

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CORAM: S. RAMAN, WHOLE TIME MEMBER**

ORDER

Under Sections 11(1), 11(4)(b), 11B and 11D of the Securities and Exchange Board of India Act, 1992, read with Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 in respect of M/s Singhanian Media Solutions Private Limited (PAN: AAVCS5813R) and its directors, Mr. Ankitkumar Shashikant Singhanian (PAN: CTKPS0145K) and Mr. Shashikant Singhanian (PAN: BMJPS0683R).

1. Securities and Exchange Board of India ("**SEBI**") received information regarding circulation of messages through short message service (SMS) by an entity viz. "*Bear & Bulls*", offering trading tips and investment advice. The following were the contents of the SMS:

"FIRST EARN AND THEN PAY, IN STOCK/MCX MARKET WITHOUT PAYING ANY ADVANCE TO US, FOR PROFIT SHARING SERVICE SMS MONEY & YOURNAME TO 542423. www.bearandbulls.com".

- 2.1 On perusal of the website *www.bearandbulls.com*, it was observed that the entity has mentioned:
"Bear & Bulls is an Investment Advisory Company which provides safe recommendations for your valued Investments in Indian Market. We provide the Best Recommendations. We recommend for Stocks- Cash and F&O traded in NSE & BSE, commodities including bullions, energy commodities traded in MCX."
- 2.2 It was further observed from the website that a company viz. Singhanian Media Solutions Private Limited ("Singhanian Media Solutions"), was operating the aforesaid website.
- 2.3 Based on the information obtained from the said website as well as from the MCA Portal, SEBI undertook a preliminary examination of the activities of the entity. As part of this, SEBI, vide

letter and email dated June 16, 2016, required *Singhanian Media Solutions* to furnish the following information along with the supporting documents, *viz.* –

- a. Registered/corporate addresses of *Singhanian Media Solutions* along with the phone numbers, legal structure and PAN;
- b. Name, address, PAN and phone numbers of all of its promoters/directors;
- c. The list of all the securities/investment activities undertaken by *Singhanian Media Solutions*;
- d. Date of commencement of investment advisory/research analyst activities;
- e. The following details year-wise in a tabular format, *viz.*:-
 - i. Package/service offered by *Singhanian Media Solutions* to its clients;
 - ii. Number of clients to whom they have provided the package/service;
 - iii. Total amount of money collected from the aforesaid clients as fees during the year.
- f. List of clients and fee charged for various products/services offered by *Singhanian Media Solutions*;
- g. Details of registration obtained from any regulatory bodies, if any,
- h. A copy of the audited annual accounts for last three financial years;
- i. A copy of account statements of all its bank accounts for the last three financial years;

2.4 Mr. Ankit Shashikant Singhanian (**Ankit Singhanian**), Director of *Singhanian Media Solutions* replied vide email dated June 22, 2016, seeking an extension of 15 days for providing reply. SEBI, vide email dated June 23, 2016, provided time till June 30, 2016.

2.5 Further, vide email dated June 25, 2016, Mr. Ankit Singhanian sought further extension till July 20, 2016 to submit his reply. However, the same was not granted to him. Furthermore, vide email dated July 14, 2016, Mr. Ankit Singhanian sought a personal hearing to discuss the matter. In response to this, SEBI, vide email dated July 15, 2016, advised him to submit his reply to SEBI's letter dated June 16, 2016 at the earliest.

2.6 *Singhanian Media Solutions* submitted its reply vide letter dated July 27, 2016 wherein they provided, *inter alia*, the following information:

- a. Address, phone number and PAN of the company and its directors;
- b. Copy of Income Tax Return and Audited Balance Sheet for FY 2013-14 and FY 2014-2015;
- c. Copy of bank statement for its bank account for the period from March 01, 2016 to July 17, 2016;
- d. Copy of Certificate of Incorporation and copy of challan of Memorandum of Association and Article of Association of *Singhanian Media Solutions*.

2.7 Vide the said letter, they also submitted:

- a. *“There is only one securities/investment activity as investment advisor. We are running in name of “bear and bulls”.*
- b. *Singhanian Media Solutions had started the business of investment advisory from March, 2016.*
- c. *We are in touch with consultant for process of registration as investment adviser”*

2.8 As the company failed to provide the details/information such as the list of clients and fees charged for various products offered by them, year-wise details of the packages offered, number of clients, total amount of money collected as fees etc., SEBI, vide emails dated August 02, 2016 and August 10, 2016, advised *Singhanian Media Solutions* to submit the remaining information as mentioned in the SEBI letter dated June 16, 2016 at the earliest. *Singhanian Media Solutions* replied vide email dated August 17, 2016 requesting for a personal hearing. However, they did not provide the information/details sought by SEBI.

2.9 The details of the bank account of *Singhanian Media Solutions* as mentioned on its website were sought from ICICI Bank vide email dated July 27, 2016. ICICI Bank, vide its email dated July 27, 2016, provided the statement of the bank account for the period May 19, 2015 to July 26, 2016.

2.10 It was observed that earlier SEBI had passed an ad-interim ex-parte order (WTM/SR/SEBI/IMD/197/12/2015) on December 30, 2015 against the said Mr. Ankitkumar Shashikant Singhania, for engaging in investment advisory services through his proprietary concern, Gocapital, without obtaining registration from SEBI. The following directions, *inter alia*, were issued against him:

- a. *to cease and desist from acting as investment advisers and cease to solicit or undertake such activities or any other unregistered activity in the securities market, directly or indirectly, in any manner whatsoever;*
- b. *to immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, websites, etc. in relation to their investment advisory or any unregistered activity in the securities market.*

2.11 SEBI, vide email dated August 23, 2016, sought comments from Ankit Singhania regarding the non-compliance of the aforesaid directions issued against him by SEBI. Mr. Ankit Singhania, vide email dated August 24, 2016, sought extension of time for submission. SEBI provided him time till August 27, 2016.

2.12 *Singhania Media Solutions* submitted its reply vide letter dated August 26, 2016 in continuation of their reply dated July 27, 2016 providing the following:

- a. List of packages/services offered to clients;
- b. Details of the clients and fees collected from them.

2.13 Ankit Singhania, however, did not provide any comments regarding the non-compliance of the aforesaid directions issued by SEBI against him.

3. I have carefully examined the information received by SEBI, correspondence exchanged between SEBI and *Singhania Media Solutions* and its director Ankit Singhania, along with the documents

contained therein and other information/materials available from the website maintained by *Singhania Media Solutions* and also those available on record. In this context, it is observed that the issue for determination in the instant matter is whether *Singhania Media Solutions* is providing *Investment Advisory Services* to his clients without obtaining registration from SEBI as an Investment Adviser as stipulated by SEBI Act, 1992 and SEBI (Investment Advisers) Regulations, 2013.

3.1 On an examination of the aforementioned material available on record, it is observed that –

- i. *Singhania Media Solutions Private Limited (Singhania Media Solutions)* is a private limited company incorporated on September 02, 2013 and registered with RoC-Mumbai with Mr. Ankitkumar Shashikant Singhania and Mr. Shashikant Singhania as directors.
- ii. As per the website of *Singhania Media Solutions*, their address is “Office No. 11, Hari Om Puja Society, Ground Floor, Mahatma Fule Road, Kalyan, Thane – 421202”. However, as observed from the MCA database, the address of the entity is “Shop No. 10, Hari Om Pooja Society, Garibacha Wada, Dombivali (West), Thane – 421202”.
- iii. *Singhania Media Solutions* is offering investment advisory services to the general public, claiming exact percentage of accuracy in their tips. They declare themselves as an investment adviser on their website. The following details are provided by *Singhania Media Solutions* in their website under the head *About Us*’:

“Bear & Bulls is an Investment Advisory Company which provides safe recommendations for your valued Investments in Indian Market. We provide the Best Recommendations. We recommend for Stocks- Cash and F&O traded in NSE & BSE, commodities including bullions, energy commodities traded in MCX.”

The company mission as stated in the website is *“to provide people with opportunities to make fast money with minimum risk in a short period of time.”*

- iv. The website also contains a pricing schedule for their services with its monthly, quarterly and yearly rates for equity market, future market, options market and commodity market packages which has been summarized as under:

Name of package		Fee charged (Rs.)			
		Monthly	Quarterly	Half Yearly	Yearly
Equity Market	Intraday Cash	10,000	25,000	40,000	75,000
	HNI Cash	40,000	1,05,000	2,00,000	3,50,000
	Delivery Pack	N.A	50,000	75,000	1,00,000
	Stock Cash BTST	12,500	35,000	65,000	1,00,000
	Cash Blue Chip	N.A	50,000	75,000	1,25,000
Future Market	Intraday Future	15,000	40,000	75,000	1,25,000
	HNI Future	40,000	1,10,000	2,00,000	3,75,000
	Future Positional	25,000	70,000	1,00,000	1,75,000
	Nifty Future	10,000	25,000	40,000	75,000
	Bank Nifty Future	50,000	1,15,000	2,20,000	3,50,000
	Future BTST/STBT	20,000	45,000	80,000	1,20,000
Option Market	Option Call & Put	5,000	12,000	20,000	30,000
	Nifty Option	5,000	12,000	20,000	30,000
	HNI Option	20,000	45,000	80,000	1,00,000
	Option BTST	15,000	40,000	70,000	1,00,000
	Optional Positional	25,000	60,000	90,000	1,30,000
Commodity Market	Commodity Bullion	30,000	80,000	1,50,000	2,75,000
	HNI MCX	50,000	1,25,000	2,25,000	4,00,000
	Crude MCX	30,000	80,000	1,50,000	2,75,000

- v. It is relevant to note that *Singhania Media Solutions* vide letter dated July 27, 2016 admitted that they are providing services as an investment adviser since March, 2016 and that they have collected an amount of Rs.8,77,503.45 as fees from 73 clients/investors for the various packages/services offered to them.

vi. It is evident from the details of the transactions of the bank account of *Singhania Media Solutions* for the period May 19, 2015 to July 26, 2016 that the entity is collecting moneys from their clients/investors for their investment advisory services without due registration from SEBI.

4. In the light of the above analysis and examination, it is evident that the activities of *Singhania Media Solutions* such as giving trading tips, stock specific recommendations, etc. to the investors clearly indicate that they are engaged in providing investment advisory services to investors on payment of fees as discussed in the preceding paragraphs, which *prima facie* fall under the definition of "investment adviser" as defined by Regulation 2(m) of the SEBI (Investment Advisers) Regulations, 2013, which reads as under:

"investment adviser" means any person, who for consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called;"

5. In order to protect the interest of investors and to ensure that no investors are defrauded, it is imperative that any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of SEBI Act and relevant SEBI Regulations. Section 12(1) of the SEBI Act, 1992 reads:

" 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."

Further, as per Regulation 3(1) of the SEBI (Investment Advisers) Regulations, 2013, the registration of the investment advisers is mandatory. It provides that, *"On and from the commencement of these regulations, no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board under these regulations."*

6. Considering the facts and circumstances of the matter, I am convinced that the activities of *Singhanian Media Solutions* and its directors, *viz.* Ankit Singhanian and Mr. Shashikant Singhanian, of giving trading tips, stock specific recommendations, etc. to the investors on payment of fees falls within the definition of activities of “*investment adviser*” as defined under Regulation 2(m) of the SEBI (Investment Advisers) Regulations, 2013 . *Singhanian Media Solutions* is not registered with SEBI in any capacity, neither as an investment advisor or research analyst or portfolio manager nor as a broker or a sub-broker affiliated to any brokers.
7. I therefore, find that *Singhanian Media Solutions* and its directors, *viz.* Ankit Singhanian and Mr. Shashikant Singhanian, are engaged in providing investment advisory services to investors without necessary registration for the same as mandated by Section 12 (1) of the SEBI Act and Regulation 3(1) of the SEBI Investment Advisers Regulations.
8. SEBI (Investment Advisers) Regulations, 2013 *inter alia* provide the framework for regulating the activity of entities who are in the business of providing investment advice in respect of securities and investment products. The Regulations seek to create a standardized operating structure within which investment advisers will operate and also make them duly accountable for their investment advices, by requiring investment advisers to comply with the criteria, set out in the relevant provisions of the SEBI IA Regulations, such as having the prescribed professional qualifications, certifications from competent authorities, conforming to fit and proper criteria, satisfying capital adequacy requirement, adequate infrastructure facilities, etc. In view of this, subjecting the investment advisers to the statutory requirement of registration with SEBI is imperative for the protection of interests of investors and to safeguard the integrity of securities market.
9. One of the directors of *Singhanian Media Solutions*, Ankit Singhanian, despite SEBI directions against his proprietary concern, GoCapital (vide interim Order dated December 30, 2015) to cease and desist from acting as investment advisers and cease to solicit or undertake such activities or any other unregistered activity in the securities market, directly or indirectly, has continued with his

unregistered activity through his company *Singhanian Media Solutions*. He totally ignored the directions issued by SEBI against him vide the said interim Order.

SEBI has been entrusted with the duty to protect the interests of investors and protect the integrity of the securities market. Under the facts and circumstances of the present matter and on the basis of *prima facie* findings, I am convinced that this is a case where effective and expeditious action is required to be taken to prevent any further harm to investors caused by the unauthorized activities of *Singhanian Media Solutions* and its directors, *viz.* Ankit Singhanian and Mr. Shashikant Singhanian. Therefore, in order to ensure that *Singhanian Media Solutions* and its directors, *viz.* Ankit Singhanian and Mr. Shashikant Singhanian do not collect any more funds from the public and indulge in unauthorized investment advisory until full facts and materials are brought out and a final decision is taken in the matter, it becomes necessary for SEBI to take urgent preventive action.

In light of the same, I find there is no other alternative but to take recourse through an *ad interim ex-parte* order against *Singhanian Media Solutions* and its directors, *viz.* Ankit Singhanian and Mr. Shashikant Singhanian for preventing them from collecting funds and indulging in unauthorized investment advisory without obtaining registration from SEBI in accordance with the law.

10. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11(1), 11B and 11D read with Section 19 of the SEBI Act, 1992, hereby issue by way of this *ex-parte ad-interim order*, the following directions –

- i. Singhanian Media Solutions Private Limited (PAN: AAVCS5813R) and its directors, Mr. Ankitkumar Shashikant Singhanian (PAN: CTKPS0145K) and Mr. Shashikant Singhanian (PAN: BMJPS0683R), are directed to:-
 - a. *cease and desist from acting as an investment advisor and cease to solicit or undertake such activity or any other activities in the securities market, directly or indirectly, in any matter whatsoever;*
 - b. *not to divert any funds raised from investors, kept in bank account(s) and/or in their custody;*

- c. *immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, websites, etc. in relation to their investment advisory activity or any unregistered activity in the securities market;*
 - d. *furnish the complete details, information, documents, etc. sought by SEBI vide its letters/email dated June 16, 2016.*
 - e. *Inform SEBI as to what measures have been taken by the director of Singhanian Media Solutions, Mr. Ankit Singhanian to comply with SEBI's directions vide Order dated December 30, 2015 issued against him.*
11. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against *Singhanian Media Solutions* and its aforementioned directors in accordance with law.
12. This Order shall be treated as a show cause notice and M/s. Singhanian Media Solutions Private Limited and its aforementioned directors may show cause as to why the investment plans and existing schemes identified in this Order should not be held as "*Investment Advisory Services*" in terms of the SEBI (Investment Advisers) Regulations, 2013 and why appropriate directions, under Section 11 and 11B of the SEBI Act, 1992 and relevant SEBI Rules/Regulations including directions, prohibiting them from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for a particular period and to refund the amount collected from the investors/clients/partners for its existing schemes should not be issued against them.
13. The above directions shall take effect immediately and shall be in force until further orders.
14. The *prima facie* observations contained in this Order are made on the basis of the material available on record i.e. information available on the website of *Singhanian Media Solutions*, MCA database, replies received from *Singhanian Media Solutions* and also the information/documents provided by ICICI Bank. In this context, *Singhanian Media Solutions* and its directors, may, within 21 days from the date of receipt of this Order, file their reply, if any, to this Order and may also

indicate whether they desire to avail an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard.

Place: Mumbai
Date: October 6, 2016

S. RAMAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA