

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Section 12 (3) of SEBI Act, 1992 read with Regulation 27 of SEBI (Intermediaries) Regulations, 2008 in the matter of Shri Gagan Hora

NOTICEE	SEBI REGISTRATION NO.
GAGAN HORA	INA000011529

BACKGROUND

1. Gagan Hora (PAN: AALPH5961N) (hereinafter referred to as the “**Noticee**”) is an Investment Adviser (hereinafter referred to as “**IA**”) registered with the Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) having SEBI Registration No. INA000011529, from August 23, 2018. The registered address of the Noticee is 2703, T-6, Crescent Bay, Jerbai Wadia Road, R.A. Kidwai Marg, Parel, Mumbai 400012.
2. SEBI received a complaint dated January 23, 2020 from one Swapan Kumar Pandit (referred hereinafter as “**Complainant**”) stating that he had paid a total amount of Rs. 50,000/- to an entity by the name of Signal2Success. The complaint further stated that Signal2Success is owned by the Noticee, and that the same was displayed on www.Signal2Success.com, i.e. the website of Signal2Success. SEBI’s examination revealed that Signal2Success was connected to the Noticee as his client. Further, the investment advice given by the Noticee was allegedly being used by Signal2Success on their own website and that the Noticee was aware of the fact that Signal2Success was utilizing the advice of the Noticee to give advisory services to other clients. Hence it was alleged that the Noticee had colluded with Signal2Success

and in view of the same had violated Clauses 1 and 8 of the Code of Conduct for Investment Adviser as laid down in the Third Schedule of SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as the "**IA Regulations**") and Fit and Proper Criteria as specified under Schedule II to SEBI (Intermediaries) Regulations, 2008 (hereinafter referred to as the "**Intermediaries Regulations**").

3. Accordingly, SEBI initiated enquiry proceedings against the Noticee under Chapter V of the Intermediaries Regulations and appointed a Designated Authority (hereinafter referred to as the "**DA**") to enquire into whether the alleged violations by the Noticee warranted cancellation or suspension of the certificate of registration granted by SEBI or any other action provided in Chapter V of the Intermediaries Regulations.
4. On completion of the proceedings, the DA submitted a report on May 20, 2022 (hereinafter referred to as "**DA's Report**") recommending that the Noticee may be censured. Pursuant to this, a post enquiry SCN dated June 03, 2022 was issued to the Noticee, under Regulation 27 (1) of Intermediaries Regulations, 2008, to show cause as to why action, as recommended by the DA or any other action as deemed appropriate by the Designated Member (hereinafter referred to as the "**DM**"), should not be taken against the Noticee. A copy of the DA's Report was also forwarded to the Noticee along with an advice to file reply, if any, within 21 days from the date of receipt of the notice. The Noticee filed a reply dated June 28, 2022. Thereafter, the matter was placed before the DM. In terms of Regulation 27(4) (as it stood then) of the Intermediaries Regulations, 2008, which *inter alia* states that the DM may grant an opportunity of personal hearing where the DM is of the prima facie view that it is a fit case for cancellation of certificate of registration, a hearing date was granted by the DM. Thereafter, the SEBI (Delegation of Statutory and Financial Powers) Order, 2019 (hereinafter referred to as "**DoP**") was amended and serial number 19A was inserted in Part A- Delegation of Regulatory Powers and Statutory Functions, Chapter- I: Delegation of Powers and Functions under the Act with effect from July 25, 2022. Vide the same, issuing of directions/ orders under Section 11(1), 11(4), 11(4A), 11B(1), 11B(2), 11D or any regulations framed by SEBI (where no interim, confirmatory or revocation order is envisaged in the matter) was delegated *inter alia* to Chief General Managers (CGM) of SEBI. Consequent changes were also made to the Intermediaries Regulations, 2008 and the words "designated member" were

substituted with “Competent Authority” in Regulation 27. Thereafter, in August 2022, the matter was allocated to me in place of the DM. As the matter *prima facie* appeared to be a fit case for cancellation of registration, an opportunity of personal hearing was granted to the Noticee on September 28, 2022, wherein the matter was part heard and thereafter again taken for hearing on October 3, 2022. On the scheduled dates, the Authorised Representatives (AR) of the Noticee, Mr. Varun Byreddy, Advocate along with the Noticee himself, appeared for the hearing via web-conferencing and made submissions. During the hearing as well as in his written submissions dated June 28, 2022, the Noticee *inter alia* reiterated and sought to rely upon his submissions dated January 2, 2021 made before the DA. The submissions of the Noticee, *inter alia*, are given below:

- a. The Noticee had no contractual or fiduciary relationship with the complainant.
- b. The Noticee has over 23 years of work experience in research and trade strategy and had worked for international research firms and banks like HSBC Bank Plc, Royal Bank of Scotland Business Services, Morning Star India and Amba Research India. He was the head of business units of these organizations.
- c. The Noticee received his registration as an IA in August 2018.
- d. In November 2018, the Noticee had received calls from one Ravi Prakash Tripathi (proprietor of Signal2Success) to avail his research and advisory services. Thereafter in December 2018 an agreement (hereinafter referred to as “**the Agreement**”) was drafted by advocates of Ravi Prakash Tripathi, and the parties to the Agreement were the Noticee and Signal2Success (through Ravi Tripathi).
- e. As per the Agreement, the Noticee was obligated to provide investment advisory services relating to Equity, Futures and Options and consultation on purchasing, holding and selling of stocks and shares on BSE Ltd. (BSE) and National Stock Exchange (NSE). Signal2Success would pay a fixed compensation of Rs.50,000 per month to the Noticee.
- f. It is expressly stated in the Agreement that no legal relationship in the nature like partnership or joint venture would be formed.

- g. The Noticee provided advice only on large cap Future and Option Stocks, Nifty and Bank Nifty. The Noticee had nothing to do with the business or clients of Signal2Success. The Agreement did not authorise Signal2Success to further distribute the advisory services rendered by the Noticee.
- h. The Noticee had received physical copies of KYC documents of Signal2Success but had misplaced the same while shifting home amid covid restrictions. The Noticee had lodged a police complaint regarding the same.
- i. Ravi Tripathi had verbally informed the Noticee of the registration of Signal2Success as an IA. No occasion arose for the Noticee to seek registration details of Signal2Success.
- j. On receipt of the complaint from SEBI on January 24, 2020, the Noticee had duly responded to the same and denied any transactions with the complainant or ownership of Signal2Success.
- k. Ravi Tripathi has misused the registration number of the Noticee without any authorization to do so. The Noticee was not the owner/partner of Signal2Success. The Noticee's name appears nowhere in the registration/ ownership details of Signal2Success. The SCN has been issued on the basis of one stray line in the Whatsapp conversation.
- l. Details of registered investment advisers are available for all to view on the SEBI website. An IA cannot be expected to check innumerable websites to see if anyone is misusing his registration number.
- m. The registration number of the Noticee was removed from the website of Signal2Success after he forwarded the complaint to Ravi Tripathi on November 7, 2019. Since November 8, 2019, the Noticee had checked the website of Signal2Success several times till March 2020, when the website was taken down. The Noticee did not find his registration number being misused again during that period. The same is confirmed by the Complainant in his complaint on SCORES. The complainant has also stated that he is aware that the Noticee is only an adviser to Signal2Success.

- n. There was no redistribution of the trade advice rendered by the Noticee on the website of Signal2Success. The said conclusion reached by SEBI is not based on any evidence.
- o. The Noticee did not receive any pecuniary benefit from the use of his registration number of the website of Signal2Success. There was no additional remuneration for the registration number to be displayed on the website. The Noticee had no need to allow someone to use his registration for only Rs.6,60,000.
- p. The Noticee was not acting in collusion with Ravi Tripathi/ Signal2Success. The Noticee only replied to his client as an ice-breaker and the same cannot lead to a conclusion that they were acting in collusion. Ravi Tripathi had messaged “I mentioned our advisor registration no. in our website”, which does not mean “I mentioned your advisor registration no. in my website”. Since the Noticee was under the impression that Signal2Success was a registered IA, he thought that Ravi Tripathi was simply stating that the registration no. of Signal2Success was displayed on its own website.
- q. The complainant had no privity of contract with the Noticee.
- r. The Noticee had messaged Ravi Tripathi out of sheer anger and concern after seeing the complaint.
- s. Ravi Tripathi was avoiding calls of the Noticee and so he could not communicate with him thereafter.
- t. The Noticee has settled with the Complainant and the complaint has been withdrawn.
- u. The Noticee has also submitted an application to surrender his IA registration to SEBI and the same is pending.

ISSUES FOR CONSIDERATION

- 5. I have considered the Report submitted by the DA, the Post-Enquiry SCN issued to the Noticee, submissions made by the Noticee and other material available on record.

6. The scope of the present proceedings before me is restricted to the enquiry initiated against the Noticee under Chapter V of the Intermediaries Regulations, 2008 to determine whether the alleged violations by the Noticee warrants cancellation or suspension of the certificate of registration granted by SEBI or any other action provided under Regulation 27 of the Intermediaries Regulation. From the records, it is seen that a parallel proceeding under Section 11B of the SEBI Act, 1992 is pending before the WTM of SEBI. The issues that arise for consideration in this regard are as under:
- a. Whether the Noticee had knowledge of the unregistered investment advisory activities of Signal2Success using the registration and after obtaining advice from the Noticee?
 - b. Whether the Noticee violated Clauses 1 and 8 of the Code of Conduct for Investment Adviser as specified in the Third Schedule to the IA Regulations?
 - c. Whether the Noticee violated the Fit and Proper Criteria (Schedule II) to the Intermediaries Regulations?
 - d. What directions need to be issued against the Noticee for the violations, if any?
7. Before moving forward, it will be appropriate to refer to the relevant provisions of the Broker Regulations and the SEBI circulars alleged to have been violated by the Noticee:

THIRD SCHEDULE

Securities and Exchange Board of India (Investment Advisers) Regulations, 2013

CODE OF CONDUCT FOR INVESTMENT ADVISER

1.Honesty and fairness

An investment adviser shall act honestly, fairly and in the best interests of its clients and in the integrity of the market.

...

8.Compliance

An investment adviser including its partners, principal officer and persons associated with investment advice] shall comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of clients and the integrity of the market.

CONSIDERATION OF ISSUES AND FINDINGS

Noticee's knowledge of misuse of his registration number by Ravi Tripathi

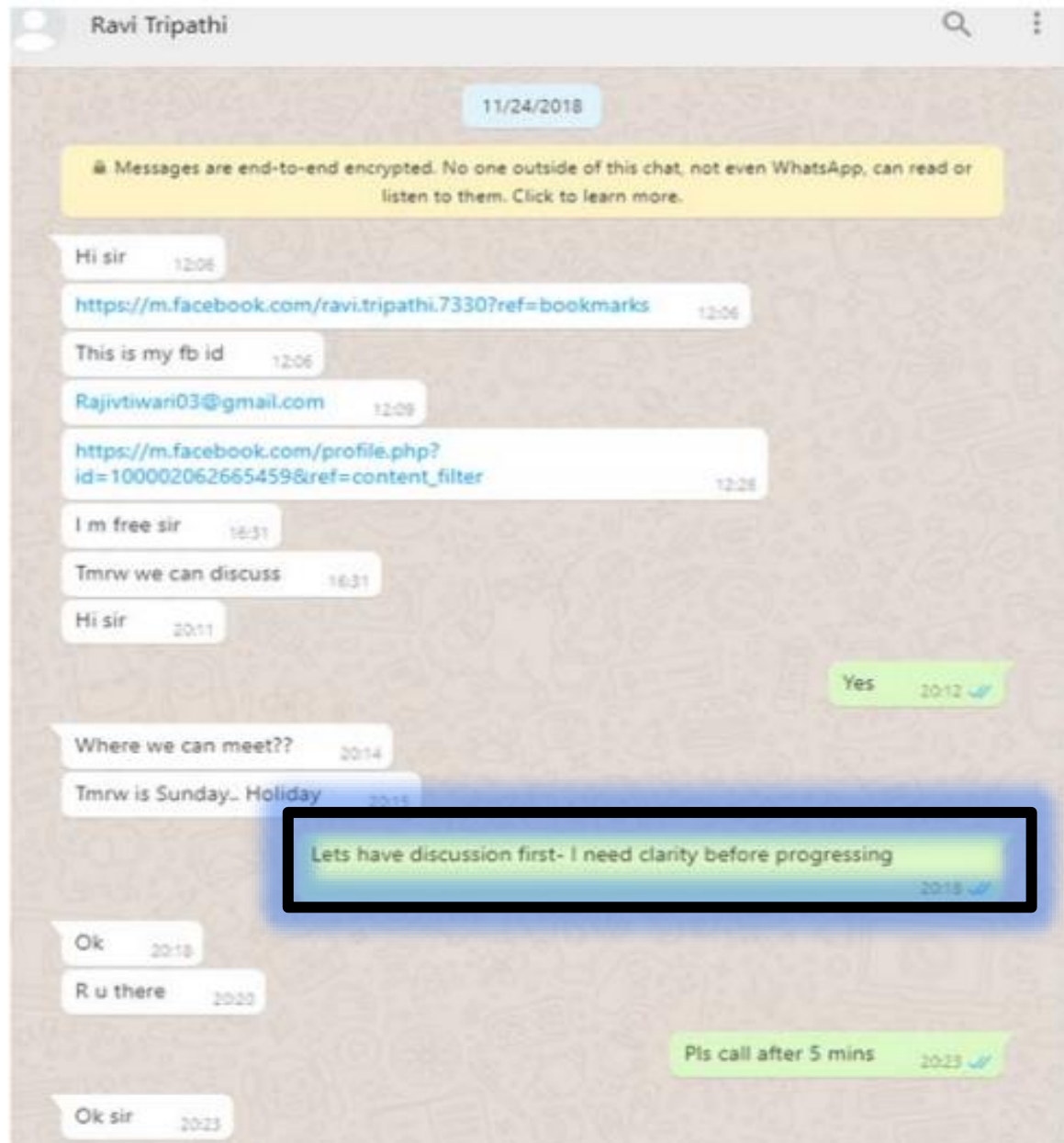
8. As noted above, SEBI had received a complaint, wherein it was claimed that the complainant had paid Rs.50,000 (in four instalments from July 25, 2019 to July 31, 2019 to Signal2Success) through the payment gateway "Easebuzz". The complainant has stated that he was given an assurance that the investment was safe and that he would earn a profit of 70% profit within a month. The complainant further stated that Signal2Success was an entity owned by the Noticee, who is a SEBI registered IA. The complainant also stated that the registration number was displayed on the website of Signal2Success.
9. In view of the above, SEBI conducted an examination into the matter. The examination revealed that the Noticee was connected to Signal2Success through an agreement and was providing investment advice to Signal2Success as a client. I note that the Noticee has also admitted that Signal2Success was its client.
10. In order to examine the connection between the Noticee and Signal2Success/ Ravi Tripathi, SEBI, asked the Noticee to provide certain documents, including:
 - a. Know Your Client (KYC) records of the entity Signal2Success
 - b. Risk profiling and risk assessment of the entity Signal2Success
 - c. Suitability assessment of the advice being provided to Signal2Success
 - d. Signed Copies of agreements with Signal2Success, if any
 - e. Investment Advice provided to Signal2Success, whether written or oral;

- f. Rationale for arriving at investment advice to Signal2Success, duly signed and dated
 - g. The date of advice, nature of advice, the products/securities in which advice was rendered and fee, if any charged for such advice from Signal2Success
 - h. Bank account statements of all the bank accounts held by you.
- 11. The Noticee stated that he had misplaced the KYC documents as well as the Risk profiling and Risk Assessment documents and did not provide the same to SEBI. However, the Noticee provided copies of WhatsApp group chat messages for a group named “Signal2Success” and personal chats with Ravi Tripathi (proprietor of Signal2Success). On examination of the chats, the examination observed that:
 - a. On January 6, 2019, the Noticee asked Ravi Prakash Tripathi if he had launched his website or not. In response, Ravi Prakash Tripathi provided the link www.signal2success.com and said that the site would start functioning from Monday (January 7, 2019) to which the Noticee replied in affirmative.
 - b. On August 7, 2019, Ravi Prakash Tripathi informed the Noticee that the Investment Advisor Registration Number has been mentioned on the website.
 - c. On April 25, 2020, the Noticee informed Ravi Prakash Tripathi about a complaint received from Shri Sudhir Madhukar Vane by SEBI.
- 12. The SCN has also stated that the Noticee received an amount of Rs. 6,61,851/- from Signal2Success and that the SEBI registration number of the Noticee as an IA was displayed on website of Signal2Success. It was accordingly alleged that the Noticee knew about the unregistered investment advisory activity of Signal2Success, and that the same amounts to collusion.
- 13. I note that the Noticee has denied any collusion with Signal2Success. The Noticee has stated that after obtaining registration from SEBI as an IA, he had been approached by Ravi Tripathi to avail his research and advisory activity. The Agreement provided for a fixed compensation of Rs.50,000 per month in lieu of investment advice. The Agreement did not authorise Signal2Success/ Ravi Tripathi

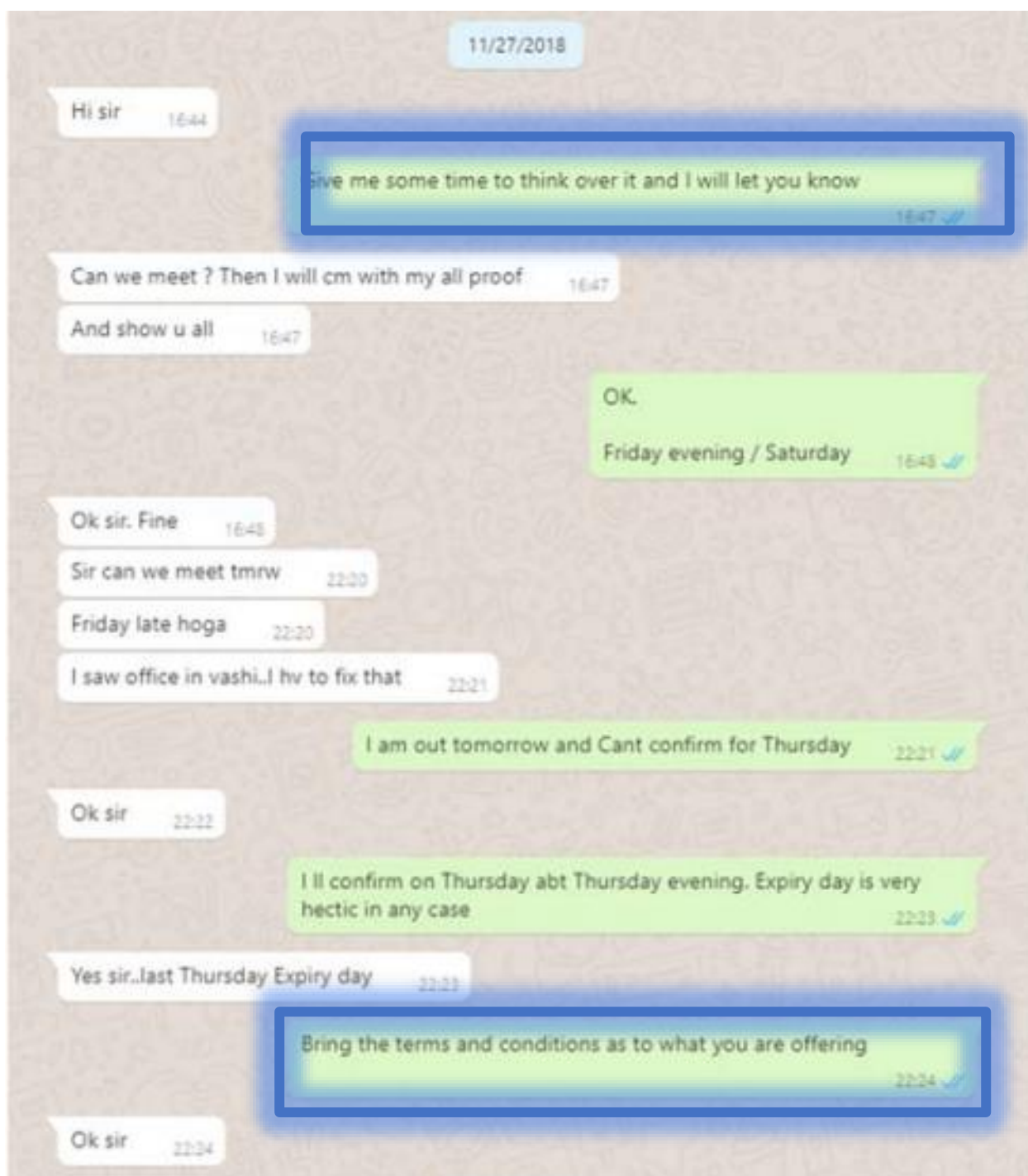
to use the registration number of the Noticee. While I take note of the submission of the Noticee, the absence of such a clause does not itself absolve the Noticee as it is improbable that an agreement supposedly entered between an IA and its client would contain details of such clandestine arrangements. I note that the fact that Signal2Success was a client of the Noticee is admitted and the Noticee was aware that Ravi Tripathi was its owner. The facts show that the Noticee was in close touch with Ravi Tripathi and was updated on all his activities carried out through Signal2Success.

14. I note that during the examination by SEBI, various documents like the ones enumerated at para 11 were sought from the Noticee. The Noticee had stated that he had misplaced the same. Even in the instant proceedings, the Noticee has taken the plea that the documents were lost during shifting of his residence. The Noticee has stated that he had moved during the Covid-19 pandemic with several restrictions in place, due to which he had lost several items. I note that the Noticee had received the first complaint from Swapan Pandit in November 2019 and thereafter the SCORES complaint was sent on January 23, 2020, which are much before the imposition of the lockdown due to the Covid-19 pandemic. Further, the Noticee has himself stated that he had only five to six clients and hence he would not have had voluminous records for safekeeping. The Noticee is not forthcoming in his submissions regarding his connection with Ravi Tripathi and his knowledge of Ravi Tripathi's website related activities. The tone and tenor of the reply of the Noticee indicates that the Noticee is trying to suppress the actual dealings/ arrangements that he had with Ravi Tripathi.
15. Further, from the WhatsApp conversations on record between the Noticee and Ravi Tripathi, I note that the same was generally used to provide recommendations and investment advice. However, on some instances, messages that did not as such pertain to investment advice were also exchanged between the Noticee and Ravi Tripathi. Snapshots of certain such messages that are relevant to the matter at hand are given below:

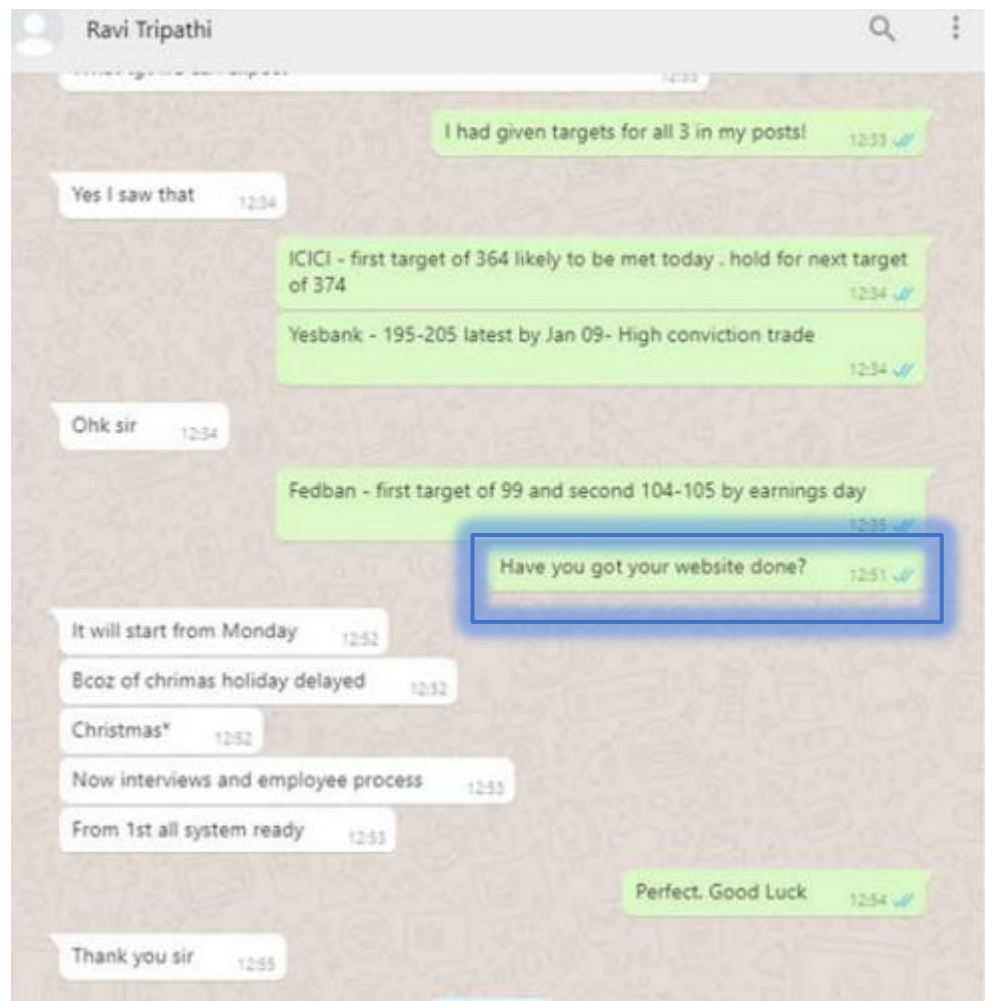
a. November 24, 2018



b. November 27, 2018



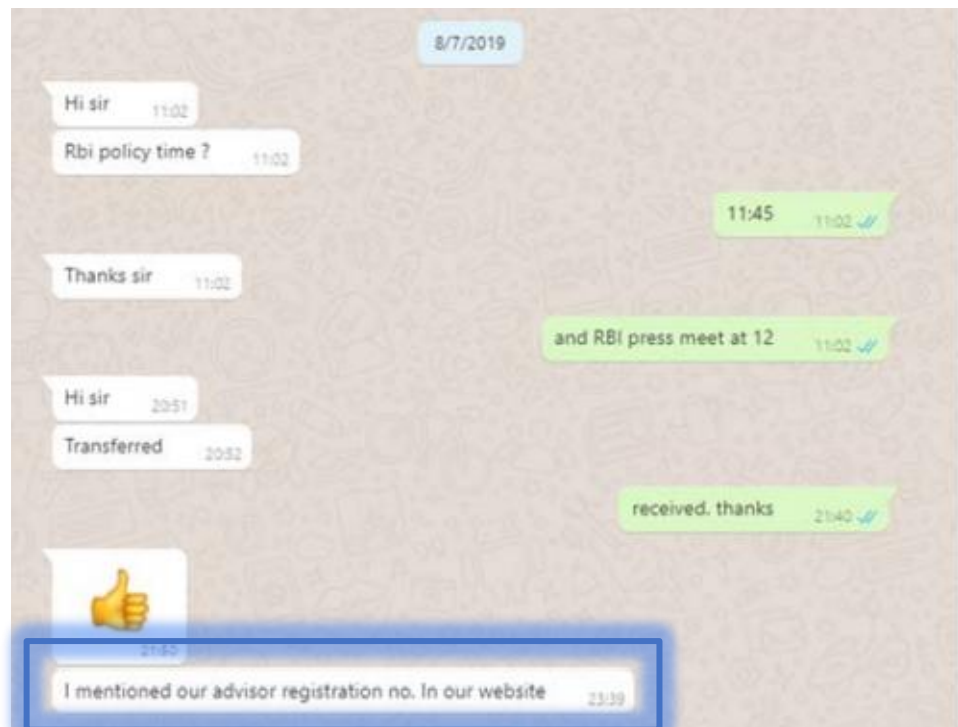
c. December 28, 2018



d. January 6, 2019



e. August 7, 2019



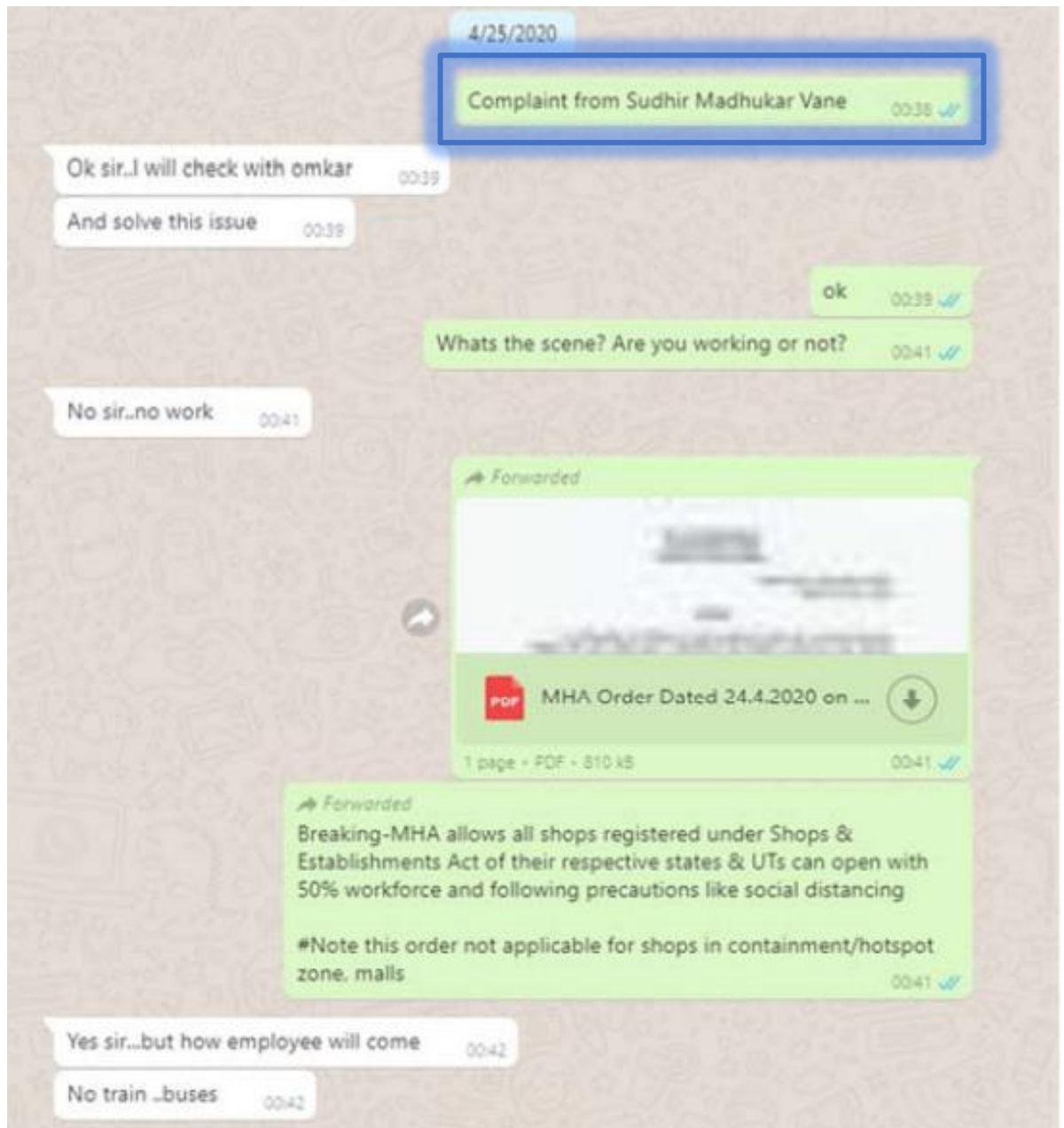
f. November 7, 2019



g. December 10, 2019



h. April 25, 2020



16. From the above chats and messages on WhatsApp, the following chronology emerges:

Table no.1

Sl. No.	Date	Description
1	November 24, 2018	Ravi Tripathi asks to meet the Noticee. The Noticee says "Lets have discussion first- I need clarity before proceeding".
2	November 27, 2018	Noticee tells Ravi Tripathi "Give me some time to think over it and I will let you know" and "Bring the terms and conditions as to what you are offering".
3	December 28, 2018	Noticee asks Ravi Tripathi "Have you got your website done?" Ravi Tripathi replies "It will start from Monday".
4	January 6, 2019	Noticee again asks Ravi Tripathi about launch of website.
5	August 7, 2019	Ravi Tripathi tells the Noticee that "I mentioned our advisor registration no. in our website".
6	November 7, 2019	Complainant had emailed the Noticee about Signal2Success. The Noticee asked Ravi Tripathi about the complaint, saying "Why your company complaints are coming to me? Who has given my contact details? Why are they saying that they have made investment in my company? I am just recommending you trade strategies and not asking any investments from anybody. Please explain urgently." Ravi Tripathi replied saying, "Problem solved..he got loss of 50k of his investment in his demat account only that's y he. Company is providing only advisory service"
7	December 10, 2019	Noticee tells Ravi Tripathi, "you can advise your clients to write 11800 Dec 25 PE on dips with stop loss of Nifty level of 11780 (spot)..."
8	April 25, 2020	Noticee tells Ravi Tripathi "Complaint from Sudhir Madhukar Vane" Ravi Tripathi replies "Ok sir I will check with Omkar and resolve the issue".

17. From the table above, I note that the messages from the Noticee to Ravi Tripathi at serial numbers 1 and 2 above indicate that the arrangement between them was not purely that of investment adviser and client. Thereafter, on two occasions (December 28, 2018 and January 6, 2019), the Noticee himself asks Ravi Tripathi whether the website had been launched. From the WhatsApp conversation available on record, one cannot ignore the keenness evinced by the Noticee in the launch of website by

Ravi Tripathi, who he claims is merely his client. Thereafter, on August 7, 2019, Ravi Tripathi informs the Noticee that “I mentioned our advisor registration no. in our website”. This message of Ravi Tripathi specifically indicates that there was some prior discussion between the two with respect to the usage of some registration number in the website of Signal2Success. Since, it has been brought out that the registration number in the website of Signal2Success was that of the Noticee, it is but reasonable to draw the inference that the expression “our registration no.” refers to some registration number which was known to both of them. These messages show that the actual nature of relationship between the Noticee and Ravi Tripathi was not merely that of a client and an investment adviser. During the present proceedings, the Noticee has contended that “I mentioned our advisor registration no. in our website” does not mean “I mentioned your advisor registration no. in my website”. However, when the entire series of conversation is examined, it is apparent that the Noticee was fully aware of the activities of Ravi Tripathi/ Signal2Success. I also note that the Noticee has stated that he believed that Ravi Tripathi was talking about the registration number of Signal2Success. However, this submission is not tenable, as a person who himself is registered as an investment adviser would not have any requirement to avail the services of another registered investment adviser as a client.

18. Thereafter, on November 7, 2019, the Noticee appears to be agitated that complaints pertaining to Ravi Tripathi’s company were being sent to him, He asks who had given his contact details, and says he is not accepting any investment and only giving advice. The same is also repeated in an email dated November 7, 2019 from Gagan Hora to Ravi Tripathi, wherein the Noticee states *“Why your company complaints are coming to me? Who has given my contact details? Why are they saying that they have made investment in my company? I am just recommending you trade strategies and not seeking any investments from anybody.. Please explain urgently”*. I note that though the complainant had clearly stated that the Noticee’s IA Registration number was being displayed on the website on Signal2Success, the Noticee does not raise the same in either the message or the email. The Noticee has only emphasized the aspect that he/ his company is not accepting any investment and only giving advice/ strategies. The Noticee did not raise any issue regarding misuse of his registration number. Further, from Serial No.7 in the above table, I note that on December 10, 2019, the Noticee advised Ravi Tripathi to provide certain advice to his clients. I note

that on December 10, 2019 Ravi Tripathi messaged the Noticee asking him regarding the recommendations of the day. After some discussions, the Noticee messaged that Ravi Tripathi *“you can advise your clients to write 11800 Dec 25 PE on dips with stop loss of Nifty level of 11780 (spot)...”*. The Noticee has stated that the Agreement between him and Signal2Success did not authorise Ravi Tripathi / Signal2Success to further disseminate the advice rendered by him by displaying the same on their website, and that it was Ravi Tripathi / Signal2Success who had acted in contravention of terms of the Agreement to the detriment of the Noticee. The Noticee has further stated that there is no evidence of re-distribution of the advice rendered by the Noticee by Signal2Success / Ravi Tripathi. The Noticee has stated that the screenshots of the website of Signal2Success do not show that the advice given by the Noticee was further disseminated through the website of Signal2Success. I note that most of the time, advice is given by investment advisers through various messaging services. The mere fact that the same is not reflected from the screenshots of the website does not indicate that the advice was not further shared by Ravi Tripathi to clients of Signal2Success. Moreover, I note that the message sent by the Noticee on December 10, 2019 as stated above, clearly shows that the Noticee was aware that Ravi Tripathi was passing on recommendations made by him to the clients of Signal2Success, and was also complicit in the same. Hence, I am unable to accept the submissions of the Noticee in this regard.

19. Further, on April 25, 2020, the Noticee messages Ravi Tripathi regarding a complaint from Sudhir Madhukar Vane, and Ravi Tripathi replies “Ok sir I will check with Omkar and resolve the issue”. Despite it being the second complaint, the Noticee does not question Ravi Tripathi any further and only asks him whether he was working or not. Even after knowing that his registration number was being misused, the Noticee did not take any action against Ravi Tripathi. The Noticee has submitted that the complaint of Sudhir Mudhukar Vane did not mention if his registration number was being displayed on the website of Signal2Success. The Noticee has also stated that after the first complaint he had ensured that his number was no longer displayed on the website of Signal2Success. However, I note, regardless of whether or not his registration number was displayed on the said website, this was the second complaint that the Noticee had received about the misuse of his registration number by Signal2Success/ Ravi Tripathi. Despite the same, the Noticee took no action other

than forwarding a message to Ravi Tripathi. The Noticee has stated that by April 25, 2020 (i.e. date of complaint of Sudhir Madhukar Vane), the whereabouts of Ravi Tripathi were not known. However, I note that Ravi Tripathi replied to the message sent by the Noticee regarding the said complaint on the same day and so the contention that Ravi Tripathi was already absconding does not hold any merit. Moreover, there are certain conversations through WhatsApp messages that are available on record even after the said date.

20. Further, from the submissions of the Noticee, I find that he lodged a police complaint against his client for misusing his registration number as late as September 2020, despite being informed about this by SEBI in January 2020. The Noticee has stated that his residential society was not allowing any movement for non-essential activities and considering the prevailing health situation he also was not able to move out of his apartment to register a complaint. In this regard I note that the lodging of a complaint/ FIR with the police regarding misuse of his registration. I also note that the Noticee has submitted a copy of an e-complaint filed by him. The Noticee has not provided any explanation as to why an e-complaint could not have been filed earlier.
21. I am of the view that the messages at serial numbers 6-8 in Table no.1 do confirm that the Noticee was aware that his registration was being used by Ravi Tripathi and that his advice was being passed on to Signal2Success's clients. Especially the message at serial number 7 in Table no.1 leaves no doubt in my mind that the Noticee was passing on investment advice to with Ravi Tripathi/ Signal2Success to enable him to further transmit it to his set of clients. The Noticee was trying to use his registration to give investment advice to Ravi Tripathi, so that he could advise his clients suitably, while being fully aware that Ravi Tripathi was not registered and that Ravi Tripathi had an independent set of clients of his own. It is reiterated that the Noticee's eagerness to know whether Ravi Tripathi had launched a website is also proof of his knowledge about Ravi Tripathi's activities. I also note that Ravi Tripathi had provided the link www.signal2success.com to the Noticee. The screenshots of website displayed clearly that Signal2Success was involved in unregistered Investment Advisory activities.

22. Vide order dated December 29, 2022, the Whole Time Member, SEBI had found that Ravi Prakash Tripathi by engaging in the activities of an 'investment adviser' as defined under Regulation 2(1)(m) of the IA Regulations and holding itself out as an investment adviser, without having any certificate of registration through his proprietorship firm Signal2Success, has violated Section 12(1) of the SEBI Act, 1992 read with Regulation 3(1) of the IA Regulations. Vide the said order, Ravi Tripathi has been *inter alia* directed to refund the money received by him as fees.
23. I note that the Noticee had received regular payments from Ravi Tripathi under the ruse of being his client. The Noticee has stated that he had no reason to collude with Ravi Tripathi for a meagre amount of Rs.6.6 lakhs. However, this contention does not merit consideration in the light of the observations given in the preceding paragraphs..

Violation of the Code of Conduct under the IA Regulations

24. The next issue for consideration before me is whether the Noticee violated Clauses 1 and 8 of the Code of Conduct for Investment Adviser as laid down in the Third Schedule to the IA Regulations.
25. As noted above, Ravi Tripathi/ Signal2Success was acting as an investment adviser without obtaining registration from SEBI, fully with the knowledge of the Noticee. The Noticee's IA registration was being shown on the website of Signal2Success.
26. I note that the Code of Conduct for investment advisers as provided in the IA Regulations require that an investment adviser acts in the best interest of clients and the integrity of the market. The IA Regulations set out various educational and net worth compliances for registration. Through his actions, the Noticee aided Ravi Tripathi in circumventing these requirements, endangering investors and the integrity of the market. The actions of the Noticee have also put at risk those investors of Signal2Success who dealt with Ravi Tripathi believing him to be a registered investment adviser. The Noticee has also failed to be honest in his dealings by allowing Ravi Tripathi to misuse the IA registration given to the Noticee by SEBI. Hence, I find that the Noticee violated Clauses 1 and 8 of the Code of Conduct for Investment Advisers as specified in the Third Schedule to the IA Regulations.

Violation of the Fit and Proper Criteria in the Intermediaries Regulations

27. I note that the “fit and proper” criteria provided in Schedule II of the Intermediaries Regulations, as it stood at the relevant time, provided that the integrity, reputation and character of an intermediary would be taken into consideration to determine if he was fit and proper. I note that the abovementioned actions of the Noticee show that he did not act with integrity and honesty.
28. In view of the aforesaid, I note that the Noticee has fallen short of satisfying the ‘fit and proper’ criteria. I, therefore, find the Noticee to be not “fit and proper” in terms of Schedule II of the Intermediaries Regulations. I also note that the Noticee has stated that he wants to surrender his certificate of registration.

Order

29. I, in exercise of powers conferred under Section 19 of the Securities and Exchange Board of India Act, 1992 read with Regulation 27 of the SEBI (Intermediaries) Regulations, 2008, hereby cancel the certificate of registration granted to the Noticee, namely, Gagan Hora (SEBI Registration No. INA000011529).
30. The Noticee shall, after receipt of this order, immediately inform its existing clients about the aforesaid direction in paragraph 29 above.
31. This order shall come into force with immediate effect.
32. A copy of this Order shall be served on the Noticee.

Place: Mumbai

Date: January 11, 2023

**GEETHA G.
CHIEF GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA**