National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/54241	**Date: October 28, 2022**
Circular Ref. No: 158/2022	

To All NSE Members,

Sub: **Final Order in the matter of M/s. Greenwealth, proprietor – Ms. Bhavna Bariya**

SEBI vide Order No. WTM/SM/WRO/WRO/20819/2022-23 dated October 28, 2022, has hereby debarred the below mentioned entities from accessing the securities market, directly or indirectly and are prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of 02 (two) years from the date of the Order or till the expiry of 02 (two) years from the date of completion of refunds to complainants/ investors along with depositing of balance amounts, if any, with SEBI as directed in sub-paragraph (i) and (v) of the Order, whichever is later;

Sr. no.	Name of the entity	PAN
1.	Ms. Bhavna Bariya Proprietor: M/s. Greenwealth	BZQPB1843N

The order comes into force with immediate effect.

The detailed order is available on SEBI website (http://www.sebi.gov.in).

Further, the consolidated list of such entities is available on the Exchange website http://www.nseindia.com home page under “Home-Regulation-Members-Action against Members-Regulatory Actions”.

Members are advised to take note of the above and ensure compliance.

National Stock Exchange of India

In case of any further queries, members are requested to contact the following officials:

Mr. Souradeep Ghosh (Extension: 23345), Mr. Anand Jangir (Extension: 22385)
Direct No: 022-26598417/18 Fax: 022-26598195

For and on behalf of
National Stock Exchange of India Limited

Anand Jangir
Manager

ANNEXURE: Final Order in the matter of M/s. Greenwealth, proprietor – Ms. Bhavna Bariya

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: S. K. MOHANTY, WHOLE TIME MEMBER

ORDER

UNDER SECTION 11(1), 11(4) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 IN THE MATTER OF M/S. GREENWEALTH, PROPRIETOR – MS. BHAVNA BARIYA.

In respect of:

Sr. No.	Name of the Noticee	PAN
1.	**Ms. Bhavna Bariya** **Proprietor: M/s. Greenwealth**	BZQPB1843N

Background

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") received complaint on June 10, 2019 from one complainant against M/s. Greenwealth (for short ***"Greenwealth"***) and its Proprietor Ms. Bhavna Bariya (for short ***"Bhavna"***) (hereinafter collectively referred to as the "***Noticees***") wherein, *inter alia*, it was stated that the *Noticees* promising to be one of the finest Investment Adviser (hereinafter referred to as "**IA**") have collected money from the complainant and are not providing services to the complainant. Taking into cognizance the aforesaid complaint, SEBI initiated an examination into the matter, which, *inter alia*, revealed the following facts with respect to the activities of the *Noticees:*

a) It was gathered from the email dated October 18, 2018 (received by SEBI along with complaint) sent by the *Noticees* that the *Noticees* were claiming and holding themselves out before the complainant as SEBI registered IA.

The afore-stated email, *inter alia,* read as "*….I would like to take an opportunity to thank you for allowing us to serve you and introduce Green Wealth…… Our SEBI registration number :-INA000001316*".

b) It was gathered during the examination that a payment had been made by the complainant to the *Noticees* through Easebuzz payment gateway. From further examination it was revealed that the aforementioned Easebuzz payment gateway was linked to an Axis Bank account number 91702XXXXX9447 held under the name of the *Noticees*. From the Know Your Customer (KYC) and Account Opening Form (AOF) documents as provided by the Axis Bank, it was revealed that the aforementioned bank account was held in the name of the *Noticees* and the purpose of payment made into the said account was recorded **"Investment Advisor"**. It was further gathered during the examination that the *Noticees* held one more bank account (Account number 91401XXXXXX6182) in Axis Bank, wherein multiple credits were received through Easebuzz payment gateway.

c) From the analysis of the aforementioned bank account statements, it was observed that the total amount mobilized by the *Noticees* in the above 2 bank accounts stood at INR 48.62 lacs during the period commencing from April 11, 2018 till December 29, 2019.

d) From the examination of the afore-stated two bank account statements, it is indicated that the *Noticees* have held themselves out as SEBI registered Investment Advisers and have apparently received fees from the investors against providing stock recommendations, whereas the fact remains that the said investment advisory services were rendered by the *Noticees* without obtaining a registration under *IA Regulations, 2013,* though the disclosure by the *Noticees* to the public claimed otherwise.

Show Cause Notice, Reply and Hearing

2. On the basis of the aforesaid factual observations, the evidence gathered during the examination and considering the prima facie illegal nature of the activities undertaken by the *Noticees*, a Show Cause Notice dated July 31, 2021 (hereinafter referred to as "**SCN**") was issued by SEBI against the *Noticees*. It is alleged in the SCN that the *Noticees* have carried out investment advisory activities without obtaining necessary registration of SEBI and that the *Noticees* by engaging in acts of rendering investment advisory without having SEBI's registration, have violated the provisions of Section 12(1) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred as '*SEBI Act, 1992*') read with Regulation 3(1) of SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as "*IA Regulations, 2013*").

3. I note from the records available before me that the SCN was duly served upon the *Noticees.* I also note that the *Noticees* vide letter dated August 15, 2021 received by SEBI on August 27, 2021 have made written submissions in response to the SCN. Subsequently, to honour the principles of natural justice, an opportunity of personal hearing was provided to the *Noticees* and the hearing was scheduled on June 01, 2022, which was attended through video conferencing by the Authorised Representative (AR) of the *Noticees*. During the course of hearing, the submissions already made by the *Noticees* vide the aforesaid written reply were largely reiterated by the AR of the *Noticees*. The explanations offered and arguments advanced by *Noticees/AR* in their written and oral submissions are as follows:

a) The allegations against the *Noticees* are based on a complaint received and the complainant has himself admitted that the payment made to the *Noticees* was only for the purpose of business and not for any kind of advisory activity and in support of the above, an affidavit dated 19.07.2021 of the complainant was also submitted to SEBI. In the aforesaid affidavit, it has been deposed that no dispute or claim survives against the *Noticees* and further it has been also deposed that the complainant would not have any objection for closure of the investigation. Further, the affidavit also states that the said money was duly returned by the *Noticees* to him.

b) The email dated 18.10.2018 as referred to in the SCN, which was a welcome mail sent to the complainant, does not belong to the *Noticees*. SEBI is requested to verify the IP address of the sender of the said email id.

c) Various amount credited to the account of *Noticees* as referred to in the SCN, pertains to the *Noticees'* hard-earned salary, other business activities, amount of loan from Axis Bank and personal money that was lent by the family members for business purpose of the *Noticees.* Further, such monies have no connection with unregistered advisory activities.

d) SEBI has neither received any complaint at the SEBI SCORE PORTAL nor a single individual ever approached SEBI for any complaint with respect to advisory activity, no iota of evidence is there to demonstarte that the *Noticees* ever operated any investment advisory services and after the affidavit submitted by the complainant the entire allegation is demolished.

Consideration of Issues and Findings

4. Considering the factual findings from the examination, the allegations levelled against the *Noticees* in the SCN based on such findings and the explanations offered by the *Noticees* through written and oral replies to the SCN, I find that the following issue requires consideration:

Whether acts of the Noticees as imputed in the SCN, have resulted in the violation of the provisions of SEBI Act, 1992 read with IA Regulations, 2013 while providing the services related to Investment Advisory without having proper registration.

5. Before adverting to the facts of the case to deal with the aforesaid issue, it is apposite to refer to the relevant provisions of law, the violations of which have

been alleged against the *Noticees* in the SCN. Such provisions are reproduced herein for ready reference:

SEBI Act, 1992

Section 12 (1): "No stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market shall buy, sell or deal in securities except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the regulations made under this Act:"

SEBI (Investment Adviser) Regulations, 2013

Regulation 3 (1): "On and from the commencement of these regulations, no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board under these regulations".

6. I note that the SCN has alleged that the *Noticees* were involved in receiving money as fees from investors towards the IA services rendered by them and were holding themselves out as SEBI registered IA, despite the fact they were not registered with SEBI in any capacity, hence, such acts of falsely holding out as a registered intermediary and rendering of investment advisory activities, without having proper registration amounted to serious contravention of securities law. In this regard, SCN has referred to the welcome email dated 18.10.2018 advertised by the *Noticees* to the complainant, wherein it is stated that *Greenwealth* is involved in research in stock, futures, commodities, etc. and has been servicing masses for years. Further, the welcome email also narrated and contained payment link as https://easebuzz.in/pay/GREENWEALTH for making payments for services. In this respect, from a scrutiny from Easebuzz, it was revealed that the aforesaid payment link was linked to the Axis Bank account number 91702XXXXX9447 belonging to the *Noticees*. I further note that the examination has found various credit entries in the afore-stated bank account of the *Noticees* towards payments

made by several persons including the complainant to the *Noticees*. During the examination, it was observed that in addition to the abovementioned bank account, *Noticees* were also holding another bank account bearing number 91401XXXXXX6182, which also had various credit entries for payments made by the various individuals into the said account.

7. I note that the *Noticees* have contended that the email id used to send the welcome email dated October 18, 2018 to the complainant did not belong to the *Noticees* and therefore, the *Noticees* were not involved in the unregistered IA services. At the first impression, the argument appears to be convincing, however, it is pertinent to note that the *Noticees* have not denied the ownership of the payment gateway link mentioned in the said welcome email or the Axis Bank account linked to that payment gateway link. Infact, the *Noticees* have admitted the ownership of the aforementioned bank accounts held with Axis Bank and have also accepted the receipt of various amounts in their bank accounts including the bank account number referred to by the complainant. Therefore, there is no dispute to the fact that the aforementioned bank accounts into which various amounts have been transferred through the Easebuzz payment gateway as mentioned in the welcome email itself, belonged to the *Noticees*.

8. The *Noticees* have contended that as the entire allegations against them are based on the complaint received by SEBI, considering that subsequently an affidavit by the complainant stating that he had paid the money to the *Noticees* for the business purpose, has been furnished to SEBI, there is no more any case against the *Noticees*. It has further been argued vehemently by the *Noticees* that various amounts credited to the account of *Noticees* as referred to in the SCN, pertain to the *Noticees'* hard-earned salary, other business purposes, amounts of loan from Axis Bank and personal money that was lent by family members of the *Noticees*, etc. and no such monies have been received by them for rendering unregistered advisory activity. I have perused the above contention and the affidavit submitted by the

Noticees in support of the said contention. It is pertinent to note here that assuming for a moment that the depositions made by the complainant in the affidavit are correct and even if the complaint received by SEBI has now been resolved, I am of the view that this would not be a sufficient ground to conclude with conviction that the *Noticees* were not engaged in offering investment advisory services and that the monies credited in the above mentioned two bank accounts of the *Noticees* were received from their hard-earned salary, from business activities and from family members, etc. unless the *Noticees'* justify such a claim with the support of credible and verifiable independent evidence. The statement of the complainant in the Affidavit only shows that the *Noticees* have successfully settled the dispute with him, however, the said settlement of the dispute with him by no stretch can be viewed as a tangible positive evidence to justify or explain the nature of business activities engaged in by the *Noticees* during the relevant period nor can it explain the exact source or character of the amounts credited in the two bank accounts of the *Noticees*. I also can't ignore the fact that although the money was received by the *Noticees* from the complainant in October 2018, an affidavit on the same was prepared only on July 17, 2021, i.e. after a period of almost 3 years and subsequent to the initiation of the examination by SEBI. Further, the said affidavit does not contain details pertaining to the business purposes / activities for which the amounts were received by the *Noticees* from the complainant. Further, it is not yet explained by the *Noticees* as to why the payment was received from the complainant by the *Noticees* through Easebuzz (as specified in the welcome email), when other easy and cheaper mechanism of payments like IMPS, NEFT, etc. were available to transfer money for business purposes. The submission made by the *Noticees* is also bereft of description as to how the *Noticees* came in contact with the complainant and why it took it four years to repay the money received from the complainant. As noted above, similar submission has also been advanced by the *Noticees* regarding the receipt of monies in the aforementioned two bank accounts of the *Noticees*, by arguing that those amounts were received for business purposes.

It is noticed that though the *Noticees* have claimed that various amounts received in the afore-mentioned two bank accounts from friends and relatives were related to the business of the *Noticees*, however, no details of any such business activities being carried out by the *Noticees* have been submitted to SEBI to explain the exact nature of such business activities that were being carried out by them for which the *Noticees* had received such amounts from friends and relatives. The details of such friends and relatives who have lent money to the *Noticees*, have also not been provided by the *Noticees* to impart some credibility to their claims. It is also worthwhile to mention here that during the personal hearing, following details were sought from the *Noticees* / AR in support of the aforesaid arguments / explanations offered by the *Noticees*:

- The nature of business being carried out by the *Noticees*;
- To provide details of each of the transactions carried out involving INR 10,000 or more, through the bank accounts of the *Noticees;*
- To provide comments/ clarifications on narrations made in credit entries in the Bank statements and specifically to explain as to why the payment made by the complainant through payment gateway, Easebuzz has been described as "FOR INVESTMENT ADVISER";
- To provide the Income Tax Returns for the last 5 years, details/certificate of GST registration or details of State Sales Tax registration (to support their business activities, if any) and such other details/documents in support of the nature of business being carried out by the *Noticees.*

9. I note that subsequent to raising the aforesaid queries during the personal hearing, SEBI vide email dated June 02, 2022 sought explanations / answers to the aforementioned queries from the *Noticees* for which 2 weeks' time was granted to the *Noticees*. However, despite reminding through written emails, no reply has been submitted by the *Noticees* till date. Under the circumstances, when it is

already on record that pursuant to receipt of a welcome email, an amount was received in the Bank account, undisputedly owned, controlled and managed by the *Noticees* and the said payment made by the complainant has been narrated as "FOR INVESTMENT ADVISER", it is now difficult to accept any explanation to the contrary as has been advanced by the *Noticees* before me. The *Noticees* have endeavoured to project that the complaint received by SEBI was related to some other commercial transaction and the dispute has been amicably resolved with the complainant, however, the conduct of the *Noticees* in preferring to remain silent and not furnishing any explanation or documents to justify or explain the nature of the exact transactions / business purposes for which the *Noticees* have claimed having received so much money from various persons through their bank accounts, constrains me to reject these arguments and unverifiable explanations put forward by the *Noticees*. There is also no whisper as to how the *Noticees* got associated with the registration number INA000001316 and why they required to open a payment gateway to receive amounts from friends and relatives. There is also no explanation or evidence available on record to lay credence on the claim that amounts in the related bank accounts were received from friends and families of the *Noticees* for business purposes and the same were returned to them in due course. In the instant proceedings, in my opinion, the argument taken by the *Noticees* that the monies were received for the business purpose, is just an afterthought specious narrative to evade the possible adverse outcome of this proceeding. Therefore, by merely advancing an unsubstantiated argument that they have received the monies for business purposes cannot exonerate the *Noticees* from the allegations made in the SCN and therefore such arguments are rejected in *limine*.

10. I note that the complainant vide email January 07, 2020, submitted the copy of the WhatsApp chats exchanged by him with the *Noticees*, alleging that the investment tips were provided by the *Noticees* to him over WhatsApp platform.

Details of some of the investment tips given by the *Noticees* to the complainant are tabulated below:

Date of WhatsApp Message	Content of the Message
22.10.2018	• *Reliance buy CMP running near 1105/1106 tg 1118 2nd tg 1125 sl 1199;* • *CASH BUY DHFL AT 205/206 TARGET 214 TG2 222 SL 200*
23.10.2018	• *SELL BHARATFORG AT 555 TG 535 SL 563*
31.10.2018	• *SELL HDFCBAK AT 1895/1900 TG 1872 SL 1915*

11. I observe from the aforementioned table that the *Noticees* were regularly providing Investment Advisory tips to the complainant. I also note from the WhatsApp chat dated 30.11.2018 at 21:28 hours that the Easebuzz payment link of Greenwealth was shared with the complainant and the complainant has paid an amount of INR 44,000/- using the said Easebuzz link on the same day i.e. 30.11.2018 at 21:34 hours. I also observe that the aforesaid amount of INR 42,857.60/- has been duly credited in the Axis Bank Account no. 91702XXXXX9447 of the *Noticees* through Easebuzz. Further, analysis of credit details provided by the Easebuzz revealed that the aforesaid payment was made by the complainant on 30.11.2018 and same was credited to the bank account of the *Noticees* on 03.12.2018. Also, the personal details of the complainant such as phone number and email id as observed from the Easebuzz matches with the details provided by the complainant to SEBI. Therefore, considering that the payment links of the bank account of the *Noticees* through which the amount paid by the complainant was credited into the Bank account of the *Noticees* were shared in the same WhatsApp chat through which the IA tips were also provided by the *Noticees* to the complainant, there remains no iota of doubt that the *Noticees* were providing IA services to the complainant. Despite the fact that the SCN contains reference about

the WhatsApp chats, the *Noticees* have simply submitted that they have resolved the complaint of the complainant and conveniently did not offer any explanation with respect to the WhatsApp Chats discussed above which is self-evident of the fact that the *Noticees* were providing Investment Advisory tips to the complainant through WhatsApp chats and also instructed the complainant about making payment to them through the same WhatsApp chats with the complainant. Under the circumstances, I find that the *Noticees* have failed to bring any evidence to the contrary, in support of the submissions advanced by them to prove their innocence and therefore, in the absence of any tangible evidence, I see no reason to dispute with the allegations made in the SCN. Therefore, based on consideration of the compelling materials on record, I am of the view that the *Noticees* have not succeeded in disputing the allegation of indulging in investment advisory activities as levelled against them in the SCN. Further, considering the facts and material evidences like the welcome email, receiving of amounts through payment gateway leading to credit entries in their bank accounts, WhatsApp chats with the complainant on the one hand and the explanations furnished by the *Noticees* without any supportive evidence on the other hand, it is found that the aforesaid factual findings and evidences on records are sufficient to hold on the basis of preponderance of probability, that the *Noticees* were indeed involved in the providing IA services/tips against monetary consideration from their clients including the complainant.

12. From the aforesaid facts and deliberations, there is now no doubt left that the *Noticees* were engaged in rendering advisory activities relating to securities market against monetary consideration and such acts of giving of advisory services relating to investing in, purchasing, selling or otherwise dealing in securities were carried out in an unauthorized manner without having any registration from SEBI. At this juncture, it is pertinent to look at the definition of Investment Adviser (or short "**IA**") as articulated in regulation 2 (1) (m) of the *IA Regulations, 2013* which 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". Further, I have also perused regulation 2(1)(l) of the *IA Regulations, 2013* which 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.*"

13. In the light of the aforesaid definitions and the facts and evidences including the WhatsApp chats of the *Noticees* with the complainant, as have been brought on record, I note that the *Noticees* were indeed engaged in offering investment advice as defined under regulation 2(1)(l) of the *IA Regulations, 2013* by offering to give advices relating to investing in, purchasing and selling of securities which were nothing but purely in the nature of services of investment advisory.

14. As pointed out above, the SCN has alleged that the aforesaid investment advisory services were being offered by the *Noticees* in lieu of monetary considerations which were being paid by the concerned investors into the bank accounts of the *Noticees* as per the instructions of the *Noticees*. It is gathered from the account statements of both the bank accounts (91702XXXXX9447 and 91401XXXXXX6182) of the *Noticees* maintained in the Axis Bank through that the aforesaid 2 bank accounts, the *Noticees* have received an aggregate amount of around INR 48.62 lacs during the period from April 11, 2018 till December 29, 2019.

15. It is pertinent here to understand that in order to protect the interest of investors and to preserve the integrity of the securities market, the *IA Regulations, 2013* have been framed by SEBI which provide various safeguards to ensure that the interest of the investors who receive investment advice are protected. One such safeguard provided under the said Regulations is that any person carrying out

investment advisory activities has to first obtain a certificate of registration from SEBI as mandated under Regulation 3(1) of the *IA Regulations, 2013* which, *inter alia*, provides that, 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 SEBI and it has to conduct its activities in accordance with the provisions of *IA Regulations, 2013*. Further safeguards provided under *IA Regulations, 2013* include continued minimum professional qualification and compliance with net-worth requirement for acting as an investment adviser, prior disclosure of all conflicts of interest, prohibition on the Investment Advisor from entering into transactions which are contrary to advice given by it to the clients at least for 15 days from the date of giving advice to the clients, mandatory risk profiling of investors, maintaining documented process for selecting investment products for clients based on client's investment objective and risk profile and understanding of the nature and risks of various products or assets selected for such client, etc.

16. I note that for the purpose of obtaining a certificate of registration for acting as an IA, an entity is required to satisfy *inter alia* the following requirements, as provided under *IA Regulations, 2013*:

a) *An application for seeking certificate of registration to be made to Local Office, Regional Office or Head Office, of SEBI, as the case may be, in Form A as specified in the First Schedule to IA Regulations, 2013 alongwith requisite non-refundable application fee;*

b) *The applicant, in case of an individual investment adviser or its principal officer in case of a non-individual investment adviser shall be appropriately qualified and certified as under:*

   (i) *A professional qualification or post-graduate degree or post graduate diploma (minimum two years in duration) in finance, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university* *or an institution recognized by the Central Government or any State Government or a recognised foreign university or institution or association or a professional qualification by completing a Post Graduate Program in the Securities Market (Investment Advisory) from NISM of a duration not less than one year or a professional qualification by obtaining a CFA Charter from the CFA Institute;*

(ii) *An experience of at least five years in activities relating to advice in financial products or securities or fund or asset or portfolio management;*

(iii) *Applicant in case of individual investment adviser or its principal officer in case of a non-individual investment adviser, and persons associated with investment advice shall have, at all times a certification on financial planning or fund or asset or portfolio management or investment advisory services, from (a) NISM; or (b) any other organization or institution including Financial Planning Standards Board of India or any recognized stock exchange in India provided such certification is accredited by NISM.*

c) Individual applicant must have net worth of not less than 5 lakh rupees and non-individual applicant must have net worth of not less than 50 lakh rupees.

17. In order to ensure protection of investors' interest who receive investment advice, it is imperative that any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and has to conduct its activities in accordance with the provisions of the relevant SEBI Regulations. However, the activities engaged in by the *Noticees*, as brought out from the various materials described above including bank accounts, complaint, etc. seen in the backdrop of the aforesaid regulatory provisions show that the *Noticees* were falsely holding themselves out and were acting as an IA, although the *Noticees* were not registered

with SEBI in the capacity of an IA. Hence, I find that these activities/ representations as were being made by the *Noticees* without holding the mandatory certificate of registration as investment adviser, are grossly in violation of Section 12(1) of *SEBI Act, 1992* read with regulation 3(1) of the *IA Regulations, 2013*.

18. I understand that the materials available on record do not indicate the exact amount of fees collected by the *Noticees*, as a result of providing such investment advice to investors in violation of the provisions of the *IA Regulations, 2013*. However, the *SCN* records that the *Noticees* have received credits worth of INR 48.62 lacs in their 2 bank accounts. In any case, from the complaint that was received by SEBI against the *Noticees,* it is observed that the complainant had claimed that he had paid money to the *Noticees*, for availing investment advisory services from them, which further reinforces the unauthorised investment advisory services being rendered by the *Noticees,* holding out false promises to induce the innocent investors.

Directions

19. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11(4) and 11B (1) read with Section 19 of the SEBI Act, 1992, hereby direct that:

i. The *Noticees* shall jointly and severally, within a period of three months from the date of this Order, refund the money (approximately INR 48.62 lacs as indicated at paragraph 18 of this Order) received from the clients / investors / complainants, as fees or consideration or in any other form, in respect of their unregistered investment advisory activities;

ii. To give effect and implement the above direction, the *Noticees* shall issue public notice in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of their contact person such as names, addresses and contact details including email id and phone number, within 15 days of coming into force of this Order;

iii. The repayments to the clients/investors / complainants shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments;

iv. After completing the refund as directed in sub-paragraph (i) above, within a further period of 15 days thereafter, the *Noticees* shall file a report detailing the amount refunded to SEBI addressed to the Division Chief, Division of Registration-2, Market Intermediaries Regulation and Supervision Department (MIRSD), Division of Registration-2, SEBI Bhavan II, Plot No. C7 G Block, Bandra Kurla Complex, Bandra (East) Mumbai –400051. The said report should be duly certified by an independent Chartered Accountant indicating entity wise details to whom refunds have been issued such as name, amount refunded, communication address, mobile numbers, telephone numbers, etc. alongwith the mode of payment by banking transactions duly supported by the certified copy of bank statements;

v. The remaining balance amount, if any, (after returning to the investors / clients / complainants out of the said INR 48.62 lacs, in case claims so received fall short of the amount of INR 48.62 lacs lacs) shall be deposited with SEBI which will be kept in an escrow account for a period of one year for distribution to clients/ complainants/ investors who were availing the investment advisory services from the *Noticees*. Thereafter, remaining balance amount if any, which could not be returned to the clients / investors / complainants, will be deposited in the Investors Protection and Education Fund maintained by SEBI;

vi. The *Noticees* are restrained from selling their assets, properties and holding of mutual funds/shares/securities held by them in demat and physical form except for the sole purpose of making the refunds as directed above. Further, the banks are directed to allow debit only for the purpose of making refunds to the clients/investors who were availing the investment advisory services from the *Noticees* as directed above and for the purpose of depositing the balance amount with SEBI, as directed in this Order, from the bank account of the *Noticees*;

vii. The *Noticees* are debarred from accessing the securities market, directly or indirectly and are prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of 02 (two) years from the date of this Order or till the expiry of 02 (two) years from the date of completion of refunds to complainants/ investors along with depositing of balance amounts, if any, with SEBI as directed in sub-paragraph (i) and (v) above, whichever is later;

viii. Ms. Bhavna Bariya is restrained from associating with any company whose securities are listed on a recognized stock exchange and any company which intends to raise money from the public, or any intermediary registered with SEBI in any capacity for a period of 02 (two) years from the date of this Order or till the expiry of 02 (two) years from the date of completion of refunds to complainants/ investors along with depositing of balance amounts, if any, with SEBI as directed in sub-paragraph (i) and (v) above, whichever is later

ix. The *Noticees* shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in sub-paragraph (vii) and (viii) above, either directly or indirectly, investment advisory services or any other activity in the securities market without obtaining a certificate of registration from SEBI as required under the securities law;

x. Upon submission of report on completion of refunds to complainants/ investors to SEBI and after depositing the balance money with SEBI, if any, the direction at sub-paragraph (vi) above shall cease to operate within 15 days thereafter;

xi. The *Noticees* shall resolve all the complaints pending against them and file a report of such resolution with SEBI addressed to the Division Chief, Division of Registration-2, Market Intermediaries Regulation and Supervision Department (MIRSD), Division of Registration-2, SEBI Bhavan II, Plot No. C7 G Block, Bandra Kurla Complex, Bandra (East) Mumbai –400051. The aforesaid report shall be filed along with the report as contemplated under sub-paragraph (iv) above, within a period of 30 days, from the date of this Order.

20. The direction for refund, as given in paragraph 19 (i) and 19 (v) above, does not preclude the clients/investors of the *Noticees* from pursuing the other legal remedies available to them under any other law, against the *Noticees* for refund of money or deficiency in service before any appropriate forum of competent jurisdiction.

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

22. Obligation of the *Noticees*, in respect of settlement of securities, if any, purchased or sold in the cash segment of the recognized stock exchange (s), as existing on the date of this Order, can take place irrespective of the restraint/prohibition imposed by this Order, only in respect of pending unsettled transactions, if any. Further, all open positions, if any, of the *Noticees* in the F & O segment of the stock exchange, are permitted to be squared off, irrespective of the restraint/prohibition imposed by this Order.

23. It is further clarified that during the period of restraint, the existing holding of securities including the holding of units of mutual funds of the *Noticees* shall remain frozen.

24. A copy of this Order shall be served upon the *Noticees*. A copy of this Order shall also be forwarded to:

i. All the recognized Stock Exchanges, Depositories, Banks and Registrar and Transfer Agents for necessary compliance with the above directions; and

ii. The Government of Madhya Pradesh for action, if any.

Sd/-

DATE: OCTOBER 28, 2022 **S. K. MOHANTY**

PLACE: MUMBAI **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA