

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

Under Sections 11(1), 11(4), 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-

1. M/s Operator Tips Global and its Proprietor, Mr. Mrinal Chadha (PAN: AVLPC5388F), and,
 2. M/s Saanjh Advisory (OPC) Private Limited (PAN: AAWCS4633A) and its Director, Mr. Mrinal Chadha (DIN: 06362003; PAN: AVLPC5388F).
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1. Securities and Exchange Board of India (“SEBI”) received a complaint against *Operator Tips Global* wherein it was alleged that the entity was offering the services of a research analyst. The complainant had also attached the snapshots of the website of *Operator Tips Global*([http:// operatortips.com](http://operatortips.com)).
- 2.1 Based on the information/details obtained from the website of *Operator Tips Global*, SEBI, vide letter dated March 01, 2016, sought the following details from Axis Bank Ltd., Bapuji Nagar, Bhubaneswar Branch:
 - *Bank account details and statement of accounts/ transaction details of Operator Tips Global maintained with Axis Bank from the date of account opening till date;*
 - *Bank Statement of account number 91502003821666 from the date of account opening till date;*
 - *PAN and KYC of Operator Tips Global.*
- 2.2 In response, Axis Bank vide letter dated March 04, 2016 provided the following details:
 - *KYC details of Operator Tips Global;*
 - *Copies of bank account statements of account number 91502003821666 from the date of account (August 1, 2015 to March 4, 2016).*

2.3 Based on the PAN, name and address of *Operator Tips Global* received from Axis Bank, SEBI vide email dated March 08, 2016 sought copies of demataccount and holding statements of *Operator Tips Global* from NSDL, CDSL, NSE and BSE.

2.3.1 NSDL and CDSL, vide their emails dated March 08, 2016, and BSE, vide email dated March 09, 2016, informed that no demat /Beneficial Owner account or trading account was registered in the name, address and PAN of *Operator Tips Global*, with them.

2.4 Thereafter, SEBI vide letter dated March 18, 2016 and March 31, 2016 (addressed to the Bhubaneswar and Pune addresses), *inter alia* asked *Operator Tips Global* and its proprietor, *viz.* Mr. Mrinal Chadha to furnish the following information:

- a. Addresses and telephone numbers of all the branches of *Operator Tips Global*;
- b. Details of past/present proprietors of *Operator Tips Global* along with their addresses, contact numbers and PAN details;
- c. List of all activities undertaken by *Operator Tips Global* including investment advice or portfolio management services, if any, along with fees charged for each activity;
- d. Basis of offering investment advice along with copies of few latest research reports in respect of each recommendation given as investment advice;
- e. Details of all the employees/retainers with their qualifications and nature of services offered by them;
- f. Number of clients to whom investment advice has been provided since inception;
- g. Certified copies of audited financial statement for last three years;
- h. Copies of income tax return and service tax return filed by the entity for the last three years;
- i. Information about registration with SEBI or any other regulators in India, if any. Details of application, in case the entity had applied with SEBI for registration as investment adviser;
- j. Details of any other similar activities, if any, carried out by group/associate companies.

2.4.1 The aforesaid letters were returned undelivered. In view of this, a physical verification was conducted at both the available addresses of *Operator Tips Global* in Bhubaneswar. However, both addresses were found to be wrong.

2.5 Thereafter, SEBI, vide email dated May 10, 2016 and reminder email dated May 16, 2016 to *support@operatortips.com* and *sales@operatortips.com* as well as letters dated July 15, 2016 and July 27, 2016 to *Operator Tips Global* and Mr. Mrinal Chadha sought the following information/details:

- a. Registered/corporate addresses of *operatortips.com* 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 *operatortips.com*;
- 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 to their 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 *operatortips.com*;
- 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;
- j. Details of the website, person responsible for hosting and maintaining such websites.

2.5.1 In response to the aforesaid e-mails (sent to *support@operatortips.com* and *sales@operatortips.com*), the Support and Sales Division of *Operator Tips Global*, vide e-mail dated May 17, 2016 stated that they handle only sales and that SEBI may contact the management of *Operator Tips Global*.

SEBI, vide email dated May 17, 2016 asked the Support and Sales Division of *Operator Tips Global* to provide an alternate address and also asked them to forward SEBI's email to their management. Vide email dated May 18, 2016 they provided the Pune address of the entity. As the letters sent to the Pune address of *Operator Tips Global* were returned undelivered to SEBI earlier, SEBI vide email dated May 18, 2016 asked the Support and Sales Division of *Operator Tips Global* to provide another address. However, no reply has been received from them till date.

2.5.2 The letters dated July 15, 2016 and July 27, 2016 sent to *Operator Tips Global* at its Pune address and Mr. Mrinal Chadha at his Gwalior address (obtained from the Account Opening Form of *Operator Tips Global*-Account No. 915020038321666) were returned undelivered to SEBI.

2.6 In the meanwhile, SEBI, vide emails dated July 15, 2016, July 20, 2016 and July 27, 2016 asked Axis Bank to provide *inter alia* the following details/documents:

- a. Bank account statement of *Operator Tips Global* (Account No. 915020038321666) for the period January 01, 2016 to June 3, 2016,
- b. Bank account statements of all the bank accounts linked with the PAN of *Operator Tips Global*,
- c. Details of the bank account of Mr. Mrinal Chadha

2.6.1 In response, Axis Bank vide email dated July 20, 2016 and July 28, 2016 provided the following information/details:

- a. Bank account statement of *Operator Tips Global* (Account No. 915020038321666),
- b. Details of 5 bank accounts attached to the PAN of Mr. Mrinal Chadha in the name of:
 - i. Mr. Mrinal Chadha (2 accounts),
 - ii. *Operator Tips Global* (1 account),
 - iii. M/s. Fleming Online Solution (1 account) and
 - iv. M/s. Saanjh Financial Services (1 account).
 - v. Copies of bank account statements of the above 5 accounts

2.7 The aforesaid bank account statements of *Operator Tips Global* indicated that there were multiple recurring debit transactions to another bank account of Mr. Mrinal Chadha (*Account No.: 913010045122392*).

2.8 SEBI, vide letters dated July 28, 2016 and August 08, 2016 (addressed to the Pune address of Mr. Mrinal Chadha, as obtained from his account details provided by Axis Bank), sought the details of the business activities of *Operator Tips Global* (as earlier sought vide email dated May 10, 2016). However, no reply has been received from him till date.

- 2.9 A web search was carried out by SEBI in order to find out whether M/s Saanjh Advisory (OPC) Pvt. Ltd. (**“Saanjh Advisory”**) and M/s. Flemingo Online Solution (the entities mentioned at Paragraph No. 2.6.1 above) operated any websites. It was found that a website “*www.saanjhadvisory.com*” was being operated by Saanjh Advisory.
- 2.10 On perusal of the MCA database, it was observed that *Saanjh Advisory* is a One Person Company incorporated on December 04, 2015 under the directorship of Mr. Mrinal Chadha. On perusal of the website of *Saanjh Advisory*, it was observed that the entity was providing services as an investment adviser.
- 2.11 SEBI, vide letters dated July 28, 2016 and August 08, 2016 (both addressed to two different addresses of *Saanjh Advisory* in Pune obtained from its bank account statement of *Saanjh Advisory* and MCA database), asked Saanjh Advisory to furnish the following information along with supporting documents:
- a. Registered/corporate addresses of *Saanjh Advisory* 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 *Saanjh Advisory*;
 - 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 *Saanjh Advisory* 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 *Saanjh Advisory*;
 - 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.
- 2.12 The letter sent to *Saanjh Advisory* on the address obtained from the bank account statements got returned undelivered. However, the letter sent to *Saanjh Advisory* on the address obtained from MCA database was delivered. Till date, no reply has been received from the entity.

2.13 Subsequently, on August 23, 2016 Axis Bank forwarded the copies of Account Opening Forms of M/s Flemingo Online Solution, Mr. Mrinal Chadha and *Operator Tips Global*.

From the Account Opening Forms of M/s Flemingo Online Solution, it was observed that it is a sole Proprietorship of Mr. Mrinal Chadha. As M/s Flemingo Online Solution did not maintain any website, no information in respect of the business activities of M/s Flemingo Online Solution could be obtained.

3. On an examination of the material available on record *i.e.* information available on the websites of *Operator Tips Global* and *Saanjh Advisory*, information obtained from the complainant, MCA database and Axis Bank, it is observed that:

- i. *Operator Tips Global* is a proprietorship firm with Mr. Mrinal Chadha as its sole proprietor.
- ii. The registered address of *Operator Tips Global* (as per the website) is “210, 211, 212 Niladri Vihar, Chandrashekharapur, Sector-4, Bhubaneswar, Odisha – 751001”. The branch address of *Operator Tips Global* is mentioned in the website as “210, 211, Near Big Bazaar, Sai Complex, Patia, Chandrashekharapur, Bhubaneswar, Odisha – 751003.” However, in the Account Opening Form of *Operator Tips Global* provided by Axis Bank, the address is given as “S. No. 270/3/1/1/ Shegde Wasti, Opp. Water Tank, Wakad, Pune – 411057”. Further, the address of the proprietor, Mr. Mrinal Chadha, is provided as “29, Anupam Nagar Extension, Gwalior – 474011”.
- iii. *Saanjh Advisory* (M/s Saanjh Advisory (OPC) Private Ltd.) is a One Person Company incorporated on December 04, 2015 with its registered address (as per MCA database) at “174/4, 174/5, 174/5/1, Apostrophe, E-903, Wakad Thergaon Road, Datta Mandir, Pune – 411057”. However, the address of Saanjh Advisory mentioned on its website is “Near Yug Honda Showroom, Mandar Chowk, Wakad, Pune – 411057”.
- iv. Mr. Mrinal Chadha, the proprietor of *Operator Tips Global*, is the sole director of *Saanjh Advisory*.
- v. The website of *Operator Tips Global* (www.operatortips.com) carries the following statements:
 - “India’s No. 1 Capital Markets Advisory dealing in range of commodity market products since year 2012.

About Us:

- “Operator Tips Global is a research house and an Investment Advisory Firm which is carrying out operations in the commodity market since 2012. We provide most authentic and accurate intraday as well as delivery calls.

Packages:

- Our team keeps an eye on global market and correlates the Indian market with it, in this service you can get intraday trading calls as well holding calls in MCX Products like Silver, Gold, Crude, Lead, Zinc Natural Gas, etc. With our Commodity Tips, you can earn maximized profits with our highly accurate calls with high percentage of accuracy. In commodity market segment we provide sure shot tips with a high profit margin for clients.”

- vi. The website of Operator Tips Global also contains a pricing schedule for the monthly packages offered by them in the market. The same has been summarized as under:

Name of the package	Price (Rs.)	Description (As available on the website)
Super HNI Commodity Service	1,14,999	Operator Tips is India's No. 1 Commodity Tips Provider Company. Enjoy hassle-free service for maximum profit. 100% Accuracy
Super HNI Equity Service	1,14,999	Our equity calls under this service are 100% operator based and there are no chances of losses. 100% Accuracy
Super HNI Monthly Crude Service	69,999	We have a amazing track record of Market Tips, with 99% times hitting the exact targets and 100% times profit booking. 99% Accuracy
Normal Equity Service	69,999	This service is specially devised for our esteemed Customers, dealing in Equity Market Trading. 99% Accuracy
Profit Sharing Commodity Service	34,999	We are committed to serve to small investors, and this service is like boon to such customers. 95% Accuracy Profit 60% is yours, 40% is ours (If any loss then 100% is ours)
Profit Sharing Equity Service	34,999	Enjoy risk shared services, especially for small traders who have limited money to invest in today's highly volatile markets. Profit 60% is yours, 40% is ours (If any loss then 100% is ours)

- vii. Further, from the website of Saanjh Advisory (www.saanjhadvisory.com), following are observed:

- **“Company Profile:**

Saanjh Advisory is a leading financial and investment service provider in India.

We are India’s best advisory company, providing market research solutions of almost all commodities like that Gold, Silver, Copper, Lead, Zinc, Aluminum, Crude Oil, Natural Gas and Equity and Forex market.

We are experts in Equity, F&O and Commodities Market Technical & Fundamental Analysis. With our in depth knowledge about the Indian Financial markets, which has been acquired by years of experience, we thrive to give the best commodities and Stock trading recommendations to our clients.”

- **Mission**

...To provide research driven, unbiased investment advice with the objective of achieving sustainable superior Return on Investment for our clients.”

- viii. The website also contains pricing schedule for the various packages offered by *Saanjh Advisory* in the market. The same has been summarized as under:

Name of package	Fee charged (Rs.)			
	Normal Pack (Above 70% accuracy)	Jackpot Pack (Above 85% accuracy)	Premium Pack (Above 95% accuracy)	Positional calls (Monthly 2-3 calls)
Commodity Tips	7,999	14,999	29,999	9,999
Equity Tips	7,999	14,999	29,999	9,999
Forex Tips	7,999	14,999	29,999	9,999

- ix. The bank account statements of *Operator Tips Global*, *Saanjh Advisory* and their sole Proprietor/Director, viz. MrinalChahdahave been analyzed. The bank account statements of *Operator Tips Global*, indicated that the entity was collecting moneys from multiple clients/investors and the same was being debited to the bank account of Mr. Mrinal Chadha.
- 4.1 The aforesaid details clearly suggest that MrinalChahdaiscarrying out the "Investment Advisory Services"through his Proprietorship firm, *Operator Tips Global* and his company, viz. *Saanjh Advisory*.
- 4.2 In the light of the above analysis and examination, it is evident that the activities of *Operator Tips Global*, *Saanjh Advisory*and their proprietor/director, Mr. Mrinal Chadha, such as giving trading tips, stock specific recommendations etc. to investors on payment of fees as discussed in the preceding

paragraphs, *prima facie* fall under the definition of “investment adviser” as defined by Regulation 2(m) of the SEBI Investment Advisers Regulations, 2013 (**Investment Advisers Regulations**) 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”.

- 4.3 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. In this regard, 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 Investment Advisers Regulations the registration of the investment advisers is mandatory. It provides: *“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.”*

- 4.4 Considering the facts and circumstances of the matter, I am convinced that the activities of *Operator Tips Global*, *Saanjh Advisory* and their proprietor/director, Mr. Mrinal Chadha, 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 Investment Advisers Regulations. Further, Mr. Mrinal Chadha, *Operator Tips Global* and *Saanjh Advisory* are 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. I, therefore find that the said entities are engaged in unregistered *investment advisory activities* contravening the provisions of Section 12 (1) of the SEBI Act and Regulation 3(1) of the Investment Advisers Regulations.

- 4.5 Investment Advisers Regulations *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 Investment Advisers 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.
5. 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 Mr. Mrinal Chadha, *Operator Tips Global* and *Saanjh Advisory*. I also note that the entities are not co-operating with the preliminary examination conducted by SEBI. Therefore, in order to ensure that Mr. Mrinal Chadha, *Operator Tips Global* and *Saanjh Advisory* 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 Mr. Mrinal Chadha, his proprietorship firm, *viz.* *Operator Tips Global*, and his company, *viz.* *Saanjh Advisory*, for preventing them from collecting funds and indulging in unauthorized investment advisory without obtaining registration from SEBI in accordance with the law.
6. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4), 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. *Operator Tips Global (PAN: AVLPC5388F) and M/s. Saanjh Advisory (OPC) Private Limited (PAN: AAWCS4633A) and their proprietor/director, Mr. Mrinal Chadha (PAN: AVLPC5388F and DIN:06362003) are directed to:-*

- a. *cease and desist from acting as an investment advisor and cease to solicit or undertake such activity or any other unregistered activities in the securities market, directly or indirectly, in any matter whatsoever;*
- b. *not to solicit or undertake investment advisory activities or any other unregistered activities in the securities market through any companies/proprietorship firms/entities;*
- c. *not to float any new companies/proprietorship firms/entities to solicit or undertake unregistered investment advisory activities or any other unregistered activities in the securities market;*
- d. *not to divert any funds raised from investors, kept in bank account(s) and/or in their custody;*
- e. *immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, websites, etc. in relation to their investment advisory and research analyst activity or any unregistered activity in the securities market.*
- f. *furnish the complete details, information, documents, etc. sought by SEBI vide its letters/emails dated March 18, 2016, May 10, 2016 (e-mail), July 15, 2016, July 28, 2016, etc. from Operator Tips Global and Saanjh Advisory and their proprietor/director, Mr. Mrinal Chadha.*

7. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against Mr. Mrinal Chadha, *Operator Tips Global* and *Saanjh Advisory* in accordance with law.
8. This Order shall be treated as a show cause notice and Mr. Mrinal Chadha, *Operator Tips Global* and *Saanjh Advisory* 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/or to refund the amount collected from the investors/clients/partners for its existing schemes should not be issued against them.
9. The above directions shall take effect immediately and shall be in force until further orders.

10. 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 websites of *Operator Tips Global* and *Saanjh Advisory*, information obtained from the complainant, MCA database and Axis Bank.. In this context, *Operator Tips Global*, *Saanjh Advisory* and their proprietor/director, *viz.* Mr.Mrinal Chadha 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: November 28, 2016

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