National Stock Exchange of India
Circular

Department: Investigation	
Download Ref No: NSE/INVG/56215	**Date: March 29, 2023**
Circular Ref. No: 89/2023	

To All NSE Members

Sub: **SEBI Order in the Matter of Gagan Hora**

SEBI vide its order no. WTM/ASB//MIRSD/MIRSD-SEC-4/25088/2022-23 dated March 29, 2023, has debarred the following entities from accessing the securities market, directly or indirectly and is prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner whatsoever, for a period of six months (6) months from the date of this Order or till the expiry of six (6) months from the date of resolution of complaints as directed in para 7.1.1 of the SEBI Order, whichever is later.

Sr. No.	Entity	PAN
1.	Gagan Hora	AALPH5961N

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 at the below mentioned link:

https://www.nseindia.com/regulations/member-sebi-debarred-entities

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

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

Mr. Ojas Murudkar (Extension: 22378), Mr. Sandesh Sawant (Extension: 22383)
Direct No: 022-26598417/18 Fax: 022-26598195

For and on behalf of
National Stock Exchange of India Limited

Sandesh Sawant
Senior Manager

ANNEXURE: SEBI Order in the Matter of Gagan Hora

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Sections 11(1), 11 (4), 11 (4A), 11B (1) and 11 B (2) of the Securities and Exchange Board of India Act, 1992

In the Matter of Gagan Hora

In respect of –

Sr. No.	Noticee	PAN
1.	Gagan Hora	AALPH5961N

1. **Background –**

1.1. The present matter emanates from a complaint dated January 23, 2020 received from one Swapan Kumar Pandit ("**Complainant**"), wherein it was stated that he had invested an amount of Rs. 50,000 with a website: signal2success.com, and was assured that the said investment was safe. It was also stated by him in his compliant that the said website bore the registration no. INA000008817, which belonged to a SEBI registered Investment Adviser, Gagan Hora (the "**Noticee**").

1.2. Pursuant to the receipt of the said complaint, the same was examined by SEBI to verify the authenticity of the information brought out in the complaint and ascertain whether there had been any violation of the provisions of the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**"), the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 (the " **IA Regulations**") and any other Rules or Regulations.

1.3. On examination of the complaint, it was found by SEBI that the Signal2success.com had been a client of the Noticee, and there was a pecuniary relationship between the two. Further information and documents were sought from the Noticee. Consequent to the completion of examination in the matter, a Show-cause Notice dated February 04, 2022 was issued to the Noticee, based on the findings of the said examination ("**SCN**"). It is in this background that the present proceeding, which is to consider the allegations made in the SCN, is before me.

2. The Show-cause Notice –

2.1. As stated above, SCN has been issued to the Noticee based on the findings of the examination. In this regard, the SCN has *inter alia* alleged that the investment advice given by the Noticee to Ravi Prakash Tripathi was being used by the latter for the purpose of unregistered investment advisory activities through the website, signal2Success.com. The said fraudulent unregistered investment advisory activities of Ravi Prakash Tripathi, by displaying the registration number of the Noticee on the website, was in the knowledge of the Noticee. Additionally, it has been alleged that the Noticee had colluded with Ravi Prakash Tripathi/ Signal2Success by aiding and abetting Ravi Prakash Tripathi/ Signal2Success in escaping the regulatory oversight applicable to a registered entity.

2.2. In view of the above, it has been alleged in the SCN that the Noticee had violated Regulation 15 (1) of the IA Regulations and Clauses 1 and 8 of the Code of Conduct for Investment Advisers as contained in Schedule – III of the IA Regulations read with Regulation 15 (9) of the IA Regulations

2.3. Accordingly, by way of the SCN the Noticee has been called upon to show cause as to why suitable directions under Sections 11(1), 11 (4), 11 4A, 11B(1), 11B (2) of the SEBI Act should not be issued against the Noticee.

3. Service of SCN, Personal Hearing, and Replies and Written Submissions from the Noticees –

3.1. The SCN along with annexures has been served on the Noticee. Consequent to the service of the SCN, the Noticee has by way of his reply dated June 30, 2022 filed his response to the SCN. The Noticee was also provided an opportunity of hearing on August 02, 2022, and the Noticee entered appearance through his authorised representative, Mr. Varun Byreddy, Advocate on the scheduled date .

3.2. Subsequently, certain queries were raised with respect to the Noticee's reply dated June 30, 2022 by way of email dated March 02, 2023. In response to the same, the Noticee by way of a supplementary reply dated March 15, 2023 has provided clarifications to the queries raised.

3.3. In this regard, after perusing the written replies filed by the Noticee and oral submissions made by him before me during the personal hearing, the submissions and arguments are summarised hereunder:

a. The Noticee held a B. Com (Honours) degree and a Master's in Business Administration (M.B.A.) from the University of Delhi, and was also a qualified Chartered Accountant and Cost Accountant.

b. He had over 23 years of work experience in research and trade strategy. Of the 23 years, for 16 years, he worked with international research firms and banks viz., HSBC Bank Plc. (*Assistant Vice President-Quantitative Techniques*), Royal Bank of Scotland Business Services (*Vice President-Research and Strategy*), Morning Star India (*Director-Index*) and Amba Research India (*Senior Vice President - Quants (Index)*).

c. In August 2018, he received his SEBI Investment Advisor registration bearing number, INA000011529. In November 2018, the Noticee received calls from Ravi Prakash Tripathi stating that he had seen the profile of the Noticee on social media platform, Linkedin. Ravi Prakash Tripathi approached the Noticee with a proposal for providing research and investment advisory services to him.

d. On December 19, 2018, an agreement was executed between Signal2Success (through Ravi Prakash Tripathi) and the Noticee. The features of the said agreement were –

    i) the Noticee was required to provide investment advice in respect of the share market (equity, futures and options) and consultation for purchasing/holding/selling of stock and shares on the Bombay Stock Exchange and the National Stock Exchange;

    ii) Signal2Success was required to pay a fixed compensation of Rs. 50,000 per month to the Noticee;

    iii) the Noticee was an independent contractor and not an employee; and

    iv) in terms of clauses 14 to 16 of the said agreement the Noticee was bound to maintain confidential the investment advice provided by him to Ravi Prakash Tripathi/Signal2Success.

e. There was no clause in the agreement that authorised Signal2Success to –

    i) further distribute the advisory services provided by it; and

    ii) to use the Noticee's registration number on the website.

f. The Noticee provided detailed research and trade strategies to Signal2Success on a daily basis without fail.

g. The Noticee gave investment advice only for the consumption of Signal2Success, and such information was communicated only on the WhatsApp group 'Signal2Success Advisory'.

h. There was no redistribution of investment advice provided by the Noticee on the website of Signal2Success. This could be confirmed from the screen-grabs of the website which showed that Signal2Success covered Commodities, MCX or NCDEX, Bullion, Base Metals, Energy, Agriculture products whereas the

Noticee gave investment advice primarily in Futures and Options enabled stocks, being traded on NSE.

i. Also, Signal2Success never displayed any investment advice on the website, as would be evident from two screen-grabs of the website dated September 15, 2019 and May 26, 2019. Therefore, the probability of redistribution of the investment advice given by the Noticee would never arise, since there was no investment advice on the website of Signal2Success.

j. The details of investment advisers were open to public access on the official website of SEBI, and was open to misuse. Any reasonable person could not be expected to exercise extreme level of diligence i.e., keep checking many websites to ensure that his registration number was not being utilised by someone else in an unauthorised manner.

k. Since September 08, 2019, the Noticee had regularly checked the said website at least 5-6 times till March/April, 2020 i.e., when website was taken down, and in no instance, the Noticee found that his registration number was displayed again. The same was confirmed by the Complainant in his complaint on SCORES.

l. The Noticee lost the KYC documents submitted by Signal2Success on or around August 22, 2020 while shifting his house during the COVID lockdown. Consequently, the Noticee filed a complaint with the police regarding the loss of documents, and a police certificate dated October 28, 2020 to that effect was procured. Also the same had been submitted to SEBI on September 20, 2021. SEBI had by way of an email dated September 14, 2021 *inter alia* sought details of documents related to the investment advice provided by the Noticee to Signal2Success. The Noticee informed that certain documents had been misplaced.

m. During the continuance of the said agreement, around July 2019, the Noticee was verbally informed by Ravi Prakash Tripathi of the registration of Signal2Success as an Investment Adviser with SEBI.

n. Based on the complaint, the SCN had alleged that the Noticee owned the entity Signal2Success. The Noticee had no interest in Signal2Success.

o. The Noticee could have launched a website on his own and earned more revenue. The Noticee wouldn't let anyone use his investment advice and also his registration number just for an amount of Rs. 6,61,851 over 16 months of engagement translating into approximately Rs. 40,000 per month.

p. As per the interpretation given by the Hon'ble Supreme Court to the word 'collusion', there had to be a dishonest or secret arrangement for a fraudulent purpose.

q. The entire conversation that the Noticee herein had in the group named as 'Signal2Success Advisory' during the course of 16 months of engagement, had been ignored in the SCN by SEBI, which proved that there was not a single discussion about clients, revenues, business, income, profits etc.

r. The WhatsApp conversation on January 06, 2019 between the Noticee and Ravi Prakash Tripathi, wherein the Noticee had asked Ravi Prakash Tripathi about the launch of the website, could by no stretch of imagination lead to a conclusion that the Noticee and Ravi Prakash Tripathi were acting in collusion.

s. SEBI had drawn a conclusion that the Noticee had replied to the message from Ravi Prakash Tripathi in the affirmative. The Noticee was only acknowledging the answer of his client and was only a mere ice-breaking conversation between a professional and his client.

t. For anything to be affirmative, there needs to be an express statement of giving assent or agreement or confirmation. In the present case, during the said conversation, the Noticee only said 'Ok' which only meant 'all right', and the same could not be read as an affirmative word as the Noticee only acknowledged the answer given by Ravi Prakash Tripathi to his question.

u. Except for the mentioned casual chat message in relation to the website on January 06, 2019, there was not a single discussion in relation to the website, their customers, clients, revenue, income, profits, etc., between the Noticee and Ravi Prakash Tripathi during the 16-month period between December 2018 till April 2020.

v. The Noticee was given an impression that Signal2Success was a registered investment adviser, until informed by SEBI in August 2020 that it was not. So, it was in this context that the message on August 07, 2019 of Ravi Prakash Tripathi to the Noticee on WhatsApp that "*I mentioned our advisor registration no, in our website*" should be understood. It appeared to the Noticee that Ravi Prakash Tripathi was referring to the registration number of his firm, Signal2Success.

w. The time of communication of the above stated message from Ravi Prakash Tripathi to the Noticee was at 23:39 hours on August 07, 2019. Subsequent to it, there was no communication between Ravi Prakash Tripathi and the Noticee on August 08, 2019 or thereafter till August 20, 2019. The fact that that there was no further communication till August 20, 2019 post the chat on August 07, 2019 i.e., for the next 12 days, clearly showed the Noticee's indifference to the communication of Ravi Prakash Tripathi/Signal2Success's registration number being "*posted on the website*", as he was never under an impression that it was his registration number.

x. The Noticee was receiving remuneration of Rs. 50,000 per month for providing advice and rendering trade strategies on daily basis. The services were halted on November 14, 2019 at the request of the Customer, Ravi Prakash Tripathi and also, the invoice payment for the month of October was delayed by over a month to December 02, 2019. Invoice for 13 days of service from November 01, 2019 to November 13, 2019, was paid only in February 2020 after multiple discussions in January and February 2020. Entire chat history and emails with regard to the invoicing and payments has been already shared with SEBI by the Noticee.

y. The details of payment received from Ravi Prakash Tripathi were :

Date	Invoice	Amount	Received Amount	Receipt date
1-Jan-19	S2S/01/18-19	11,613	11,613	03-Jan-19
31-Jan-19	S2S/02/18-19	30,000	30,000	05-Feb-19
1-Mar-19	S2S/03/18-19	33,571	30,000	07-Mar-19
			3,571	18-Mar-19

31-Mar-19	S2S/04/18-19	40,000	40,000	03-Apr-19
30-Apr-19	S2S/01/19-20	50,000	50,000	03-May-19
31-May-19	S2S/02/19-20	50,000	50,000	06-Jun-19
1 -Jul-19	S2S/03/19-20	50,000	50,000	08-Jul-19
1-Aug-19	S2S/04/19-20	50,000	50,000	07-Aug-19
31-Aug-19	S2S/05/19-20	50,000	50,000	06-Sep-19
30-Sep-19	S2S/06/19-20	50,000	50,000	07-Oct-19
31-Oct-19	S2S/07/19-20	50,000	50,000	02-Dec-19
31-Dec-19	S2S/08/19-20	50,000	50,000	03-Jan-20
31-Jan-20	S2S/09/19-20	50,000	61,667	04-Feb-20
31-Jan-20	S2S/10/19-20	21,667	10,000	13-Mar-20
29-Feb-20	S2S/11/19-20	50,000	50,000	06-Mar-20
31-Mar-20	S2S/12/19-20	50,000	25,000	02-Apr-20

z. There was no other consideration or monetary benefit received by the Noticee other than the agreed service remuneration of Rs. 50,000 per month under the agreement. Since the Noticee never received anything extra, there was no misconduct on part of the Noticee nor any intent to be part of mischief of Signal2Success.

aa. In response to the email from the Complainant on November 07, 2019, the Noticee had replied bluntly to the Complainant on the same night itself stating that "*You can do whatever you want. I have never dealt with you directly or indirectly through any of authorized person. And signal2 success is not my firm. They are quoting my SEBI registration number wrongly - ask them for SEBI registration number in their own name. Please speak to them to address your issues. I am nowhere connected with your transactions — Neither have I taken any money from you nor any of my connected person.*"

bb. Immediately thereafter, the Noticee wrote to Ravi Prakash Tripathi, by way of an email dated November 07, 2019 as well as WhatsApp chat, stating the following: *"Why your company complaints are coming to me? Who has given my contact details? Why are they saying that they have made investment in* *my company? I am just recommending you trade strategies and not seeking any investments from anybody. Please explain urgently"*

cc. The Noticee came to know in September 2021 that the Complainant had incurred loss on trades of small caps and penny stocks recommended by Signal2Success. There was no privity of contract between the Noticee and the Complainant. The Noticee was not providing any professional services to the Complainant. The Complainant was dealing only with Signal2Success / Ravi Prakash Tripathi and personnel of Signal2Success.

dd. The Complainant continued to deal with Signal2Success until January, 2020. Raising SCORES complaint in January, 2020 against the Noticee clearly showed *mala fide* intent on the part of the Complainant. The Complainant had not come with clean hands as he chose to deal with Signal2Success after November 07, 2019, despite the Noticee making it clear to the Complainant by way of his reply dated November 07, 2019.

ee. With regard to the allegation that the Noticee had informed Ravi Prakash Tripathi on April 25, 2020 about a complaint received from Sudhir Madhukar Vane by SEBI, based on the SCORES notification, the Noticee logged into SCORES portal to check the complaint at 00:34:50 AM. The Noticee saw the said complaint and as the complaint was against Signal2Success and not the Noticee, the Noticee immediately messaged Ravi Prakash Tripathi, out of sheer anger and concern at 00:38 AM i.e., within three minutes after he logged into SCORES.

ff. Noticee's contractual relationship with Signal2Success / Ravi Prakash Tripathi had been terminated by March 2020. Also, the Noticee had already spoken to employees of Signal2Success (who were part of the WhatsApp group named as 'Signal2Success ADVISORY') and he was aware that by the first half of April 2020, Ravi Prakash Tripathi had shut down Signal2Success and his whereabouts were not known. The Noticee had made calls to Ravi Prakash Tripathi in April 2020 to follow up for his balance payments for earlier invoices. Ravi Prakash Tripathi was avoiding taking calls from the Noticee.

gg. There was no mention of either the Noticee or the Noticee investment advisor number in the entire communication chain mail of the Complainant as annexed in Annexure- A to the SCN. No other document has been relied upon and provided by SEBI.

hh. The said information was sought from SEBI even in the letter issued to SEBI on behalf of the Noticee seeking inspection and discovery of documents. SEBI failed to provide any material whatsoever.

ii. The Notice had not abetted the activities of Ravi Prakash Tripathi and there was no material to substantiate the same. the Noticee himself was a victim of the acts of Signal2Success/ Ravi Prakash Tripathi.

4. Issues –

4.1. In view of the submissions made, the issues for consideration are:

I. Whether Gagan Hora colluded with Ravi Prakash Tripathi in providing his SEBI Registration number on the website: Signal2Success?

II. If the answer to Issue I is in the affirmative, then whether Gagan Hora violated Regulation 15 (1) of the IA Regulations and Clauses 1 and 8 of the Code of Conduct for Investment Advisers as contained in Schedule – III of the IA Regulations read with Regulation 15 (9) of the IA Regulations?

5. Consideration and findings –

5.1. As a preliminary issue, it has been claimed by the Noticee that SEBI did not have any material to substantiate the allegations and the inspection of certain documents was not provided to it. It is noted that by way of a letter dated March 26, 2022, the Noticee through his authorised representative had sought inspection of documents. The letter had made specific references to the paragraphs in the SCN, and had sought documents that established the allegations mentioned in the said paragraphs of the SCN. In this regard, it is stated that the SCN has specifically provided documents as annexures upon which reliance has been placed by SEBI. Also, to what extent the documents stated to have been relied upon establish the allegations made in the SCN is a matter of adjudication, and the same has been done in the following paragraphs. So, pursuant to the letter dated March 26, 2022, the Noticee on the date of inspection i.e., June 09, 2022 was provided copies of the screen-shots of the website (signal2success.com) as retrieved from archive.org. Other documents as sought for were not provided, since the same were not available with SEBI or were not specific. Thus, it is stated that for the consideration of issues in the present proceeding, reliance has been placed on the documents annexed with the SCN, screen-shots of the website: signal2success.com and submissions and documents/correspondence/WhatsApp conversations provided by the Noticee to SEBI. In view of the above, it cannot be claimed by the Noticee that he did not have access to documents upon which the allegations in the SCN and the present consideration have been made. Having dealt with the preliminary issue, I shall now proceed to deal with the substantive issues.

Issue I – Whether Gagan Hora colluded with Ravi Prakash Tripathi in providing his SEBI Registration number on the website: signal2success.com?

5.2. The SCN has alleged that –

“ *a. The noticee has colluded with an unregistered entity by aiding and abetting him in escaping the regulatory oversight applicable to registered entity. Thereby, the noticee has violated the Code of Conduct for Investment Advisers by not acting honestly, fairly and in the best interest of the integrity of the market.*

b. By allowing Mr. Ravi to display his registration number on the website, the noticee has failed to act in a fiduciary capacity towards its clients. The clients were under the wrong impression that they were receiving services from the noticee, who is a SEBI registered entity.” (sic.)

5.3. I note from the above that the allegations in the SCN on facts is two-fold:

a. the Noticee had allowed Ravi Prakash Tripathi to display his registration number on the website; and

b. the Noticee had colluded with Ravi Prakash Tripathi/Signal2Success by aiding and abetting him in escaping the regulatory oversight applicable to a registered entity.

5.4. In considering the first issue, it shall be essential to examine the above facts as alleged in the SCN. In this respect, it would be relevant to refer to certain WhatsApp conversations between the Noticee and Ravi Prakash Tripathi:

December 28, 2018

Gagan Hora: "*Have you got your website done?*"

Ravi Prakash Tripathi: "*It will start from Monday*"

January 6, 2019

Gagan Hora: "*Have you launched website?*"

Ravi Prakash Tripathi: "*Www.signal2success.com*

Coming soon showing..

From Monday it will start"

August 7, 2019

Ravi Prakash Tripathi: "*I mentioned our advisor registration no. In our website*"

5.5. From the above set of conversations, it is evident that by January 06, 2019, the Noticee was aware that Ravi Prakash Tripathi had started a website with the web-address: www.signal2success.com. Additionally, I note from the submission of the Noticee that he was part of a WhatsApp group, 'Signal2Success ADVISORY' which had the Noticee, Ravi Prakash Tripathi and Ravi Prakash Tripathi's employees as its members. This group was created on December 19, 2018. So, it can be inferred that at least by January 06, 2019, the Noticee was aware that Ravi Prakash Tripathi/Signal2Succes had a website and was involved in investment advisory activities. Further, from the information provided by Ravi Prakash Tripathi on August 7, 2019 to the Noticee, it appears that there was a prior discussion between the two with respect to the use of a registration number on the website of Signal2Success. And because of such discussion, Ravi Prakash Tripathi felt it necessary to inform the Noticee that 'our' registration number (issued in the name of the Noticee i.e., INA000011529) was mentioned on the website.

5.6. It has been contended by the Noticee that he was under the impression, on the basis of assertions of Ravi Prakash Tripathi, that Ravi Prakash Tripathi/Signal2Success was a registered investment adviser. And due to the same, the Noticee thought that the reference to *our advisor registration no.* was in fact to the registration number of Ravi Prakash Tripathi/Signal2Success. This claim of the Noticee is without merit. If Ravi Prakash Tripathi/Signal2Success were a registered investment adviser why would he seek investment advice from the Noticee. It makes no sense for a registered investment adviser to pay another investment adviser to receive investment advice. This inconsistency would be clear to a lay person, leave alone the Noticee who, as claimed in his submissions, is a person with excellent professional standing. Incidentally, SEBI by way of an Order dated December 29, 2022 has held that Ravi Prakash Triptahi/Signal2Success was involved in unregistered investment advisory activities. Thus, I find no merit in the argument that the Noticee was of the belief that Ravi Prakash Tripathi/Signal2Success was a registered investment adviser.

5.7. Further, I note from the record that on December 10, 2019, the Noticee by way of a WhatsApp text to Ravi Prakash Tripathi stated that "*you can advise your clients to write 11800Dec 25 PE on dips with stop loss of Nifty level of 11780* *(spot)...*" It is clear that the Noticee was giving investment advice with the knowledge that the same was being passed on to the clients of Ravi Prakash Tripathi. This brings out the essential conclusion that the Noticee was aware that Ravi Prakash Tripathi/Signal2Success was not a registered investment adviser, and therefore required the assistance of the Noticee.

5.8. In this background, when it is clear that Ravi Prakash Tripathi/Signal2Success was not a registered investment adviser, the reference to "*I mentioned our advisor registration no. In our website"* by Ravi Prakash Tripathi could only mean one thing i.e., it was the communication of information by Ravi Prakash Tripathi to the Noticee that the registration number assigned to the Noticee was now on the website of Signal2Success.

5.9. Furthermore, reference is made to the complaint dated January 23, 2020 received from Swapan Kumar Pandit, from which the present matter emanates.

5.10. However, before going into the details of the above complaint filed by the Complainant with SEBI, it would be relevant to examine certain emails that were exchanged amongst Swapan Kumar Pandit, Ravi Prakash Tripathi and Gagan Hora.

Email dated November 07, 2019 from Swapan Kumar Pandit to Gagan Hora (in Hindi)

" *Dear Sir,*

On the SEBI website INA000011529 is appearing against your name and for the same registration number Signal2Success also has its name. I have made a payment of Rs. 50,000 in respect of the said registration number.

So when I file a complaint with SEBI against whose name should I file a complaint?

Your name is being highlighted for complaint with SEBI. For that reason, I thought I should communicate with you.

Thank you,

Swapan Kumar Pandit"

Email dated November 07, 2019 from Gagan Hora to Ravi Prakash Tripathi

" *Why your company complaints are coming to me ?*

Who has given my contact details?

Why are they saying that they have made investment in my company?

I am just recommending you trade strategies and not seeking any investments from anybody..

Please explain urgently"

Email dated November 08, 2019 from Gagan Hora to Swapan Kumar Pandit

" *Sebi registration is in my name as an individual and not a firm. Firm registrations are different.*

And signal2 success is not my firm. They are quoting my SEBI registration number wrongly – ask them for SEBI registration number in their own name. Please speak to them to address your issues. I am nowhere connected with your transactions – Neither have I taken any money from you nor any of my connected person.

Best regards,

Gagan Hora"

Email dated November 08, 2019 from Swapan Kumar Pandit to Gagan Hora (in Hindi)

" *Dear Sir,*

For the time being, from my end I have no complaints. Problem resolve"

5.11. So, for the sake of argument if one discounts the findings as brought out in the preceding paragraphs, it is still a fact that at least by November 2019, when the Noticee received the email from Swapan Kumar Pandit, he had the knowledge that the website of Ravi Prakash Tripathi was using his registration number.

5.12. However, even after this knowledge that his registration number had been used by Ravi Prakash Tripathi, in a purported wrongful manner, the Noticee continued giving investment advice to him. As per the submissions of the Noticee, the same continued till March 2020 i.e., for almost five months after being aware that his registration number was being used by Ravi Prakash Tripathi/Signal2Success.

5.13. It is an undisputed fact that the Noticee filed a complaint with the Police about his registration number being used 'wrongly' (on September 03, 2020) only after the complaint of Swapan Kumar Pandit was received by SEBI on January 23, 2020, and clarifications were sought from the Noticee. The Noticee in his clarification given to SEBI on January 25, 2020 mentioned that – "*I haven't done any transaction with the concerned investor. <u>the concerned investor sent me mail couple of months back related with some issue with his investment advisory firm which apparently was carrying my SEBI registration number. The concerned firm had removed the details.</u> Please ask investor to provide any proof or even a single business communication with me except the above one.*" (emphasis supplied).

5.14. All this while the Noticee had the knowledge that Ravi Prakash Tripathi/Signal2Success was using his registration number, yet he decided to take no action. The police complaint was lodged only on September 03, 2020. Thus the inference is clear that the Noticee had knowledge and had knowingly allowed Ravi Tripathi/Signal2Success to use his registration number.

5.15. It has already been established that the Noticee had allowed its registration number to be provided on the website of Signal2Success. In addition to the above, it has been alleged in the SCN that the Noticee colluded with Ravi Prakash Tripathi/Signal2Success by aiding and abetting him in escaping the regulatory oversight.

5.16. The following have been *inter alia* submitted by the Noticee in respect of the allegation of collusion with Signal2Success –

a. the Noticee had no interest in Signal2Success;

b. there was no discussion between the Noticee and Ravi Prakash Tripathi about clients, revenues, business, income, profits etc. of Signal2Success;

c. the investment advice given to Ravi Prakash Tripathi was in his personal capacity and there was no redistribution of the advice to the clients;

d. there was no clause in the agreement entered into between the Noticee and Ravi Prakash Tripathi that provided for the redistribution of investment advice to the clients of Ravi Prakash Tripathi;

e. the type of investment advice provided to the clients of Ravi Prakash Tripathi was distinctly different from the investment advice being offered to Ravi Prakash Tripahti/Signal2Success, as evident from the screen-grabs of the website;

f. the Noticee had not received any additional benefit barring the fees earned for providing investment advice of Rs. 6,61,851;

g. the Noticee’s relationship with Signal2Success/Ravi Prakash Tripathi had ended by March 2020;

h. the Complainant had *mala fide* intent; and

i. there was no need for the Noticee with his qualifications to collude with Ravi Prakash Tripathi when he could have started his own website.

5.17. The Noticee has claimed that there was no collusion between him and Ravi Prakash Tripathi. In this regard, the Noticee has placed reliance on the judgement of the Hon'ble Supreme Court of India in *Subhas Chandr Das Mushib v. Ganga Prasad Das Mushib, (1967) 1 SCR 331*. The said judgement has defined collusion as a "*secret agreement for illegal purposes or a conspiracy, implying that a person does something evil designedly.*"

5.18. In the aforementioned paragraph, the arguments advanced by the Noticee claiming that there was no collusion between him and Ravi Prakash Tripathi have been summarised. The said arguments are examined in detail in the following paragraphs.

<u>*No interest in the business of Signal2Success/Ravi Prakash Tripathi*</u>

5.19. The Noticee has claimed that he had no interest in the business of Signal2Success/Ravi Prakash Tripathi. As evidence of the said fact, it has been argued by the Noticee that during the course of the 16 months of engagement that he had with Signal2Success/Ravi Prakash Tripathi there was not a single discussion about clients, revenues, business, income, profits etc.

5.20. It has already been brought out that the Noticee was a member of the WhatsApp group, 'Signal2Success ADVISORY' which had as its members, Ravi Prakash Tripathi and employees of Signal2Success/Ravi Prakash Tripathi. The same has also been acknowledged by the Noticee in his submissions. It is relevant to note that the said group was in fact started by the Noticee. It is surprising that someone who had no interest in the business of Signal2Success/Ravi Prakash Tripathi started the group where he, Ravi Prakash Tripathi and the employees of Ravi Prakash Tripathi closely interacted. It also belies the claim of the Noticee that he was giving investment advice to Ravi Prakash Tripathi in his personal capacity. After all, if he was required to give personal advice he could have simply done that by sending messages to Ravi Prakash Tripathi there was no need for him to create a WhatsApp group with himself, Ravi Prakash Tripathi and the employees of Ravi Prakash Tripathi. The only conclusion that can be drawn is that he was interested in the business of Signal2Success/Ravi Prakash Tripathi, and for close interaction, the WhatsApp group was the best option.

5.21. It has previously been brought out that the Noticee had knowingly allowed Ravi Prakash Tripthai/ Signal2Success to use the registration number of the Noticee on the website. It has also been brought out in the preceding paragraphs that on two occasions i.e., December 28, 2018 and January 6, 2019 (prior to the launch of Signal2Success's website), the Noticee had enquired about the status of the launch of the said website. To such enquiries, Ravi Prakash Tripathi had assured him, on both occasions, that the website would start by Monday. So, a collective reading of the above facts clearly brings out that the Noticee had a clear interest in the business of Signal2Success/Ravi Prakash Tripathi.

5.22. The Noticee has claimed that during the 16 months of engagement that he had with Signal2Success/Ravi Prakash Tripathi, there was not a single discussion about clients, revenues, business, income, profits etc., which showed that he had no interest in business of Signal2Success/Ravi Prakash Tripathi. It is quite possible that the day-to-day running of the business was left to Ravi Prakash Tripathi. It is not necessary that one has to be involved in every aspect of a business to have an interest in the business. Further, the weight of the facts brought out in the preceding paragraphs make the present argument of the Noticee insignificant. However, I am willing to acknowledge that, based on the record, it cannot be surmised that the Noticee was involved in the day-to-day running of the business or had control of the bank accounts of Signal2Success.

No re-distribution of investment advice given by the Noticee

5.23. It has been submitted by the Noticee that the investment advice given by him was for the personal use of Ravi Prakash Tripathi and was not to be re-distributed to his clients. In support of the said claim, it has been submitted by the Noticee that there was no clause in the agreement entered into between the Noticee and Ravi Prakash Tripathi that provided for the redistribution of investment advice. Also, it has been stated that the type of investment advice provided to the clients was distinctly different from the investment advice being offered by Ravi Prakash Tripahti/Signal2Success.

5.24. The above assertion that there was no clause in the agreement for redistribution of the investment advice cannot be ascertained because the agreement executed between the Noticee and Ravi Prakash Tripahti has not been provided by the Noticee. The Noticee has provided an unsigned copy of the agreement that was purportedly executed between him and Ravi Prakash Tripathi/Signal2Success. I note from the record that by way of an email dated September 14, 2020 certain documents were sought from the Noticee. In this respect, the Noticee by way of his email dated September 20, 2020 informed SEBI that it had lost the signed agreement executed with Ravi Tripathi/Signal2Success, the KYC documents and the risk profiling form during the process of shifting his house on August 21 and 22, 2020. That being the case, the assertion of the Noticee that there was no clause in the agreement for redistribution of the investment advice is not based on any documentary evidence. Also, since the risk profiling form was not made available, there is no mode to ascertain on what basis the investment advice given by the Noticee was provided.

5.25. Additionally, it has been argued by the Noticee that he provided investment advice primarily in Futures and Options enabled stocks, being traded on NSE. He never covered Commodities, MCX or NCDEX, Bullion, Base Metals, Energy, Agriculture products which were listed on the website of Signal2Success. In this regard, the Noticee has only provided the date and number of invoices raised by him consequent to investment advice provided to Ravi Tripathi. The copies of invoices were however not provided. So, considering the same, it is again not possible to ascertain the claim of the Noticee.

5.26. It has already been brought out in the preceding paragraphs that he was a member of the WhatsApp group, 'Signal2Success ADVISORY' which had as its members, Ravi Prakash Tripathi and employees of Ravi Prakash Tripathi. It has also been brought out in the preceding paragraphs that on December 10, 2019 the Noticee had told Ravi Prakash Tripathi, "*you can advise your clients to write 11800Dec 25 PE on dips with stop loss of Nifty level of 11780 (spot)...*" It is clear that notwithstanding the assertions of the Noticee, brought out above, he had actively asked Ravi Prakash Tripathi to communicate the investment advice to the clients.

5.27. The fact as brought out above compels me to draw a negative inference from the inability of the Noticee to provide the signed agreement executed with Ravi Prakash Tripathi/Signal2Success, the KYC documents and the risk profiling form, which were purportedly lost at the time of shifting of his house.

5.28. Therefore, the claim that the investment advice given by him was not redistributed to the clients of Ravi Prakash Tripathi is fallacious and not borne out from the facts.

Noticee had not received any additional benefit barring his fees

5.29. It has been submitted by the Noticee that he earned a total of Rs. 6,61,851 for providing investment advice. He did not receive any additional benefit barring his fees from Ravi Prakash Tripathi/Signal2Success. So, the submission is intended to convey that there was no collusion on the part of the Noticee.

5.30. The above argument is premised on the fact that the Noticee provided legitimate investment advice to Ravi Prakash Tripathi and for the same he got the requisite fees.

5.31. In the present case, however, it has already been brought out that the Noticee had knowingly allowed Ravi Prakash Tripathi/Signal 2 Success to use his registration number, was actively engaging not only with Ravi Prakash Tripathi but its employees and had asked for the investment advice given by him to be communicated to the clients of Ravi Prakash Tripathi. So the claim that he did not earn anything over and above the said amount is quite immaterial.

The Complainant had mala fide intent

5.32. The Noticee has submitted that the Complainant, Swapan Kumar Pandit had a mala fide intent. In this regard, reference is made to the preceding paragraphs whereby the Complainant had communicated his grievance to the Noticee by way of an email dated November 07, 2019. By way of the said email, the Complainant had informed that he had invested an amount of Rs.50,000 and had suffered losses. The Noticee in reply had informed the Complainant that he was not involved in the transactions pertaining to the Complainant and he was required to get in touch with Signal2Success for the resolution of his issues. Further, by way of an email dated November 08, 2019, Swapan Kumar Pandit wrote an email to the Noticee stating therein that for the time being, he had no complaints and the problem was resolved.

5.33. However, on January 23, 2020 a complaint was received from Swapan Kumar Pandit on the SEBI SCORES portal. The said complaint read as under:

" *Dear Sir Maine signal2success jiska mail id signalsuccessgmail.com hai. Aur jiska sebi regn. No. INA000011529 hai. Me 50000rs. 31 July 2019 ko Investment Kiya jisme every month 35000rs Dene ki baat gyi thi. Aur investment safe rahega aisa mail bhi Mujhe company ke dwara ki gyi thi. Sir iske baad is company ke senior advisor mr. Sagarji mob. No. 93724XXX58. 9137XXXX71. Ne Mujhe total 1 lakh 70 hajar ka loss kar diya. Maine aona investment manga to abhi tak Mujhe refund nhi Kiya gya. Sir Mera Amount Mujhe refund karwane ki kripa Karen. Maine sebi ki website me registration* *no. INA000011529 ko dekha to Mujhe pata laga ki mr. Gagan hora ji company ke all in all hai. Compnay ke website me his registr no. Ko dhikhaya gya hai. Wahi regn. No. Mr. Gagan hora ji ke sebi me regn. Hai. Sir kripya Mujhe Mera amount refund karwane ki kripa Karen. Dhanyabad.*"

5.34. In the said complaint, the Complainant again made reference to the Rs. 50,000 paid by him on July 31, 2019. The same issue had been raised by him in the correspondence exchanged by him with the Noticee. Additionally, upon receipt of the said complaint necessary details were sought from the Complainant. The Complainant by way of an email dated August 19, 2020 informed that he had paid a total amount of Rs. 50,000 between July 25 and July 31 of 2019. Thus, the complaint received on SEBI's SCORES portal was only a reiteration of the grievance communicated by the Complainant to the Noticee in November 2019. Further, as per the email of the Complainant it is seen that post July 2019 no payments were made by him. So, the claim of the Noticee that the Complainant continued to avail the services of Ravi Tripathi/Signal2Success till January 2020 is not borne out from the facts. In view of the above, I do not find that there was any *mala fide* intent on the part of the Complainant.

5.35. Also, I do not give much credence to the November 8, 2019 email by the Complainant to the Noticee, wherein he had mentioned that for the time being, the matter was resolved. The said email has to be considered in the context of the email dated November 07, 2019 from the Noticee to Ravi Prakash Tripathi, wherein Ravi Prakash Tripathi was rebuked by the Noticee for receiving complaints from the clients. So, the November 8, 2019 email by the Complainant to the Noticee could have very well been sent at the instance of Ravi Prakash Tripathi to assuage the Noticee.

5.36. Even if one discounts the complaint of Swapan Kumar Pandit, it is a matter of record that a similar complaint was received from Sudhir Madhukar Vane on January 25, 2020 by SEBI. With respect to the said complaint, intimation was sent to the Noticee on April 22, 2020 to do the needful and resolve the complaint. It is seen from the record that on April 25, 2020 by way of a

WhatsApp message, the Noticee informed Ravi Prakash Tripathi: "Complaint from Sudhir Madhukar Vane". To this Ravi Prakash Tripathi replied:

"*Ok sir..I will check with omkar*

And solve this issue"

5.37. From the above conversation, it does appear that there was a certain understanding between the Noticee and Ravi Prakash Tripathi/Signal2Success as to the modality for handling of complaints if they were received by SEBI.

5.38. Thus, from the collective reading of the facts brought out above, it is evident that the complaints made were genuine and were not *mala fide*.

The Noticee had no need to collude with Ravi Prakash Tripathi

5.39. It has been the submission of the Noticee that with his educational qualifications and rich professional experience he could have started his own website and given investment advice. There was no need for him to collude with Ravi Prakash Tripathi/Signal2Success.

5.40. It is a matter of conjecture as to what the Noticee was capable of professionally, and the same has no significance for the present examination. The facts relating to the actions of the Noticee have already been brought out in the preceding paragraphs. In light of the same, the present argument of the Noticee has no merit.

5.41. Thus, in consideration of the facts brought out in the preceding paragraphs, I find that the Noticee had an arrangement with Ravi Prakash Tripathi/Signal2Success whereby the registration number of the Noticee was displayed on the website, the investment advice provided was redistributed to the clients and as a consequence of the same, the Noticee received monetary consideration. The above-mentioned facts satisfy the definition of collusion as given by the Hon'ble Supreme Court in the matter of *Subhas Chandr Das*

Mushib v. Ganga Prasad Das Mushib, (1967) 1 SCR 331. Additionally, by way of this arrangement, the Noticee had aided and abetted Ravi Prakash Tripathi/Signal2Succes in escaping the regulatory oversight applicable to a registered entity.

Issue-II Whether Gagan Hora violated Regulation 15 (1) of the IA Regulations and Clauses 1 and 8 of the Code of Conduct for Investment Advisers as contained in Schedule – III of the IA Regulations read with Regulation 15 (9) of the IA Regulations?

5.42. In examining whether the Noticee had violated the provisions of law as alleged in the SCN, it would be instructive to place hereunder the said provisions in full:

<u>Provisions of the IA Regulations</u>

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

Clause 1 of the Code of Conduct as contained in Schedule – III
"An investment adviser shall act honestly, fairly and in the best interests of its clients and in the integrity of the market."

Clause 8 of the Code of Conduct as contained in Schedule – III
"*An investment adviser including its partners, principal officer and persons associated with investment advice shall comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of clients and the integrity of the market.*"

5.43. Regulation 15 (1) of the IA Regulations mandates that an investment adviser shall act in a fiduciary capacity towards his clients. In this regard, reference is made to the judgment of the Hon'ble Supreme Court of India in the case of

Dale and Carrington Invt. (P) Ltd. and Ors. V. P.K. Prathapan and Ors., (2005) 1 SCC 212. The SC in the matter, while deciding that the Directors of a company had to act in a fiduciary capacity towards the company, elucidated on the specific duties that are enjoined on a director, owing to their fiduciary capacity vis-à-vis a company. The SC has held that "*The fiduciary capacity …. enjoins upon them a duty to act on behalf of a company with utmost good faith, utmost care and skill and due diligence and in the interest of the company they represent. They have a duty to make full and honest disclosure to the shareholders regarding all important matters relating to the company.*" In the context of Investment Advisers and their clients, the same principles as elaborated upon by the Supreme Court in the above mentioned case shall also apply. In this regard, I also refer to the case of *Securities and Exchange Commission V. Capital Gains Research Bureau, Inc., Et al.*, 375 U.S. 180 (1963) decided by the US Supreme Court with respect to the fiduciary standard of an investment adviser in respect of the Investment Advisers Act of 1940, which regulates investment advisers in the United States much like the SEBI Act and IA Regulations in India. The court while considering the question of fiduciary duty owed by an investment adviser in respect of the Investment Advisers Act has stated that the said Act "*reflects the delicate fiduciary nature of an investment advisory relationship, as well as a congressional intent to eliminate, or at least to expose, all conflicts of interest which might incline an investment adviser -- consciously or unconsciously – to render advice which was not disinterested.*" Further, it was held by the US Supreme Court that it has been " *imposed on a fiduciary an affirmative duty of utmost good faith, and full and fair disclosure of all material facts, as well as an affirmative obligation to employ reasonable care to avoid misleading his clients."*

5.44. So, upon a consideration of the principles enunciated by the Hon'ble Supreme Court of India as well as the US Supreme Court, I find that the fiduciary capacity within which an investment adviser works enjoins upon it a duty to act on behalf of its clients with utmost good faith, care and skill and due diligence, and in the interest of the clients it represents.

5.45. In the present matter, it is evident that the Noticee gave investment advice to Ravi Prakash Tripathi/Signal2Success, knowing fully well that the same was being redistributed to the clients. This is an exhibition of sheer callousness and abandonment of due diligence and care that a person acting in a fiduciary capacity is duty bound to ensure. Also, it is noted that the Noticee did not have the risk profile of those clients and as such could not have understood the suitability of investment advice to such clients. The Noticee by giving investment advice without any suitability assessment of the clients has not acted in the best interests of the clients, and has put his own interest of earning money at the fore, thereby breaching the fundamental duty of a fiduciary. Thus, the Noticee has clearly violated Regulation 15 (1) of the IA Regulations.

5.46. Clause 1 of the Code of Conduct requires an Investment Adviser to be honest and fair in its dealings with clients, and act in their best interests. The Noticee by giving advice to clients, while the clients were completely unware that it was the Noticee who was providing them investment advice without being aware of their risk profile or the suitability of such investment advice to them, has not been fair and honest in its dealing with the clients. Accordingly, I find that the Noticee had violated Clause 1 of the Code of Conduct.

5.47. Clause 8 of the Code of Conduct requires an Investment Adviser to comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of clients and the integrity of the market. In this regard, it has already been brought out that the Noticee had knowingly allowed Ravi Prakash Tripathi/Signal2Success to place his registration number on the website. In addition to that by way of this arrangement, the Noticee aided and abetted Ravi Prakash Tripathi/Signal2Succes in escaping the regulatory oversight applicable to a registered entity. Thus, the Noticee has clearly violated Clause 8 of the Code of Conduct.

5.48. In view of the aforesaid violations committed by the Noticees, I find that directions under Sections 11(1), 11 (4), 11 (4A), 11B(1), 11 B (2) of the Securities and Exchange Board of India Act, 1992 need to be issued.

5.49. The SCN in the matter, also contemplates imposition of penalty under Sections 15 EB and 15HB of the SEBI Act.

5.50. In this regard before going ahead with the determination of monetary penalty, it would be relevant to place hereunder the extracts of the appropriate penalty provisions for facility of reference:

5.51. *15EB of SEBI Act, 1992* – Penalty for default in case of investment adviser and research analyst. "Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees."

5.52. *15HB of SEBI Act, 1992* – Penalty for contravention where no separate penalty has been provided. "Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees."

5.53. I note that the specific section i.e., Section 15 EB for the imposition of penalty on investment advisers came into effect on March 08, 2019. Thus, for the actions of the Noticee post March 08, 2019, the said section has been invoked. For the actions of the Noticee prior to March 08, 2019 reliance has been placed on Section 15 HB in the SCN. As per the submission of the Noticee, his relationship with Ravi Prakash Tripathi/Signal2Success persisted between December 2018 and March 2020.

5.54. It is relevant to mention here that for the imposition of penalty under the provisions of the SEBI Act, 1992, guidance is provided by Section 15J of the SEBI Act,1992. The said provision reads, "Factors to be taken into account while adjudging quantum of penalty. 15J. While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: —

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

Explanation. — For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section."

5.55. I also note that the SCN has not brought out the quantum of profit/gains made by the Noticee. I, though, note from the complaints received from the clients that certain investors have suffered losses due to the actions of the Noticee.

5.56. It has already been brought out that the Noticee had an arrangement with Ravi Prakash Tripathi/Signal2Success whereby the registration number of the Noticee was displayed on the website, the investment advice provided was redistributed to the clients and as a consequence of the same, the Noticee received monetary consideration. Additionally, by way of this arrangement, the Noticee had aided and abetted Ravi Prakash Tripathi/Signal2Success in escaping the regulatory oversight applicable to a registered entity. These actions clearly demonstrate the failure of the Noticee, who is an Investment Adviser, to comply with the IA Regulations thereby making him liable for imposition of penalty under Sections 15EB and 15 HB.

6. Conclusion –

6.1. Upon a consideration of the material on record and the submissions made by the Noticee, it has been established that Ravi Prakash Tripathi had used the registration number of the Noticee with the Noticee's knowledge. Additionally, it has been brought out that, at least in certain cases, the investment advice given by the Noticee was redistributed to the clients of Ravi Prakash Tripathi and as such was involved in the activities of Ravi Prakash Tripathi/Signal2Success. Further, it has been brought out that consequent to this arrangement with Ravi Prakash Tripathi/Signal2Success, the Noticee was paid an amount of Rs. 6,61,851. It has also been brought out that the Noticee continued to provide investment advice to Ravi Prakash Tripathi/Signal2Success, by his own admission, till March 2020, even though he had received a complaint from Swapan Kumar Pandit back in November 07, 2019. Also, the Noticee filed a police complaint with respect to his registration number being 'wrongly' used only on September 03, 2020. Lastly, the Noticee was unable to provide the contract executed between the Noticee and Ravi Prakash Tripathi/Signal2Success, the KYC documents as well the risk profiling form as they had been purportedly lost during the shifting of his house during August 2020. On application of the principle of preponderance of probability to the facts, as summarised above, it has been held that the Noticee was involved in the activities of Ravi Prakash Tripathi/Signal2Success whereby his investment advice, in certain cases, was redistributed to the clients of Ravi Prakash Tripathi.

6.2. However, from the available material on record, it could not be surmised that the said involvement extended to the day-to-day running of business or control of the bank accounts of Ravi Prakash Tripathi/Signal2Success. Also, it has been submitted by the Noticee that Rs. 6,61,851 was the total fees charged by the Noticee to Ravi Prakash Tripathi/Signal2Success for his services. The Noticee has provided bank details to that effect. The examination report of SEBI, available on record, does not contradict the above finding. In this regard, reference is made to the Order dated December 29, 2022 passed by SEBI, whereby it has been held that Ravi Prakash Tripathi/Signal2Success had mobilised an amount of Rs. 69,11,441.85 from unregistered investment advisory activities. In comparison to the said mobilised amount, the fees paid by Ravi Prakash Tripathi/Signal2Success to the Noticee does not appear to be abnormal or inflated. I further note that by way of an Order dated January 11, 2023, SEBI, in a separate proceeding, has cancelled the certificate of registration granted the Noticee as an Investment Adviser.

6.3. Thus, in view of the above, I shall now proceed with the directions and imposition of monetary penalties.

7. Directions and Monetary Penalties –

7.1. I, in exercise of powers conferred upon me under sections 11(1), 11 (4), 11(4A), 11B (1), 11B (2) of the Securities and Exchange Board of India Act, 1992 : –

7.1.1. The Noticee is directed to resolve the complaints pending against it in SCORES within a period of thirty (30) days from the date of this Order.

7.1.2. The Noticee is prevented from selling his assets, properties and holding of mutual funds/shares/securities held by him in demat and physical form except for the purpose of payment of penalty as imposed in this Order or for the compliance of the direction contained in 7.1.1. Further, banks are directed to allow debit from the bank accounts of the Noticee, only for the purpose of compliance of the direction contained in 7.1.1 or for the payment of penalty as imposed in this Order.

7.1.3. After completing the aforesaid resolution of complaints, the Noticee shall file a report of such completion with SEBI addressed to the "*Division Chief, Division of Post-Inspection Enforcement Action, Market Intermediaries*

Regulation and Supervision Depatment, SEBI Bhavan II, Plot No. C7, G Block, Bandra Kurla Complex, Bandra (East) Mumbai –400051", within a period of fifteen (15) days, after completion of thirty (30) days from the coming into force of the directions at para 7.1.1 above, duly certified by an independent Chartered Accountant and the direction at para 7.1.2 above shall cease to operate upon filing of such report on resolution of complaints.

7.1.4. The Noticee is debarred from accessing the securities market, directly or indirectly and is prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner whatsoever, for a period of six months (6) months from the date of this Order or till the expiry of six (6) months from the date of resolution of complaints as directed in para 7.1.1 above, whichever is later.

7.1.5. The Noticee is hereby imposed with the monetary penalties, as provided hereunder:

Noticee no.	**Name of the Noticee**	**Provisions under which penalty imposed**	**Amount of Penalty (Rs.)**
1	***Gagan Hora***	Section 15 EB	Two (2) lakh
		Section 15 HB	One (1) lakh
Total			**Three (3) lakh**

The Noticee shall remit / pay the said amount of penalties within forty-five (45) days from the date of receipt of this Order. The Noticee shall remit / pay the said amount of penalties only through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of Chairman/ Members -> PAY NOW. In case of any difficulties in online payment of penalties, the said Noticees may contact support at portalhelp@sebi.gov.in. The details/ confirmation of e-payment should be sent to “The Securities and Exchange Board of India, SEBI Bhavan II, Plot no. C-7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai -400 051” and also to e-mail id:- tad@sebi.gov.in in the format as given in table below:

Case Name	
Name of Payee	
Date of Payment	
Amount Paid	
Transaction No.	
Payment is made for : (like penalties /disgorgement /recovery/settlement amount/legal charges along with order details)	

7.2. This Order is without prejudice to any other action that SEBI may initiate.

7.3. The above directions shall come into force with immediate effect.

7.4. A copy of this Order shall be served upon the Noticee. A copy of this Order shall also be forwarded to the recognised Stock Exchanges, Depositories, Banks and Registrar and Transfer Agents for necessary compliance with the above directions.

Place: Mumbai **ASHWANI BHATIA**

Date: March 29, 2023 **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA