

The tip was free. The shares were not

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Maxim: *There's no free lunch.* — Sir John Templeton

Free tips, guaranteed returns and zero-interest EMIs all have the same thing in common: somebody else has already worked out who pays.

When an investment idea arrives free, the first question is not whether it will make money. It is who has already been paid.

In 2022, small investors across India began watching YouTube videos about a little-known company called Sadhna Broadcast. The videos, on channels such as “The Advisor” and “Moneywise”, urged viewers to buy the shares for outsized returns and carried claims of a supposed Adani group takeover and a ₹1,100 crore deal with an American corporation. Sebi later said those claims were false. As trading volumes and prices rose, promoters, key managers and other shareholders sold large parts of their holdings at inflated prices. The number of small shareholders jumped from 2,167 to 55,343, many of them buying from the very people selling, [Business Standard reported](#) of Sebi’s interim order in March 2023.

In its final order in May 2025, Sebi called it “a classic pump-and-dump scheme”. It barred 59 entities from the market for one to five years, imposed penalties and ordered the disgorgement of ₹58.01 crore in unlawful gains with interest, [PTI reported](#). The scheme worked in two phases: connected entities first traded among themselves to push the price up, then the promotional videos brought in the public, and the promoters sold.

The tip cost nothing to watch. Many of the 55,000-odd small shareholders paid for it anyway.

What Templeton meant

Sir John Templeton, the founder of the Templeton funds, set out his “16 Rules for Investment Success” in an article first published in 1993. “There’s no free lunch” is one of them, and he said it “covers an endless list of admonitions” ([Franklin Templeton](#)).

He gave three examples. Never invest on sentiment: the company that gave you your first job may be a fine company, but its shares can still be overpriced. Never buy into a new issue just to save the commission, because the cost is built into the offer price, one reason new shares often slip after listing. And never invest solely on a tip. Tips are attractive, he wrote, because they seem to offer inside information and quick profits.

The thread connecting all three is that the free part is an illusion. Sentiment costs you objectivity. A “commission-free” offering hides its cost in the price. A tip saves you research, but someone, somewhere, usually benefits from your acting on it, and that someone rarely bears the risk.

Free lunches everywhere

The same logic runs through everyday money decisions, well away from stock tips.

Take the “no-cost EMI”. As far back as September 2013, the Reserve Bank of India told banks that the very concept of zero per cent interest was non-existent, and that such schemes only served to allure

and exploit vulnerable customers; the interest was often hidden in a processing fee, [Business Standard reported](#). Today's version usually works through a discount equal to the interest: the retailer cuts the price by that amount and passes it to the lender, so the buyer who pays upfront could often have had the discount instead, [Business Today](#) explained in 2025. Some lenders waive interest but charge a hefty processing fee. The lunch is paid for; the bill is just printed in smaller type.

Or take the steady stream of market advice on social media. In October 2024, Sebi directed exchanges, depositories and other regulated entities to end, within three months, any association with people who make claims about returns or performance without Sebi's permission, while exempting genuine investor education, [Outlook Business](#) reported. The rule is a reminder that "free" advice often has a commercial arrangement behind it.

The pattern is always the same. When the price of a product appears to be zero, the cost has moved somewhere you are not looking: into the price of the shares you are being urged to buy, the discount you are giving up, a fee, or a promoter's exit.

Finding the hidden bill

Before acting on any free idea, ask who benefits if you act. A person promoting a stock may own it, be paid to promote it, or simply enjoy the attention. Your purchase helps all three. None of them shares your loss.

Check registration. In India, someone giving you personalised investment advice for a fee should be a Sebi-registered investment adviser, and research recommendations should come from a registered research analyst. Their registration numbers can be verified on Sebi's website.

Be most suspicious of certainty. Claims of guaranteed returns, sure-shot multibaggers, secret takeovers or deals that "nobody knows about yet" are the hallmarks of schemes like Sadhna Broadcast. Real opportunities rarely come with urgency and a countdown.

For anything sold as free, from EMIs to brokerage to advice, compare the total cost with the plain alternative. Ask what the price would be if you paid cash today, what fees apply, and what you are giving up.

If you do one thing: Never buy a share because someone you do not know told you to, however convincing the video; if the idea still interests you after a week of your own research into the company's accounts, decide then.

Paying for lunch on purpose

Templeton's rule is not cynicism. It is accounting. Good investing has real costs: the time spent reading annual reports, the fee for honest advice, the patience to wait for a fair price. Those costs are visible, and they are usually worth paying.

The dangerous costs are the hidden ones, buried in a free tip, a free EMI or a free offer. The investors who bought Sadhna Broadcast on a YouTube recommendation thought they were getting something for nothing. They were, in fact, the lunch.

Sources

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