Department: Investigation	Segment: All
Circular No: MSE/ID/16453/2024	Date: December 11, 2024

Subject: SEBI Order in the matter of Ravindra Bharti Education Institute Private Limited

To All Members,

This has reference to Exchange Circular No: MSE/ID/15156/2024 dated April 08, 2024, in reference to SEBI order no WTM/KV/MIRSD/MIRSD-SEC-1/30265/2024-25 dated April 05, 2024, wherein SEBI has restrained the following Noticees from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever until further orders.

Sr. no.	Name of Entity	PAN
1.	Ravindra Bharti Education Institute Private Limited	AAHCR6075L
2.	Ravindra Balu Bharti	AVDPB1473A
3.	Shubhangi Ravindra Bharti	BQIPB7764D
4.	Rahul Ananta Gosavi	BOPPG0317E
5.	Dhanashri Chandrakant Giri	BDCPG2078Q

SEBI now vide order no. WTM/AB/MIRSD/MIRSD-SEC-1/31032/2024-25 dated December 10, 2024 has directed that.

1. Above Noticees are restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, till April 4, 2025. If the Noticees have any open position in any exchange traded derivative contracts, as on the date of SEBI order, they can close out /square off such open positions within 7 days from the date of SEBI order.

2. If Noticees No.1 and 2 fail to disgorge the amount referred in para 79.1 of above SEBI order, the directions provided in para 79.2 and 79.3 of SEBI order above shall continue against them for a further period of 5 years or till such time as the said amount is disgorged, whichever is earlier; against them for a further period of 5 years or till such time as the said amount is disgorged, whichever is earlier;

This order shall come into force with immediate effect.

Members of the Exchange are advised to take note of the full text of the order available on SEBI's website [www.sebi.gov.in] and ensure compliance.

For and on behalf of
Metropolitan Stock Exchange of India Limited

Vipul Vaishnav
Assistant Vice President

WTM/AB/MIRSD/MIRSD-SEC-1/31032/2024-25

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

UNDER SECTIONS 11(1), 11(4), 11 (4A), 11B(1), 11B (2) AND 11D OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

IN RESPECT OF:

S. NO.	NOTICEE	PAN
1.	RAVINDRA BHARTI EDUCATION INSTITUTE PRIVATE LIMITED	AAHCR6075L
2.	RAVINDRA BALU BHARTI	AVDPB1473A
3.	SHUBHANGI RAVINDRA BHARTI	BQIPB7764D
4.	RAHUL ANANTA GOSAVI	BOPPG0317E
5.	DHANASHRI CHANDRAKANT GIRI	BDCPG2078Q

*(The aforesaid entities are hereinafter referred to by their respective names /Noticee numbers and collectively as the "**Noticees**").*

IN THE MATTER OF RAVINDRA BHARTI EDUCATION INSTITUTE PRIVATE LIMITED

BACKGROUND:

1. Securities and Exchange Board of India ("**SEBI**") issued an Interim Order No. WTM/KV/MIRSD/MIRSD-SEC-1/30265/2024-25 on April 5, 2024 ("**Interim Order**") against Ravindra Bharti Education Institute Private Limited ("**RBEIPL**"/ "**Noticee 1**"), its promoter directors Ravindra Balu Bharti ("**Noticee 2**") and Shubhangi Ravindra Bharti ("**Noticee 3**"), as well as its present directors, viz., Rahul Ananta Gosavi ("**Noticee 4**") and Dhanashri Chandrakant Giri ("**Noticee 5**"), who were appointed on September 22, 2023 prior to the resignation of promoter directors on October 3, 2023. The Interim Order was issued for *prima facie* violation of section 12 (1) of the SEBI Act, 1992 ("**SEBI Act**"), regulation 3 (1) of the SEBI (Investment Advisers) Regulations, 2013 ("**IA Regulations**"), section 12A (a), (b) and (c) of the SEBI Act read with regulations 3 (a), (b), (c), (d) and regulations 4 (1), 4 (2) (k), (o) and (s) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations,

2003 ("**PFUTP Regulations**") due to a scheme, *inter alia,* involving unregistered investment advisory activity and mis-selling by the Noticees.

2. The allegations made in the Interim Order arose from SEBI's inspection of the activities of Balu Motiram Bharti, Authorised Person ("AP") of a stock broker. It was seen that trades being carried out by him for the broker's clients were at the behest of his representatives instead of being initiated by the clients. This was evidenced by pre-trade authorisation and confirmation records maintained by him for trades placed through the terminal operated by him. Further examination revealed that his son Ravindra Balu Bharti and daughter-in-law Shubhangi Ravindra Bharti founded a private limited company in 2016 called Ravindra Bharti Education Institute Private Limited ("**RBEIPL"**), which sold stock market trading related courses and wealth management plans during the period from March 10, 2017 to September 30, 2023.

3. RBEIPL operated from the AP's premises and allowed its employees to assist in and operate as approved dealers for operating trading terminals used by the AP to execute trades. RBEIPL entered into agreements with its clients for paid investment advice, and then required the said clients to execute specific trades at the behest of its representatives. In most instances trades were through trading accounts opened with the broker for whom Balu Motiram Bharti acted as the AP, using the trading terminal operated by the AP. It was also observed that RBEIPL actively assisted the AP by obtaining pre-trade authorisations from the AP's clients on his behalf under the trade name "Ravindra Bharti Wealth". The agreements were found to have standard clauses that the clients chose not to provide personal financial information and allowed 100% asset allocation in equity.

4. Consequently, SEBI's examination concluded that RBEIPL, had unlawfully earned INR 12,03,82,130.91 by (i) providing investment advice without a certificate of registration, in contravention of SEBI Act, IA Regulations and the PFUTP Regulations, and (ii) by misleading its clients, through the mis-selling of investment advice and wealth management plans to clients that were not in their interest and which were meant to generate income for RBEIPL. Clients were induced to trade in specific scrips using the trading terminal operated by the AP who was RBEIPL's related entity.

INTERIM-ORDER

5. The findings in the Interim Order are summarised below for reference –

   a. RBEIPL *was acting as a training institute as well as providing investment advisory services to its clients after executing Wealth Management agreements with them. The covenants of such agreements demonstrated that RBEIPL was engaged in the activity of an investment adviser. RBEIPL imparted advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products in lieu of consideration, which was prima facie found to be in the nature of providing "investment advice" in terms of clause (i) of sub-regulation (1) of regulation 2 of the IA Regulations.*

   b. *RBEIPL charged hefty fees from its clients, as seen from payment receipt copies. Multiple invoices were raised to its clients on a single day. For example, fees were raised under two different invoices, both dated September 03, 2021, from a single client. Both invoices were towards "Wealth Management Service" and the amount of fees charged under the said invoices are INR 76,700 (including GST) and INR 1,07,380 (including GST) from the same client. Thus, on a single day, the investors were being sold more than one advisory packages*.

   c. *In order to induce investors to deal in securities by subscribing to the advisory services of RBEIPL, the application form/agreements projected returns of 25 % (1 year) to 1000% (10 years), giving a kind of assurance that clients of RBEIPL would be successful in earning return ranging from 25 % to 1000% on their investment over the period.*

   d. *RBEIPL vide its letter dated December 18, 2023 acknowledged having collected INR 5.44 Crore as fee from 290 unique investors from March 11, 2020 to August 29, 2023. It was noted that the amounts received as investment advisory fee from clients by RBEIPL were collected in four accounts/payment gateways of RBEIPL.*

   e. *The bank accounts of RBEIPL indicated several transactions above the amount of INR 50,000, which prima facie appeared to be amounts received against advisory fee. Hence, details of aforesaid amounts furnished by RBEIPL were cross-checked with its bank account statements. The entries pertaining to substantial number of its clients were traced and matched with the entries shown in the bank account of RBEIPL. Total credit entries in the bank account of RBEIPL during the period January 10, 2018 to September 30, 2023 was INR 9,41,97,759.42. The Interim Order noticed that the total amount collected by RBEIPL from its investment advisory services came to INR 12,03,82,130.91.*

   f. *RBEIPL held itself out as investment adviser (in its agreements executed with the clients), and the acts engaged in by it prima*

facie fell within the ambit of providing advice relating to purchasing, selling the securities in lieu of monetary consideration, as defined under the IA Regulations.

g. *Employees of RBEIPL were providing recommendation for investment in securities and they also requested the customer/client to update the details of trades executed in terms of the investment advice. Further, the representative/ employee/agent of RBEIPL assisted clients in executing trades. In this respect, the representative of RBEIPL spoke with the client asking to give instruction for the execution of trade. The client had no clue about the securities market. In case of a particular client, the Interim order observed that the client did not seem to be experienced enough to place her trades or to even respond to the email shared by the executive/representative/agent of RBEIPL with her.*

h. *RBEIPL in the name of advisory service was basically taking all calls on behalf of the client. The transcript of the call record as noted above showed that the client had no role in the investment decision making. RBEIPL was making the choice of buy as well as sell and it was also selecting the scrip to be transacted in the accounts of its clients. RBEIPL had full control on the buy as well as sell transactions of the clients so that both transactions were carried out as per its recommendation.*

6. On the issues determined in the Interim Order, the *prima facie* findings were as under–

I. *Whether there is violation of sub-section (1) of section 12 of the SEBI Act, 1992 and sub-regulation (1) of regulation 3 of the IA Regulations*?

a. *RBEIPL executed agreements containing detailed clauses with its clients. In pursuance of such agreements, it prima facie engaged in providing investment advisory service to its subscribers/investors, in lieu of "management fee" from its clients.*

b. *In addition to charging upfront Management Fee, the agreement entered into by the RBEIPL with its clients contained a clause wherein the investor undertook to pay a performance fee calculated as a percentage of the profit earned by the investor in excess of the hurdle rate.*

c. *RBEIPL admitted to providing investment advisory services to at least 290 unique investors during the period March 11, 2020 to August 29, 2023, thereby earning more than INR 12 Crore as fee from the clients.*

II. *Whether there is violation of clauses (a), (b) and (c) of section 12A of the SEBI Act, 1992 read with sub-regulations (a), (b), (c), (d) of regulation 3,*

sub-regulation (1) of regulation 4, clauses (k), (o) and (s) of sub-regulation (2) of regulation 4 of the PFUTP Regulations?

a. *RBEIPL created a scheme/device which was apparent from a detailed agreement executed with investors, followed by emails issued to investors containing investment advice. Investors were advised to provide the copy of the contract notes, so that RBEIPL always had updated knowledge of their holdings to be in position to provide advice in future, based on the holdings in the account of a client. From call recordings, it was observed that the employees of RBEIPL influenced investment decision of investors, as they just said yes on the lines of advice and recommendation made by and on behalf of RBEIPL.*
b. *RBEIPL also kept a provision of profit-sharing with the investors. In order to increase its profit, RBEIPL induced investors to trade more and more in securities. From a call recording it was seen that an investor was advised to sell some shares that she held in her Demat account. For some reason, the recommendation was understood by the investor as 'buy' recommendation. Upon noticing the that the approval by the investor was contrary to the recommendation, the same representative of the RBEIPL instantly informed the investor that the call had been made to recommend to 'sell' shares and finally, under the authorisation taken on a pre-recorded phone call, shares of 18 different companies were sold from the account of that investor at the prevailing market price. It was prima facie found that the aforesaid recommendation to sell the stocks of 18 different companies at the prevailing market price was carried out only to achieve/increase the profit percentage of the RBEIPL as no reason was provided by the representative of RBEIPL as to why suddenly the recommendation to 'sell' has been made to the account of that client. Thus, RBEIPL prima facie fraudulently dealt in securities to increase its income.*
c. *The disclaimer part of the agreements had a standard paragraph, as per which all investors were asked to opt for 100% investment in equity segment only. The same was prima facie mis-selling to the investor as all investors do not have equivalent risk appetite and some may need lesser exposure to equity investments*.

III. *Violations by Noticees 2, 3, 4 and 5-*

a. *With respect to vicarious liability of Noticees 2,3, 4 and 5 under section 27 of the SEBI Act, the Interim Order found that Noticees 2 and 3 were promoter directors of RBEIPL and continued to be on the helm of its affairs till October 3, 2023. Noticees 4 and 5 were appointed to the Board of Noticee 1 with effect from September 22, 2023, just few days before dissociation of Noticees 2 and 3. By the time the said Noticees*

were appointed on the Board of RBEIPL, the examination by SEBI into the present matter had already started and inspection of the Authorised Person (Mr. Balu Motiram) commenced on September 22, 2023.

b. *The control of the Noticee 2 over RBEIPL was further evident from the fact that the name of RBEIPL was kept after Noticee 2 himself. It was also of importance that most of the activities of RBEIPL took place when Noticee 2 and Noticee 3, being its Executive Directors, were at the helm of the affairs and responsible for the management of the business. Hence, under section 27 of the SEBI Act, they were prima facie guilty of contravention committed by RBEIPL.*

c. *The act of providing investment advice for which registration was essential, had not stopped and was on-going. Agreements entered into by RBEIPL were long duration agreements*. *It was also noticed that the Noticee 4, Mr. Rahul Ananta Gosavi, who was employed with RBEIPL as Executive Assistant to CMD (since October, 2015) had become its Director w.e.f. September 22, 2023. Therefore, the above two persons, i.e., Noticees 4 and 5 were also alleged to be liable for the acts and omissions on part of RBEIPL.*

7. In view of the above, the Interim Order held Noticee 1 *prima facie* liable for violation of section 12 (1) of the SEBI Act read with regulation 3 (1) of the IA Regulations due to failure to obtain certificate of registration as investment adviser, as well as for violation of section 12A (a), (b) and (c) of the SEBI Act, regulation 3 (a), (b), (c) and (d) and regulation 4 (1) and 4 (2) (k), (o) and (s) of the PFUTP Regulations for inducing investors with false and misleading statements and mis-selling of services, only to increase RBEIPL's income. The Interim Order also held Noticees 2, 3, 4 and 5 liable in terms of section 27 of the SEBI Act, for the violations committed *prima facie* by Noticee 1.

8. Accordingly, directions were issued against Noticee 1 for the abovementioned violations, and against Noticees 2, 3, 4 and 5 under section 27 of the SEBI Act for vicarious liability for the abovementioned violations as they were responsible for the affairs of Noticee 1 at different points of time during the relevant period. The Interim Order, *inter alia*, directed the Noticees to cease and desist from offering unregistered investment advisory service and carrying on any fraudulent activity in the securities market, to stop collecting fee from clients, be restrained from buying, selling and dealing in securities till further orders, not alienate

assets/properties/securities till unlawful gain is credited to escrow account, to remove websites, advertisements and representations regarding unregistered investment advisory activity till further orders. The Interim Order further directed to impound INR 12,03,82,130.91 being the total unlawful gain from alleged unregistered investment advisory business.

9. In view of the above, the Interim Order called upon the Noticees to show cause as to why a direction to disgorge and/or a direction of restraint from accessing securities market for a specific period and/ or a direction imposing penalties, is not issued against them for carrying out unregistered investment advisory activities. The Noticees were given 21 days' time to file their replies from the date of receipt of the Interim Order and avail an opportunity of personal hearing, if they so desired.

REPLIES OF THE NOTICEES, INSPECTION OF DOCUMENTS AND HEARING

10. Vide letter dated April 26, 2024, Noticees 2 and 3 denied the allegations levelled against them in the Interim Order and requested inspection of certain documents referred to in the Interim Order. Vide their letter dated April 30, 2024, Noticees 4 and 5 submitted that the directions contained in the Interim Order were disproportionate and premature, and requested inspection of certain documents. Vide letter dated July 5, 2024, Noticees 2 and 3 requested inspection of all documents in the matter which were in SEBI's possession, including transcripts of Call Data Records referred to in the Interim Order, and the rationale for calculation of the alleged disgorgement amount by SEBI by taking credits above INR 50000. Noticees 2 and 3 were provided an opportunity for inspection of documents on June 4, 2024, and Noticees 4 and 5 were provided an opportunity for inspection of documents on July 15, 2024.

11. Vide common reply dated September 18, 2024, Noticees 1, 2 and 3 made the following submissions:

11.1 The activities of the Noticees are in the nature of providing bona-fide education to investors. RBEIPL and Ravindra, at best, can be said to be financial educationist or 'finfluencers' for short, who were not subject to regulation and oversight by SEBI (as on date). RBEIPL did not require registration under the IA Regulations while AP exempt from registration - The alleged activity of investment advisory was undertaken by Mr. Baluram

Motiram Bharti ("Balu"), the father of Ravindra. Balu, admittedly, at all relevant times was an AP, effectively a sub-broker of a SEBI registered stock broker.

11.2 RBEIPL had a referral arrangement with Balu and persons desirous of trading would enter into agreements RBEIPL and would engage Balu's services, for executing trades. There is nothing wrong or illegal in such an arrangement. As on today's date, there is no rule/regulation/circular on this aspect from SEBI.

11.3 The investment advisory activity was actually provided by an Authorized Person, effectively a sub-broker of a registered broker, which is incidental to the AP's main activity of sub-broking and therefore exempt from registration as an investment adviser under regulation 4(g) of the IA Regulations;

11.4 The charging of a 'management fee' and 'profit sharing' component was disclosed to investors as part of the agreement with them and the investors were expressly informed of the risks and the fact that returns may not fructify - therefore the question of an inducement or engaging in activity for enhancing income, cannot arise;

11.5 There is no mis-selling since the investors are well aware of the risks associated with investment in the equity market and a vague allegation that investors "may not have equivalent risk appetite" without showing which specific investor did not have the requisite risk appetite, is in the realm of conjecture and surmise;

11.6 The direction to impound INR12.02 crore – is manifestly erroneous and arbitrary as the SCN has unjustifiably presumed that any amounts exceeding INR50,000(with some exceptions) are from investment advisory activity and treated them as ill-gotten gains, without providing a valid basis for such a sweeping conclusion;

11.7 None of the directions proposed in the Interim Order are justified, and no penalty is warranted due to the principle of proportionality. The Noticees have already borne the brunt of a sweeping Interim Order for the last five months. Further, in other cases similarly situated individuals who were accused of comparable violations were treated differently highlighting the need for parity of treatment;

11.8 RBEIPL is a premiere educational institution dedicated to providing financial education. It was founded by Professor Mr. Ravindra Bharti and is part of the Bharti Business Group, a diversified conglomerate which operates in multiple sectors. Ravindra is a respected financial educator with decades of experience. Ravindra is a bona-fide financial educationist and educator finfluencer. Ravindra completed his Engineering Diploma In Information Technology From Government Polytechnic Pune and Also Completed several NISM and NCFM Certifications Like Equity& Derivative Market, Mutual Fund Distribution, Investment Advisor and Research Analyst etc. He

founded RBEIPL with the objective of imparting financial literacy. In 2008, he founded Bharti Share Market ('BSM'), which is a financial educational institute based in Magarpatta. With over 75,000 students and 850+ franchises, BSM aims to enlighten individual with financial literacy. Ravindra regularly teaches and imparts knowledge about the financial markets and has authored 12 books on various aspects of the stock market/ financial literacy. He also possesses a National Institute of Securities Market Research Analyst Certification (NISM-Series-XV – Research Certificate Examination) bearing enrolment number of 2310240239;

11.9 Regulation 4 of the IA Regulations dealing with exemption from registration categorically shows that any person giving general comments in good faith in regard to trends in financial or securities market or economic situation where such comments do not specify any particular securities or investment product, is outside the ambit of the IA Regulations. It is clear that imparting education whether for a consideration or otherwise is akin to a person giving general comments in good faith in regard to the financial education or economic situation, and did not require a registration as intermediary.

11.10 . To the extent RBEIPL entered into agreements with clients, it may be noted that this was for the purpose of providing "investment research" to its clients and not investment advice. The activity of investment advisory and actual execution of trades was undertaken by the AP who we are given to understand, did not require registration under the IA Regulations. Therefore, the question of holding RBEIPL and other Noticees liable for providing unregistered investment advice is not sustainable and the question of imposing a penalty under Section 15EB of the SEBI Act, cannot arise;

11.11 Section 15EB of the SEBI Act specifically provides for penalties against an "investment adviser or a research analyst", for non-compliance with SEBI regulations but only if they are registered in such capacity with SEBI. Consequently, an entity that is not registered as an investment adviser or a research analyst (legitimately not requiring any registration), cannot be penalised under this section;

11.12 Interim Order wrongly accuses the Noticees of creating a scheme or arrangement to induce investors through a profit-sharing arrangement, to trade "more and more in securities". The clauses in the agreements between RBEIPL and its clients categorically put the client on notice that profits are not assured and there is a risk of a loss;

11.13 The Interim Order's reliance on an alleged instance where an investor wanted to buy but was persuaded to 'sell', as evidence of inducing securities transactions to increase income, is flawed. The client's initial misunderstanding was rectified, and they subsequently provided informed consent for the sale. This cannot be considered inducement, as the client made an autonomous decision;

11.14 Interim Order's assertion that investors were induced into 100% equity investments, rather than being offered a balanced portfolio with equity and debt components, is a misinterpretation of the evidence. The client agreement explicitly states that a balanced portfolio was recommended, and the client then knowingly chose to deviate from this recommendation. As a result, the claim of inducement is unfounded, given the client's express and informed consent to invest entirely in equity;

11.15 The question of violating PFUTP Regulations, particularly clause (k) of regulation 4(1), is moot. This clause targets the dissemination of false or misleading information through any media, where the disseminator is aware or reckless about the falsity, and aims to influence investor decisions. Since this provision focuses on public dissemination, it is unclear how securing a client's explicit, informed consent could potentially fall under the ambit of clause (k) of sub-regulation (1) of regulation 4 of the PFUTP Regulations;

11.16 Likewise the application of clause (s) is equally unfounded. Clause (s) in regulation 4(1) prohibits "mis-selling of securities or services relating to securities market." It is unclear how obtaining the informed and explicit consent from the client to modify their investment profile, could be deemed mis-selling as the client has made a conscious and informed choice;

11.17 Direction to disgorge is untenable and the computation is vitiated by arbitrariness - The Interim Order alleges that INR 12.03 crore were the alleged ill-gotten gains, i.e., the monies derived from the purportedly unlicensed investment advisory activity. Without prejudice to the fact that there is no violation, Noticees submit that the methodology of SEBI is untenable as SEBI wrongly assumed that all credits in the bank account in excess of INR50,000 (with some exceptions) for INR 9.41 crore are purportedly part of the so called unlicensed investment advisory activity. Care must be taken to identify with evidence that the amounts received were attributable to alleged illegal conduct. The figure of INR 9.41 crore is grossly inflated and lacks any rational and intelligible criteria. The correct amount (assuming for the sake of argument) attributable to alleged impugned activity is INR5.44 crore (approx.) which, if at all, can be the amount that RBEIPL is liable to disgorge and not INR 12.02 crore as alleged;

11.18 Allegation that RBEIPL did not provided the complete "email dump" of two email IDs – rbwealth@bhartisharemarket.com and rbwealth@bhartiinstitute.com which was sought by SEBI under Section 11(2)(i)and (ia) of the SEBI Act in violation of section 15A of the SEBI Act is unfounded. The information and documents that were available with the RBEIPL were duly provided which is acknowledged in the "Examination Report" of SEBI. The Report categorically notes that "RBEIPL vide email and letter dated December 18, 2023 (Annexure E), inter-alia provided the list of investors to whom the investment advisory services were provided by RBEIPL". Email dump to the extent available was provided. Besides, SEBI

sought "copies of emails sent from the two email IDs till date" which was voluminous and most emails did not pertain to the subject of SEBI's investigation. The failure to provide information, which is not available cannot be subject of a penalty under section 15A of the SEBI Act;

11.19 Further directions including for disgorgement or restraining the Noticees from accessing the securities market or restraining them from associating themselves with an intermediary, are no longer necessary. The Noticees have already suffered for the last five months (since passing of ex-parte order). His entire reputation has suffered a dent and he has been facing needless stigma, for no fault of his;

11.20 RBEIPL, as a purely voluntary and without prejudice measure, is willing to take steps/has initiated the process for registering itself as an investment adviser. RBEIPL is confident that it meets all the eligibility requirements and is committed to working with SEBI to ensure its concerns are addressed;

11.21 SEBI has historically opted to issue warnings rather than impose penalties on entities providing advisory services without a license. This warrants parity of treatment. Fifteen examples of warning letters//orders issued by SEBI against entities for unlicensed activity were annexed.

11.22 *An incidental transgression, if at all, from an unregulated and permitted activity to a regulated activity ought not to result in such manifestly adverse and disproportionate consequences being visited on the Noticees..*

12. Noticees 4 and 5, i.e., Rahul Ananta Gosavi and Dhanashri Chandrakant Giri made the following submissions vide their letters dated September 17, 2024 in response to the Interim Order:

Noticees 4 and 5

12.1 Noticee 4 was appointed in RBEIL as a relationship manager on December 1, 2017. Thereafter, he had various different assignments in the organization. Noticee 4 was effectively into an administrative role assisting the management of RBEIPL. Noticee 4 did not handle any role pertaining to regulatory compliance. For a brief period of one month, he was also appointed as a dealer when one of RBEIPL's employee /dealer, Mr. Akshay Nilkhant, resigned from his position and hence the management appointed Noticee 4 in his place till the appointment of other person. Upon appointment of a new employee as a dealer, Noticee 4 went back to administrative role with no interface with any of the clients with respect to stock recommendations, or advisory on portfolio management. Thus, his initial salary was INR 17,000/- p.m. and thereafter he got usual annual increments. In April 2023, his salary was INR 48,000/- p.m;

12.2 Noticee 4 was primarily involved in expanding the horizon of RB Membership Club / Franchise services wherein he would help other interested candidates to educate themselves about financial literacy;

12.3 In and around September 2023, the promoter - managing director (Noticee 2) of RBEIPL intimated Noticees 4 and 5 that both him and Noticee 3 would be stepping down as directors in order to ensure that they can focus only running the day-to-day affairs of RBEIPL. Therefore, they requested the Noticee 4 and Noticee 5, one Ms. Dhanashree Giri (also administrative staff), both of whom were employees of RBEIL from a long period of time, to temporarily become directors of RBEIL until suitable replacement was found;

12.4 At that point of time, the Noticees were not aware of any alleged illegality in running the business of RBEIPL. Thus, the Noticees accepted the position as a temporary director on September 22, 2023;

12.5 As per the Interim Order, the Investigation Period ranges from March 10, 2017 to September 30, 2023. The entire allegation in the SCN as against the Noticee is in respect of 8 days when the Noticees 4 and 5 were just appointed as a director of RBEIPL and no funds were collected from any investor. However, the Interim Order lacks even the most basic and essential particulars and details to sustain the allegation that the Noticees being directors were (a) in charge of day-to-day affairs of RBEIPL; and (b) aware any alleged illegality pertaining to the business of RBEIPL. In fact, the SCN unequivocally holds that the day-to-day to affairs of RBEIPL were handled by Noticees 2 and 3;

12.6 Since the Noticees had no role in the affairs of RBEIPL, and the Interim Order did not bring out their role, involvement or knowledge, the charge against him should be dropped. Supreme Court ruling in SMS Pharmaceuticals Ltd. v. Neeta Bhalla and Anr. (AIR 2005 SC 2327) was cited to state that "the role of a director in a company is a question of fact depending on the peculiar facts in each case. There is no universal rule that a director of a company is in charge of its everyday affairs…. Liability is cast on persons who may have something to do with the transactions complained of." A passage was also cited from Chintalapati Raju v. SEBI, (2018) 7 SCC 443 which in turn cited Dovey and the Metropolitan Bank to state that it could not "be expected of a director that he should be watching either the inferior officers of the bank or verifying the calculations of the auditors himself. The business of life could not go on if people could not trust those who are put into a position of trust for the express purpose of attending to details of management." SAT rulings were also cited to state that the concept of strict vicarious liability does not exist and that "there has to be a modicum of evidence linking the said directors with manipulation and in its absence, complicity cannot be presumed". There is no evidence to show how the

Noticees were involved in the alleged scheme of the Noticees 1, 2 and 3, levelling a serious charge of fraud on the basis of mere suspicion;

12.7 The Noticees have so far has had an impeccable record;

12.8 Noticees have already been subjected to a debarment from accessing securities market from April 5, 2024 due to the ex parte order. Thus, no more monetary penalty or debarment ought to be imposed on the Noticees as they have already suffered a debarment for the same charge;

12.9 *Noticees have not made any unlawful gain, nor does it have possession of any wrongful gains as identified in the Interim Order. In fact, the SCN clearly quantifies the entire alleged unlawful gains made by RBEIL/ Noticees 2 or 3. In fact, it is not even alleged that the Noticees made any such allegedly unlawful gains. Thus, proposed direction of disgorgement qua the Noticees is ex-facie illegal and in teeth of various decisions of the Hon'ble Tribunal, including Mahavir Singh N Chauhan v. SEBI. The concept of "disgorgement" is to prevent a wrongdoer from unjustly enriching himself as a result of his illegal conduct. It is neither a penal action nor is it a punishment. It is merely a measure to retrieve from the wrongdoer the ill-gotten gains. The SCN has not anywhere identified as to what unlawful gains were allegedly received by the Noticee. It is submitted that SEBI cannot purport to "disgorge" alleged "wrongful gains", inter alia, in light of recent decisions of the Hon'ble SAT including in National Stock Exchange of India Ltd. v. SEBI.*

CONSIDERATION OF ISSUES AND FINDINGS

13. I have carefully perused the Interim Order, the replies and submissions of the Noticees, and other material available on record. Accordingly, I now proceed to consider and decide on the issues before me, on their merits.

14. The undisputed facts culled out from the records are that RBEIPL is a private company involved in activities such as sale of courses related to the stock markets and wealth management plans involving stock recommendations and trade execution. Relevant facts referred to at paras 5 and 6 of this order are not disputed by the Noticees. The person controlling RBEIPL was Noticee 2, a financial influencer ("finfluencer") running two Youtube channels with 10.8 lakh and 8.33 lakh subscribers respectively. RBEIPL/Bharti Share Market's website describes Noticee 2 as "*Prof. Ravindra Bharti Sir*", founder and CMD of Bharti Business Group, an engineering graduate, visionary and respected finfluencer, who appears on Marathi, Hindi and Gujarati news channels and has also authored 12 stock market books.

15. The Interim Order brings out that RBEIPL's website marketed its wealth management plans, "*personalized investment and financial planning services to high-net-worth individuals and families*", and *investment management, tax optimization, retirement planning and risk management"* to the ordinary public. RBEIPL also reached out to prospective clients through telephone, e-mails and messages. Thereafter, RBEIPL executed agreements with clients to enroll them in its "Wealth Management Program" which involved rendering of "investment research", advice for a fee and also included profit-sharing, wherever applicable.
16. The application form-cum-agreement signed by the client mentioned that the said plans offered expected returns in the range of 25% to 1000%. Further, the agreement contained standard clauses allowing RBEIPL to carry out 100% asset allocation in equity, due to which "*risk profiling and investment advisory might not be in accordance with actual risk taking ability"*. The agreement had clauses that made the client declare that he was not disclosing his complete financial information to RBEIPL. Once the client signed the investment advisory agreement with RBEIPL, he was required to take investment advisory service from Bharti Wealth Management/RBEIPL for a certain duration as per a selected plan or plans, pay the corresponding management fee and also share profits in case returns were above a certain threshold.
17. From e-mails exchanged by Noticee 1 with clients, it was noted that immediately upon enrolment, RBEIPL opened trading accounts for the clients, in most cases with the stock broker with which Noticee 2's father was engaged in business as AP. Subsequently, the "wealth management plan" became operational.
18. Telephone call transcripts obtained from the AP showed that RBEIPL's representatives contacted clients for pre-approval of specific trades. Clients were informed that their written approval would be required thereafter. The employees of RBEIPL thereafter e-mailed the clients, the details of specific stocks with quantities and prices at which the clients' trades needed to be executed, and sought confirmation of trades with contract notes to be immediately provided by the client to RBEIPL for "updation of its records".
19. Once the client provided his approval on the list of stocks over e-mail, a final call was made to the client from the office of the AP who was the father of Noticee 2, and trades were executed using the trading terminal allotted to the AP. E-mail

communications between “Bharti Institute (Wealth Management Department)” and clients, and telephone call transcripts between RBEIPL and clients, showed that all trades on behalf of clients were planned and initiated by RBEIPL. RBEIPL did not obtain a certificate of registration as investment adviser before enrolling clients.

20. The abovementioned combination of investment advice rendered without obtaining registration, trade recommendations and execution effected through premises and employees common to RBEIPL and its related AP, was actually a scheme or artifice designed to induce investors to invest in the securities market. Call transcripts and e-mails indicate that these investors were often novices without much trading expertise, as noted from their responses to the trading recommendations made by RBEIPL. In many cases, the buyers of RBEIPL’s wealth management plans were regular invitees and attendees of in-person free educational seminars marketed to them by RBEIPL.

21. These investors were pushed towards substantial investments with promises of high returns based on ostensible credentials of Noticee 2 as marketed by RBEIPL. The Interim Order noted invoices for multiple plans sold to the same client on the same day. The promise of “wealth management” was used by RBEIPL to lure clients who would allow RBEIPL to execute trades in the manner decided by RBEIPL and the AP related to it, with little discretion with clients. Further, there is no indication that the client was aware of the implications of the standard clause in the agreement on incomplete disclosure of financial information and corresponding waiver of risk-profiling. The *modus operandi* of the Noticees thus displayed avoidance of applicable requirements to disclose conflict of interest and in discharging fiduciary obligations towards its clients as per IA Regulations, as explained later.

22. At the outset, I note that Noticees have not specifically refuted any of the facts forming the basis of the findings in the Interim Order, other than basis for calculating unlawful gains for disgorgement, which is addressed separately. Noticees 1, 2 and 3 have tried to defend mixing of unregistered investment advice and stock broking service, which was not disclosed to clients, by claiming that it was legitimate. The Noticees have mainly contended that (i) as AP of a registered stock broker, the father of Noticee 2 was permitted to render investment advice

incidental to his sub-broking activity, and that (ii) RBEIPL as an entity imparting financial education and its owner being a genuine educator and "finfluencer" was not required to register as investment adviser. The Noticees have also contended that RBEIPL did not mislead any investors, as all disclosures were duly made to them and clients signed up for RBEIPL's wealth management plans voluntarily.

23. I now proceed to deal with these submissions of the Noticees, on the following issues raised for consideration-

23.1 *Whether investment advice was rendered by RBEIPL without registration as investment adviser under the IA Regulations;*

23.2 *Whether the Noticees violated regulations 3 (a), (b), (c), (d) and 4 (2) (k), (o) and (p) of the PFUTP Regulations read with section 12A (a), (b) and (c) of the SEBI Act;*

23.3 Whether Noticee 1 is liable for penalty under section 15A (a) of the SEBI Act as it failed to provide e-mail dump showing all records of mails sent to and received from investment advisory clients

Issue I - Whether investment advice was rendered by RBEIPL without registration as investment adviser under the IA Regulations

24. The legal requirement in respect of investment advice is provided as per regulation 3 of the IA Regulations which states 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 the Board under these regulations*". Section 12 (1) of the SEBI Act also states that "*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*". Therefore, it is a requirement of law that investment advice cannot be rendered without obtaining a certificate of registration in compliance with the provisions of the IA Regulations and SEBI Act.

25. That brings me to what constitutes "investment advice". As per regulation 2(1)(m) of the IA Regulations, an investment advisor is any person who "*for*

consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called;". Regulation 2 (1) (l) states that investment advice *relates "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 (including) financial planning".*

26. I shall now proceed to determine whether RBEIPL's activities qualified as "investment advice" in terms of the definition of the term under the IA Regulations.

27. It is evident from clauses of the agreements executed between RBEIPL and its clients that RBEIPL served as "adviser" and provider of "investment research" and held itself out as "investment adviser". Its employees were designated as "Senior Investment Adviser" in the case of Vishwas Nana Giri and "Wealth Manager" in the case of Rahul Anant Gosavi, in their respective payslips. The various e-mails sent to its clients, once they had paid for investment advice and wealth management plans, also show specific investment recommendations, instruction to execute the said trades and facilitation of the trades by opening trading accounts for them with the stock broker linked to AP, who in turn is the father of Noticee 2.

28. Further, while the Noticees have claimed that only investment research was provided and not investment advice, all records support otherwise. No investment research or rationale for trading was provided. There was no effective discretion of clients over their investments as found in the Interim Order referred to in para 5 above. Noticee 1 provided specific trading recommendations and managed the client's portfolio unilaterally. Thus, RBEIPL actually provided investment advisory service for a consideration, related to purchasing, selling and dealing in specific securities, which made the advice rendered by it fall squarely within the definition of "investment advice" in the IA Regulations, as mentioned in para 25 above.

29. The contention of the Noticees that RBEIPL was only rendering an educational service and making general comments in good faith is contrary to facts on record,

and hence cannot be accepted. It follows, therefore, that before rendering investment advice, RBEIPL was required to have obtained a certificate of registration as investment adviser in terms of regulation 3 of the IA Regulations read with section 12 (1) of the SEBI Act. Noticee 1 failed to obtain such certificate of registration as investment adviser.

30. The Noticees have also stated that Balu Motiram Bharti, father of Noticee 2 and AP of a stock broker, was the one who undertook investment advisory activity incidental to his work as AP, which is permitted under regulation 4 (g) of the IA Regulations.

31. However, I note that since RBEIPL was the entity which rendered investment advice and the related AP then converted the investment advisory recommendations into trades, on proven facts alone, the investment advice rendered by RBEIP cannot be considered incidental to the work of the AP. Telephone calls were made by RBEIPL employees to clients who were under the impression that they were speaking to employees of Bharti Wealth Management/RBEIPL. The agreements for investment advice and other services were with RBEIPL and not the AP. Therefore, the investment advice in the present matter was not incidental to Balu Motiram Bharti's work as AP. This argument of the Noticee is also evidently an afterthought designed to take cover of a perceived regulatory privilege permitting unregistered investment advice by APs of stock brokers.

32. It was also found that most investment advice and trading recommendations of RBEIPL were executed by the AP by opening a trading account with the broker he was associated with. There are instances of RBEIPL's investment advisory clients who had trading accounts with other brokers like Motilal Oswal, IIFL Securities, Kotak Securities and Nextbillion Technology Pvt. Ltd. In the case of such clients, investment advice had nothing to do with the AP, and was rendered by RBEIPL in its own capacity. Therefore, RBEIPL cannot claim that the investment advice rendered by it was incidental to the work done by the AP for the stock brokers with which it was associated. Therefore, the Noticees' contention must be rejected on factual grounds alone.

33. By way of legal basis, I find that the Noticees' argument that AP of a stock broker is like a sub-broker who is exempt from registration as investment adviser in

terms of regulation 4 (g) of the IA Regulations which stipulates such exemption for sub-broker "*who provides any investment advice to its clients incidental to their primary activity*", does not stand legal scrutiny. As per SEBI Circular dated August 3, 2018 on "*Role of Sub-Broker (SB) vis-à-vis Authorized Person (AP)"*, AP is not an intermediary requiring registration with SEBI. It is also noted that sub-brokers have been discontinued as a category of intermediary. However, regulation 4 (g) has not replaced "sub-brokers" with a reference to "authorized person". Since regulation 4 (g) of the IA Regulations refers to an exemption from registration as investment adviser only for registered intermediaries such as stock broker, portfolio manager and merchant banker, an AP who is not a SEBI-registered intermediary cannot automatically replace sub-brokers in regulation 4 (g), especially where the IA Regulations have not expressly included "authorized person".

34. I further note that stock brokers and sub-brokers were exempted from obtaining registration as investment advisers as the activity was incidental to their primary work. However, the first proviso to regulation 4 of the IA Regulations states that even such stock brokers and sub-brokers shall comply with the general obligations and responsibilities as specified in Chapter III of the IA Regulations. Chapter III of the IA Regulations provides for the general obligations of investment advisers in regulations 15 to 22A.

35. Chapter III of the IA Regulations, *inter alia,* requires an investment adviser to -

(i) act in a fiduciary capacity towards its clients;
(ii) disclose conflicts of interest as and when they arise;
(iii) maintain arms-length relationship between its activities as investment adviser and other activities;
(iv) obtain necessary information from its client for risk-profiling;
(v) ensure investments appropriate to risk profile of the client;
(vi) ensure disclosure of affiliations with other intermediaries and other material information about its business;
(vii) ensure that when providing implementation services to advisory clients, no consideration including commission or referral fees is received directly or indirectly, and that he shall provide implementation services to its

advisory clients only through direct schemes/products in the securities market.

36. Additionally, such stock brokers and sub-brokers even if rendering incidental investment advice are also required to comply with the Code of Conduct for Investment Adviser in the Third Schedule to the IA Regulations, which *inter alia* emphasizes honesty, fairness, diligence in the best interest of the client, disclosure of relevant material information to clients, fair and reasonable charges, avoidance of conflict of interest and adequate disclosure thereof. Even if one were to assume for the sake of argument that the AP was a registered intermediary providing investment advice incidental to his work as intermediary, which was not the case factually, he was required to ensure compliance with all the above provisions. Therefore, RBEIPL tried to evade compliance with the IA Regulations by not obtaining a certificate of registration, and then trying to portray the investment advisory activity incidental to the AP's work. These arguments of the Noticees are also without any merit and must be discarded.

37. In view of the above, I find that RBEIPL rendered investment advice to clients without obtaining a certificate of registration as investment adviser, thus violating regulation 3 (1) of the IA Regulations read with section 12 (1) of the SEBI Act, and thus violated the said provisions.

Issue II – Whether the Noticees violated regulations 3 (a), (b), (c), (d) and 4 (2) (k), (o) and (p) of the PFUTP Regulations read with S. 12A (a), (b) and (c) of the SEBI Act

38. The allegation regarding violation of the PFUTP Regulations is with reference to the following legal provisions –

SEBI Act, 1992

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

12A.No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;"

PFUTP Regulations, 2003

"3. Prohibition of certain dealings in securities

No person shall directly or indirectly-

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under."

"4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets.

4 (2) Dealing in securities shall be deemed to be a manipulative, fraudulent or an unfair trade practice if it involves any of the following –

…

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

…

(o) fraudulent inducement of any person by a market participant to deal in securities with the objective of enhancing his brokerage or commission or income

…

(s) mis-selling of securities or services relating to securities market;

Explanation-For the purpose of this clause, "mis-selling" means sale of securities or services relating to securities market by any person, directly or indirectly, by—

(i) knowingly making a false or misleading statement, or

(ii) knowingly concealing or omitting material facts, or

(iii) knowingly concealing the associated risk, or
(iv) not taking reasonable care to ensure suitability of the securities or service to the buyer"

39. From the facts before me, it is observed that Noticee 2, who had large following with the public through his two Youtube channels, his company's courses and authorship of books on trading, set up RBEIPL to provide training as well as investment advice and wealth management services to subscribers. It is reasonable to conclude that the apparent popularity of Noticee 2 ensured a steady flow of investors for his training courses as well as wealth management plans/investment plans.

40. As described later, RBEIPL's employees were tasked with contacting prospective clients and marketing schemes/products that offered high returns thereby converting them into wealth management clients. RBEIPL's website advertised its wealth management plans promising diversification of portfolio, financial discipline, retirement planning and risk management. Whatsapp chats between Bharti Share Market (i.e., RBEIPL) and prospective clients available at Annexure D to the Interim Order show that RBEIPL marketed "free" training seminars titled "*Share Market Success Seminar*" on wealth creation and share market trading to the public. RBEIPL thus actively sold certain trading related courses as well as "wealth management plans" involving investment research, advice and stock trade recommendations, for payment of management fee with profit sharing as applicable.

41. Clients of wealth management plans were onboarded with promise of unrealistically high returns ranging from 25% to 1000%. It is seen from Annexure D to the Interim Order that once clients had entered into agreement with RBEIPL, the latter routinely sent bulk e-mails to clients advertising that RBEIPL had "*found a new multibagger strategy with a portfolio approach to investment*", and informed existing clients that their portfolios were being restructured.

42. Details of RBEIPL's wealth management service are provided in Annexure J to the Interim Order in an excel sheet titled "Wealth (1)", in a tab titled "Task List", which described the work of employees of Noticee 1. Points of action for employees included "*Create a Deal of Every FRESH Incoming/outgoing call*",

"*Referral incentive sheet Changes*" and "*Create monthly contest for wealth referral team members*", showing that far from being a purely educational enterprise, the business model of Noticee 1 was driven by inducing clients to trade by signing up for its wealth management service. In the same sheet, in a tab titled "Recordings", an employee has been marked in red and warned for his omission to *use the word "expected return*" while interacting with a client. This shows that employees were being tutored by Noticee 1 for their specific use of the term "expected return" while marketing RBEIPL's wealth management plans to prospective clients, constituting evidence of motive to induce clients.

43. The evidence shows that the RBEIPL falsely and recklessly promised unrealistic returns. It has been noted earlier that the application form-cum-agreement showed that RBEIPL employees reached out to clients with its investment advisory and wealth management service, mentioning expected returns ranging from 25% to 1000%. At the same time, the clients were compelled to waive their right to risk-profiling and investment suitability. Thus the clients were forced them to deviate from recommended asset allocation by consenting to a 100% equity asset allocation which could render the investment advice contrary to their risk-taking ability. This abdication of their own financial interests by clients as thrust upon them by RBEIPL was an apparent breach of fiduciary responsibilities of intermediaries such as investment advisers to their clients, as enshrined in the IA Regulations. Such a declaration through a standard clause in the agreement was designed to absolve RBEIPL from any future liability, and showed that the investment advice was not in accordance with clients' risk taking ability. In the face of standard contracts compelling waiver of their clients' interests, the Noticees' arguments that the clients were disclosed all material facts including the risks associated with any recommendation provided, or that clients took decisions on their own to buy or sell and were not induced, cannot be accepted.

44. Thus, the unregistered investment advisory activity of RBEIPL leading to trades executed through its related AP involved false and misleading information disseminated on its website and through communications to its clients, and successfully evaded all the requirements of the IA Regulations. This amounted to a scheme and artifice involving a fraudulent and unfair trade practice in violation of section 12A (a), (b) and (c) of the SEBI Act and regulation 3 (a), (b),

(c) and (d) of the PFUTP Regulations. Further, as brought out in the following paragraphs, the Noticee's activity under consideration also had all the ingredients to constitute violation of regulations 4 (1) and 4 (2) (k), (o) and (s) of the PFUTP Regulations.

45. The Noticees have also admitted that there was a referral arrangement between RBEIPL and the AP. I note that RBEIPL's bank account statements for the period during 2021-2023 show 206 credit entries adding up to INR 17,93,55,000 and a debit entry of INR 50,000 where Balu Motiram Bharti was the counterparty. Thus, while there is no narration against these entries, it is noted that RBEIPL received around INR 18 crore from Balu Motiram Bharti during the relevant period.

46. I further note that referral arrangements with other entities are not permitted even to registered investment advisers as per regulation 22A of the IA Regulations, which stipulate that while investment advisers can provide implementation services to advisory clients, they shall ensure that *"no consideration including any commission or referral fees...by whatever name called is received...for the said service*".. Therefore, this is another instance of unfair trade practice where RBEIPL attempted to evade the applicable legal requirements by not obtaining registration for its investment advisory activity. Further, I find no evidence of disclosure of the claimed referral arrangement by RBEIPL to its clients. Clients of RBEIPL were not aware that their agreements with RBEIPL to be advised regarding management and profitable investment of their funds also translated into a steady stream of clients for the related AP, contributing to referral fees for RBEIPL. Therefore, referral arrangement is an unfair trade practice entered into by RBEIPL and AP as against the interest of their clients without their knowledge.

47. The Noticees have also claimed that "finfluencers" who are genuine educators are not meant to be regulated, and that regulation of "finfluencers" is a nascent area still developing. In this regard, it has already been found that Noticee 1 was rendering unregistered investment advice and was also inducing investors and mis-selling services to them. The plea that RBEIPL was a genuine finfluencer which simply referred clients to the AP who was actually providing investment advice incidental to its trading activity has been seen to be factually incorrect. Further, I note that even in the absence of specific regulation for finfluencers at the time when the unregistered investment advice was provided by the Noticee

1, no persons including “finfluencers” are allowed to indulge in fraudulent or unfair trade practices prohibited under applicable laws such as the SEBI Act and the PFUTP Regulations. SEBI has also been issuing orders to enforce PFUTP Regulations against finfluencers who have induced or misled investors using media channels such as Youtube or Telegram, by holding them liable for misleading investors. Therefore, Noticee 2 cannot claim immunity from applicable law on the ground that it is a “finfluencer”.

48. In this regard, giving investment advice without registration, entering into a referral arrangement with a related party, providing misleading statements regarding unrealistically high expected returns of upto 1000%, giving investment advice without risk-profiling, etc., constitute fraudulent and unfair trade practice in the securities market. Consequently, the said conduct of Noticees is in violation of section 12A (a), (b) and (c) of the SEBI Act, regulation 3 (a), (b), (c) and (d), regulations 4 (1) and 4 (2) (k), (o) and (s) of the PFUTP Regulations.

Issue III – Whether Noticee 1 is liable under section 15A (a) of the SEBI Act for failing to provide e-mail dump showing all records of mails sent to and received from investment advisory clients

49. It has been alleged that despite reminders, Noticee 1 did not share the e-mail dump containing complete details of its investment advisory services including copies of e-mails sent to all investment advisory clients, making it liable for penalty under section 15A (a) of the SEBI Act. In this regard, the applicable legal provision states –

“*Penalty for failure to furnish information, return, etc.*

15A. If any person, who is required under this Act or any rules or regulations made thereunder,—

(a) to furnish any document, return or report to the Board, fails to furnish the same or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a 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.”

50. I note that though Noticee 1 shared details of certain wealth management clients, SEBI's examination found that many of the 290 unique investment advisory clients disclosed by Noticee 1 could not be mapped to the four bank accounts of Noticee 1. This led to a possibility that there were other bank accounts that received fees against investment advice rendered by Noticee 1. SEBI had categorically sought email dump of the emails issued to its clients. However, Noticee 1 remained defiant and failed to furnish the said email dump. Since Noticee 1 failed to furnish the complete email dump, it constrained SEBI's examination as the complete details of advisory issued to its clients were missing which was an essential component of the these proceedings.

51. Accordingly, failure to furnish information with respect to email dump despite being called upon to do so, constitutes non-compliance with section 15A (a) of SEBI Act by Noticee 1, therefore, I find that Noticee 1 is liable for penalty in this regard.

Conclusions

52. The above facts and findings have brought to light the remarkable case of a finfluencer with extensive public reach, who has thoroughly exploited his popularity to further his businesses, in complete disregard of applicable laws. Noticee 2, the finfluencer, is also the CMD of Bharti Group which comprises diverse commercial interests. Instead of seeking registration as a regulated intermediary, Noticee 1 tried to hide its investor advisory business under the garb of a financial educational institute which was supposed to espouse investor interest.

53. Far from furthering investor interest, RBEIPL's unregistered investment advisory business involved evasion of all regulatory safeguards in the IA Regulations framework meant to secure investor interest - such as fiduciary duty to act in client interest, disclose conflict, separate investment advice from other business and avoid external referral fee. Noticee 1 promised its clients the moon in terms of profits. Once the clients signed off their interests in one-sided wealth management agreements with RBEIPL, it nudged them towards multiple investment plans which ensured ample funds of investors at its disposal to manage at its discretion. The constant trading also ensured a steady stream of

clients for Ravindra Bharti's father's business as AP of a stock broker. Most notably, all this was done by Noticee 1 without breathing a whiff about the obvious conflict of interest and business with related parties to its clients. The violations of the Noticees can therefore not be reduced to technical transgressions due to non-registration *simpliciter,* but a deliberate attempt to dazzle ordinary investors with Noticee 2's reputation and promise of quick money, so that they readily fell prey to false statements and agreements.

54. The Noticees thus set up a money-making arrangement whose sole purpose and intent was to ensure steady income and fees for RBEIPL as well as the AP related to it. "Wealth management plans" with unreasonably high returns were actively marketed to the public. However, the wealth management agreements contained outrageous mandatory clauses which exposed clients to unreasonable risk. The agreements also allowed Noticee 1 to actively manage the clients' funds and investments granting little discretion to clients, while shrugging off its fiduciary duties towards them. No registration as intermediary was taken for rendering this service, which made evasion of obligations under the IA Regulations possible. When the dots are connected, none of the above happened serendipitously. Instead, what emerges is a well-designed income-generating scheme promising unrealistic profit to investors while making them consent to unreasonable levels of risk. This involved violations of SEBI Act, PFUTP Regulations and IA Regulations.

Determination of liability of the Noticees - Disgorgement and penalty

55. Having established the violations of provisions of SEBI Act, IA Regulations and PFUTP Regulations by Noticee 1, I now turn my attention to the arguments presented by the Noticees regarding their liability towards disgorgement of unlawful gains and penalty. I note that as per the Interim Order, unlawful gains of INR 12,03,82,130.91 earned from unregistered investment advisory business were directed to be impounded from Noticee 1. The Noticees were further directed not to dispose of or alienate any of their assets/properties/securities, till such time as the amount of unlawful gain was credited to an Escrow Account. It is understood that even after debits from the Noticees' bank and

demat accounts were restrained till deposit of the impounded sum into the Escrow Account, Noticee 1 failed to credit any amount to the Escrow account as directed in the Interim Order. As on April 29, 2024, only INR 7.59 lakhs were available in its HDFC Bank account.

56. In this regard, Noticee 1 contested the method for calculation of unlawful gains resulting from unregistered investment advisory activity in the Interim Order. It was submitted that in Table 3 in the Interim Order dealing with 682 credit entries attributed to investment advice, SEBI incorrectly assumed that all credits in the bank account in excess of INR 50,000/- related to unregistered investment advice. Noticees claimed that instead of INR 9.41 crore, the amount attributable to investment advice should be INR 5.44 crore. I note that Annexure C to the Noticees' reply shows recalculated amounts for 682 entries in its bank accounts which were attributed to investment advisory fee in para 15 of the Interim Order. The Noticees have identified certain fees received for wealth management as double counting entries. Further, 89 entries for education courses, 168 entries for franchises, 13 credit card entries/payment returns from bank, 37 entries for related party entries and 68 miscellaneous entries have been described as not pertaining to investment advice but to the respective categories as submitted by the Noticees.

57. Noticees have also contested the figures corresponding to S. Nos. A, B and C in the first column of Table 6 of the Interim Order, which comprises the three components for calculating investment advisory fee to be disgorged.

58. Table 6 is reproduced below for reference –

Column	Particulars	Amount (INR)
(A)	Fee collection as reported by the RBEIPL	5,44,50,655.00
(B)	Add: Credits in the bank accounts of RBEIPL in excess of Rs. 50,000, (excluding certain credits)	9,41,97,759.42
(C)	Less: Amount admittedly collected as fee and which are traced in the bank account to avoid double counting	2,82,66,283.51
(D)	Total advisory fee estimated to be collected by RBEIPL (A) + (B) - (C) during the period January 10, 2018 to September 30, 2023	12,03,82,130.91

59. In respect of the fee collection amount at S. No. A of Table 6, Noticees admitted to additional investment advisory fee in respect of two more clients, adding up to INR 5,14,249.00. This raised the amount of admitted investment advisory fee to INR 5,49,64,904.00 from INR 5,44,50,655.00 as stated at S. No. A in Table 6 of the Interim Order.

60. In respect of bank credits at S. No. B of Table 6, the Noticees' have submitted that the amount comprising credits in bank account statements above INR 50,000 includes INR 30,12,413 reversed for credit card payments, INR 47,90,719 for related party transactions with relatives and INR 1,19,38,408.15 for certain miscellaneous entries which were not investment advisory fee. Upon perusal of the bank statements and supporting documents like copies of certain referral agreements, credit card bills/statements and screenshots of bank statements provided by the Noticees, it is seen that Noticees have provided evidence in support of credit card reversals and related party transactions which did not constitute investment advisory fee, for the total amount of INR 78,03,132. With respect to miscellaneous entries, Noticees have provided acceptable evidence for a total credit of INR 89,09,476 due to reasons such as failure of bank transactions such as NEFT reversals, credits from other accounts of Noticee 1 and bank loans.

61. Further, the Noticees have also claimed that certain entries attributable to educational courses and franchise fees were not investment advisory fee, and need to be reduced from S. No. B of Table 6. In support of this claim, Noticees have provided unsigned tax invoices showing receipts against club memberships and educational courses. However, I note that RBEIPL has not provided any other supporting document like e-mail communications, franchise or membership documents, to substantiate its claim. The claimed credit entries against educational courses range between INR 3.35 lakh and approximately INR 56,000, which exceeds the maximum course fees of INR 47,200 as per course details on RBEIPL's website during the examination period. Therefore, the Noticees' claim for reduction of entries against educational courses is not acceptable.

62. I also note that in respect of claimed entries for franchise fees, the Noticees have only provided unsigned payment invoices and no supporting documents such as

agreements or communications with the respective franchisees to substantiate their claim. Therefore, Noticees' claim for reduction of entries against franchisee fee is not acceptable.

63. In the light of the above, a total amount of INR 1,67,12,608 supported by documentary evidence is liable to be reduced from the figure of INR 9,41,97,759.42 at S. No. B in Table 6 of the Interim Order. The amount against S. No. B in Table 6 is thus revised to INR 7,74,85,151.42.

64. In respect of S. No. C of Table 6, Noticees described certain entries counted both as fee collection reported by RBEIPL (in S. No. A in Table 6 in the Interim Order), as well as credits in excess of INR 50000 in bank accounts of RBEIPL (in S. No. B in Table 6). Noticees have stated that an amount of INR 4,69,28,175 has been counted twice, while Table 6 of the Interim Order removes only INR 2,82,66,283.51 as double counting entries at S. No. C. In response to the Noticee's submission, it is noted from examination of narration in bank statements and e-mail id's in payment aggregator transaction statements that an additional amount of INR 92,59,649.79 is identifiable as investment advisory fee which was double counted. Hence, a revised amount of INR 3,75,25,933.30 needs to be reduced from the sum of S. Nos. (A) and (B).

65. In the light of the Noticees reply which is supported by documentary evidence, the total investment advisory fee received by RBEIPL during the relevant period is revised from INR 12,03,82,130.91 to INR 9,49,24,122.12, as tabulated below:-

Particulars			**Amount (Rs.)**
Fee collection as reported by the entity	**(A)**	Interim Order Amount	5,44,50,655.00
		(+) Entity reported additional collection during reply to SCN	5,14,249.00
		(=) **Revised Amount**	**5,49,64,904.00**
Add: Credits in the bank accounts of RBEIPL in excess of Rs.50,000*, excluding credits specifically identified as non-advisory fees)	**(B)**	Interim Order Amount	9,41,97,759.42
		(-) Credit Card Payment Returns	30,12,413.00
		(-) Related Party Transactions	47,90,719.00
		(-) Other/Miscellaneous Entries	89,09,476.00
		(=) **Revised Amount**	**7,74,85,151.42**

Particulars			Amount (Rs.)
Less: Fee collection as reported by the entity traced in the bank accounts of RBEIPL (Common amount in (A) and (B)	**(C)**	Interim Order Amount	2,82,66,283.51
		(+) Additional amount identified	92,59,649.79
		(=) **Revised Amount**	**3,75,25,933.30**
Total advisory fee estimated to be collected by RBEIPL (A)+(B)-(C)	**(D)**	Interim Order Amount	12,03,82,130.91
		Revised Amount	**9,49,24,122.12**

66. Further, I find that the unlawful gains have been calculated with reference to receipts in the bank accounts of Noticee 1. However, Noticee 2 is the promoter and CMD of Noticee 1. As Noticee 2 was managing the affairs of RBEIPL as its senior-most executive, it can be inferred that the entire scheme of luring members of the public into wealth management plans with promise of unrealistic profits, without obtaining a certificate of registration as investment adviser by RBEIPL, was orchestrated by Noticee 2. Accordingly, the role of Noticee 2 in the unregistered investment advisory activity was inseparable from that of RBEIPL. Further, since Noticee 2 was the founder promoter as well as CMD of RBEIPL, it can be concluded that he was the direct beneficiary of the gains accrued to Noticee 1 from the scheme involving violations of the SEBI Act, IA Regulations and PFUTP Regulations. This makes Noticees 1 and 2 jointly and severally liable for disgorgement of the entire gains amounting to INR INR 9,49,24,122.12, made from this unlawful activity.

67. I find that Noticees 3, 4 and 5, though involved in the aforesaid fraudulent scheme as directors and employees of Noticee 1, cannot be held responsible to the same extent as Noticees 1 and 2. The evidence on record against Noticees 3, 4 and 5 is insufficient to hold them jointly and severally liable for disgorgement of unlawful gains.

68. This brings me to determination of penalty under sections 15A(a), 15HB/15EB and 15HA of the SEBI Act - for failure to provide information specifically sought by SEBI, failure to comply with provisions of IA Regulations, and for fraudulent and unfair trade practices violating the PFUTP Regulations, respectively, as applicable. The relevant provisions are reproduced below for reference –

"*Penalty for failure to furnish information, return, etc.*
15A. If any person, who is required under this Act or any rules or regulations made thereunder,—(a) to furnish any document, return or report to the Board, fails to furnish the same or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a 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."

"Penalty for default in case of investment adviser and research analyst.
15EB. 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."

"Penalty for fraudulent and unfair trade practices.
15HA. If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher."

"Penalty for contravention where no separate penalty has been provided.
*15HB. 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 s*hall not be less than one lakh rupees but which may extend to one crore rupees."

69. I note that while imposing penalty under sections 15A(a), 15HB/15EB and 15HA of the SEBI Act, the following factors enumerated in section 15J are to be taken into consideration:

"*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."

70. Noticee 1 has already been found to have violated section 15A(a) by not providing the information, i.e., email dump, specifically sought by SEBI. Thus, Noticee 1 is liable for penalty for non-compliance with section 15A(a) of the SEBI Act.

71. Regarding penalty under section 15EB, Noticee 1 contended that since it was not registered as investment advisor, it could not be penalised under section 15EB which pertains to registered investment advisers. In this regard, I note that section 15EB applies to "investment advisers". As per regulation 2 (1) (m) of the IA Regulations, "investment adviser" is defined as "*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*". I find that the above definition applies even to persons who do not hold a valid certificate of registration as investment adviser but are functioning as such. Further, as per section 12(1) of the SEBI Act read with regulation 3(1) of IA Regulations, "*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*", needs to obtain registration under IA Regulations to do so. Therefore, Noticee 1 who was rendering investment advice, was required to obtain registration from SEBI before rendering such advice. Accordingly, the contention of Noticee 1 in this regard cannot be accepted. Thus, Noticee 1 is liable for penalty under section 15HB/15EB of the SEBI Act.

72. I further find that Noticee 1 is liable for penalty under section 15HA for violation of section 12A (a), (b) and (c) of the SEBI Act, regulation 3 (a), (b), (c) and (d) and regulation 4 (2 (k), (o) and (s) of the PFUTP Regulations as established in the above paragraphs.

73. Noticees have also contended that penalty need not be levied in every case, should be proportionate and that SEBI should take into account mitigating

factors. Noticees have submitted that the violations are incidental transgressions by a finfluencer in a newly regulated space where finfluencers have been let off with warnings in other cases. They have further argued that investors have not suffered any losses and the Noticees have already suffered for the last five months following the Interim Order. In this regard, this Order has already found that the violations committed by the Noticees are serious in nature amounting to fraudulent and unfair trade practices. Further, I take into account the fact that the Noticees have not deposited the sum of INR 12,03,82,130.91 directed to be impounded in the Interim Order.

74. With respect to their role in the violations committed by Noticee 1, Noticees 4 and 5 have contended that since they were directors of Noticee 1 for only 8 days during the investigation period, they are not liable for the unregistered investment advisory activity and alleged violations committed by Noticee 1. Noticees 4 and 5 have further submitted that they cannot be held jointly and severally liable with Noticees 1 to 3 for violation of SEBI Act, IA Regulations and PFUTP Regulations.

75. In this regard, it is noted that the salary slip and appointment letter of Noticee 4 show that he was employed as "Wealth Manager" and Executive Assistant to the CMD of RBEIPL since October 2, 2015. Further, Noticee 4 admitted that he was involved in administrative assistance to RBEIPL's management and its financial literacy franchise work. He was chosen with Noticee 5 to be director of RBEIPL after Noticees 2 and 3 stepped down since he was a longstanding employee of RBEIPL. Similarly, Noticee 5 submitted that she was involved in "*providing educational services, managing and responding to students queries, assisting in onboarding new students to subscribe for Bharti Share Market educational course, co-ordinating with course students, etc*."

76. I find that Noticee 4 admittedly was an employee of RBEIPL, a director of RBEIPL and a dealer of AP Balu Motiram Bharti as per NSE records. As on date, Noticees 4 and 5 are the only directors of Noticee 1 as per the MCA website.

77. In view of the above, it is reasonable to infer that Noticees 4 and 5 were appointed as directors on account of their involvement in and knowledge of every aspect of RBEIPL's activities including investment advisory activity. I further note from email records in Annexure J to the Interim Order that onboarding of wealth management clients continued after Noticees 4 and 5 had taken over. Therefore,

Noticees 4 and 5 were in charge of and responsible to RBEIPL when unregistered investment advisory activity and inducement of investors were being carried on. Further, they were the directors of RBEIPL when it failed to provide information with respect to the email dump as sought by SEBI. Therefore, I find that Noticees 1, 4 and 5 are liable for monetary penalty under sections 15A(a), 15EB/15HB and 15HA read with section 27 of the SEBI Act, jointly and severally, in respect of violations of the SEBI Act, IA Regulations and the PFUTP Regulations by RBEIPL.

78. Accordingly, in the facts and circumstances of the case, I find that a penalty of INR 10 lakh under section 15HA of the SEBI Act, and of INR 5 lakh under sections 15EB and 15HB of the SEBI Act payable jointly and severally by Noticees 1, 2, 3, 4 and 5 would be appropriate. Further, I find that a penalty of INR 5 lakh under section 15A(a) of the SEBI Act payable jointly and severally by Noticees 1, 4 and 5 will be commensurate with the violation committed by them.

ORDER

79. In view of the above mentioned findings and having regard to the facts and circumstances of the matter, I, in exercise of the powers conferred upon me under section 19 read with sections 11(1), 11(4), 11B(1) and 11B (2), and read with sections 15HA and 15EB of the SEBI Act and rule 5 of the SEBI (Procedure for holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 hereby issue the following directions –

79.1 Noticees 1 and 2 are directed to disgorge an amount of INR 9,49,24,122.12 on a joint and several basis, alongwith simple interest at the rate of 6% leviable from the date of the Interim Order till the date of actual payment;

79.2 Noticees 1 to 5 are restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, till April 4, 2025. If the Noticees have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out /square off such open positions within 7 days from the date of this order. The Noticees are permitted to settle the pay-in

and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this Order. It is clarified that during the period of restraint, the existing holding of securities, including the units of mutual funds, of the Noticees shall remain under freeze in respect of the aforesaid debarred Noticees;

79.3 The Noticees 2 to 5 are hereby restrained from associating themselves with any intermediary registered with SEBI, in any capacity, till April 4, 2025;

79.4 The Noticees are directed not to dispose of or alienate any of their assets/properties/securities, till such time as the amount of unlawful gain is disgorged in terms of this Order, except with the prior permission of SEBI;

79.5 The Noticees shall cease and desist from offering investment advisory services, or acting as or holding themselves out to be investment advisors, in any manner whatsoever, including by using “Ravindra Bharti Education Institute Private Limited”, “Ravindra Bharti Wealth” or otherwise, without obtaining a certificate of registration from SEBI as required under the securities laws;

79.6 If Noticees 1 and 2 fail to disgorge the amount referred in para 79.1 above, the directions provided in para 79.2 and 79.3 above shall continue against them for a further period of 5 years or till such time as the said amount is disgorged, whichever is earlier;

79.7 The amount mentioned above for disgorgement above shall be remitted by the aforementioned Noticees to Investor Protection and Education Fund (IPEF) referred to in section 11(5) of the SEBI Act, within 45 (forty-five) days from the date of receipt of this Order. An intimation regarding the payment of said disgorgement amount directed to be paid herein, shall be sent to "The Division Chief, MIRSD-SEC-1, Securities and Exchange Board of India, SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai-400 051”;

79.8 Noticees shall pay monetary penalty under sections 15A(a), 15HB/15EB and 15HA of the SEBI Act as indicated in the following table -

Noticee No.	Noticee name	Penalty (INR)
1	Ravindra Bharti Education Institute Private Limited	10 lakh (under section 15HA of the SEBI Act), and 5 lakh (under sections 15HB/15EB of the SEBI Act) payable jointly and severally
2	Ravindra Balu Bharti	
3	Shubhangi Ravindra Bharti	
4	Rahul Ananta Gosavi	
5	Dhanashri Chandrakant Giri	
1	Ravindra Bharti Education Institute Private Limited	5 lakh (under section 15A(a) of the SEBI Act) payable jointly and severally
4	Rahul Ananta Gosavi	
5	Dhanashri Chandrakant Giri	

79.9 The Noticees 1 to 5 shall pay the respective penalties imposed on them within a period of forty five (45) days from the date of receipt of this Order. In case of their failure to do so, simple interest at the rate of 12% per annum shall be applicable from the expiry of the said 45 days till the date of actual payment;

79.10 Noticees 1 to 5 shall pay the monetary penalty by online payment through following path on the SEBI website: www.sebi.gov.in/ENFORCEMENT→ Orders → Orders of Chairman / Members → Click on PAY NOW. In case of any difficulties in payment of penalties, the Noticees may contact the support at portalhelp@sebi.gov.in.

79.11 Noticees 1 to 5 shall forward details of the online payment made in compliance with the directions contained in this Order to the "Division Chief, MIRSD-SEC-1, Securities and Exchange Board of India, SEBI Bhavan, Plot No. C4-A, "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 following table:

Case Name	
Name of the Payee	
Date of Payment	
Amount Paid	
Transaction No.	
Bank details in which payment is made	
Payment is made for:	Penalty

80. This Order comes into force with immediate effect.

81. This Order shall be served on the Noticees, Recognized Stock Exchanges, Depositories, Registrar and Share Transfer Agents and Banks to ensure necessary compliance.

Date: December 10, 2024
Place: Mumbai

ASHWANI BHATIA
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA