QJA/SS/WRO/WRO/32487/2026-27

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Sections 11(1), 11(4), 11(4A), 11B (1) and 11B (2) read with Section 15HA and 15EB of the Securities and Exchange Board of India Act, 1992.

In respect of:

Name of Noticee	**PAN**
Mr. Ramesh Babu	BGNPB5216K

(hereinafter referred to as "Noticee")

Order in the matter of Investocare Financial Research & Others

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Background:

1. Securities and Exchange Board of India (SEBI) vide an order dated May 25, 2023, *inter alia*, passed the following directions *qua* Noticee in the matter of Investocare Financial Research & others:

   "*34.1 The Noticee No. 3 i.e. Mr. Ramesh Babu shall, within a period of three months from the date of coming into force of this direction, refund the money received from any complainants/ investors, as fees or consideration or in any other form, in respect of the unregistered investment advisory activities;*

   34.2 The Noticee No. 3 i.e. Mr. Ramesh Babu shall issue public notice in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of contact person such as names, addresses and contact details, within 15 days of coming into force of this direction;

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

34.4 The Noticee No. 3 i.e. Mr. Ramesh Babu is prevented from selling his assets, properties and holding of mutual funds/shares/securities held by him in demat and physical form except for the sole purpose of making the refunds as directed above. Further, the banks are directed to allow debit only for the purpose of making refunds to the clients/ investors/ complainants who were availing the investment advisory services from Mr. Ramesh Babu, as directed in this order, from the bank account/s of the Noticee No. 3 i.e. Mr. Ramesh Babu;

34.5 After completing the aforesaid repayments, the Noticee No. 3 i.e. Mr. Ramesh Babu shall file a report of such completion with SEBI addressed to the "Division Chief, Division of Post-Inspection Enforcement Action, Market Intermediaries Regulation and Supervision Department, SEBI Bhavan II, Plot No. C7, G Block, Bandra Kurla Complex, Bandra (East) Mumbai –400051", within a period of 15 days, after completion of three months from the coming into force of the directions at para 34.1 and 34.2 above, duly certified by an independent Chartered Accountant and the direction at para 34.4 above shall cease to operate upon filing of such report on completion of refunds to complainants/ investors;

34.6 The remaining balance amount shall be deposited with SEBI which will be kept in an escrow account for a period of one year for distribution to clients/complainants/investors who were availing the investment advisory services from the Noticee No. 3 i.e. Mr. Ramesh Babu. Thereafter, remaining amount if any will be deposited in the Investors Protection and Education Fund maintained by SEBI;

34.7 The Noticee Nos. 1 and 2 viz. Investocare Financial Research and its proprietor -Mr. Ravish Kandhari are debarred from accessing the securities market, directly or indirectly and are prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly, in any manner whatsoever, for a period of one (1) year from the date of this order.

34.8 With respect to Noticee No. 3 i.e. Mr. Ramesh Babu, he is debarred from accessing the securities market, directly or indirectly and is prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly, in any manner whatsoever, for a period of two (2) years from the date of this order or till the expiry of two (2) years from the date of completion of refunds to complainants/ investors along with depositing of balance amounts, if any, with SEBI, as directed in paras34.1 and 34.6above, whichever is later;

34.9 The Noticees i.e. Investocare Financial Research, Mr. Ravish Kandhari and Mr. Ramesh Babu shall not undertake either during or after the expiry of the period of debarment/restraint as mentioned in paras 34.7 and 34.8 above, either directly or indirectly, investment advisory services or any activity in the securities market without obtaining certificate/s of registration from SEBI as required under the securities laws.

34.10 The Noticees i.e. Investocare Financial Research, Mr. Ravish Kandhari and Mr. Ramesh Babu are hereby imposed with, the monetary penalties, as provided hereunder:

Sr. No.	***Name of the Noticee***	***Provisions under which penalty is imposed***	***Amount of penalty (Rs.)***
1.	*Investocare Financial Research and its proprietor Mr. Ravish Kandhari*	*Section 15EB of the SEBI Act, 1992*	***1,00,000***
		Section 15HB of the SEBI Act, 1992	***1,00,000***
2.	*Mr. Ramesh Babu*	*Section 15EB of the SEBI Act, 1992*	***2,00,000***
		Section 15HB of the SEBI Act, 1992	***2,00,000***
TOTAL			***6,00,000***

"

2. In the appeal filed by Mr. Ramesh Babu (Noticee), Hon'ble Securities Appellate Tribunal (SAT) vide order dated May 05, 2026 set aside the SEBI order dated May 25, 2023 and remitted the matter to SEBI for fresh disposal in accordance with law. Hon'ble SAT vide said order directed the appellant to appear before SEBI on June 15, 2026 at 11 a.m. without waiting for any notice. Noticee was reminded of this order vide notice dated June 03, 2026 and accordingly the Noticee alongwith his authorized representative Ms. Kirti appeared and made his oral submissions on June 15, 2026 and subsequently submitted his written submissions dated June 27, 2026. The submissions of the Noticee, in brief, are as follows:

   (a) The Noticee has not received the SCN sent by SEBI.

   (b) Noticee is not registered as an investment adviser and has not provided any advice to any investor for doing trades by itself or through Investocare or through any person or employee of Investocare. There is nothing on record evidencing that the Noticee was engaged in providing investment advisory services. SEBI itself in the order dated May

25, 2023 observed that Noticee has no relation with 'Investocare Financial Services' or Mr. Ravish Kandhari and there was no evidence establishing any connection between the complainant and Noticee.

(c) Yatender Singh gave the details of the impugned bank account asking the complainant to transfer monies to this account which resulted in entries of Rs. 150/- of December 3, 2020, Rs. 160/- on December 5, 2020 and Rs. 100/- on December 8, 2020 in impugned bank account.

(d) Noticee had dealings with Yatender Singh in respect of delivery of SMSs on his behalf to his clients (Yatender's clients) and he was getting paid for such delivery of SMSs. Yatender was also approaching Noticee for investment in share market for earning profits on shared basis. Yatender wanted Noticee to open a trading account and deposit some amounts to the said account so that Yatender can sell and purchase shares (on behalf of Noticee) for earning profits.

(e) Believing Yatender's representation, Noticee gave his user id and password to Yatender for him to trade with the understanding that on earning profits the same can be shared with Noticee. Noticee deposited money to his trading account and Yatender started trading but instead of earning profit, he suffered loss. Noticee asked Yatender to reimburse the loss threatening with police action. Yatender then got some payments transferred to the impugned bank account for the services of SMSs delivery and return of loss of money in the share market which included the 3 entries he got as payments by Yatender from the complainant. Apart from the said 3 entries there are no transfers of any amounts from the complainant to the impugned bank account. Noticee has never asked complainant to transfer any amount to his account and does not know him. There is no evidence that the payments were transferred on the asking of Noticee by the complainant.

(f) All the entries in the impugned bank account is the legitimately earned money of Noticee and one of these entries of Rs. 1,96,000/- is the loan amount taken by the Noticee from his own credit card. Noticee was working in an IT firm named Quantum Technologies from December 2015 to January 2017 and the impugned bank account was opened by the then employer of the Noticee as his salary account. The entries during the then period from 'QuanTM' were the salaries of Noticee getting credited monthly in the said bank account. After January 2017 till October 2018 the Noticee was working in another IT firm named OMNEEZ Technologies and the entries during the said period were salaries of Noticee. Noticee was also working part time in buying and selling gift cards for small marginal profits and some of the credit entries in the impugned bank account are payments received in these transactions. Noticee was also providing digital marketing services like bulk SMS, bulk WhatsApp, website and logo creation through his firm Neo Vesta. Thus, the credit entries in the impugned bank account does not relate to buying or selling in share market but represent the legitimate earnings and receipts of Noticee.

(g) None of the ingredients to establish a person to have engaged in providing investment services are present in his case as there is no evidence to demonstrate that Noticee acted as an investment adviser, induced any investor to invest in the securities market, or received consideration for providing investment advice through his impugned bank account or otherwise.

(h) The website of Investocare does not mention the name of Noticee or indicate his association with the entity in any manner. The proprietor of Investocare has admitted before SEBI that he has no connection with Noticee.

(i) The Noticee has prayed for dropping of all allegations and proceedings against Noticee, to direct the de-freezing of all bank accounts and demat accounts of the Noticee.

3. I have considered the allegations levelled in the SCN and the SSCN, replies and submissions of the Noticee and the materials available on record. It is noted that the order dated May 25, 2023 was passed *ex-parte* against the Noticee. The SCN and the SSCN makes the following observations *qua* the Noticee:

(a) SEBI received a complaint dated January 14, 2021 from one Mr. Pankaj Kumar (complainant) against Investocare, *inter alia*, alleging that the complainant was contacted by the agent of Investocare to invest money in share market, claiming that Investocare helps people earn Rs. 1,000/- per day on an investment of Rs. 5,000/- to Rs. 10,000/- per day for a commission of 50 percent of the benefit and claimed to have experts in its team to help trade in share market with 20% stop loss. But after few trades Investocare had utilized all the money of the complainant and incurred loss. Complainant had stated to have made payments in the impugned bank account.

(b) Investocare had a website with domain name, http://investocares.com/ which was operative from December 1, 2013 to December 1, 2021 and was offering various investment advisory services. In the website it was claimed that Investocare provides investment advisory services/ solutions with assured accuracy of 80-90% in stocks, commodity and Forex and have services such as Stock Cash, Stock Future, Intraday Options etc. The website had a section on pricing of the various service packages with the minimum amount charged by entity was Rs. 6,800/- and the maximum amount charged was Rs. 1,51,200/-. The duration of the services ranged from monthly, quarterly, half yearly and yearly. A bank account was mentioned in the website which was in the name of Investocare and the authorized signatory to the account was Mr. Ravish Kandhari, there were no credit entries in the bank account. This was different from the impugned bank account.

(c) Impugned bank account was opened on November 30, 2015. The representative of Investocare had indicated the impugned bank account for collecting monies. Thus, the Noticee was closely connected with Investocare and Mr. Ravish Kandhari and appeared to be owner/ co-owner/ employee of Investocare. A total of 890 credit entries amounting to Rs. 60,94,539.76/- are reflected in the impugned bank account during the period from November 30, 2015 to July 11, 2021. Mr. Ravish Kandhari has denied having any connection with the Noticee.

(d) The Noticee failed to provide justification for the amount credited in the impugned bank account. This, all the credits received in the impugned bank account was received as consideration towards unregistered IA activities by Investocare.

4. In view of the aforesaid observations, it has been alleged that the Noticee through Investocare held himself out and was engaged in the activities of an investment adviser as defined under Regulation 2(m) of the IA Regulations without obtaining the certificate of registration from SEBI as required in terms of Section 12(1) of the SEBI Act read with Regulation 3(1) of the IA Regulations and is liable for action under the SEBI Act for acting as an unregistered investment adviser for the period from March 9, 2019 to July 11, 2021.

5. In order to establish a person to have engaged in providing investment advice the person/ entity must be involved in providing advice relating to investing, purchasing, selling or dealing in securities or dealing in securities or investment products whether written, oral or through any other mode of communication for consideration. The SCN and SSCN do not bring out any charge that the Noticee was acting as an investment adviser in the name of

Investocare, proprietor Mr. Ravish Kandhari. Both, Mr. Ravish Kandhari and Noticee, have stated that they were not aware of each other.

6. The Noticee has demonstrated that through its firm Neo Vesta he was providing digital marketing services like bulk SMS, bulk WhatsApp, website and logo creation and he was not involved in investment advisory service of Investocare and Ravish Kandhari. Noticee has furnished the '*Registration Certificate of Establishment*' of the firm '*Neo Vesta*' dated August 18, 2020, issued by Department of Labour, Government of National Capital Territory of Delhi wherein the nature of business of the firm is stated to be IT, Goods and Services Tax documents of the firm, email with respect to the registration of the Noticee with smsidea.co.in, stating that he can '*start bulk sms, bulk email, voice call and long code services*' and the payment made by the Noticee in this respect.

7. It is noted that the concern against the Noticee is predominantly based on the fact that there are 890 credit entries in the impugned bank account amounting to Rs. 60,94,239.76/- (without adjusting for debits in the said account). In this regard, it is admitted position that one Yatender Singh, an employee of Investocare gave the details of impugned bank account to the complainant asking the complainant to transfer money in the said account. Further, Noticee had certain business dealings with said Yatender who got some payments transferred to the impugned bank account for the digital services provided and the loss suffered in trading account.

8. SEBI has not examined the role of Yatender, despite it being stated by the complainant that he was providing investment advice on behalf of Investocare/ its proprietor and the Noticee. It is Yatender who was in contact with the complainant and furnished his employee id to the complainant. There is also no examination into the connection between Noticee and Yatender or the Noticee and the complainant. There is nothing to suggest that Yatender was working as an employee/agent of Noticee or the Noticee was working for Investocare or is the owner/ co-owner of Investocare. The website http://investocares.com/ does not link to the Noticee in anyway, the impugned bank account is not mentioned anywhere except the conversation of Yatender with the complainant. Only connection available on record between the Noticee, Yatender and the complainant is the transfer of Rs. 410/- from the complainant in the impugned account of the Noticee.

9. The Noticee has disputed the nature of the money received in his account for any investment advisory service and has stated the same to be in respect of compensation from Yatender, the employee/agent of Investocare (as found in the order dated May 25, 2023)

with respect to certain digital services provided by the Noticee to Yatender and loss suffered in his trading account. As per the Noticee, he himself is a victim of the unregistered investment advisory services provided by Yatender/ Investocare.

10. It is admitted position that between on December 3, 2020, December 5, 2020 and December 8, 2020, the Noticee received money (Rs. 150/- on December 3, 2020, Rs. 160/- on December 5, 2020 and Rs. 100/- on December 8, 2020) in the impugned account from the complainant (using Unified Payment Interface (UPI) through Gpay App) at the insistence of Yatender, an employee of Investocare. There is no other instance of Yatender/ Investocare providing the details of the impugned bank account to investors for payment of money for investment advisory service or otherwise as found in the order dated May 25,2023. I find that the said payments by the complainant to the Noticee cannot by itself, lead to the determination that the Noticee was engaged in providing services as an *investment adviser* in terms of Regulation 2(1)(m) of the IA Regulations. The nature of transactions through UPI is such that it is not possible to verify the nature of the amounts received, as such the possibility of the amount of Rs. 410/- being received in the manner as submitted by the Noticee cannot be disregarded.

11. On perusal of the bank statement of the said bank account alongwith the submissions of Noticee, it is noted that:

    (a) 322 credit entries amounting to Rs. 25,24,517/- are credits from another bank account of the Noticee himself.

    (b) 18 credit entries amounting to Rs. 3,094.98 is interest received in the bank account.

    (c) 171 credit entries amounting to Rs. 1,81,936.21/- are credits received as refund/ cashback. The narration of these entries often contain the word ‘refund’ and most of these credit entries are for small amounts ranging from Re 1 to few hundred rupees.

    (d) 34 credit entries amounting to Rs. 2,35,309/- are credits received by taking loan against credit card.

    (e) 207 credit entries amounting to Rs. 19,28,459/- are credits received in lieu of online sale and purchase of gift cards. The Noticee has annexed statement of ‘PAXFUL’ as Annexure Q to his written submissions evidencing the nature of these transactions.

(f) 34 credit entries amounting to Rs. 8,02,679/- appear to be credits received as salary/ payment for freelance work carried out by the Noticee having narration as 'Privilege Profession', 'QUANTM LIMITED', 'SALARY', etc.

(g) According to the Noticee he has received Rs. 3,41,304/- in the impugned bank account as certain borrowings from friends.

12. In view of the aforesaid analysis and the material on record, I find that the aforementioned credit entries are not in respect of any investment advisory services provided by Investocare/ Yatender/ Ravish Kandhari and is money credited from other sources such as from bank accounts belonging to the Noticee itself, salaries, business proceeds, interests, refunds, etc. Since the allegations against the Noticee are not established, there is no obligation on the Noticee to refund the amounts as directed in the order dated May 25, 2023.

13. There is no evidence to conclusively hold that the Noticee acted as an investment adviser without obtaining certification of registration from SEBI and has violated Section 12(1) of SEBI Act read with Regulation 3(1) of IA Regulations and give benefit of doubt to the Noticee.

14. Thus, the violation of Section 12(1) of the SEBI Act and Regulation 3(1) of the IA Regulations have not been established *qua* the Noticee and the Noticee is not liable for any action under the SEBI Act.

15. However, Rs. 410/- which is consideration for investment advisory activity provided by Yatender/ Investocare/ Ravish Kandhari to the complainant without obtaining certification is lying in the bank account of Noticee, cannot be allowed to remain in the account of Noticee on behalf of Yatender/ Investocare/ Ravish Kandhari. Accordingly, I find that the amount of Rs. 410/- received from the complainant in the impugned bank account has to be returned back to the complainant in the interest of justice.

DIRECTIONS

16. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B (1) do hereby issue the following directions:

(a) Noticee shall pay the amount of Rs. 410/- to SEBI within 45 days from the date of this order through online payment facility available on the website of SEBI i.e. SEBI i.e. www.sebi.gov.inon the following path, by clicking on the payment link www.sebi.gov.in/ENFORCEMENT -> Orders -> Orders of EDs/CGMs ->PAY NOW. In case of any difficulty in online payment of penalty, the Noticee may contact the support of portalhelp@sebi.gov.in.

(b) After payment of the aforementioned amount to SEBI, Noticee shall within 15 days forward the details of online payment made in compliance with the above direction to "*The Regional Director, Western Regional Office, SEBI Bhavan, Panchvati 1st Lane, Gulbai Tekra Road, Ahmedabad -380006, Gujarat*".

(c) On payment of the amount to SEBI and on receipt of details of payment made from the Noticee, SEBI shall take necessary steps to refund the amount of Rs. 410/- received from the Noticee to the complainant.

17. SEBI may take steps for de-freezing the bank account of the Noticee, if still remains frozen pursuant to Order dated May 25, 2023. The Noticee may take up this request with *"The Regional Director, Western Regional Office, SEBI Bhavan, Panchvati 1st Lane, Gulbai Tekra Road, Ahmedabad -380006, Gujarat"* who may take steps in accordance with law.

18. This order shall come into force with immediate effect.

19. This order shall be served on the Noticee and a copy shall be provided to SEBI in terms of Rule 6 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995.

SANTOSHKUMAR SHUKLA

Digitally signed by SANTOSHKUMAR SHUKLA
Date: 2026.07.15 18:12:30 +05'30'

Date: July 15, 2026
Place: Mumbai

Santosh Shukla
Quasi-Judicial Authority
Securities and Exchange Board of India