint of Shri Anil Kumar Yadav received on March 14, 2018 wherein complainant has stated *“I made payment of Rs.1,68,900 in lieu of 4,20,000 commitment plan in an offer given by company. More receipt is given by the Company apart from this, they don’t give any stop loss, even if they give, they ask you to change SL when it is about to trigger. At present I am in loss of Rs.1,68,900 because of their bad practice. If their call lend you any small amount of profit the executives ask you to pay...”*

34.1.3 The complainant Shri Veependra Vaidya has stated that *“This company has called me up for trading in market giving me a confidence for earning Rs.3000 to 5000 per day. They took 15000 from me asked to invest 40000, they took my id password of trading account, they lost all my money did not inform about the trade...”*

34.1.4 The complainant Shri Jayananda Sanjeeva has stated that *“agreement with above mentioned advisory company for services with starting investment of 5500 & 25000 IDP plan... Few months later again called and demanded for deposit 250000 to keep active account and a return of 10,00,000. Based on their commitment I have paid the amount through given bank details... Right now they are claiming that the amount paid only for advisory not for return.”*

34.1.5 The complainant Shri Girish Chandra Chandola has stated that *“Indore based company, named as Research Infotech, cheated me by taking from me Rs. 19,74,000 ... I was told that the company is maintaining a pool account which invests in bulk in the market, and accordingly profit is generated. The company will share its profit with me. On pursuing for refund, I was informed that this money is meant for service charges”*.

Demanding appreciation letters from the clients:

34.2 It is observed from the investor complaints that the Noticee was demanding the clients to write appreciation letter for the IA or its employees. From the perusal of the following e-mails submitted by the Complainants, it is noted that they were dictated by the employees/executives of the IA over their mobile to the complainants.

34.2.1 E-mail sent by the client Mr. Anil Kumar to the IA which was dictated by the employee/executive of IA.

Anil Kumar <manilkuma0@gmail.com>

16 March 2018, 2:48 PM to info@researchinfotech.co.in

“This mail I’ m writing regarding my services and I’ m existing client of stock PDP services and in that services I’ m fully satisfied with my executive kabir maheswari he always give me good support and follow up. I also satisfied with my services.”

34.2.2 Vide email dated September 13, 2018, Mr.Piyush Patel has informed that he has been asked to write the following email, else they won’t start the services.

Piyush Patel <piyush2550@yahoo.com>

16 July 2018, 11:24 AM to researchinfotechinfotech@gmail.com

"I am Piyush Patel registered with contact no.9879807070 my PAN card is AOOPP9247G. I subscribed your services of 12/07/2018 and paid total amount 12800700. I am satisfied and agree with services and I know very well about risk appetites and suitability assessment. As I daily getting good profit from the company, and dont have any issue to pay other services amount. I read all terms & conditions policy."

34.2.3 Vide email dated June 29, 2018, the IA has asked client Mr. Deepak Singh to write the following email to Research Infotech.

"I amregistered with contact no..... my PAN card is I subscribed your services of and paid total amount I am satisfied and agree with services and I know very well about risk appetites and suitability assessment. I read all terms & conditions policy." It is noted from the reply dated July 04, 2018 that he will not send the false message and that the IA is doing wrong things.

35. Although the aforesaid complaints have not been relied upon to arrive at the *prima facie* findings against the Noticee, it is also noted from the above complaints that the Noticee is indulged in unlawful and dishonest activities by assuring profit commitment and demanding the clients to write appreciation letters, etc.
36. In addition to the above violations, the act of the Noticee is in complete disregard to the responsibility entrusted on him under IA regulation to act in fiduciary capacity and in the best interest of its clients and keeping its own interest ahead of his client's interest. In view of the above, I am of the *prima facie* view that the Noticee has failed in its responsibility to act in fiduciary capacity towards its clients and has violated regulation 15 (1) of IA regulation and has also failed to abide by Code of Conduct under regulations 15 (9) read with clause 1, 2, 5 and 6 of Code of Conduct for Investment Advisers provided under the IA Regulations.

37. I note that a person acting as a securities market intermediary is expected to protect the interest of investors in the securities market in which he/she/it operates and it ill-behooves him/her to become a party to any market misconduct. Every market intermediary is required to maintain high standards of integrity, promptitude and fairness in the conduct of his business dealings, and not be motivated purely by prospects of financial gain. The intermediary should not abuse the certificate of registration granted to it, in any manner, for carrying out any non-genuine, deceptive or fraudulent acts. The IA Regulations, *inter alia*, provide the framework for regulating the activity of entities who are in the business of providing investment advice in respect of securities and investment products. These Regulations seek to create a structure within which investment advisers will operate and also make them duly accountable for their investment advice by requiring them to comply with the criteria set out in the relevant provisions. Under Regulation 15 (1) of IA Regulations, an IA shall act in a fiduciary capacity towards its clients. In order to maintain fiduciary relationship, one of the essential elements is to strictly adhere to the Code of Conduct for an Investment Adviser prescribed under Regulation 15(9) of the IA Regulations, the relevant provisions whereof are reproduced below:

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...

5. Information to its clients

An investment adviser shall make adequate disclosures of relevant material information while dealing with its clients.

6. Fair and reasonable charges

An investment adviser advising a client may charge fees, subject to any ceiling as may be specified by the Board, if any. The investment adviser shall ensure that fees charged to the clients is fair and reasonable.

...”

38. Looking at the activities and manner of operation of the Noticee in the present case, which have been discussed in detail in the preceding paragraphs, I am of the *prima facie* view that the Noticee has failed to abide by the code of conduct as detailed above. I, therefore, find that the Noticee, while carrying out its activities as an Investment Adviser has *prima facie* contravened the provisions of Clause 1, 2, 5 and 6 of the Code of Conduct for Investment Advisers read with regulation 15(9) of IA Regulations, 2013.

39. In summary, the alleged violations are as under:

39.1 The Noticee had *prima facie* submitted false / wrong and misleading information to SEBI at the time of applying for registration and concealed that she was involved / engaged in investment advisory services prior to applying to SEBI for registration. Further, even after obtaining SEBI Registration, the Noticee failed to submit the correct information to SEBI in accordance with Regulations 13(b) of IA Regulations.

39.2 The Noticee, prior to obtaining SEBI Registration had *prima facie* carried out unregistered investment advisory services through Capproin and after obtaining SEBI Registration did not inform the same to SEBI in writing. Thus, the Noticee has not acted with honesty and fairness. Therefore, the Noticee has *prima facie* violated the Clause 1 of Code of Conduct for Investment Adviser read with regulation 15(9) of IA Regulations.

39.3 The Noticee *prima facie* appears to be selling its various products/packages to innocent investors by misleading statements and has not acted honestly or in the best interests of its clients, thereby failed in its responsibility to act in fiduciary capacity to its clients. Thus, the Noticee has *prima facie* violated the provision of regulation 15 (1) and Clause 1 of Code of Conduct for Investment Adviser read with regulation 15(9) of IA Regulations.

39.4 The Noticee *prima facie* appears to be making assured profit commitment and extracting more and more money from its clients by putting strict deadlines for making payments,

refusing to provide any services in the event of delay, upgrading/changing from one package to another, engaging in unethical practices like charging various types of non-transparent fees such as additional GST charges, file charges, server charges etc. instead of advising the client after considering his/her financial situation, risk appetite, financial goal, prior experience, etc. Therefore, the Noticee has *prima facie* violated the provisions of Section 12A(a), (b) and (c) of the SEBI Act, 1992 and regulations 3 (b), (c) and (d) and 4(1) and 4(2) (k) of the PFUTP Regulations.

ISSUE NO. 4: *If answer to issue no. 2 & 3 is in affirmative, whether urgent directions, if any should be issued against R Infotech and its Proprietor Ms. Jasmeet Kaur Bagga?*

40. SEBI has a statutory duty to protect the interests of investors in securities and promote the development of, and to regulate, the securities market. Section 11 of the SEBI Act has empowered it to take such measures as it thinks fit for fulfilling its legislative mandate. The IA Regulations have been formulated with the main objective of regulating the activities of investment advisers so as to safeguard the interests of investors and hence the requirements/conditions laid down therein have to be mandatorily followed.
41. Considering the facts and circumstances of the present matter and on the basis of *prima facie* findings, it is necessary to take urgent preventive action in this matter and to take immediate steps to prevent Ms. Jasmeet Kaur Bagga, proprietor, R Infotech from collecting any more funds from the public and luring innocent investors to avail its services under false / misleading assurance of profits. I note that website and telephone number given on website of R Infotech is in operation. Therefore, the probability of investors reaching R Infotech through a website and telephone is high. Further, it is also noted that the bank accounts and payment gateway details are mentioned on the website of R Infotech to receive credit for investment advisory services. Therefore, the threat of investors getting lured to the registered advisory services is still looming large and is imminent. Further, as per the information available on website, investors can become prey to the different packages offered by R Infotech. In light of the same, I find that there is no other alternative but to take recourse through an interim ex-parte order against R Infotech and its proprietor Ms. Jasmeet Kaur

Bagga for preventing it from collecting funds and indulging in investment advisory services. In order to protect prospective investors from making payment to the bank accounts of R Infotech, credit into bank accounts through any channels also needs to be stopped. Since the present order, *prima facie*, finds that the services of the Noticee are “fraudulent” in nature within the meaning of PFUTP Regulations, it is not appropriate to allow the existing investors to get the services of this nature. Therefore, it is appropriate that credit from the existing clients for continuation of services also needs to be stopped, till further directions.

42. It is pertinent to mention that a large number of complaints have been filed against the Noticee alleging perpetration of fraud on the clients and the complainants have even claimed refund of the money given by them to the Noticee. In the event, one of the directions that can be passed against the Noticee, subject to the adjudication of the allegation on the merits in the final order, under Sections 11(1), 11(4), 11B and 11D of SEBI Act is that of direction to refund the money collected by the Noticee from their clients. While the detailed examination in the matter is pending there is a possibility that the Noticee may divert the money collected from the clients. I, therefore find that pending detailed examination, in view of the interim findings and the *prima facie* evidence against the Noticee, it is also essential to take urgent steps to prevent the Noticee from alienating any assets, whether movable or immovable, or any interest or investment or charge in any of such assets, so that the final remedies, if any, do not become infructuous.
43. Hence, I am convinced that this is a fit case where, pending detailed examination, effective and expeditious preventive action is required to be taken by way of an *ad interim ex-parte* order to protect the interests of investors and preserve the safety and integrity of the securities market. There is an urgent need to stop the investment advisory activities of the investment adviser and the balance of convenience is not in favour of permitting the Noticee to carry out such activities without imposing suitable restrictions and irreparable injury would be caused to investors in the absence of an interim direction. Such action needs to be taken not only to prevent any further harm to existing clients of the Noticee but also to protect prospective clients who may be misguided by the Noticee.

Order

44. In view of the above, pending detailed investigation, I, in exercise of the powers conferred upon me by virtue of Section 19 read with Sections 11, 11B and 11D of the SEBI Act, 1992, and Regulation 35, Chapter VI of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008, hereby issue the following directions:

44.1 The Noticee, Ms. Jasmeet Kaur Bagga, proprietor of Research Infotech (SEBI Registration Number: INA000003726 and PAN: BNTPB7100D) is directed to :

- a. *cease and desist from acting as an investment advisor and cease to solicit or undertake such activity or any other activities in the securities market, directly or indirectly, in any matter whatsoever until further orders;*
- b. *not to access the securities market and buy, sell or otherwise deal in securities in any manner whatsoever, directly or indirectly, until further orders;*
- c. *not to divert any funds raised from investors, kept in bank account(s) and/or in their custody until further orders;*
- d. *withdraw immediately and remove all advertisements, representations, literatures, brochures, materials, publications, documents, websites, communications etc. in relation to their investment advisory activity in the securities market until further orders.*
- e. *provide a full inventory of all assets held in her name, whether movable or immovable, or any interest or investment or charge on any of such assets, including details of all bank accounts, demat accounts and mutual fund investments, immediately but not later than 5 working days from the date of receipt of this order.*
- f. *Not to dispose of or alienate any assets, whether movable or immovable, or any interest or investment or charge on any of such assets, held in her name except with the prior permission of SEBI.*

44.2 Banks including HDFC, wherein R Infotech and its proprietor Ms. Jasmeet Kaur Bagga (PAN: BNTPB7100D) are holding bank accounts, are directed not to allow any debits / withdrawals from the said accounts, without the permission of SEBI, until further orders. The Banks are also directed not to allow any credits from the said accounts, without the

permission of SEBI, until further orders. The Banks are directed to ensure these directions are strictly enforced.

44.3 Any person while working under R Infotech, proprietor Ms. Jasmeet Kaur Bagga or under her instructions as employee or otherwise, shall cease and desist from undertaking the activity of investment advisory services, including the activity of acting and representing through any media (physical or digital) as an investment advisor, directly or indirectly, till further orders.

45. This order shall come into force with immediate effect and shall be in force until further orders. This order is without prejudice to the right of SEBI to take any other action that may be initiated against the aforementioned entity in accordance with law.
46. The *prima facie* observations contained in this Order, pending enquiry, are made on the basis of the material available on record. In this context, the Noticee may file her objections, if any, within 21 (twenty one) days from the date of this Order and, if she so desires, avail herself of an opportunity of personal hearing before SEBI, on a date and time to be fixed on a specific request to be made in that regard.
47. A copy of the order shall be served upon the Noticee, Banks, Stock Exchanges, Depositories and Registrar and Transfer Agents for necessary action and compliance with the above directions.

Date: December 12, 2019

Place: Mumbai

MADHABI PURI BUCH

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA