

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER
ORDER

Under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992, in the matter of M/s Singhania Media Solutions Private Limited (PAN: AAVCS5813R) and its Directors –

Mr. Ankitkumar Shashikant Singhania (DIN: 06592945, PAN: CTKPS0145K),
Mr. Shashikant Singhania (DIN: 06592947, PAN: BMJPS0683R)

Background of Company

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. On perusal of the website www.bearandbulls.com, it was observed that Singhania Media Solutions Private Limited ("**Singhania Media Solutions**") was operating the aforesaid website. Singhania Media Solutions is a Private company incorporated on September 2, 2013. It is classified as a non-government company and is registered at the Registrar of Companies, Mumbai.
3. Pursuant to the same, based on the information obtained from the said website as well as from the MCA Portal, SEBI conducted a preliminary examination of the activities of Singhania Media Solutions, with a view to ascertain possible violations of the Securities and

Exchange Board of India Act, 1992 (“**SEBI Act**”) and the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 (“**IA Regulations**”).

4. SEBI had earlier passed an interim Order dated December 30, 2015 issuing directions against GoCapital, which is a proprietary concern of Mr. Ankitkumar Shashikant Singhanian, to cease and desist from acting as an investment adviser and to cease to solicit or undertake such activities or any other unregistered activity in the securities market, directly or indirectly.
5. *Prima facie findings/allegations in brief:* Pursuant to the examination, SEBI passed an interim order dated October 6, 2016, against Singhanian Media Solutions Private Limited and its directors, Mr. Ankitkumar Shashikant Singhanian and Mr. Shashikant Singhanian (hereinafter referred to as Noticees), wherein the following *prima facie findings/allegations* were recorded.
 - a) The Noticees, were involved in giving trading tips, stock specific recommendations, etc. to the investors on payment of fees. They declare themselves as an investment adviser on their website.
 - b) The activities of the Noticees fall within the definition of activities of “*investment adviser*” as defined under Regulation 2(m) of the IA Regulations.
 - c) 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. Singhanian Media Solutions and its directors, Mr. Ankitkumar Shashikant Singhanian and Mr. Shashikant Singhanian are engaged in providing investment advisory services to investors without necessary registration. By virtue of this, they have violated Section 12 (1) of the SEBI Act and Regulation 3(1) of the IA Regulations.
 - d) Despite SEBI directions in the interim order dated December 30, 2015, against GoCapital, which is the proprietary concern of Mr. Ankitkumar Shashikant

Singhania, he has continued with his unregistered activity through his company Singhania Media Solutions.

6. In view of the *prima facie* findings on the violations, the following directions were issued in the said interim order dated October 6, 2016 with immediate effect:
 - i. “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;
 - ii. not to divert any funds raised from investors, kept in bank account(s) and/or in their custody;
 - iii. 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;
 - iv. furnish the complete details, information, documents, etc, sought by SEBI vide its letters/email dated June 16, 2016.
 - v. Inform SEBI as to what measures have been taken by the director of Singhania Media Solutions, Mr. Ankit Singhania to comply with SEBI’s directions vide Order dated December 30, 2015 issued against him.”
7. in the interim order it was stated that Singhania Media Solutions and Mr. Ankit Shashikant Singhania and Mr. Shashikant Singhania, would be afforded 21 days, from the date of receipt of the interim order, to file its replies, if any and to seek an opportunity of personal hearing, if they so desired.
8. *Service of interim order and hearing notice:* The interim order dated October 6, 2016 was sought to be served on Singhania Media Solutions and its directors, vide letter dated October

10, 2016. However, the same could not be served. Subsequently, vide notifications dated June 10, 2017, published in the newspapers *The Times of India* and *Lokmat*, the said interim order was served on Singhanian Media Solutions and its directors, Mr. Ankitkumar Shashikant Singhanian and Mr. Shashikant Singhanian, and the said Noticees were notified by SEBI that they will be granted an opportunity of personal hearing on July 5, 2017 at the time and venue mentioned therein.

9. *Hearing and submissions:* Singhanian Media Solutions and its directors Mr. Ankitkumar Shashikant Singhanian and Mr. Shashikant Singhanian have not filed their reply in the matter pursuant to the interim order. Further, the said entities did not avail of the opportunity of personal hearing granted on July 5, 2017.
10. I have considered the allegations, and materials on record. On perusal of the materials on record, the following issues arise for consideration. Each question is dealt with separately under different headings:
 - i. Whether Singhanian Media Solutions and its directors Mr. Ankitkumar Shashikant Singhanian and Mr. Shashikant Singhanian were involved in unregistered investment advisory activities.
 - ii. If so, whether Singhanian Media Solutions and its directors Mr. Ankitkumar Shashikant Singhanian and Mr. Shashikant Singhanian have violated section 12(1) of the SEBI Act and regulation 3(1) of the IA Regulations.
 - iii. If the findings on Issue No. 2 are found in the affirmative, who are liable for the violation committed?
11. *Whether Singhanian Media Solutions and its directors Mr. Ankitkumar Shashikant Singhanian and Mr. Shashikant Singhanian were involved in unregistered investment advisory activities:* I have perused the interim order dated October 6, 2016 for the allegation of unregistered investment advisory activities. I note that neither the company nor the directors filed any reply denying the same.

12. I note that SEBI, during the enquiry, vide letter and email, sent to the email ID registered with MCA, dated June 16, 2016 had sought for certain information from Singhanian Media Solutions, including inter alia, the details of services offered by the entity, fees charged for each service, etc. Vide emails dated June 22, 2016, Singhanian Media Solutions has requested for time to file its reply. SEBI, vide email dated June 23, 2016, provided time till June 30, 2016. Vide email dated June 25, 2016, Mr. Ankitkumar Shashikant Singhanian requested for further extension of time to file his reply, which was not granted. Vide email dated July 14, 2016, Mr. Ankitkumar Shashikant Singhanian requested for personal hearing in the matter. SEBI vide email dated July 15, 2016 advised the entity to file its reply to the letter dated June 16, 2016. Thereafter, vide letter dated July 27, 2016, Singhanian Media Solutions filed its reply.
13. Vide email dated August 2, 2016, SEBI requested Singhanian Media Solutions to provide the remaining information as sought for in the letter dated June 16, 2016. Vide email dated August 17, 2016, Mr. Ankitkumar Shashikant Singhanian requested for a personal hearing but failed to provide the information.
14. I have perused the information received by SEBI, correspondence exchanged between SEBI and Singhanian Media Solutions and its director Ankitkumar Shashikant Singhanian, along with the documents contained therein and other information/materials available from the website maintained by Singhanian Media Solutions and also those available on record.
15. From the records of the MCA Portal, I find that Mr. Ankitkumar Shashikant Singhanian and Mr. Shashikant Singhanian are the directors of Singhanian Media Solutions. From the records of the website I find that under the head “About Us”, Singhanian Media Solutions has stated that *“Bears & Bulls is an Investment Advisory Company which provides safe recommendations for your valued Investments in Indian Market. ... We recommend for Stocks-Cash and F&O trades in NSE & BSE, commodities including bullions, energy commodities traded on MCX.”* They declare themselves as an investment adviser on their website. It has also claimed exact percentage of accuracy in their tips. I find that the said website Singhanian Media Solutions Private Limited was operating the aforesaid website.

16. 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 Bullion	30,000	80,000	1,50,000	2,75,000

Name of package		Fee charged (Rs.)			
		Monthly	Quarterly	Half Yearly	Yearly
Commodity Market	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

17. Prior to the passing of interim order, Singhania Media Solutions vide its reply dated July 27, 2016, had admitted that it was running an investment advisory activity under the name “Bears & Bulls” from March 2016. On perusal of the letter dated August 26, 2016, of Singhania Media Solutions, I find that it had further admitted that it had provided its services to 73 clients and collected an amount of ` 8,77,503.45/- as fees from the said clients. It also submitted the list of clients and fees charged for various services.
18. Singhania Media Solutions vide the said letter dated July 27, 2016, produced the copy of bank statement for its bank account bearing no. 188905000337 for the period from March 01, 2016 to July 17, 2016. Further, on perusal of the email from ICICI Bank Limited, dated July 27, 2016 enclosing the transaction details of the bank account of Singhania Media Solutions bearing no. 188905000337 from May 19, 2015 to July 26, 2016, I find that there is material available on record to conclude that fees have been collected by Singhania Media Solutions with respect to its investment advisory activities.
19. I have perused the definition of investment adviser as given in regulation 2(m) of the IA Regulations, which states that investment adviser means “*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*”. Further, I have perused regulation 2(l) of the IA Regulations which defines investment advice as “*advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether*

written, oral or through any other means of communication for the benefit of the client and shall include financial planning.”

20. The activities of Singhanian Media Solutions, as brought out from the various materials described above, seen in the backdrop of the aforesaid provisions clearly show that the Noticees have acted as investment advisers. They declare themselves as an investment adviser on their website. Singhanian Media Solutions in its reply dated July 27, 2016 had submitted that it was in the process of registration as an investment advisor. However, no material was available on record to indicate that the Noticees have applied for certificate of registration as investment adviser.
21. Therefore, I find that the activities of Singhanian Media Solutions such as giving trading tips, stock specific recommendations, etc. to the investors and general public on payment of fees clearly indicate that they were engaged in providing unregistered investment advisory services. Further, the Noticees have declared themselves as investment advisers.
22. *If so, whether Singhanian Media Solutions and its directors Mr. Ankitkumar Shashikant Singhanian and Mr. Shashikant Singhanian have violated section 12(1) of the SEBI Act and regulation 3(1) of the IA Regulations:* I note that as a measure of investor protection, it is imperative on any person carrying out investment advisory activities, to obtain registration and conduct its activities in accordance with the provisions of the SEBI Act and the IA Regulations. I have perused of Section 12(1) of the SEBI Act which states that

“No stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market shall buy, sell or deal in securities except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the regulations made under this Act.”

Further, I note that as per regulation 3(1) of the IA Regulations, 2013, *“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.”*

23. Singhanian Media Solutions admittedly does not possess a certificate of registration to carry on the activities as an investment adviser. The proviso to regulation 3 of the IA Regulations states that *“a person acting as an investment adviser immediately before the commencement of these regulations may continue to do so for a period of six months from such commencement or, if it has made an application for a certificate ... within the said period of six months, till the disposal of such application.”* The IA Regulations were notified on January 21, 2013. The IA Regulations came into effect on April 21, 2013. Therefore, any person who had been providing investment advisory service before the IA Regulations came into effect can, by virtue of the proviso under regulation 3, continue to do so without a certificate of registration till October 20, 2013, beyond which the said person would have to obtain a certificate of registration or may continue to do so till the time his application for registration is disposed of. Singhanian Media Solutions has admittedly been acting as an investment adviser under the name of “Bears & Bulls” from March 2016, without any certificate of registration issued by SEBI in this regard. In view of the above, I find that Singhanian Media Solutions does not fall in the scenario envisaged in the proviso to regulation 3 of the IA Regulations. It is clear that no activity as investment advisory service started after the date of coming into effect of this IA Regulations can be rendered without the certificate of Registration. Therefore, Singhanian Media Solutions ought to have acted as an investment adviser only after obtaining the certificate of registration from SEBI. I also find that there is nothing on record, to show that Singhanian Media Solutions falls in any of the categories of exemption as provided under regulation 4 of the IA Regulations. The Noticees have not submitted any representation contending the same, as well.

24. Considering the contents of the website of Singhanian Media Solutions, receipt of payments from clients for investment advice as reflected in the bank statements and, from the admission of the entity itself, I find that Singhanian Media Solutions and its directors Mr.

Ankitkumar ShashikantSinghanian and Mr. ShashikantSinghanian have violated section 12(1) of the SEBI Act along with regulation 3(1) of the IA Regulations.

25. *If the findings on question No.2 are found in the affirmative, who are liable for the violation committed?* : In view of the foregoing, Singhanian Media Solutions and its directors are liable for the aforesaid violations of section 12(1) of the SEBI Act along with regulation 3(1) of the IA Regulations. In order to safeguard the interest of the investors and their investments, and to further ensure orderly development of securities market it becomes necessary for SEBI to issue appropriate directions against Singhanian Media Solutions and its directors, Mr. Ankitkumar Shashikant Singhanian and Mr. Shashikant Singhanian.
26. Since Singhanian Media Solutions has admittedly collected funds as fees from the investors under different categories of schemes, acting as unregistered investment adviser, it would be reasonable that such funds collected in any name are liable to be returned to the investors.
27. I also note that, one of the directors of Singhanian Media Solutions, Mr. Ankitkumar Shashikant 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 till further directions, has continued with its unregistered activity through his company Singhanian Media Solutions, thereby disobeying the directions issued to him by SEBI vide the order dated December 30, 2015. Further, vide the interim order dated October 6, 2016, Mr. Ankitkumar Shashikant Singhanian was directed to inform SEBI as to the measures taken by him for the compliance with the interim order dated December 30, 2015. However, no reply in this regard has been received from the Noticee. As discussed above, I have observed that Mr. Ankitkumar Shashikant Singhanian has admittedly acted as an investment adviser through Singhanian Media Solutions, from March, 2016 resulting in a clear act of non-compliance. In view of the deliberate non-compliance with the interim order dated December 30, 2015, I find it necessary to pass appropriate directions proportionate to his non- compliance in addition to the present violation of the relevant provisions of the SEBI Act and the IA Regulations.

28. In view of the discussion above, appropriate action in accordance with law needs to be initiated against Singhanian Media Solutions and its directors, Mr. Ankitkumar Shashikant Singhanian and Mr. Shashikant Singhanian. The interim order has contemplated issuance of directions against the Noticees including prohibiting them from buying, selling or otherwise dealing in securities market, and requiring the investment adviser to refund any money collected as fees, charges or commissions or otherwise to the concerned clients.
29. Section 11 of SEBI Act casts a duty on the Board to protect the interests of investors in securities and to promote the development of and to regulate the securities market. For achieving such object, it has been authorised to take such measures as it thinks fit. Thus, power to take all measures necessary to discharge its duty under the statute which is a reflection of the objective disclosed in the preamble has been conferred in widest amplitude.
30. Section 11B and Section 11(4) of SEBI Act are functional tools in the hands of the Board. In effect, Section 11B and Section 11(4) SEBI Act are some of the executive measures available to SEBI to enforce its prime duty of investor protection. SEBI is empowered to issue directions in the interests of investors of any person or class of persons referred to in Section 12 of the SEBI Act or associated with the securities market.
31. Therefore, I, in exercise of the powers conferred under section 19 of the SEBI Act read with sections 11(1), 11(4), and 11B of the SEBI Act, hereby issue the following directions:
- a. Singhanian Media Solutions shall forthwith refund the money received from its clients as fees in respect of its unregistered investment advisory activities and submit a certificate from a peer reviewed Chartered Accountant who is in the panel of any public authority or public institution, within a period of 3 months. For the purpose of this Order, a peer reviewed Chartered Accountant shall mean a Chartered Accountant, who has been categorized so by the Institute of Chartered Accountants of India ("ICAI").

b. Singhanian Media Solutions and its director Mr. Shashikant Singhanian are directed not to, directly or indirectly, access the securities market, and are prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, till the expiry of 5 years from the date of this Order. The above said director is also restrained from associating with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI till the expiry of 5 years from the date of this Order.

c. Mr. Ankitkumar Shashikant Singhanian, director of Singhanian Media Solutions, is directed not to, directly or indirectly, access the securities market, and is prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner till the expiry of 10 years from the date of this Order. The above said director is also restrained from associating with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI till the expiry of 10 years from the date of this Order.

d. Singhanian Media Solutions and its directors, Mr. Ankitkumar Shashikant Singhanian and Mr. Shashikant Singhanian shall not undertake, either directly or indirectly, investment advisory services or any activity in the securities market without obtaining a certificate of registration from SEBI as required under the securities laws after the expiry of period of debarment as mentioned in paragraph 31(b) and (c), as the case may be.

e. The repayments to the clients shall be effected only through Bank Demand Draft or Pay Order both of which should be crossed as “Non-Transferable”.

f. The above directions shall come into force with immediate effect.

32. I note that adjudication proceedings have already been initiated against Mr. Ankitkumar Shashikant Singhanian for the non-compliance with the order of SEBI dated December 30, 2015 by indulging in unregistered investment advisory services in the securities market

through Singhanian Media Solutions, despite the direction to cease and desist from such activities either directly or indirectly.

33. This Order is without prejudice to any action, including adjudication and prosecution proceedings that might be taken by SEBI in respect of the above violations committed by Singhanian Media Solutions and its promoters, directors and other key persons.
34. Copy of this Order shall be forwarded to the recognised stock exchanges and depositories for information and necessary action.

DATE: July 18, 2017

PLACE: Mumbai

**MADHABI PURI BUCH
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA**