

WTM/AB/EFD-1/DRA-1V/19/2019-20

**SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: ANANTA BARUA, WHOLE TIME MEMBER
ORDER**

Under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 in respect of Mohan Lal Agrawal and other associated entities

Noticee no.	Name of Noticee	PAN
1	Mr. Mohan Lal Agrawal Also as proprietor of: (a) Stock Fayda (b) Stock Taj	AFYPA4863L
2	Mr. Murali Lal Agrawal Also as proprietor of: (a) Ads Karo, (b) Share Raja	AFYPA4864P
3	Mr. Sanjay Kumar Jena Also as proprietor of Tiger Stocks	AXEPJ4859P
4	Mr. Samirkanta Panda Also as proprietor of Market Gyan	CLXPP4377H
5	Mr. Niranjana Rana Also as proprietor of Day Gains Solutions	BGAPR5205H
6	Mr. Balram Pradhan Also as proprietor of Profit Mirror	CHKPP0921J
7	Mr. Trinath Rana Also as proprietor of Money Banao	BOXPR7731H
8	Mr. Ashwin Bora	NA
9	Mr. Lalit Behera	BHBPB1167L

The aforesaid entities are hereinafter referred to individually, by their respective names/ Noticee numbers and collectively as “the Noticees”

Background

1. The Securities and Exchange Board of India (hereinafter referred to as, “SEBI”) received an email complaint on March 03, 2014 wherein *inter-alia* it was alleged that an entity by the name of “Stock Fayda” had provided tips for investment into stock market and it had failed to provide proper services in that regard. SEBI made searches on website and it was noted that “Stock Fayda” was providing investment advice in connection with securities in

violation of SEBI (Investment Advisor) Regulations, 2013 (hereinafter referred to as “**IA Regulations**”) read with Section 12 of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”). SEBI also found out that a few more proprietorship concerns related to Stock Fayda were also providing investment advisory services in violation of IA Regulations read with Section 12 of SEBI Act.

Show Cause Notice, Reply to Show Cause Notice and Personal Hearing

2. A Show Cause Notice (hereinafter referred to as “**SCN**”) dated November 20, 2018 providing SEBI’s observations was issued to all the Noticees. The following documents were enclosed as annexures to the SCN:

Annexures to SCN	
Annex. No.	Particulars
1	Complaint by an investor against Stock Fayda received through email on March 3, 2014.
2	SEBI letter dated March 24, 2014 to Stock Fayda which stated that the activity of Stock Fayda appears to be in the nature of managing Portfolio of clients/advising the customers, and advised Stock Fayda to offer comments within seven days of receipt of letter.
3	Reply of Noticee No. 2 dated April 1, 2014 to SEBI in connection with business of Stock Fayda
4	SEBI letter dated April 11, 2014 to Stock Fayda advising it to comply with the IA Regulations
5	Reply of Noticee No. 8 dated May 12, 2014 to SEBI in connection with business of Stock Fayda that it has shut all its operations
6	SEBI letter dated August 18 , 2014 to Stock Fayda
7	Declaration by Noticee No. 1 in his capacity as proprietor of Stock Fayda and Stock Taj informing SEBI that he has closed all the bank accounts and websites of the said proprietorships.
8	Email to ICICI Bank by SEBI dated June 24, 2016 seeking information of accounts held in the name of Ads Karo/ Shubh Tips
9	Bank account statement of Ads Karo obtained from ICICI Bank
10	SEBI letter dated December 09, 2014 to Noticee no. 1 in connection with his activities resembling investment advisory services
11	SEBI reminder letter dated January 1, 2015 advising Mr. Mohan Lal Agarwal to provide the information sought vide letter dated December 09, 2014
12	Reply of Noticee No. 1 dated January 13, 2015
13	Mohan Lal Agarwal Application for Registration as Investment Advisor

3. The SCN was served on Noticees No. 1, 2 & 9 through Speed Post. The SCN issued to Noticee nos. 3, 4, 5, 6, 7 and 8 returned undelivered. Therefore, the SCNs were affixed on the last known address of the Noticees. An opportunity of personal hearing was granted to all the Noticees on March 19, 2019. On the said date, Mr. Mohan Lal Agrawal (Noticee no. 1) appeared before me on behalf of himself and Noticee No. 2 and 8. The hearing notice communicating the date of hearing could not be served on Noticee nos. 3, 4, 5, 6 and 7. Therefore, another opportunity of personal hearing was granted to the said Noticees on April 22, 2019. As the hearing notice returned undelivered, the same was affixed on the last known address of Noticee nos. 3,4,5,6 and 7. Noticee nos. 3, 4, 5, 6 and 7 did not appear for personal hearing before me nor have submitted any reply in the matter. In view of this, I proceed to decide the matter ex-parte against Noticee nos. 3, 4, 5, 6 and 7.

Consideration of SCN, Reply and Personal Hearing

4. The SCN has alleged that the Noticees and their respective/ related sole proprietorship concerns have acted in violation of the provisions of Section 12 (1) of the SEBI Act, 1992 read with Regulation 3 (1) of the IA Regulations. In this regard, it is pertinent to reproduce the relevant provisions of law which are as under:

Relevant extract of provision of SEBI Act:

“Registration of stock brokers, sub-brokers, share transfer agents, etc.

12. (1) 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.”

Relevant extract of provisions of IA Regulations:

“Definitions

2.(1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions shall be construed accordingly–

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(l) “investment advice” means advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice or 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:

Provided that investment advice given through newspaper, magazines, any electronic or broadcasting or telecommunications medium, which is widely available to the public shall not be considered as investment advice for the purpose of these regulations;

(m) “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.

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Application for grant of certificate

3. (1) 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:

Provided 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 under subregulation (2) within the said period of six months, till the disposal of such application.”

5. The SCN alleges that the Noticee no. 1 to 7 were providing investment advisory services either through their proprietorship concerns or directly themselves to their respective clients, details of which are as under:

Noticee no.	Name of the Noticee	Proprietorship through which investment advice was provided
1	Mr. Mohan Lal Agrawal	(i) Stock Fayda (ii) Stock Taj
2	Mr. Murali Lal Agrawal	(i) Ads Karo (ii) Share Raja
3	Mr. Sanjay Kumar Jena	Tiger Stocks
4	Mr. Samirkanta Panda	Market Gyan

5	Mr. Niranjan Rana	Day Gains Solutions
6	Mr. Balram Pradhan	Profit Mirror
7	Mr. Trinath Rana	Money Banao

6. Based on the SCN and material available on record, I note that the following connections are observed between the Noticees.

A. Common address:

- (a) One of the addresses of Stock Taj and Ads Karo (as per the KYC provided by it to ICICI Bank) is D 703, 7th Floor, Rose Garden Apartment, Bannerghatta Main Road, Arekere Junction, Bangalore – 560076, which is common.
- (b) The address of Profit Mirror, as obtained from its website, is 3/ 1, Suvarna Nilaya, Murthappa Garden, 17th Cross, 27th Main, 6th Phase, J. P. Nagar, Bengaluru – 560078. The address of Day Gains Solutions is the same as that of Profit Mirror.
- (c) Based on the email dated November 06, 2014 of Noticee no. 8 i.e. Mr. Ashwin Bora, Sales & Operations Head of Ads Karo, it is noticed that one of the addresses of Ads Karo is 562/640, Janardhan Tower, Bilekalli Junction, B. G. Road, Bangalore – 76 which is also same as that of Stock Fayda.
- (d) At the time of account opening of Ads Karo, bank officials while conducting a field visit observed that though the registered address of the proprietorship is ‘home address’ but the proprietorship is doing business from Ads Karo Central Central Data System, House no. 50, 1st floor, 1st Cross, 27th Main, BTM 1st Stage, Bangalore – 68. I note from the letter head of Tiger Stocks, Market Gyan, Profit Mirror and Money Banao, that the said proprietorship concerns have the same address as that of Ads Karo i.e. House no. 50, 1st floor, 1st Cross, 27th Main, BTM 1st Stage, Bangalore – 68.

B. Other connections:

- (a) As informed in the personal hearing, Mr. Mohan Lal Agrawal and Mr. Murali Lal Agrawal are brothers. Further, vide letter dated April 01, 2014, Mr. Murali Lal Agrawal has replied for Stock Fayda, even though the proprietor of Stock Fayda is Mr. Mohan Lal Agrawal.
- (b) ICICI Bank vide emails dated November 19, 2014 and November 20, 2014 informed SEBI that the PAN (AFYPA4863L) of Mr. Mohan Lal Agrawal, proprietor of Stock Fayda matches with several entities having bank account with them. These entities were also having the same contact number, address and email Id, as mentioned below:

Sr. no.	Name of Account Holder	Account no.
1	Stock Seva	029705003507
2	Bull Gains	232405000001
3	Tiger Stocks	232405000002
4	Money Banao	040105500177
5	Bull Gains Financial Services	026905002334
6	Stocktaj Services	026905003037
7	Market Gyan	029705500116
8	Stock Fayda	029705500196
9	Share Raja	100705500245
10	Tiger Stock	100705500227

- (c) SEBI vide letter dated June 24, 2016 advised Noticee no. 1, Mr. Mohan Lal Agrawal to furnish the information, as specified in the letter, pertaining to its group entities, namely, Stock Fayda, Profit Mirror, Tiger Stocks, Market Gyan Day Gains Solution and Share Raja in the specified format within 15 days of receipt of the letter. In response to the said SEBI letter, Mr. Mohan Lal Agrawal, vide letter dated July 26, 2016 provided the following details, which shows that the following proprietorships were part of a group providing investment advisory services:

Sr. no.	Name of Group Entity	Period of Operation		No. of clients	Fees collected (in Rs.)
		From	To		
1	Stock Fayda	April 01, 2013	May 22, 2014	86	27,30,580
2	Day Gains Solutions	April 01, 2013	August 19, 2014	82	17,34,580
3	Tiger Stocks	December 06, 2013	March 31, 2015	77	12,87,345
4	Market Gyan	February 10, 2014	March 31, 2015	71	11,50,540
5	Share Raja	April 01, 2013	July 25, 2014	133	19,84,050
6	Profit Mirror	October 17, 2013	March 31, 2015	89	19,43,570
Total				538	1,08,30,665

- (d) Mr. Sanjay Kumar Jena, Noticee no. 3 in his letter to the branch manager of ICICI Bank, JP Nagar branch has requested the bank to close his current account in the name of Tiger Stocks and Shubh Solutions. He has further requested the branch manager to issue a letter with respect to closure of his bank accounts and handover the letter to his accounts' manager, Mr. Dhiraj Agrawal. Similar letters have been issued by Mr. Samirkanta Panda (Noticee no. 4), Mr. Balaram Pradhan (Noticee no. 6) and Mr. Trinath Rana (Noticee no. 7) for their proprietorships namely, Market Gyan, Bull Gains and Money Banao, respectively, requesting the the branch manager to issue a letter with respect to closure of his bank accounts and handover the letter to his accounts' manager, Mr. Dhiraj Agrawal. Thus, I note that Mr. Sanjay Kumar Jena, Mr. Samirkanta Panda, Mr. Balaram Pradhan and Mr. Trinath Rana had a common accounts' manager, namely, Mr. Dhiraj Agrawal.
7. In the following paragraphs, I shall deal with the violation alleged against each of the Noticees and its proprietorship firm, separately.

A. Mr. Mohan Lal Agrawal (Noticee no. 1)(Proprietor of Stock Fayda and Stock Taj)

8. Noticee no. 1, Mr. Mohan Lal Agrawal is the proprietor of Stock Fayda. I note from the SCN, that based on an email complaint received by SEBI on March 03, 2014 as stated earlier, SEBI made searches on website and it was noted that "Stock Fayda" was providing investment advice in the name and style www.stockfayda.com to its subscribers. SEBI noticed that it was offering stock market tips and intraday trading solutions which appeared

to be in the nature of managing the portfolio of its clients/advising the customers. Stock Fayda was advised to offer its comments within seven days of receipt of the said letter. Vide letter dated April 01, 2014, Mr. Murali Lal Agrawal, brother of Mr. Mohan Lal Agrawal informed SEBI that they had a website “www.stockfayda.com” and were giving advisory services to few clients who were into intraday trading. He also informed that they were not aware of registration requirement and requested SEBI to guide with necessary steps to be taken in this regard. Vide letter dated April 11, 2014, SEBI advised Stock Fayda to ensure compliance with the IA Regulations and provisions of the SEBI Act within seven days of receipt of the order. It was also informed that in case SEBI does not receive its application seeking registration as Investment Adviser or a confirmation of ceasing its activity as an Investment Advisor within seven days of receipt of the said letter, SEBI shall proceed ahead with enforcement action against it as provided under SEBI Act. On May 12, 2014, SEBI received a letter signed by Noticee no. 8, Mr. Ashwin Bora stating that Stock Fayda has closed all its operations and also applied for bank accounts closure. Vide letter dated August 18, 2014, SEBI advised Stock Fayda to furnish certain documents to support its declaration that it had shut all its operations. In response to the said letter, Mr. Mohan Lal Agrawal vide letter dated January 29, 2015 stated that it had closed operations of both Stock Fayda and Stock Taj, and that he had submitted an application for registration with SEBI as an Investment Adviser.

9. I note that the website of Stock Fayda contained answers to certain Frequently Asked Questions (hereinafter referred to as “**FAQs**”). Some of these FAQs and their answers, as provided on the said website, are as under:

“1. What is Stock Fayda?

Stock Fayda is a Share Market Tips provider which provides the best tips for investing in the Share Market.

2. How can I benefit from Stock Fayda?

If you are trader in the share market or you are someone who knows little about the share market, we are here to provide you with the exclusive tips and recommendations for your investment plans.

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4. Is there any free – trail service? If yes, how can I avail that?

Yes, you can avail our 2 – Days Free Trial by clicking on the free trial form.

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7. Do you provide BTST/ STBT Calls?

Currently we provide only Intraday Calls. We also send Closing bells before the markets close, so that our customers have enough time to close their positions. Looking at the current market scenario and international market dependability, we strongly recommend to not carrying any overnight position for traders.

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9. Can we directly talk to the analysts?

Yes, you can call us 24/7 at our hotline number (07847856600) and talk directly to our Analysts and get complete support on your positions.

10. What is the procedure to subscribe?

You can fill up the Form available on the website or simply talk to our Support Team 24/7 at (07847856600) for assistance.

11. What is the best trading style you recommend?

We always suggest Intraday Trading to our customers because in the present scenario, the Indian markets are mostly governed by the global trends which can change in a day or night. Hence most of our calls are purely Intraday.

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14. Is there any provision of refund of money in cases of loss?

We provide all calls with well analyzed Stop Loss. So most of the cases, you will not end up making loss. However, money paid is not refundable in any case.

15. Why only 2 Days free trial?

We give only 2 days free trial because SMS, research team and other software's huge costs. According to our accurate market research and trader's point of view. 2 days free trail is sufficient and we feel that it is more than enough to judge us on our accuracy.

16. What will be the mode of Tips?

You can receive the Tips through Mobile SMS."

10. From the aforesaid FAQs and the answers published on the website of Stock Fayda, it can be deduced that Noticee no. 1, Mr. Mohan Lal Agrawal through its proprietorship concern namely Stock Fayda was providing intraday tips through SMSs and phone calls by accepting a certain subscription fee. The said activity is in the nature of investment advice

under Regulation 2 (1) (l) of the IA Regulations. Further, Noticee no. 1, Mr. Mohan Lal Agarwal vide letter dated July 26, 2016 informed SEBI that he ran investment advisory services in the name and style “Stock Fayda” from April 01, 2013 to May 22, 2014 and collected Rs. 27,30,580/- from 86 clients during such period. Therefore, I note that the Noticee no. 1, Mr. Mohan Lal Agrawal through his proprietorship concern, Stock Fayda was acting as an investment advisor without any registration, in this regard, from SEBI.

11. On July 22, 2014, SEBI issued letter to Stock Taj stating that from the perusal of its website “www.stocktaj.com” it was noticed that it was offering the following services to its clients, in the form of Intraday Market Tips, Nifty Stock Tips, Delivery Calls, Equity Market Tips, Options Tips etc. which appeared to be in the nature of managing the portfolio of its clients/ advising the customers. Stock Taj was advised to offer its comments within seven days of receipt of the said letter. In reply to the said letter, Noticee no. 5, Mr. Niranjan Rana vide letter dated July 30, 2014 while replying on behalf of Stock Taj stated that while starting the business of providing investment advice to investors, they were not aware of the IA Regulations. He also informed that they had gone through the SEBI website and understood that they were are required to obtain certification from SEBI to carry on the investment advisory activity. SEBI issued a letter dated August 12, 2018 advising Stock Taj to ensure compliance with the IA Regulations and provisions of the SEBI Act within seven days of receipt of the letter. Mr. Niranjan Rana vide letter dated August 22, 2014 sought a week’s time to apply for closure of all bank accounts, websites and other related things.

12. SEBI vide letter dated December 09, 2014 informed Mr. Mohan Lal Agrawal that it is in receipt of information that he is offering various services in connection with trading in stock and commodity markets under the names of (a) Stock Fayda, (b) Stock Seva, (c) Bull Gains Financial Services, (d) Stock Taj Services, (e) Market Gyan, (f) Tiger Stocks, (g) Money Banao and (h) Share Raja. In response to the said letter, Noticee no. 1, Mr. Mohan Lal Agrawal vide letter dated January 13, 2015 informed SEBI that they have closed operations of Stock Fayda, Stock Taj and Stock Seva. The Noticee also undertook to close the operations of ‘other units’ in a small timeframe. Further, vide letter dated January 29, 2015, Mr. Mohan Lal Agrawal confirmed that he has closed the bank accounts and websites

of Stock Fayda and Stock Taj. The Noticee also stated that they were closing the websites of all associated companies which were functioning in the same premises.

13. I note that vide letter dated February 10, 2015, Mr. Mohan Lal Agrawal, in his capacity as Proprietor of Stock Taj submitted that he is in the business of 'investment advisory' and that they charge a subscription fee to its customers for a particular period of time for the advice they receive from it in terms of SMSs and phone calls. Mr. Mohan Lal Agrawal also stated that he advises clients with intraday calls on cash, futures and delivery for equity, nifty, agri and non agri commodities like bullion, base, metal and energy.

14. I note from the website of Stock Taj, that it was offering Commodity Tips, Agri Tips, Base Metals, Bullions and Energy. It has advertised the following on its website:

"....We provide Accurate Stock Tips for our customers.... We are a reputed Indian Stock Tips Providing company. Our strength lies in the strong and expert human resource who understand the basics of trading very well. Thus, we are able to provide the Best Stock Tips."

15. In reply to the SCN, the Noticee no. 1 i.e. Mr. Mohan Lal Agrawal vide email dated December 17, 2018 submitted that after pursuing an MBA and working in the field of wealth management, the Noticee started giving tips on intraday trading from the year 2011 which later on became his fulltime business activity. The Noticee has also submitted that he has closed all the operations and all bank accounts in connection with his investment advisory services. The Noticee reiterated the said submissions during his personal hearing before me.

16. In view of the above, I note that Noticee no. 1, Mr. Mohan Lal Agrawal through its proprietorship concern namely Stock Taj was providing investment / trading tips. The said activity is in the nature of investment advice in terms of Regulation 2 (1) (l) of the IA Regulations. Therefore, I note that the Noticee no. 1, Mr. Mohan Lal Agrawal through his proprietorship concern, Stock Taj was acting as an investment advisor without any registration, in this regard, from SEBI.

B. Mr. Murali Lal Agrawal (Noticee no. 2) (Proprietor of Share Raja and Ads Karo)

17. I note that Mr. Mohan Lal Agrawal vide letter dated April 16, 2015 submitted that Mr. Murali Lal Agrawal is the proprietor of Share Raja. Vide letter dated February 10, 2015, Mr. Murali Lal Agrawal, Proprietor of Share Raja submitted that he is in the business of ‘investment advisory’ and that they charge a subscription fee to its customers for a particular period of time for the advice they receive from it in terms of SMSs and phone calls. Mr. Murali Lal Agrawal also stated that it advises clients with Intraday calls on cash, futures and delivery for equity, nifty, agri and non agri commodities like bullion, base, metal and energy. Through an undated letter sent by Mr. Murali Lal Agrawal, in his capacity as Proprietor of Share Raja, it was submitted that he was running “investment advisory” and does not want to continue any further. He has submitted that he immediately closed all his websites and sought more time to produce bank closing letters. Further, Noticee no. 1, Mr. Mohan Lal Agarwal vide letter dated July 26, 2016 informed SEBI that Share Raja was part of the group providing investment advisory services from April 01, 2013 to July 25, 2014 and collected Rs. 19,84,050/- from 133 clients during such period. In view of the above, I note that Mr. Murali Lal Agrawal through his proprietorship concern Share Raja is providing investment advice in terms of Regulation 2 (1) (l) of the IA Regulations. Therefore, I note that the Noticee no. 2, Mr. Murali Lal Agrawal through his proprietorship concern, Share Raja was acting as an investment advisor without any registration, in this regard, from SEBI.
18. As per the KYC of Ads Karo obtained from ICICI Bank, I note that Mr. Murali Lal Agrawal is the sole proprietor of the business conducted under the name and style of Ads Karo. From the bank account statement of Ads Karo of account number 026905002264 maintained with ICICI bank, I note that there are several cash deposit entries regularly ranging from Rs. 2,000/- to Rs. 2,00,000/- from various places such as Ahmedabad Agra, Dharwad, Guwahati, Jaipur, Jhansi, Mangalore, Mumbai, Nashik, Raibareili, Salem, Vadodara etc. The Bank officials while conducting a field visit observed that though the registered address of the proprietorship is ‘home address’ but the proprietorship is doing

business from Ads Karo Central Central Data System, House no. 50, 1st floor, 1st Cross, 27th Main, BTM 1st Stage, Bangalore – 68. I note that the said address is the address of Tiger Stocks, Market Gyan, Profit Mirror and Money Banao who have also been alleged to be providing investment advisory services in the present SCN. In view of the above, I note that Mr. Murali Lal Agrawal through his proprietorship concern Ads Karo is providing investment advice in terms of Regulation 2 (1) (I) of the IA Regulations. Therefore, I note that the Noticee no. 2, Mr. Murali Lal Agrawal through his proprietorship concern Ads Karo was acting as an investment advisor without any registration, in this regard, from SEBI.

C. Mr. Sanjay Kumar Jena (Noticee no. 3) (Proprietor of Tiger Stocks and Shubh Solutions)

19. I note that vide letter dated February 10, 2015, Mr. Sanjay Jena, in his capacity as Proprietor of Tiger Stocks submitted that he is in the business of ‘investment advisory’ and that they charge a subscription fee to its customers for a particular period of time for the advice they receive from it in terms of SMSs and phone calls. Mr. Sanjay Jena also stated that it advises clients with Intraday calls on cash, futures and delivery for equity, nifty, agri and non agri commodities like bullion, base, metal and energy. Vide letter dated January 29, 2015, Mr. Sanjay Kumar Jena on the letter head of Tiger Stocks informed SEBI that he was running “investment advisory” firm and does not want to continue any further. The Noticee sought further time to produce bank account closing letters. Further, Noticee no. 1, Mr. Mohan Lal Agarwal vide letter dated July 26, 2016 informed SEBI that Tiger Stocks was part of the group providing investment advisory services from December 06, 2013 to March 31, 2015 and collected Rs. 12,87,345/- from 77 clients during such period.
20. Vide letter dated February 10, 2015, Mr. Sanjay Jena, in his capacity as Proprietor of Shubh Solutions submitted that he is in the business of ‘investment advisory’ and that they charge a subscription fee to its customers for a particular period of time for the advice they receive from it in terms of SMSs and phone calls. Mr. Sanjay Jena also stated that it advises clients with Intraday calls on cash, futures and delivery for equity, nifty, agri and non agri

commodities like bullion, base, metal and energy. Vide letter dated January 29, 2015, Mr. Sanjay Kumar Jena on the letter head of Shubh Solutions informed SEBI that he was running “investment advisory” firm and does not want to continue any further. The Noticee sought further time to produce bank account closing letters.

21. In view of the above, I find that Mr. Sanjay Kumar Jena through his proprietorship concerns Tiger Stocks and Shubh Solutions is providing investment advice in terms of Regulation 2 (l) of the IA Regulations. Therefore, I note that the Noticee no. 3, Mr. Sanjay Kumar Jena through his proprietorship concerns, Tiger Stocks and Shubh Solutions was acting as an investment advisor without any registration, in this regard, from SEBI.

D. Mr. Samirkanta Panda (Noticee no. 4) (Proprietor of Market Gyan)

22. I note that vide letter dated February 10, 2015, Mr. Samirkanta Panda, in his capacity as Proprietor of Market Gyan submitted that he is in the business of ‘investment advisory’ and that they charge a subscription fee to its customers for a particular period of time for the advice they receive from it in terms of SMSs and phone calls. Mr. Samirkanta Panda also stated that it advises clients with Intraday calls on cash, futures and delivery for equity, nifty, agri and non agri commodities like bullion, base, metal and energy. Vide letter dated January 29, 2015, Mr. Samirkanta Panda on the letter head of Market Gyan informed SEBI that he was running an “investment advisory” firm and does not want to continue any further. The Noticee sought further time to produce bank account closing letters. Further, Noticee no. 1, Mr. Mohan Lal Agarwal vide letter dated July 26, 2016 informed SEBI that Market Gyan was part of the group providing investment advisory services from February 10, 2014 to March 31, 2015 and collected Rs. 11,50,540/- from 71 clients during such period.

23. In view of the above, I find that Mr. Samirkanta Panda through his proprietorship concerns Market Gyan is providing investment advice in terms of Regulation 2 (l) of the IA Regulations. Therefore, I note that the Noticee no. 4, Mr. Samirkanta Panda, his

proprietorship concern, Market Gyan was acting as an investment advisor without any registration, in this regard, from SEBI.

E. Mr. Niranjana Rana (Noticee no. 5) (Proprietor of Day Gains Solutions)

24. SEBI vide letter dated August 12, 2014 informed Day Gains Solutions that SEBI observed that it was offering various services in connection with trading in stock and commodity markets. It was also advised that Day Gains Solutions shall ensure compliance with the IA Regulations within seven days of receipt of the said letter. Vide letter dated October 16, 2014, Mr. Rajesh Kumar informed that Day Gains Solutions was not in a position to comply with the formalities for registration and it was going to close the operations and sought time of two weeks to submit the required documents.
25. I note that vide letter dated February 10, 2015, Mr. Niranjana Rana, in his capacity as Proprietor of Day Gains Solutions submitted that he is in the business of 'investment advisory' and that they charge a subscription fee to its customers for a particular period of time for the advice they receive from it in terms of SMSs and phone calls. Mr. Niranjana Rana also stated that it advises clients with Intraday calls on cash, futures and delivery for equity, nifty, agri and non agri commodities like bullion, base, metal and energy.
26. I note from the website of Day Gains Solutions that it was providing advisory services in the form of tips in Nifty Future, Equity and Commodity. I observe that the following has been written about the services offered by Day Gain Solutions in the 'About' section of the website of Day Gains Solutions:

"DayGains Services is an Investment Advisory Company which renders secure recommendations for your valuable investments in the Share Market. We provide the Top Stock Tips. If you have doubts like Where to invest? When to invest? How much to invest?

You've come to the proper place. We'll help you answer all these questions giving you best returns for your investments. Keeping an appropriate blend of growth as

well as safety in mind. We at Day Gains provide Share Market Tips live through SMS, email and chat room. Our SMS facility is very proficient, assuring instant 100% delivery of messages. So, as a customer, you get sufficient time to enter into trade and take the level best profits from our recommendations. We offer a wide range of services to accommodate the demands of every investor, trader or a broker. With Day Gains you are reassured of highly precise Stock Tips and unparalleled 24 x 7.”

27. I note that the website of Day Gains Solutions also facilitates online payment of subscription fees by providing account number details of four banks, details of which are as under:

Sr. no.	Name of Bank	Name of Account Holder	Account number
1	SBI	Day Gains Advisory	33980829719
2	ICICI Bank	Day Gains Advisory	217805500084
3	Axis Bank	Day Gains Advisory	914020027483929
4	HDFC Bank	Day Gains Advisory	50200006693384

28. Further, Noticee no. 1, Mr. Mohan Lal Agarwal vide letter dated July 26, 2016 informed SEBI that Day Gains Solutions was part of the group providing investment advisory services from April 01, 2013 to August 19, 2014 and collected Rs. 17,34,580/- from 82 clients during such period.

29. From the aforesaid information published on the website of Day Gains Solutions and through his own submissions, I note that Noticee no. 5, Mr. Niranjana Rana through his proprietorship concern namely Day Gains Solutions is providing intraday tips through SMSs, phone calls and chat room facility by accepting a certain subscription fee. In view of the above, I find that said activity is in the nature of investment advice under Regulation 2 (l) of the IA Regulations. Therefore, I note that the Noticee no. 5, Mr. Niranjana Rana through his proprietorship concern, Day Gains Solutions was acting as an investment advisor without any registration, in this regard, from SEBI.

F. Mr. Balaram Pradhan (Noticee no. 6) (Proprietor of Profit Mirror and Bull Gains)

30. I note that vide letter dated February 10, 2015, Mr. Balaram Pradhan, in his capacity as Proprietor of Profit Mirror submitted that he is in the business of ‘investment advisory’ and that they charge a subscription fee to its customers for a particular period of time for the advice they receive from it in terms of SMSs and phone calls. Mr. Balaram Pradhan also stated that it advises clients with Intraday calls on cash, futures and delivery for equity, nifty, agri and non agri commodities like bullion, base, metal and energy.
31. I note from the website of Profit Mirror, that it advertises itself as an Investment Advisory Company established in Bangalore which provides Stock Market Tips and Recommendations for Intraday, Stock Cash, Stock Future, options in NSE & BSE, commodities including bullions, energy, metals and agro – commodities traded in MCX and NCDEX through SMSs and chat room. Further, Noticee no. 1, Mr. Mohan Lal Agarwal vide letter dated July 26, 2016 informed SEBI that Profit Mirror was part of the group providing investment advisory services from October 17, 2013 to March 31, 2015 and collected Rs. 17,34,580/- from 82 clients during such period.
32. From the aforesaid information published on the website of Profit Mirror and through his own submissions, I note that Noticee no. 6, Mr. Balaram Pradhan through his proprietorship concern namely Profit Mirror provided intraday tips through SMS and phone calls by accepting a certain subscription fee. Therefore, I find that said activity is in the nature of investment advice under Regulation 2 (l) of the IA Regulations.
33. Vide letter dated February 10, 2015, Mr. Balaram Pradhan, in his capacity as Proprietor of Bull Gains submitted that he is in the business of ‘investment advisory’ and that they charge a subscription fee to its customers for a particular period of time for the advice they receive from it in terms of SMSs and phone calls. Mr. Balaram Pradhan also stated that Bull Gains advises clients with Intraday calls on cash, futures and delivery for equity, nifty, agri and non agri commodities like bullion, base, metal and energy.

34. In view of the above, I find that Mr. Balaram Pradhan through his proprietorship concerns Profit Mirror and Bull Gains is providing investment advice in terms of Regulation 2 (l) of the IA Regulations. Therefore, I note that the Noticee no. 6, Mr. Balaram Pradhan through his proprietorship concerns, Profit Mirror and Bull Gains was acting as an investment advisor without any registration, in this regard, from SEBI.

G. Mr. Trinath Rana (Noticee no. 7) (Proprietor of Money Banao and Stock Seva)

35. I note that vide letter dated February 10, 2015, Mr. Trinath Rana, in his capacity as Proprietor of Money Banao submitted that he is in the business of ‘investment advisory’ and that the proprietorship charges a subscription fee to its customers for a particular period of time for the advice they receive from it in terms of SMSs and phone calls. Mr. Trinath Rana also stated that it advises clients with Intraday calls on cash, futures and delivery for equity, nifty, agri and non agri commodities like bullion, base, metal and energy.
36. I note from the website of Money Banao, the proprietorship offers investment and trading solutions in intraday i.e. stock cash, stock futures traded in NSE or BSE, commodity market tips including bullions, energy, base metals traded in MCX and agri – commodities traded in NCDEX. It has advertised itself as follows:

“Our in-depth research team is expert in providing tips by using fundamental and technical analysis which renders you with close to perfection trading alerts. We offer stock recommendations live through SMS. Our SMS facility is very efficient guaranteeing the instant delivery of message without any loss of time. So, the clients get enough time to enter into the trade and book the profit. Money Banao aims at providing best stock tips with 85-90% accuracy.”

37. From the aforesaid information published on the website of Money Banao and through his own submissions, I note that Noticee no. 7, Mr. Trinath Rana through his proprietorship concern namely Money Bano provided intraday tips through SMSs and phone calls by

accepting a certain subscription fee. Therefore, I find that said activity is in the nature of investment advice under Regulation 2 (1) of the IA Regulations.

38. Vide letter dated January 13, 2015, Mr. Trinath Rana, in his capacity as Proprietor of Stock Seva informed SEBI that they have closed the unit of Stock Seva and have also started the process of closing bank accounts. It was also informed that they have started the process of registration as “investment adviser” and will ensure all necessary compliance within the timeframe.

39. In view of the above, I find that Mr. Trinath Rana through his proprietorship concerns Market Banao and Stock Seva is providing investment advice in terms of Regulation 2 (1) of the IA Regulations. Therefore, I note that the Noticee no. 1, Mr. Trinath Rana through his proprietorship concerns, Market Banao and Stock Seva was acting as an investment advisor without any registration, in this regard, from SEBI.

H. Mr. Ashwin Bora (Noticee no. 8)

40. I note that the Noticee, Mr. Ashwin Bora was the marketing head of Ads Karo. At para 17 of this order, I have noted that Ads Karo provided intraday tips through SMSs and phone calls by accepting a certain subscription fee and its proprietor was Mr. Murali Lal Agrawal. In para 18 above, it has been found that Mr. Murali Lal Agrawal through his proprietorship concern, Ads Karo was acting as an investment advisor without any registration, in this regard, from SEBI. Therefore, I find that Mr. Ashwin Bora assisted Mr. Murali Lal Agrawal in providing investment advice through his proprietorship firm, Ads Karo by acting as a marketing head of Ads Karo.

I. Mr. Lalit Behera (Noticee no. 9)

41. I note from the KYC documents obtained for account number 50100004142043 which was used to receive amounts in favour of Ads Karo, that the said account is held by Noticee no. 9, Mr. Lalit Behera. I note that Noticee no. 9, Mr. Lalit Behera had allowed Ads Karo to

use his bank account maintained with HDFC Bank for receiving amounts from investors seeking investment advice from Ads Karo. Therefore, I find that Mr. Lalit Behera assisted Mr. Murali Lal Agrawal in providing investment advice through his proprietorship firm, Ads Karo by allowing use of his bank account for receiving the subscription fees from the clients of Ads Karo.

42. From the emails dated November 19, 2014 and November 20, 2014 received from ICICI Bank, I note that SEBI vide letter dated December 09, 2014 informed Mr. Mohan Lal Agrawal that it is in receipt of information that he was offering various services in connection with trading in stock and commodity markets under the names of (a) Stock Fayda, (b) Stock Seva, (c) Bull Gains Financial Services, (d) Stock Taj Services, (e) Market Gyan, (f) Tiger Stocks, (g) Money Banao and (h) Share Raja. In response to the said letter, Noticee no. 1, Mr. Mohan Lal Agrawal vide letter dated January 13, 2015 informed SEBI that they have closed operations of Stock Fayda, Stock Taj and Stock Seva. The Noticee also undertook to close the operations of 'other units' in a small time frame. Further, vide letter dated January 29, 2015 Mr. Mohan Lal Agrawal confirmed that he has closed the bank accounts and websites of Stock Fayda and Stock Taj. The Noticee also stated that they are closing the websites of all associated proprietorships which were functioning in the same premises. Letters dated January 29, 2015 containing similar submissions as that of Mr. Mohan Lal Agrawal were received from Mr. Sanjay Kumar Jena, Mr. Samirkanta Panda, Mr. Balram Pradhan, Mr. Niranjana Rana and Mr. Trinath Rana in connection with their respective proprietorship concerns stating that they do not want to continue providing investment advisory services and that they will not run any such business activity henceforth. I note that despite such written undertaking by the Noticees that they will refrain from undertaking the activity of investment advisor without obtaining certificate of registration from SEBI, I note from the SCN that SEBI received complaints from investors stating that unsolicited SMSs/ phone calls are being received from the proprietorship concerns run by the Noticees providing investment advice/stock tips. I also note that Mr. Ashwin Bora, Noticee no. 8, who is the Sales & Operations Head of Ads Karo vide email dated November 06, 2014 had stated that Ads Karo has closed all its bank account maintained with the State Bank of India, Axis Bank, HDFC Bank Ltd. and ICICI Bank.

However, I note that cash entries in the aforesaid account maintained with ICICI Bank are seen as late as June 2016. Therefore, I note that the Noticee no. 2, Mr. Murali Lal Agrawal continued the operation of Ads Karo despite having confirmed to SEBI that the said account has been closed.

43. As noted in the previous paragraphs, the Noticee nos. 1 to 7 were undertaking the activity of investment advisor. I note that none of these Noticees were having registration from SEBI. I note that as per Section 12(1) of the SEBI Act no investment adviser shall 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, *“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.”* I also note that the proviso to Regulation 3 of the IA Regulations states that *“Provided 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 under sub-regulation (2) 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. I note that the Noticee nos. 1 to 7 through their respective proprietorship were providing investment advisory services until 2015 without obtaining any registration from SEBI and without making application for registration with SEBI. Therefore, admittedly, the Noticee nos. 1 to 7 were providing unregistered investment advisory services which is in violation of Section 12 (1) of the SEBI Act and Regulation 3(1) of the IA Regulations. In view of the above, I find that Noticee nos. 1 to 7 have violated Section 12(1) of the SEBI Act along with Regulation 3 of the IA Regulations.

44. Regarding Noticee no. 8 and 9, as noted above, these Noticees assisted Noticee no. 2, Mr. Murali Lal Agarwal and his sole proprietorship firms in carrying on unregistered investment advisory activities. The material available on record does not indicate that these Noticees were carrying on unregistered investment advisor activities. Thus, the charge of violation of provisions of Section 12 (1) of the SEBI Act and Regulation 3 of the IA Regulations, as mentioned in the SCN is not established against Noticee no. 8 and Noticee no. 9.

ORDER & DIRECTIONS

45. In view of the aforesaid, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B read with Section 19 of the Securities and Exchange Board of India Act, 1992, hereby issue the following directions:

- a. The Noticee nos. 1 to 7 shall forthwith return the money to its clients received from them as fees or in any other form, in respect of its unregistered investment advisory services.
- b. The return of the money to the clients, as directed in para 45(a) above shall be effected only through appropriate banking channels with clearly identified beneficiaries having an audit trail of the money returned.
- c. The Noticee nos. 1 to 7 shall cease and desist from acting as an unregistered investment advisor and also cease and desist from soliciting or undertaking, either themselves or through any firm/company, etc., investment advisory activity, directly or indirectly, in any matter whatsoever.
- d. The Noticee nos. 1 to 7 are restrained from accessing the securities market and further prohibit them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner

whatsoever, including as an intermediary, starting from the date of this order till the expiry of three (3) years from the date of return of money to its clients as directed in para 45(a) above. During the period of restraint, the existing holding including units of mutual funds, of the Noticees shall remain frozen.

- e. The SCN dated November 20, 2018 issued against Noticee no. 8 and 9 is disposed of in view of the findings recorded in para 44 above.

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

47. A copy of this order shall be served on all the Noticees, recognized stock exchanges, depositories and RTAs of mutual funds to ensure compliance with above directions.

Date: August 29, 2019
Place: Mumbai

Sd/
ANANTA BARUA
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA